



# 2021

ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT

City of Tacoma Washington for the fiscal year ended December 31, 2021.



Back of cover

# 2021 Annual Comprehensive Financial Report

of the City of Tacoma, Washington  
for the Year Ended December 31, 2021

Prepared by Department of Finance  
Andrew Cherullo, Finance Director



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# SECTION 1

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## INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS







City of Tacoma  
Finance Department

July 27, 2022

Honorable Mayor, Members of the City Council, City Manager and Citizens of the City of Tacoma:

We are pleased to present the Annual Comprehensive Financial Report of the City of Tacoma, Washington (the City), for the year ended December 31, 2021. The State Auditor has issued an unmodified opinion, or in other words, a “clean opinion” on the City of Tacoma’s 2021 financial statements. The independent auditor’s report can be found immediately after the Management’s Discussion & Analysis section of the Annual Report.

The 2021 Annual Report is submitted in accordance with City Charter and state statutes which require that the City issue an annual report on its financial position and activity. Responsibility for the accuracy of the data, its completeness and its fair presentation of its information, including all disclosures, rests with the City’s management. City management has developed a comprehensive framework of internal controls. The cost of these controls should not exceed the benefits, with the objective being to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City.

Governmental Accounting Standards Board (GASB) requires that the Annual Report include the following:

- **Letter of Transmittal** - this letter is a narrative introduction provided by City management that typically includes a discussion of the legal requirements for submitting the Annual Report, a profile of the City’s government, economic information that is useful in assessing the economic condition of the City, and ends with a section on awards and acknowledgements;
- **Management’s Discussion and Analysis (MD&A)** - this provides a narrative introduction, overview and analysis of the basic financial statements and is meant to be read with and supplement the Letter of Transmittal;
- **Financial Section** – this section provides detail on the City’s financial position and activities including government wide financial statements, individual fund statements and notes that are intended to help explain the financial statements; and
- **Statistical Section** - this section includes some basic statistical information about the City and region.

This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the Independent Auditor’s Report.

In addition to the opinion on the Annual Report, the State Auditor also issues a separate report on internal controls and compliance with laws and regulations that meet the requirements of the Single Audit Act under Title 2 CFR Part 200 Subpart F (OMB Uniform Guidance). These are included in a separately issued report that is typically issued in the fall.

## CITY OF TACOMA PROFILE

The City was incorporated on January 7, 1884. The name Tacoma stems from the Native American name for Mt. Rainier, “Tacobet” or “Tahoma”, which means Mother of the Waters. “City of Destiny” became Tacoma’s moniker when it was designated as the Northern Pacific Railroad’s western terminus for its transcontinental railroad in 1873.

Tacoma is located in Pierce County in Washington State on the Puget Sound, thirty-two miles southwest of Seattle, thirty-one miles northeast of the state capital, Olympia and fifty-eight miles northwest of Mount Rainier National Park. Its boundaries encompass approximately 50 square miles of land and 13 miles of waterfront. Lying between sea

level and 440 feet above sea level, the 2021 population estimate was 218,700 which is decrease of 0.3% from the 2020 census count of 219,346.

The City Charter, under which the City is now governed, was adopted in 1952. The City operates under a council-manager form of government. The City Council is comprised of nine members: a Mayor, five district representatives and three at-large representatives. The City Council appoints a City Manager to carry out Council policies and administer the day-to-day operations of the City. Various departments provide a full range of services to the citizens of Tacoma including police and fire protection, electrical generation and distribution, water distribution, wastewater and surface water services, solid waste services, public works (which includes street operations, engineering, facility management and fleet operations), planning and development services, community and economic development, neighborhood and community services, and many others.

The Tacoma City Council adopts a biennial budget for all fund types. All budgets are controlled at the fund level which is the legal level of budgetary control.

The biennial budget process typically begins in February/March of even numbered years. The Office of Management and Budget begins by using the City Council's long-term strategic plan, goals, and priorities as a starting point. In April, City departments begin budget preparations and the revenue forecasting process begins. Community budget engagement begins in June and occurs regularly for the duration of the budget process. After a period of review and updates, a preliminary budget is presented by the City Manager to the City Council in early fall. By Washington State law, the City Council must receive a balanced preliminary budget by October 1st. Formal public budget hearings are conducted by the City Council in October/November. Any changes the Council decides to make to the preliminary budget are typically made after the public hearings and before the final adoption of the budget ordinance in December.

Washington State law requires the City Council adopt a balanced budget on or before December 31. State law also requires that a mid-biennial review and modification be conducted between September 1 and December 31 of the first year of the biennium.

The Tacoma Community Redevelopment Authority and the Greater Tacoma Regional Convention Center Public Facilities District are included as component units and are discretely presented within the City's annual financial statements.

## **FACTORS AFFECTING THE CITY'S FINANCIAL CONDITION**

### **Economic Overview**

The City's economy benefits from the presence of large, stable employers in health care, education, professional services, and transportation. Tacoma is also a hub of government including major employers in federal, military, state, county and local governments. The City's diverse economy is influenced by its ideal location in the central Puget Sound region.

The Port of Tacoma (Port), created by Pierce County citizens in 1918, has 2,700 acres that are used for shipping terminal activity as well as warehousing, distributing, and manufacturing. Tacoma has one of the few ports on the West Coast with a large inventory of waterfront land available for development. In 2015, the Ports of Seattle and Tacoma formed the Northwest Seaport Alliance to strengthen the Puget Sound gateway - the fourth largest in North America - and create more economic development opportunities.

Government is the one of the largest regional employment sectors. The area's major U.S. Military installation, Joint Base Lewis-McChord heavily contributes to the region's workforce. Other large government employers include local public schools, Washington State and Pierce County, and health care organizations. Tacoma is home to several higher education institutions (University of Washington Tacoma, University of Puget Sound and Pacific Lutheran University) as well as several technical and vocational schools including Tacoma Technical College, Bates Technical College, and Clover Park Technical College. The table below provides the 2020 top ten employers in Pierce County as the 2021 information was not available at the time of printing.



TOP TEN EMPLOYERS FOR 2020 (PIERCE COUNTY)				
		EMPLOYEES	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
Joint Base Lewis McChord		54,000	5.8%	Military
Multicare Health System		8,264	0.9%	Health Care
State of Washington		7,859	0.8%	Government
CHI Franciscan Health		5,682	0.6%	Health Care
Tacoma Public Schools		3,649	0.4%	Education
City of Tacoma		3,623	0.4%	Government
Pierce County Government		3,304	0.4%	Government
Puyallup School District		2,711	0.3%	Education
Bethel School District		2,689	0.3%	Education
Safeway & Albertsons		2,153	0.2%	Retail
Total		93,934	10.1%	
2021 Pierce County Population	927,428			

The average year-to-date unemployment rate for the Tacoma metropolitan area was 6.1% at the end of 2021 compared to 9.6% and 5.4% for years ending 2020 and 2019, respectively. Tacoma's median household income for 2020 was \$ 56,532 compared to \$53,572 for 2019.

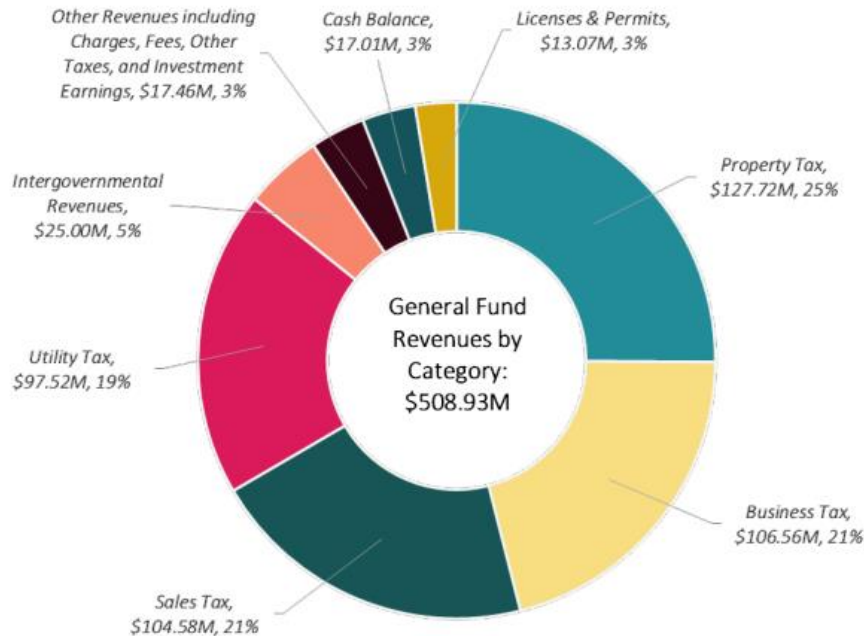
The City's budgeted major revenue sources for the General Fund include property tax, business & occupation (B&O) tax, sales tax and a gross earnings tax (GET) on utilities. Below are each major revenue source and their respective amount and percentage in the 2021-2022 biennial budget,

**Property Tax**—represents \$127.7 million or 25% of General Fund Revenues. Property tax revenues are limited by state law. The City's levy can only increase by 1% from year to year, as well as adding the value of new construction.

**Business Tax** - represents \$106.6 million or 21% of General Fund Revenues. Business taxes are paid based on the total income of a business. The City offers exemptions from business taxes for businesses whose gross receipts are less than \$250,000 annually. These revenues are dependent on economic conditions.

**Sales Tax** – represents \$104.6 million or 21% of General Fund Revenues. Tacoma consumers pay a sales tax rate of 10.3% (as of July 1, 2021) of which 1.0% is the City's General Fund portion and 0.1% each for the Transportation Benefit District, Mental Health & Chemical Dependency Services, Tacoma Creates and support of affordable housing. These revenues are highly variable depending on economic conditions.

**Utility Tax** – represents \$97.5 million or 19% of General Fund Revenues. Utility taxes are paid by both private and public utilities and are calculated based on the total operating revenues earned by the utilities.



### Property Tax Revenue Limitation

State law allows the City to levy a regular property tax rate of up to \$3.60 per \$1,000 of assessed property value annually. No matter what the assessed value is, however, the growth rate of property tax collections is limited to 1% per year, plus revenues based on new construction. In no event may the annual levy exceed the \$3.60 per \$1,000 of assessed value rate limit. During 2021, the City levied at the statutory limitation of \$2.26 per \$1,000 of assessed value (this is the total levy and includes approximately \$0.20 per \$1,000 related to the Streets Initiative).

### Tax Abatements

The City offers five tax abatements in three categories that support affordable housing units, historical property rehabilitation and maintenance, and job creation. The Multi-Family Property Tax Exemption incentivizes development in growth target areas throughout the city, which has led to nearly 2,000 units added in the past five years. The historical property exemption is in place by order Revised Code of Washington (RCW) 84.26 and managed by the City. This exemption is in the public interest of the people to encourage maintenance, improvement and preservation of privately owned historic landmarks. The third and final category of tax exemptions are in place by RCW 82.60 to promote economic stimulation and new employment opportunities in distressed areas, thus reducing poverty in distressed counties of the State.

### Relevant Financial Policies

Financial and Budget Policy Statements are presented on pages 187-192 of the 2021-2022 Biennial Budget and can be found on the City's website at [www.cityoftacoma.org](http://www.cityoftacoma.org) or at the following specific link: <https://cms.cityoftacoma.org/finance/budget/2021-2022/2021-2022AdoptedBudgetBook.pdf>

### Response to COVID-19

The outbreak of the 2019 novel coronavirus ("COVID-19") is a significant event that has had and is expected to have ongoing, effects on the region where the City is located. Certain historical information in this Transmittal Letter about the finances and operations of the City predate the outbreak of COVID-19 and should be considered in light of the possible or probable negative effects the COVID-19 pandemic may have on the current and future finances and operations of the City and economy of the State of Washington.

On March 11, 2021, the American Rescue Plan Act ("ARPA") was signed into law. ARPA provides \$350 billion to help states, counties, cities and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Based on allocation projections, the City expects to receive

approximately \$60.9 million in ARPA assistance. The City received approximately \$30.5 million of the \$60.9 million in May of 2021, the second tranche of funds (\$30.4 million) is expected to be received in Mid-May of 2022. Funds received under the ARPA may be used for authorized purposes relating to mitigating the fiscal effects of the COVID-10 pandemic, including responding to the public health emergency, providing governmental services, and making certain infrastructure investments, among other purposes. The City will monitor and apply for additional Federal and State support for expenses related to responding to the COVID-19 pandemic if and as such relief becomes available.

The City has and will continue to review the range of financial impacts of COVID-19 on the City and its finances. The City's adopted 2021-2022 biennial budget includes reduced projections for sales and use taxes, licenses and permits and various other revenue sources. As part of the 2021-2022 budget process, City departments were asked to submit spending plans based on approximately 15% reductions. The final adopted budget included a variety of reductions across City departments to meet the reduced revenue estimates.

While the full impact of the COVID-19 pandemic on the City and the regional economy is currently uncertain, the City currently believes that the measures it has taken will help mitigate its anticipated revenue shortfall. The City, however, cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the regional and local economy or on the revenues and expenses of the City. The City will continue to monitor the evolving situation and respond as needed.

## **MAJOR INITIATIVES**

During the 2021-2022 biennial budget process, City priorities were identified by the City Council and the community. Some of the major initiatives accomplished during 2021 are:

### **Tacoma Fire Department**

In 2021, Tacoma Fire Department began implementation of Basic Life Support Medical Transportation service to improve the continuity of patient care and shift the provision of basic life support (BLS) medical transportation from private ambulance to Firefighter-EMTs. This implementation put two BLS-level medical transports units into service, with three more planned in 2022. In addition to the five Advanced Life Support transport units already in our deployment, this added resources to our response model while providing a revenue stream to support it through insurance billing.

### **Tacoma Police Transformation**

Continuing to build upon the work accomplished in 2020, the Tacoma Police Department (TPD) has increased the number of body worn cameras (BWC) at the department by 60. These additional cameras will be deployed when officers not generally assigned to patrol duty are out in the community on temporary uniformed assignments. The department has also recently expanded its leadership team, appointing both a new Deputy Chief, and a civilian Chief of Staff. Both positions came recommended by the 21<sup>st</sup> Century Policing Study conducted in 2021.

In addition to the expansion of the BWC program, TPD is committed to procuring dash camera systems for use in patrol vehicles. Initially slated for deployment in early 2022, this system is now anticipated to be rolled out in 2023. This delay is due to global supply chain issues and computer chip shortages as reported by the vendor. TPD has also begun collaboration with the National Network for Safe Communities (NNSC) as it begins the reconciliation process in close coordination with multiple counterparts across the City and from the Community at large.

### **Transformation- Diversity, Inclusion and Equity**

Organizationally, the City Manager's Office and Director of Public Utilities sought deeper understanding of the needs of Black, Indigenous, People of Color (BIPOC) employees by conducting a series of Employee Listening Sessions in the fall. The City also convened several workshops of a group of staff throughout the organization who participated in a 9-month program with the Government Alliance on Race and Equity (GARE) to identify key objectives the City could pursue to become an anti-racist organization. Concurrently, the Office of Equity and



Human Rights (OEHR) led each department through the development of Racial Equity Action Plans (REAP). First drafts of the REAPs were completed in September 2020 and plans continue to evolve as the organization grows in understanding and maturity of the principles of anti-racism. Monthly Council updates from Departments across the City began in February of 2022.

### Affordable Housing Action Strategy

On April 12, 2021, the City notified the Washington State Department of Revenue that it would be seeking the sales and use tax under House Bill (HB) 1590, which allows the City to increase sales tax by 1/10 of 1% to address housing and related services. The City Council's priority for housing is evident in the City's Affordable Housing Action Strategy. This strategy focuses on housing and strategies to reach housing targets in the City using a range of tools including policy, process, and funding. As a pathway toward creating more units of affordable housing and providing additional or expanded support for services in new development the City Council adopted Ordinance 28747 which authorized the collection of sales taxes under HB 1590. Through the passage of Ordinance 28747 to enable the collection of HB 1590 sales tax revenue the City has a designated a permanent resource for creating new units, preserving existing units and providing services for new units generated by the funds. Sales taxes collected are estimated to be over \$6 million each year. These funds will be used for the development of affordable housing and the provision of housing related services. Housing developers and service providers will be selected to carry out specific projects and services which will be determined based on need each year. Projects and services must assist eligible target populations with an income of 60% AMI or less.

### AWARDS AND ACKNOWLEDGEMENTS

#### Awards

We are pleased to announce that for the 36<sup>th</sup> year in a row, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City of Tacoma a Certificate of Achievement for Excellence in Financial Reporting to the City of Tacoma for its 2020 Annual Report. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

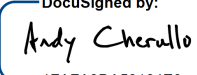
A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the new reporting standards established by GASB and the GFOA's standards of excellence. We will submit the current report to GFOA to determine its eligibility for another Certificate of Achievement for Excellence.

#### Acknowledgements

We would like to thank the Mayor, members of the City Council, and the City Manager for their continuing leadership, interest and support in planning and conducting the financial operations of the City in a responsible manner. We would also like to thank the citizens of the City of Tacoma for their continuing support and advocacy. Finally, we would like to express our appreciation to all City employees for their service and dedication. This report would not be possible without their assistance throughout the year and for providing information for this report.

Special appreciation is extended to the employees of the Finance Department, whose commitment to excellence made this year and this report a success. While a list of the staff who contributed to making this year's Annual Report a success can be found on page 6-35, we would like to specifically thank Kristy Magyar, Su Yi, Min Soo Chun, Diana Kerin-Tate, Ghassan Diab, Van Chung and Polly Wainaina for their work in bringing the final document together.

Respectfully,

DocuSigned by:  
  
 Andy Cherullo  
 Director of Finance

DocuSigned by:  
  
 Susan Calderon  
 Assistant Director of Finance/  
 Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Tacoma  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

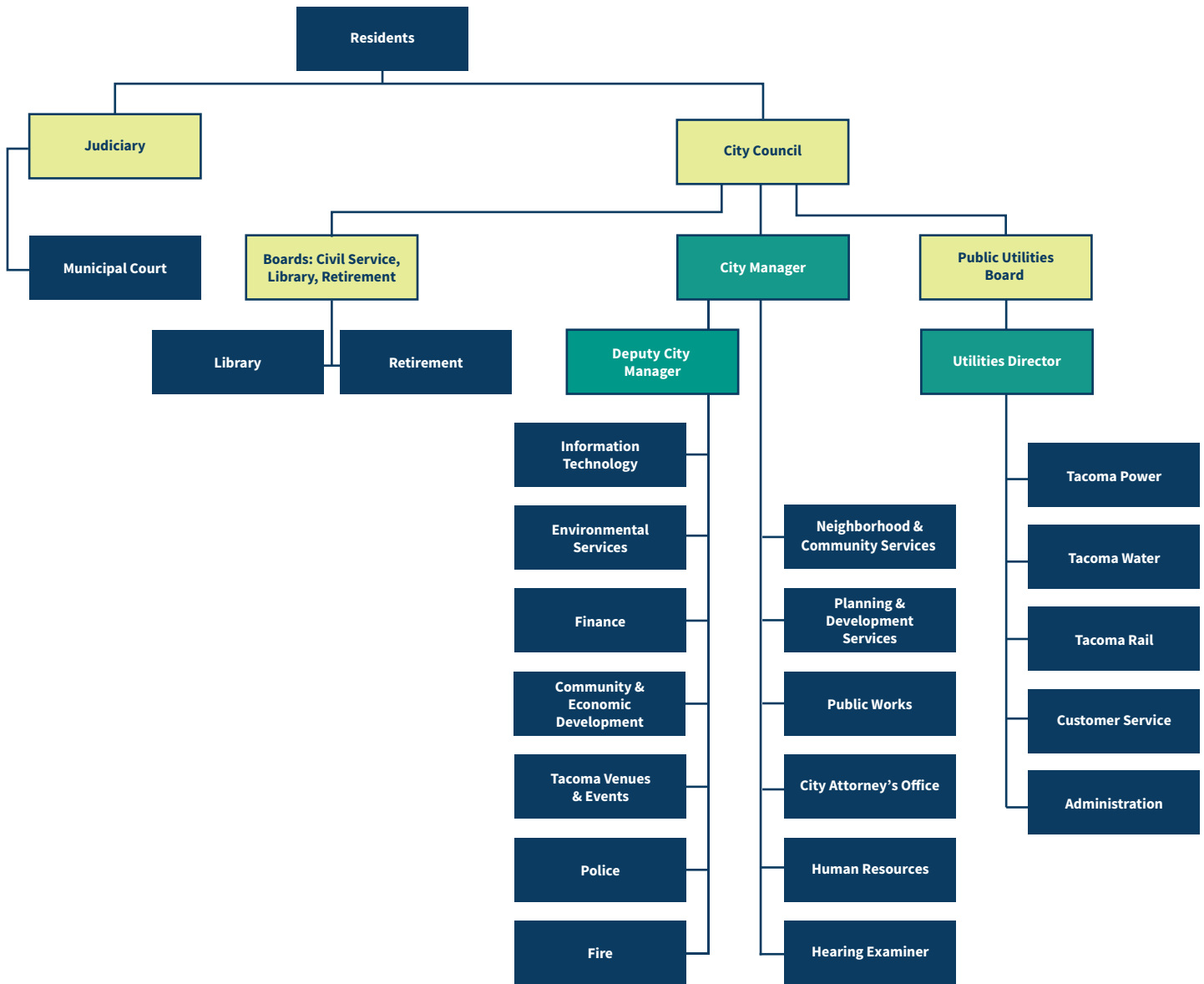
December 31, 2020

*Christopher P. Morill*

Executive Director/CEO



# CITYWIDE ORGANIZATIONAL CHART





# TACOMA

## 2021 CITY COUNCIL



**Victoria Woodards**  
Mayor



**Keith Blocker**  
Deputy Mayor



**John Hines**  
Position 1



**Robert Thoms**  
Position 2



**Catherine Ushka**  
Position 4



**Chris Beale**  
Position 5



**Lillian Hunter**  
Position 6



**Conor McCarthy**  
Position 7



**Kristina Walker**  
Position 8



**Elizabeth Pauli**  
City Manager



**City Officials as of December 31, 2021**

**Council Members**

Victoria Woodards	Mayor
Keith Blocker	Deputy Mayor
Chris Beale	
John Hines	
Lillian Hunter	
Conor McCarthy	
Robert Thoms	
Catherine Ushka	
Kristina Walker	

**Expiration of Term**

December 31, 2025
December 31, 2023
December 31, 2021
December 31, 2023
December 31, 2021
December 31, 2023
December 31, 2021
December 31, 2025
December 31, 2023

City Manager	Elizabeth Pauli
Deputy City Manager	Tadd Wille
City Attorney	Bill Fosbre
Community and Economic Development	Jeff Robinson
Environmental Services	Mike Slevin
Finance	Andrew Cherullo
Fire	Toryono Green
Hearing Examiner	Jeff Capell
Human Resources	Shelby Fritz
Information Technology	Daniel Key
Library	Kate Larsen
Management and Budget	Kathryn Johnston
Media and Communications	Tanisha Jumper
Municipal Court	Michelle Petrich
Neighborhood and Community Services	Linda Stewart
Planning and Development Services	Peter Huffman
Police	Donald Ramsdell/Mike Ake
Public Works	Kurtis Kingsolver
Tacoma Employees' Retirement System	Tim Allen
Tacoma Venues and Events	Kim Bedier
Director of Utilities/CEO	Jackie Flowers
Tacoma Power Superintendent	Chris Robinson
Tacoma Water Superintendent	Scott Dewhirst
Tacoma Rail	Dale King
Customer Service	Steven Hatcher

# SECTION 2

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**FINANCIAL SECTION**  
INDEPENDENT AUDITOR'S REPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
BASIC FINANCIAL STATEMENTS  
REQUIRED SUPPLEMENTARY INFORMATION  
COMBINING STATEMENTS—NON-MAJOR FUNDS







## Office of the Washington State Auditor Pat McCarthy

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

Mayor and City Council  
City of Tacoma  
Tacoma, Washington

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tacoma, as of and for the year then ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tacoma, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Power, Wastewater, Water, or Solid Waste funds, which are presented as major funds and in aggregate represent 91.7 percent, 90.4 percent, and 87.2 percent, respectively, of the assets, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Tacoma Rail fund, which represents 1.4 percent, 1.4 percent and 3.8 percent, respectively, of the assets, net position, and revenues of the business-types activities and 1.8 percent, 1.2 percent, and 4.1 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Power, Wastewater, Water, Solid Waste, and Tacoma Rail funds, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that

we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Matters of Emphasis**

As discussed in Note 11 to the 2021 financial statements, as a result of the COVID-19 pandemic, the full extent of the financial impact on the City is unknown at this time. Management's plans in response to this matter are also described in Note 11. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## Other Information

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

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

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 27, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

July 27, 2022

## **Management's Discussion and Analysis For the Year Ended December 31, 2021**

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As management of the City of Tacoma, we offer readers of the City of Tacoma's financial statements this narrative overview and analysis of the financial activities of the City of Tacoma for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on page 1-1 to 1-6 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **Financial Highlights**

- Total assets and deferred outflows of resources exceeded the City's liabilities and deferred inflows of resources by \$3.2 billion. Of this amount, \$344.5 million is reported as unrestricted net position, representing amounts which are available to meet the City's on-going obligations to citizens and creditors.
- The City's overall net position increased by \$179.5 million in 2021. Governmental activities increased the City's net position by \$116.1 million and business-type activities increased the net position by \$63.4 million.
- Tacoma Power's net Position for 2021 was \$876.0 million which was a decrease of \$1.0 million from 2020.
- Tacoma Water's net position for 2021 was \$652.6 million which was an increase of \$16.5 million from 2020.
- Tacoma Wastewater's net position for 2021 was \$502.8 million which was an increase of \$12.7 million from 2020.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Tacoma's basic financial statements. The City of Tacoma's basic financial statements consist of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements intended to furnish additional detail to support the basic financial statements themselves.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Tacoma's finances, and are similar to private sector financial statements. The statements also include the discretely presented component units: Tacoma Community Redevelopment Authority (TCRA) and the Greater Tacoma Regional Convention Center Public Facilities District (GTRCCPFD). Previous statements presented Foss Waterway Development Authority as a discreet component unit. That arrangement dissolved as of 12/31/2020. For more information regarding the change, please refer to Note 13.

The Statement of Net Position includes information on all assets and deferred outflows of resources and all liabilities and deferred inflows of resources of the City of Tacoma's general government as well as its business-type activities. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. Over time, increases and decreases



## **Management's Discussion and Analysis For the Year Ended December 31, 2021**

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in net position may serve as a useful indicator of whether the financial position of the City of Tacoma is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

Both the Statement of Net Position and the Statement of Activities differentiate the functions of general government from the functions of business-type activities. Governmental activities reflect the City's basic functions such as general government, public safety, transportation, economic environment, social services, and culture and recreation. Governmental activities are primarily supported by taxes and intergovernmental revenues. Business-type activities, primarily utilities, are intended to recover most if not all of their costs through user fees and charges for services. The government-wide financial statements can be found on pages 3-2 to 3-5 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Tacoma, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Tacoma can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for the functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

The focus of the governmental fund statements is on major funds. A fund is considered major if it represents at least 10% of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of its fund category and at least 5% of the corresponding totals for the governmental and business-type activities combined. All other governmental funds are combined and presented as a single column in the respective governmental fund statements. Individual fund data for each of these combined non-major funds is provided in the form of combining statements elsewhere in this report.

## **Management's Discussion and Analysis For the Year Ended December 31, 2021**

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The City of Tacoma adopts a biennial budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 3-6 to 3-9 of this report.

### **Proprietary Funds**

There are two types of proprietary funds, internal service and enterprise, both of which the City of Tacoma uses. Internal service funds are used to accumulate and allocate costs internally among the City of Tacoma's various functions. Because these services primarily benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. There are two exceptions with the Self Insurance and Utility Fleet funds which only services utilities funds and are included within business-type activities. Enterprise funds account for various utilities which provide services such as power, water, wastewater, and solid waste collection. The service area for these utilities is generally broader than the corporate limits of the City. The activities in these funds are primarily supported by user fees and are presented as business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 3-10 to 3-21 of this report.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Tacoma's programs. The accounting used by the fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund statements can be found on pages 3-22 to 3-23 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 3-25 to 3-89 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains certain **Required Supplementary Information** (RSI) concerning the City of Tacoma's budget. Required supplementary information can be found on pages 4-1 to 4-8 of this report. The **Combining Statements** referred to earlier in connection with Non-Major governmental funds, Non-Major enterprise funds, and internal service funds can be found on pages 5-1 to 5-91 of this report. The **Statistical Section** provides financial trends, revenue and debt capacity, and demographic and economic information about the City's operations. The Statistical Section can be found on pages 6-1 to 6-34.

## Management's Discussion and Analysis For the Year Ended December 31, 2021

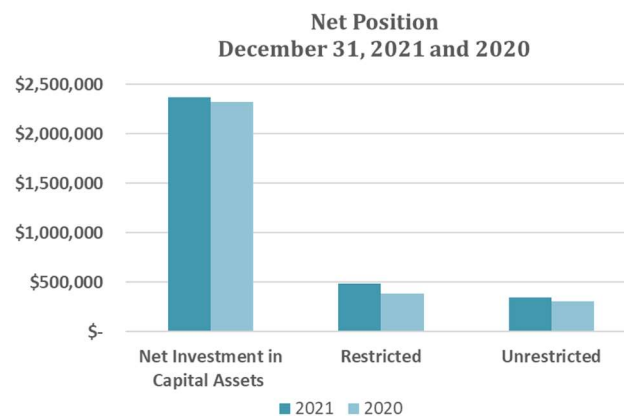
### Government-wide Financial Analysis

#### Statement of Net Position

The following table is a condensed Statement of Net Position for the City of Tacoma for December 31, 2021, which compares the current year to the prior year.

<b>STATEMENT OF NET POSITION</b> (in thousands \$)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 658,702	\$ 498,032	\$ 1,028,890	\$ 1,026,902	\$ 1,687,592	\$ 1,524,934
Capital assets, net of accumulated depreciation	791,611	775,474	3,012,277	2,936,249	3,803,888	3,711,723
<b>Total assets</b>	<b>1,450,313</b>	<b>1,273,506</b>	<b>4,041,167</b>	<b>3,963,151</b>	<b>5,491,480</b>	<b>5,236,657</b>
<b>Deferred Outflows of Resources</b>	<b>83,351</b>	<b>54,794</b>	<b>80,346</b>	<b>49,361</b>	<b>163,697</b>	<b>104,155</b>
Long-term liabilities	465,379	433,711	1,497,199	1,450,943	1,962,578	1,884,654
Other liabilities	62,375	69,602	147,361	134,084	209,736	203,686
<b>Total liabilities</b>	<b>527,754</b>	<b>503,313</b>	<b>1,644,560</b>	<b>1,585,027</b>	<b>2,172,314</b>	<b>2,088,340</b>
<b>Deferred Inflows of Resources</b>	<b>139,073</b>	<b>74,305</b>	<b>146,980</b>	<b>160,901</b>	<b>286,053</b>	<b>235,206</b>
<b>Net position</b>						
Net investment in capital assets	646,034	620,972	1,722,339	1,700,269	2,368,373	2,321,241
Restricted	325,466	213,926	156,412	171,938	481,878	385,864
Unrestricted	(104,663)	(84,216)	451,222	394,377	346,559	310,161
<b>Total net position</b>	<b>\$ 866,837</b>	<b>\$ 750,682</b>	<b>\$ 2,329,973</b>	<b>\$ 2,266,584</b>	<b>\$ 3,196,810</b>	<b>\$ 3,017,266</b>

As noted earlier, net position may serve as a useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$3.2 billion on December 31, 2021. The City's investment in capital assets less any outstanding debt used to acquire those assets, known as the Net Investment in Capital Assets is 74.1% of the total net position. The City uses these capital assets to provide services to its citizens; thus, they do not represent resources available for future spending. Unrestricted net position is 10.8% of the total net position, these are funds readily available for meeting the City's ongoing obligations such as road maintenance, employee salaries and other general government services. The remaining 15.1% of net position is restricted for other



## Management's Discussion and Analysis For the Year Ended December 31, 2021

purposes such as debt redemption and new capital construction. Governmental activities represent 27.1% of total net position and business-type activities represent 72.9% of total net position.

### Changes in Net Position

The following table is a condensed version of the City's changes in net position. This table will show the revenue, expenses, and related changes in net position for the governmental activity as well as business-type activities.

<b>CHANGES IN NET POSITION</b> (in thousands \$)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 30,532	\$ 47,245	\$ 869,904	\$ 830,832	\$ 900,436	\$ 878,077
Operating grants and contributions	72,676	47,185	-	-	72,676	47,185
Capital grants and contributions	24,603	10,775	35,331	38,277	59,934	49,052
General revenues						
Property taxes	81,783	81,388	-	-	81,783	81,388
Retail Sales & Use Tax	106,635	77,718	-	-	106,635	77,718
Business	46,381	52,042	-	-	46,381	52,042
Excise taxes	23,340	14,747	-	-	23,340	14,747
Investment earnings	(988)	4,992	(3,885)	18,509	(4,873)	23,501
Miscellaneous revenue	2,353	498	3,101	4,836	5,454	5,334
<b>Total revenues</b>	<b>387,315</b>	<b>336,590</b>	<b>904,451</b>	<b>892,454</b>	<b>1,291,766</b>	<b>1,229,044</b>
<b>Expenses:</b>						
General government	44,056	28,171	-	-	44,056	28,171
Public safety	160,016	188,563	-	-	160,016	188,563
Transportation	47,414	75,468	-	-	47,414	75,468
Nature and Economic Environment	29,618	28,745	-	-	29,618	28,745
Social Service	14,368	6,818	-	-	14,368	6,818
Culture and recreation	20,417	19,276	-	-	20,417	19,276
Debt Service	-	-	-	-	-	-
Interest on long-term debt	9,531	7,719	-	-	9,531	7,719
Solid Waste	-	-	64,787	63,262	64,787	63,262
Waste Water	-	-	102,481	108,263	102,481	108,263
Water	-	-	103,268	107,093	103,268	107,093
Power	-	-	441,413	435,080	441,413	435,080
Nonmajor Business-Type Activities	-	-	75,496	76,545	75,496	76,545
<b>Total expenses</b>	<b>325,419</b>	<b>354,760</b>	<b>787,445</b>	<b>790,243</b>	<b>1,112,864</b>	<b>1,145,003</b>
Change in net position before transfers	61,896	(18,170)	117,006	102,211	178,902	84,041
Transfers	53,569	46,703	(53,569)	(46,703)	-	-
<b>Change in net position</b>	<b>115,465</b>	<b>28,533</b>	<b>63,437</b>	<b>55,508</b>	<b>178,902</b>	<b>84,041</b>
Net Position, January 1, as Previously Reported	750,682	723,316	2,266,584	2,211,246	3,017,266	2,934,562
Prior Period Adjustment	690	(1,167)	(48)	(170)	642	(1,337)
Net Position, January 1, as Restated	751,372	722,149	2,266,536	2,211,076	3,017,908	2,933,225
<b>Net position, December 31</b>	<b>\$ 866,837</b>	<b>\$ 750,682</b>	<b>\$ 2,329,973</b>	<b>\$ 2,266,584</b>	<b>\$ 3,196,810</b>	<b>\$ 3,017,266</b>

**Governmental Activities** net position increased by \$116.2 million which was a 15.5% increase from 2020. In 2021, revenues increased approximately \$50.7 million from 2020, and expenditures also decreased by

## Management's Discussion and Analysis For the Year Ended December 31, 2021

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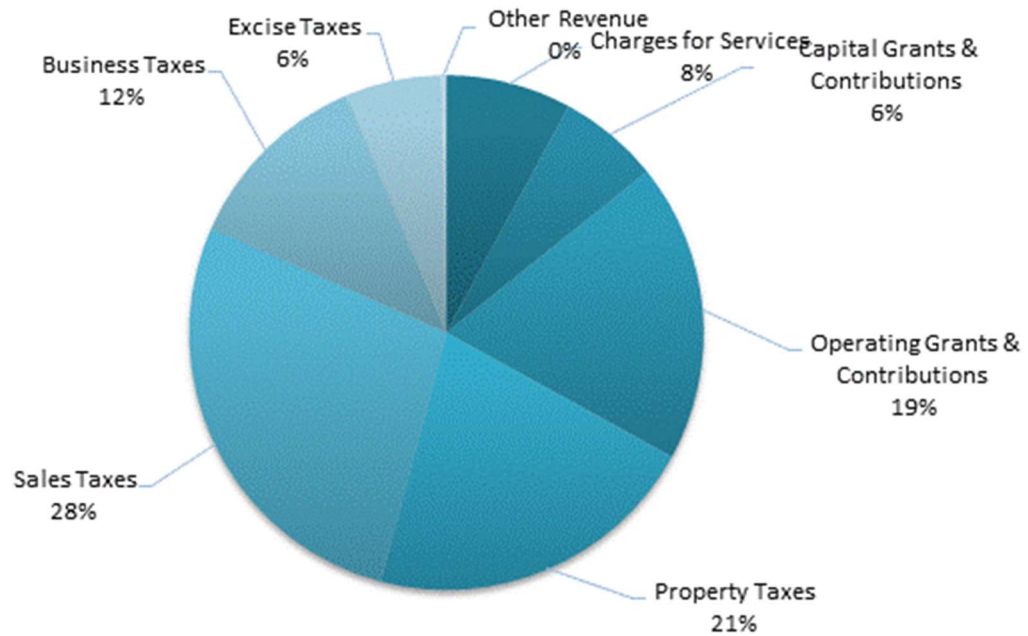
\$29.3 million from 2020. Some key revenue and expenditure highlights of governmental activities for 2021 are as follows:

- Operating grants and contributions increased by \$25.5 million, which was 54.0% increase from 2020. The majority of this increase was due to \$30.5 million in America Rescue Plan Act Funding that the City received. The City Council used these dollars to address emergency issues and restore services lost during the pandemic.
- Capital grants and contributions increased \$13.8 million a 128.3% increase from 2020. This increase is attributable to more transportation work performed in 2021 compared to 2020 and increase in social services allocated to emergency shelter funds from the American Rescue Plan grant
- Charges for services decreased by \$16.7 million, which was 35.4% decrease from 2020.
  - General government decreased \$5.9 million primarily due to a decrease in business licenses, non-business licenses, and cable TV Franchise Fees.
  - Public Safety decreased \$6.0 million, and Culture and Recreation decreased \$2.8 million.
  - Natural and Economic Environment decreased by \$0.5 million, Social Services decreased \$0.3 million, and Transportation decreased \$1.3 million.
- Overall general tax revenues increased by \$32.4 million which is a 14.3% increase from 2020.
  - Retail & use tax revenue increased by \$28.9 million or 37.2%
  - Excise taxes revenues increased by \$8.6 million which or 58.3%.
  - Business tax revenues decreased by \$5.7 million or 10.9%
- Governmental activities expenditures decreased by \$29.3 million which was a 8.3% decrease. The most significant portion of the decrease in expenditures can be attributed to transportation activities decrease of \$28.1 million (37.2 %) and public safety decrease of \$28.5 million (15.1%). These decreases are offset by general government activities increase of \$15.9 million (56.4%), social service increase of \$7.6 million (110.7%), culture and creation increase of \$1.1 million (5.9%), and nature and economic environment increase of \$0.8 million (3.0%). Interest expense on long term debt decreased by \$1.8 million (23.5%).

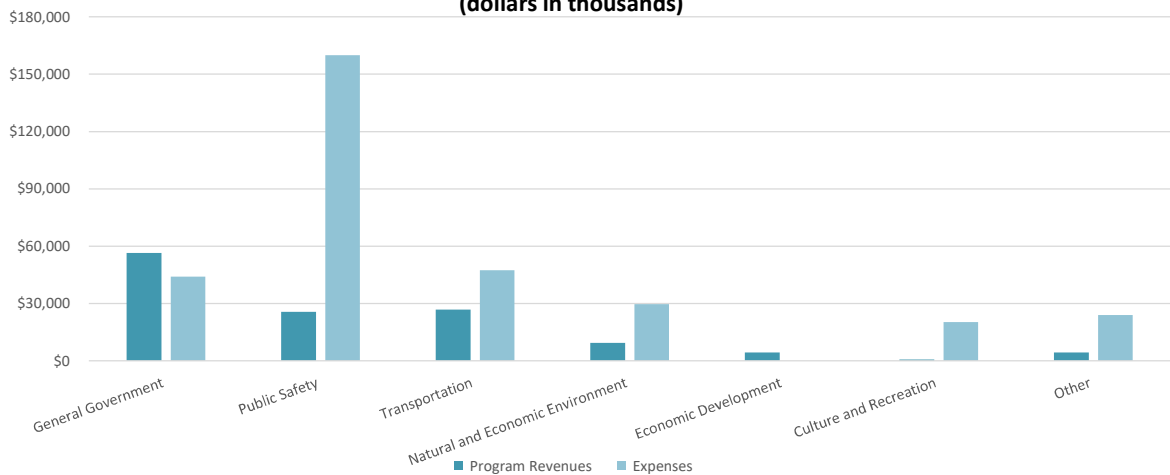
There are two charts depicted below for governmental activities. The first chart provides a summary of the governmental revenue sources by activity while the second shows the relationship of the revenues to expenses for the varying activities of the City.

**Management’s Discussion and Analysis  
For the Year Ended December 31, 2021**

**Revenue by Source - Governmental Activities**



**Expenses and Program Revenues- Governmental Activities  
(dollars in thousands)**



**Business-Type Activities** net position increased by \$63.4 million which was a 2.8% increase with an ending net position of \$2.3 billion. The major enterprise funds are the Solid Waste, Wastewater, Water and Power funds.

- Charges for Services increased by \$39.1 million or a 4.7% in 2021. The largest portion of this increase is from non-major business-type activities accounting for \$14.2 million due to an increase of live events at Tacoma Venues and Events compared to 2020. Tacoma Dome also received \$10.0



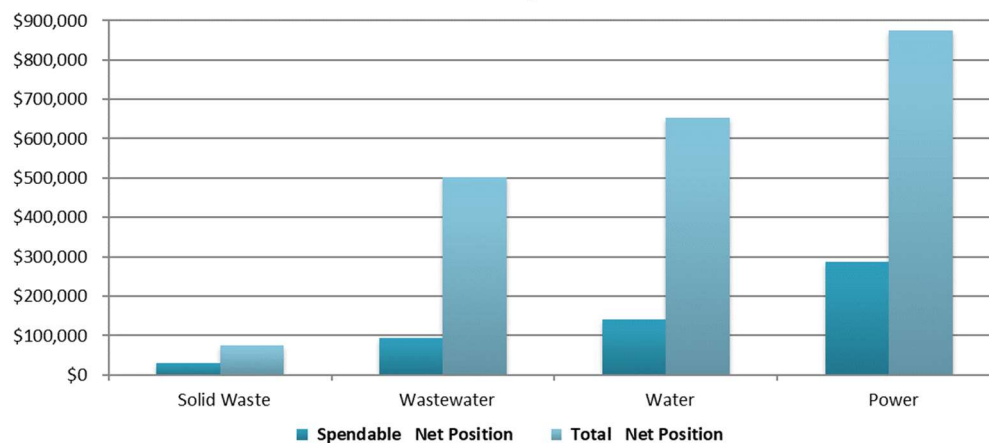
## Management’s Discussion and Analysis For the Year Ended December 31, 2021

million Shuttered Venue Operators Grant program which is designed to provide emergency assistance for eligible venues affected by the pandemic. Power increased \$8.3 million, solid waste revenues increased \$7.9 million, water increased \$6.8 million, and wastewater increased \$1.9 million.

- Capital grants and contributions decreased \$2.9 million. The largest portion of this decrease was due to \$15.2 million decreased in Power. Water decreased \$7.8 million. Wastewater increased \$1.6 million, and Nonmajor Business-Type Activities increased \$18.5 millions
- Investment Earnings decreased a \$22.4 million to \$(3.9) million in 2021. The Annual GASB 31 mark to market value adjustment accounted for \$10.7 million of the decrease. Interest earnings were \$11.7 million lower due to lower interest rates than 2020.
- The business-type activities expenses overall decreased by 0.4% in 2021 to \$787.3 million. Power expenses increased by \$6.3 million (1.4 %), wastewater expenses decreased by \$5.8 million (5.4 %), and water expenses decreased by \$3.9 million (3.6 %). Solid waste expenses increased in 2021 by \$1.5 million (2.4 %). Non major business-types activities expenses decreased \$1.1 million (1.4%).

The following charts present the business-type activities. The first chart provides a summary of the business-type activities while the second chart shows the relationship of spendable net position to the total net position of the utility funds. A majority of the net position in each of these funds is related to capital infrastructure such as hydroelectric dams, water mains, Wastewater mains. Therefore, these funds are not readily available for spending in support of ongoing expenses.

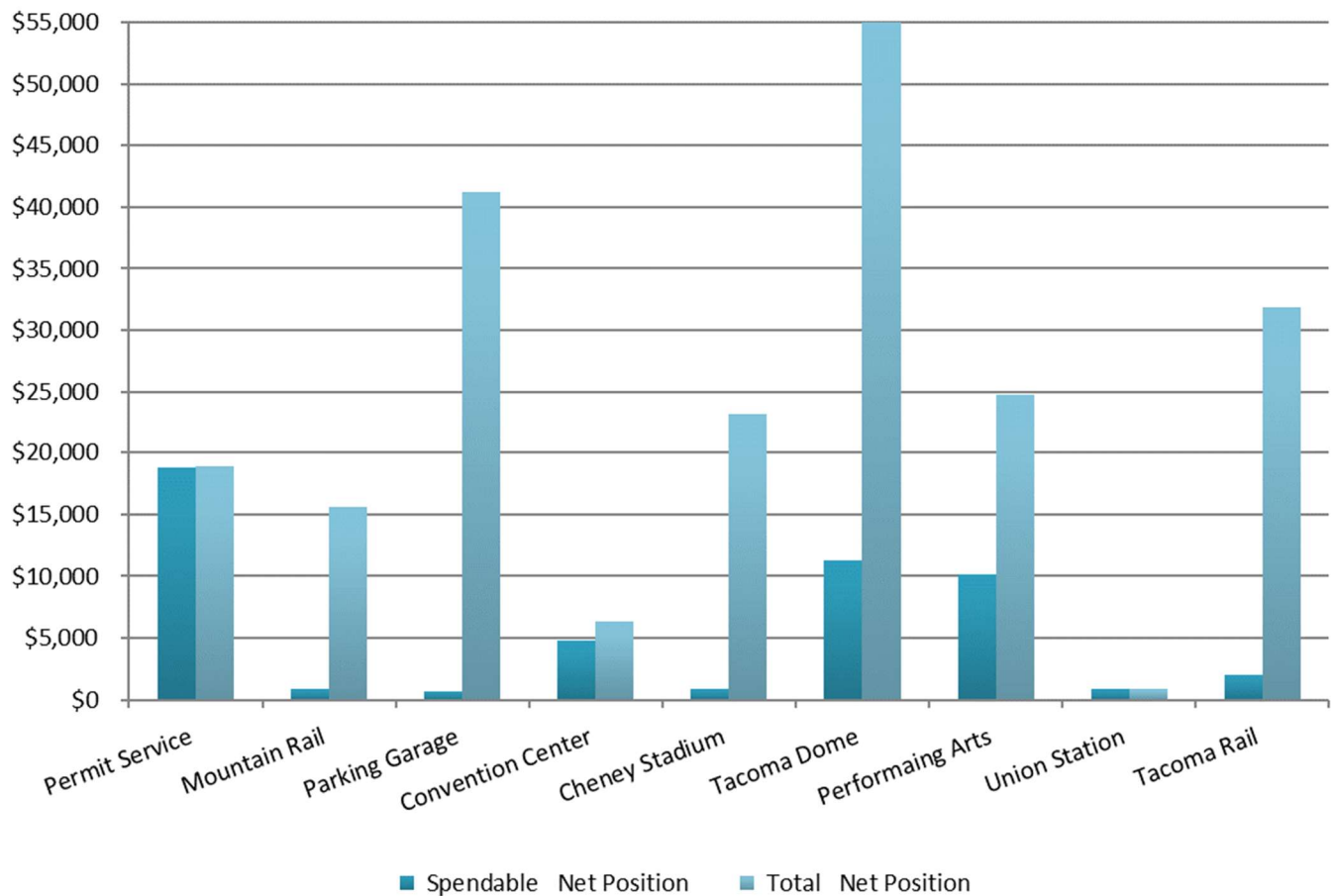
**Comparison of Spendable Net Position to Total Net Position -  
Utility Funds**



The following table shows the remaining enterprise funds and their relationship between net positions that is spendable to the total net position. Like the major enterprise funds, a majority of the net position in each of these funds is related to capital infrastructure such as parking garages, buildings. Therefore, these funds are not readily available for ending in support of ongoing expenses.

**Management’s Discussion and Analysis  
For the Year Ended December 31, 2021**

**Comparison of Spendable Net Position to Total Net Position - Other Enterprise Funds**



**Financial Analysis of the City’s Fund Statements**

The City prepares fund statements for both governmental funds and proprietary funds.

**Governmental Fund Statements**

Fund balance for the City’s General Fund was \$105.3 million, an increase of \$12.5 million or 13.4% higher than 2020. Overall general fund revenues increased \$7.2 million or a 3.4% increase in 2021. Retail Sales & Use tax increased \$20.8 million with the City council’s passage of Substitute Ordinance No. 28747 on March 30, 2021, a sales tax increase of 1/10<sup>th</sup> of 1 percent in support of affordable housing went into effect July 1<sup>st</sup>, 2021. In addition, with higher inflation and higher cost of products subject to retail sales tax increase. Property tax increased \$2.0 million due to the increase in the assessed value of property. Charges for Service increased \$6.8 million. Business tax decreased \$5.5 million. Licenses and permit decreased \$4.9 million. Intergovernmental revenue decreased \$8.9 million. Investment earnings decreased \$1.5 million. And other categories contributed a decreased of 1.6 million.

## **Management's Discussion and Analysis For the Year Ended December 31, 2021**

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Fund balance for the Transportation Capital and Engineering fund is \$6.9 million, a decrease of \$1.0 million from 2020. This decrease is due to an overall \$7.3 million increase in expenditures, offset by an increase in transportation revenues of \$6.4 million which was driven by increased intergovernmental revenues.

Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, was \$220.7 million, an increase of \$58.0 million. Overall other governmental funds revenue increased by \$45.4 million, with intergovernmental revenues being the largest contributors due to \$30.5 million received from American Rescue Plan Act. An expenditure increase of \$20.5 million from 2020 was primarily due to an increase in principal payments of \$16.6 million in debt service attributable to city refunding of 2009B Bonds, 2009C Bonds, 2010A Bonds, 2010B Bonds, and 2010E Bonds.

### **Fund Balances**

On December 31, 2021, the City's governmental funds reported combined ending fund balances of \$332.9 million. Of this amount, \$8.1 million is nonspendable, either due to its form or legal constraints. \$148.4 million is restricted for specific programs by external constraints. \$41.3 million is committed for specific purposes as approved by City Council. \$33.8 million is assigned to specific purposes by management and the remaining \$101.2 million is unassigned.

### **Proprietary Fund Statements**

Total net position for enterprise funds for 2021 was \$2.3 billion an increase of \$49.8 million from 2020. Power, Water, Solid Waste and Wastewater utilities make up the majority of the proprietary funds and activity in these utilities contributed \$40.5 million for the change in the net position, and non-major enterprise funds contributed \$9.3 million.

The Power fund net position for 2021 was \$876 million this is a \$1.0 million decrease in net position or 0.1% from 2020. Operating Revenues totaled \$470.3 million in 2021, an increase of \$9.3 million or 2.0%. Sales of Electric energy increased by \$17.7 million primarily due to an increase in revenues from residential, commercial, general, and industrial customers of \$11.4 million. A 1.5% rate increase effective April 1, 2021 attributed to \$8.0 million of the increase. Click! Network Operating Revenue decreased \$6.2 million since Rainier Connect entered into an indefeasible right of use agreement and took operational control of the Click! Commercial Network on April 1, 2020. Other operating Revenues decreased \$2.2 million. Total operating expenses increased \$19.3 million or 4.7% compared to 2020. Salaries, Wages, and Pension expense attributed to \$4.9 million of the increase. Administrative and general expense increased \$8.6 million or 14.4%. Bad debt expense increased \$5.0 million in relation to aging account receivable. Assessments and internal allocations increased \$3.4 million primarily due to an increase in Technology projects. Self-insurance expense increased \$1.2 million. Telecommunications expense decreased \$4.2 million or 81.7% for the same reason as stated in the decrease of Click! Network Operating revenue. The remaining variance was spread across multiple functional accounts and not attributed to a specific event.

The Water fund had a net position of \$652.6 million in 2021, increased \$16.5 million or 2.6% from 2020. Tacoma Water's operating revenues were \$111.4 million in 2021, an increase of \$6.9 million or 6.6% compared to 2020. Sale of water is increased in 2021 by a net of \$6.3 million of which \$0.8 million is due to an average service rate increase of 1.5% effective January 1, 2021 and \$5.5 million is due to an increase in consumption. In addition, other operating revenues increased by \$0.2 million and an increase in contract resource obligations revenues of \$0.4 million from Regional Water Second Supply (RWSS) Partners to reimburse Tacoma Water for O&M related expenses. Operating expenses increased \$6.7 million or 8.0%.

## Management's Discussion and Analysis For the Year Ended December 31, 2021

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Salaries and Wages increased \$2.3 million. Depreciation increased by \$2.0 million primarily due to the transfer of Fleet division assets to Water in 2020. Assessments from internal service funds increased by \$0.9 million compared to 2020. Bad debt expense increased \$0.8 million due to an increase in aging accounts receivable. An increase of \$0.6 million is attributed to general increased on electricity, insurance, rent, and credit card fees.

The Wastewater fund net position was \$502.8 million in 2021 which increased by \$12.7 million or 2.6% from 2020. Operating revenues were \$123.2 million in 2021 compared to \$119.0 million in 2020. Approved average rate increases for Wastewater were 1.5% for 2021. The average rate increases for Surface Water were 1.5% for 2021 and the rate increases went into effect January 1st of each year. Wastewater residential revenues increased \$2.9 million or 5% in 2021 in 2021. Wastewater commercial and public authority (PA) revenues decreased \$0.5 million or 2% in 2021 compared to 2020. Operating expenses were \$95.9 million in 2021, an increase of \$2.2 million. Labor expense including all payroll associate costs increased \$1.0 million mainly due to the increase in Western Metal Pension withdrawal expenses of \$0.8 million. Bad debts increased \$1.2 million due to an increase in aging account receivable.

The Solid Waste fund net position increased in 2021 by \$12.2 million to \$74.3 million, this was a 19.7% increase over 2020. Operating revenue increased \$7.8 million or 10%. A special recycle surcharge to residential customer increased 1.5% went into effect at the beginning of the year, residential customer revenues increased by \$1.9 million. Revenue from commercial customers increased \$3.1 million due to an economic recovery and commercial recycling rates increased in 2021. Disposal revenues increased \$2.2 million due to increased self-haul disposal fees from \$145 to \$170 per ton and minimum fee from \$20 to \$40 beginning January 2021. Salvage revenues increased \$0.5 million due to the price increased for recycle material sales in 2021. Operating expenses were \$63.3 million in 2021, an increase of \$2.3 million from 2020. There was \$6.6 million that was transferred to the general fund for gross earnings tax. Solid Waste received \$0.3 million federal funds from Neighborhood & Community Services to assist overdue utility accounts receivable.

### General Fund Budgetary Highlights

The City of Tacoma budgets on a biennial basis; that is, the City Council adopts a budget that spans two years. Each budget begins on January 1 of an odd-numbered year and is concluded on December 31 of an even-numbered year. City departments, with the approval of the City Manager and City Council, will adjust their budgets at the conclusion of the odd-numbered year, if necessary, as the needs of the department and city residents shift.

Major General Fund Variances for 2021 include:

- \$8.2 million in revenues above projection. The increase revenues included higher collection than expected sales tax collections (primarily Retail, Wholesaling, Manufacturing, and Service Taxes), utility taxes, and business taxes.
- \$4.6 million in expenditure savings. The primary area of under-spending is personnel costs.

The 2021 Mid-biennial modification focused on enhancements related to Council priorities, restoring services and updating projections of revenues and expenses. Changes were focused on:

- Continued investment in Affordable Housing and homelessness and implementation of the Affordable Housing Action Strategy
- Jump starting implementation of the Climate Action Plan

## Management's Discussion and Analysis For the Year Ended December 31, 2021

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- Following through on our commitments in the Community Safety and Health
- Restoring Investments in Deferred Maintenance
- Updating Projections and supporting Transformational work

### Capital Assets, Infrastructure, Bond Debt Administration

#### Capital Assets

The City of Tacoma's capital assets net of accumulated depreciation for its governmental and business-type activities as of December 31, 2021 is \$3.80 billion. This investment in capital assets includes land, construction in process, property, plant and equipment, and infrastructure. The vast majority of this amount represents assets held by the City's various utilities and infrastructure.

In 2021, The Foss Waterway Development Authority (FWDA) was dissolved, and the City acquired \$25,805,510.00 in net capital assets.

Land for governmental activities increased by a net of \$3.8 million. This increase is as a result of a 7.0 million land transfer from FWDA to the city that was offset by \$2.0 million on the sale of Old City Hall, \$1.1 Million of land donated to Metro Parks, and \$0.1 million of land donated to the Tacoma Community Redevelopment Authority (TCRA). Construction in progress in governmental activities increased by \$18.4 million primarily due to a \$13.2 million increase in street capital projects, \$3.6 million in American Rescue Plan grant funds used to acquire the Comfort Inn, and a \$1.5 million increase in public safety projects.

Construction in Progress in business activities increased by \$8.4 million. Wastewater and Surface Water had an increase of \$31.9 million due to major projects such as Central Treatment Plant (CTP) Electrical Replacement, CTP Energy Management Improvement, and Jefferson and Hood St SW Interceptor. This increase is offset by a decrease in Construction in Progress as projects are put into service and transferred to capital assets. As such, Power, Wastewater, Solid Waste and other funds have caused an overall decrease of 23.5 million.

Property, plant and equipment in governmental activities increased \$31.8 million primarily due to the transfer of \$18.6 million in value of Marinas, \$7.5 million in value of Building, and \$1.9 million in value of Parks from FWDA to the City.

Property, plant and equipment in business activities increased \$157.6 million. The increase is attributable to power fund increase of \$75.1 million, Water Fund increase of \$36.3 million, Wastewater and Surface water increase of \$24.6 million, Solid Waste increase of \$13.3 million, Tacoma Rail increase of \$7.6 million, and other funds increase of \$0.7 million.

## Management's Discussion and Analysis For the Year Ended December 31, 2021

	Schedule of Capital Assets					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 39,628	\$ 35,844	\$ 165,932	\$ 164,157	\$ 205,560	\$ 200,001
Art	3,018	3,004			3,018	3,004
Construction in progress	52,199	33,841	135,213	126,845	187,412	160,686
Property, plant and equipment	322,987	291,174	4,855,858	4,698,301	5,178,845	4,989,475
Infrastructure	1,499,425	1,487,511			1,499,425	1,487,511
Less Accumulated depreciation	(1,125,646)	(1,075,900)	(2,144,726)	(2,053,054)	(3,270,372)	(3,128,954)
	<b>\$ 791,611</b>	<b>\$ 775,474</b>	<b>\$ 3,012,277</b>	<b>\$ 2,936,249</b>	<b>\$ 3,803,888</b>	<b>\$ 3,711,723</b>

Additional information on the City's capital assets can be found in Notes 1-D5 and 3-C of the Notes to the Financial Statements.

### Outstanding Debt

The City's debt on December 31, 2021 was \$2.0 billion, an increase of \$31.7 million from governmental activities and an increase of \$46.3 million from business-type activities caused the \$78.0 million increase total primary government from 2020. Approximately 76.3% of the bonded debt is related to business-type activities with repayment pledged by specific revenue sources generated by the business-type activities. Of the remaining 23.7% bonded debt, debt is either secured by voter approved special levies or general government resources.

In 2021, the City issued \$17.3 million of General Obligation Bonds to refund 2010A, 2009B, 2009C and 2010E. Wastewater fund acquired two new State Revolving loans totaling \$2.6 million and a Water Infrastructure Finance and Innovation Act Loan of \$15.0 million for a treatment plant upgrade. Power fund issued revenue bonds of \$121.9 million for refunding of a Bank Note.

Additional information on the City of Tacoma's long-term debt can be found in Note 3-F and Note 14 of the Notes to the Financial Statements.



## Management's Discussion and Analysis For the Year Ended December 31, 2021

	Schedule of Long Term Liabilities					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Bonded debt and loans	\$ 145,893	\$ 155,604	\$ 1,369,756	\$ 1,379,160	\$ 1,515,649	\$ 1,534,764
Claims and judgments	39,013	37,288	-	-	39,013	37,288
Accrued landfill liability	-	-	16,374	16,127	16,374	16,127
Net OPEB Obligation	-	-	-	-	-	-
Total OPEB Liability	192,965	177,614	36,298	30,808	229,264	208,422
Net Pension Obligation	-	-	-	-	-	-
Total Pension Liability Police and Firefighters	41,519	43,808	-	-	41,519	43,808
Pension Liability	21,490	-	47,870	-	69,360	-
Compensated absences	24,498	19,397	26,900	24,848	51,398	44,245
	<b>\$ 465,379</b>	<b>\$ 433,711</b>	<b>\$ 1,497,199</b>	<b>\$ 1,450,943</b>	<b>\$ 1,962,578</b>	<b>\$ 1,884,654</b>

The City's debt rating for 2021 is as follows:

Bond Ratings			
Bond Ratings	Moody's	S&P	Fitch
GO	Aa2	AA	AA
LTGO	Aa2	AA	AA
Solid Waste	A1	AA	AA-
Sewer	Aa2	AA+	AA+
Water	Aa2	AA+	--
RWSS	Aa2	AA+	--
Power	Aa3	AA	AA-
Convention Center Revenue	A2	A+	A+

### Economic Factors

On January 1, 2022, rate increases for Solid Waste Management of approximately 2% for residential and commercial services went into effect. The rate increases are expected to bring an additional \$1.4 million in operating revenues for 2022. The rate increases remain competitive with surrounding jurisdictions.

On March 23, 2022, Sewer (Surface Water and Wastewater) issued \$89.38 million in Revenue bonds to provide funds necessary to finance and/or reimburse the City for costs associated with the construction, improvement and equipping of the utility. The proceeds are expected to be used to finance the following capital improvements to the stormwater utility: pipe replacement, main extensions, holding facility improvements for the stormwater collection system, pump station upgrades and repairs and additional projects identified through the asset management process. Also, the proceeds are expected to be used to finance the following capital improvements to the wastewater utility: large trunk replacement and improvements, bio-tower replacement and improvements, digester rehabilitation, sediment tank upgrades,

## **Management's Discussion and Analysis For the Year Ended December 31, 2021**

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upgrades to pump station facilities and additional projects identified through the asset management process. The reserve fund requirement for the bonds is zero. The bonds will be redeemed over the next 30 years.

On March 11, 2021, the American Rescue Plan Act (“ARPA”) was signed into law. ARPA provides \$350 billion to help states, counties, cities and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Based on allocation projections, the City expects to receive approximately \$60.9 million in ARPA assistance. The City received approximately \$30.5 million of the \$60.9 million in May of 2021, the second tranche of funds (\$30.4 million) is expected to be received in Mid-May of 2022. Funds received under the ARPA may be used for authorized purposes relating to mitigating the fiscal effects of the COVID-19 pandemic, including responding to the public health emergency, providing governmental services, and making certain infrastructure investments, among other purposes. The City will monitor and apply for additional Federal and State support for expenses related to responding to the COVID-19 pandemic if and as such relief becomes available.

The Tacoma Streets Initiative had completed its sixth year in 2021. The initiative was made up of two voter passed propositions in November of 2015. Proposition A raised sales tax by 1/10 of 1% over ten years, while Proposition 3 authorized an additional 1.5% earning tax to natural gas, electric and phone companies, and increase in the regular property tax levy of \$.20 per \$1,000 of assessed value. Including grant and partnership funding, the program has raised approximately \$154.4 million, of the end goal of \$325 million over 10 years. Maintenance performed from the initiative has improved or maintained 248.5 blocks in 2021 through the use of either overlays, surface treatments, or other preventative maintenance to bring the total up to 2,952 blocks out of the estimated 5,614 blocks.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Tacoma Finance Department, 747 Market Street Room 132, Tacoma, Washington 98402.



**STATEMENT OF NET POSITION**  
December 31, 2021  
(amounts expressed in thousands)  
Page 1 of 2

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 395,399	\$ 550,563	\$ 945,962
Accounts Receivables (Net)	51,428	131,729	183,157
Due From Other Governmental Units	27,350	1,196	28,546
Internal Balances	1,507	(1,507)	-
Inventory	4,215	15,783	19,998
Prepays	1,704	19,764	21,468
Restricted Cash			
Cash and Cash Equivalents	-	232,378	232,378
Notes and Contracts Receivable	-	102	102
Non Current Assets			
Cash and Cash Equivalents	-	28,473	28,473
Long-Term Contracts and Notes	-	10,170	10,170
Net Pension Asset	177,099	-	177,099
Other Non Current Assets	-	40,239	40,239
Capital Assets			
Depreciable Capital Assets (Net of Accumulated Depreciation)	696,834	2,711,131	3,407,965
Non-Depreciable Capital Assets	94,777	301,146	395,923
<b>Total Assets</b>	<b>1,450,313</b>	<b>4,041,167</b>	<b>5,491,480</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows related to Bond Refunding	411	6,090	6,501
Deferred Outflows related to Pensions	40,888	64,736	105,624
Deferred Outflows related to OPEB	42,052	9,520	51,572
<b>Total Deferred Outflows of Resources</b>	<b>83,351</b>	<b>80,346</b>	<b>163,697</b>
<b>LIABILITIES</b>			
Accounts Payable	32,174	46,572	78,746
Deposits Payable	64	24,046	24,110
Due to Other Governmental Units	150	892	1,042
Unearned Revenue	10,308	8,922	19,230
Other Liabilities Payable	19,679	65,912	85,591
Payable From Restricted Assets:			
Other Current Liabilities	-	1,017	1,017
Special Assessment Debt with Government Commitment	19,595	-	19,595
Bonds and Other Debt Payable:			
Due Within One Year	53,812	47,200	101,012
Due in More Than One Year	391,972	1,449,999	1,841,971
<b>Total Liabilities</b>	<b>527,754</b>	<b>1,644,560</b>	<b>2,172,314</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Advanced Payment of Special Assessments	20,305	-	20,305
Deferred Inflows - Property Taxes	1,749	-	1,749
Deferred Inflows - Rate Stabilization	-	130,575	130,575
Deferred Inflows related to Bond Refunding	2,093	165	2,258
Deferred Inflows related to Pensions	92,640	10,244	102,884
Deferred Inflows related to OPEB	22,286	5,996	28,282
<b>Total Deferred Inflows of Resources</b>	<b>139,073</b>	<b>146,980</b>	<b>286,053</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	646,034	1,722,339	2,368,373
Restricted:			
Capital Projects	34,843	2,850	37,693
Debt Service	14,031	13,957	27,988
Utility Donations & System Development	-	73,158	73,158
Culture and recreation	9,782	13,337	23,119
Self Insurance	-	7,894	7,894
Environmental Services and Programs	-	4,095	4,095
Inspection	-	1,057	1,057
Pension	177,099	-	177,099
Reserves	5,913	40,064	45,977
Public Safety	4,411	-	4,411
Transportation	24,756	-	24,756
Grants	23,945	-	23,945
Housing and Economic development	30,686	-	30,686
Unrestricted	(104,663)	451,222	346,559
<b>Total Net Position</b>	<b>\$ 866,837</b>	<b>\$ 2,329,973</b>	<b>\$ 3,196,810</b>

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

Component Units		
TCRA	GTRCC PFD	FWDA
\$ 7,026	\$ 3,080	\$ -
-	939	-
261	-	-
-	-	-
-	-	-
24	-	-
-	-	-
1,590	-	-
-	-	-
40,548	-	-
-	-	-
186	-	-
7,990	-	-
1,585	-	-
<u>59,210</u>	<u>4,019</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
-	-	-
178	-	-
-	-	-
-	4,019	-
-	-	-
746	-	-
-	-	-
-	-	-
-	-	-
5,393	-	-
<u>6,317</u>	<u>4,019</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,682	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
48,212	-	-
-	-	-
<u>\$ 52,894</u>	<u>\$ -</u>	<u>\$ -</u>

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

**STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2021  
 (amounts expressed in thousands)  
 Page 1 of 2

	Program Revenues			
	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS / PROGRAMS:</b>				
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 44,056	\$ 16,967	\$ 39,527	\$ -
Public Safety	160,016	9,545	16,072	64
Transportation	47,414	1,273	5,157	20,393
Natural and Economic Environmen	29,618	1,899	7,516	-
Economic Development	-	-	4,404	-
Social Services	14,368	154	-	4,146
Culture and Recreation	20,417	694	-	-
Interest on Long-Term Debt	9,531	-	-	-
	<u>325,419</u>	<u>30,532</u>	<u>72,676</u>	<u>24,603</u>
Business-Type Activities				
Solid Waste	64,787	83,797	-	-
Waste Water	102,481	124,804	-	5,153
Water	103,268	112,172	-	18,548
Power	441,413	470,952	-	12,329
Nonmajor Business-Type Activities	75,496	78,179	-	(699)
	<u>787,445</u>	<u>869,904</u>	<u>-</u>	<u>35,331</u>
Total Primary Government	<u>\$ 1,112,864</u>	<u>\$ 900,436</u>	<u>\$ 72,676</u>	<u>\$ 59,934</u>
<b>Component Units</b>				
TCRA	3,243	450	3,721	-
GTRCC PFD	5,410	-	-	-
FWDA	25,131	-	2,457	-
Total Component Units	<u>\$ 33,784</u>	<u>\$ 450</u>	<u>\$ 6,178</u>	<u>\$ -</u>

## General Revenues:

## Taxes:

Property Tax  
 Retail Sales & Use Tax  
 Business Tax  
 Excise Tax

## Gain on Sale of Capital Assets

## Total General Revenues

## Investment Earnings

## Transfers

## Change in Net Position

## Net Position, January 1

## Prior Period Adjustment

## Net Position, January 1 restated

## Net Position, December 31

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

Net (Expense) Revenue and Changes in Net Position			Component Units		
Governmental Activities	Business-Type Activities	Total	TCRA	GTRCC PFD	FWDA
\$ 12,438	\$ -	\$ 12,438	\$ -	\$ -	\$ -
(134,335)	-	(134,335)	-	-	-
(20,591)	-	(20,591)	-	-	-
(20,203)	-	(20,203)	-	-	-
4,404	-	4,404	-	-	-
(10,068)	-	(10,068)	-	-	-
(19,723)	-	(19,723)	-	-	-
(9,531)	-	(9,531)	-	-	-
(197,608)	-	(197,608)	-	-	-
-	19,010	19,010	-	-	-
-	27,476	27,476	-	-	-
-	27,452	27,452	-	-	-
-	41,868	41,868	-	-	-
-	1,984	1,984	-	-	-
-	117,790	117,790	-	-	-
\$ (197,608)	\$ 117,790	\$ (79,818)	\$ -	\$ -	\$ -
			928	-	-
			-	(5,410)	-
			-	-	(22,674)
			\$ 928	\$ (5,410)	\$ (22,674)
\$ 81,783	\$ -	\$ 81,783	\$ -	\$ -	\$ -
106,635	-	106,635	-	5,415	-
46,381	-	46,381	-	-	-
23,340	-	23,340	-	-	-
2,353	3,101	5,454	-	-	-
260,492	3,101	263,593	-	5,415	-
(988)	(3,885)	(4,873)	(10)	(5)	-
53,569	(53,569)	-	-	-	-
115,465	63,437	178,902	918	-	(22,674)
750,682	2,266,584	3,017,266	51,834	-	22,674
690	(48)	642	142	-	-
751,372	2,266,536	3,017,908	51,976	-	22,674
\$ 866,837	\$ 2,329,973	\$ 3,196,810	\$ 52,894	\$ -	\$ -

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



**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2021  
(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 92,148	\$ 5,409	\$ 205,159	\$ 302,716
Accounts Receivables (Net)	13,940	29	36,965	50,934
Due From Other Governmental Units	15,444	2,592	9,314	27,350
Inventory	1,463	-	1,671	3,134
Prepays	56	-	-	56
Total Assets	<u>123,051</u>	<u>8,030</u>	<u>253,109</u>	<u>384,190</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total Assets and Deferred Outflows	<u>123,051</u>	<u>8,030</u>	<u>253,109</u>	<u>384,190</u>
<b>LIABILITIES</b>				
Account Payable	8,495	1,123	6,722	16,340
Customer Deposits	39	-	25	64
Other Liabilities Payable	1,604	7	2,067	3,678
Due to Other Governmental Units	150	-	-	150
Unearned Revenue	-	-	3,627	3,627
Total Liabilities	<u>10,288</u>	<u>1,130</u>	<u>12,441</u>	<u>23,859</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	7,484	2	19,948	27,434
Total Deferred Inflow of Resources	<u>7,484</u>	<u>2</u>	<u>19,948</u>	<u>27,434</u>
<b>FUND BALANCE</b>				
Nonspendable	1,519	-	6,599	8,118
Restricted	369	4,801	143,197	148,367
Committed	916	-	40,431	41,347
Assigned	1,247	2,097	30,493	33,837
Unassigned	101,228	-	-	101,228
Total Fund Balance	<u>\$ 105,279</u>	<u>\$ 6,898</u>	<u>\$ 220,720</u>	<u>\$ 332,897</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 123,051</u>	<u>\$ 8,030</u>	<u>\$ 253,109</u>	<u>\$ 384,190</u>

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

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

December 31, 2021

(amounts expressed in thousands)

Total governmental fund balances as reported on this statement	\$	332,897
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds.		751,338
Other non-current assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Net pension asset		177,099
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the governmental funds.		
Unearned revenue beyond the city's measurable and available period	19,004	
Unavailable revenue reported for special assessments	<u>(20,305)</u>	
		(1,301)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet, maintenance and information technology, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.		66,146
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds and loans payable	(145,227)	
Premium on Bonds Payable	(761)	
Deferred amount on bond refunding	(1,587)	
Deferred amounts related to OPEB	19,766	
Deferred amounts related to pensions	(62,814)	
Interest payable	(4,419)	
Net pension liability	(11,106)	
Police and Fire liability	(41,519)	
Total OPEB liability	(192,965)	
Compensated absences payable	<u>(18,710)</u>	
		(459,342)
Net position of government activities as reported on the statement of net position	<u>\$</u>	<u>866,837</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 64,678	\$ -	\$ 18,905	\$ 83,583
Retail Sales & Use	76,621	-	30,014	106,635
Business	43,962	-	2,419	46,381
Excise	2,680	-	20,660	23,340
Licenses and Permits	1,858	-	1,428	3,286
Intergovernmental	9,453	20,761	61,562	91,776
Charges for Services	10,011	61	8,436	18,508
Fines and Forfeitures	797	-	5,658	6,455
Investment Earnings	(102)	(23)	(400)	(525)
Miscellaneous	610	69	1,604	2,283
Total Revenues	<u>210,568</u>	<u>20,868</u>	<u>150,286</u>	<u>381,722</u>
<b>EXPENDITURES</b>				
Current:				
General Government	36,338	-	516	36,854
Public Safety	153,939	-	31,564	185,503
Transportation	-	1,420	34,363	35,783
Natural and Economic Environment	5,306	-	14,398	19,704
Social Services	8,499	-	6,157	14,656
Culture and Recreation	14,014	-	4,184	18,198
Debt Service:				
Principal	-	-	30,214	30,214
Interest and Other Costs	3	9	6,751	6,763
Capital Outlay	1,053	26,391	7,896	35,340
Total Expenditures	<u>219,152</u>	<u>27,820</u>	<u>136,043</u>	<u>383,015</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(8,584)</u>	<u>(6,952)</u>	<u>14,243</u>	<u>(1,293)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	14	-	1,988	2,002
Insurance Recoveries	26	-	135	161
Issuance of Debt	-	-	19,762	19,762
Transfers In	52,147	5,935	78,323	136,405
Transfers Out	(31,695)	-	(55,722)	(87,417)
Total Other Financing Sources and Uses	<u>20,492</u>	<u>5,935</u>	<u>44,486</u>	<u>70,913</u>
Net Change in Fund Balance	<u>11,908</u>	<u>(1,017)</u>	<u>58,729</u>	<u>69,620</u>
Fund Balance - January 1, as Previously Reported	92,811	7,915	162,761	263,487
Prior Period Adjustment	560	-	(770)	(210)
Fund Balance - January 1, restated	93,371	7,915	161,991	263,277
Fund Balance - Ending	<u>\$ 105,279</u>	<u>\$ 6,898</u>	<u>\$ 220,720</u>	<u>\$ 332,897</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	69,620
Amount reported as change in net position in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlays	35,340	
Depreciation Expense	<u>(45,480)</u>	(10,140)
The net effect of various miscellaneous transactions involving capital assets.		27,229
Debt proceeds are reported as financing sources in governmental fund and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
Issuance of new debt		(19,762)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes	(1,800)	
Special assessments	(1,998)	
Amortization of bond premium	<u>(3,867)</u>	(7,665)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on the net position.		30,178
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		(12,300)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest payable	3,133	
Change in net pension obligation or asset	34,919	
Change in net other postemployment benefits	(434)	
Change in compensated absences payable	<u>687</u>	38,305
Change in net position on the Statement of Activities	<u>\$</u>	<u>115,465</u>

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

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2021  
(amounts expressed in thousands)  
Page 1 of 4

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 54,678	\$ 128,553	\$ 63,100	\$ 248,356
Accounts Receivables (Net)	9,417	18,127	14,631	78,498
Due From Other Governmental Units	108	178	482	-
Inventory	-	2,362	3,168	8,423
Prepaid Expenses	-	268	2,868	12,920
Restricted Cash:				
Debt Service	394	1,376	3,970	16,852
Construction	-	29,410	-	1
Other	45	-	118,224	34,026
Note, Contracts, Lease Receivable	-	102	-	-
Total Current Assets	<u>64,642</u>	<u>180,376</u>	<u>206,443</u>	<u>399,076</u>
Noncurrent Assets				
Restricted Cash, Bond Reserves	2,109	4,672	21,692	-
Long-Term Contracts and Notes	-	-	-	1,961
Other non-current assets	-	581	3,452	36,175
Capital Assets:				
Land	3,241	25,301	26,931	74,546
Property, Plant, and Equipment	205,671	896,292	1,195,259	2,210,959
Construction in Progress	189	72,647	20,470	36,898
Less: Accumulated Depreciation	<u>(118,939)</u>	<u>(332,225)</u>	<u>(333,491)</u>	<u>(1,197,844)</u>
Total Capital Assets (Net of A/D)	<u>90,162</u>	<u>662,015</u>	<u>909,169</u>	<u>1,124,559</u>
Total Noncurrent Assets	<u>92,271</u>	<u>667,268</u>	<u>934,313</u>	<u>1,162,695</u>
Total Assets	<u>156,913</u>	<u>847,644</u>	<u>1,140,756</u>	<u>1,561,771</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	3,219	614	-
Deferred Outflow related to Pensions	5,406	9,761	8,571	35,750
Deferred Outflow related to OPEB	855	1,901	1,485	3,225
Total Deferred Outflow of Resources	<u>6,261</u>	<u>14,881</u>	<u>10,670</u>	<u>38,975</u>

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2021  
(amounts expressed in thousands)  
Page 2 of 4

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 41,790	\$ 536,477	\$ 106,769
Accounts Receivables (Net)	11,056	131,729	494
Due From Other Governmental Units	428	1,196	-
Inventory	1,354	15,307	1,557
Prepaid Expenses	3,708	19,764	1,648
Restricted Cash:			
Debt Service	3,111	25,703	-
Construction	-	29,411	-
Other	24,969	177,264	-
Note, Contracts, Lease Receivable	-	102	-
Total Current Assets	86,416	936,953	110,468
Noncurrent Assets			
Restricted Cash, Bond Reserves	-	28,473	-
Long-Term Contracts and Notes	8,209	10,170	-
Other non-current assets	31	40,239	-
Capital Assets:			
Land	35,913	165,932	357
Property, Plant, and Equipment	343,842	4,852,023	134,673
Construction in Progress	4,942	135,146	5,067
Less: Accumulated Depreciation	(159,105)	(2,141,604)	(99,044)
Total Capital Assets (Net of A/D)	225,592	3,011,497	41,053
Total Noncurrent Assets	233,832	3,090,379	41,053
Total Assets	320,248	4,027,332	151,521
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflow from Bond Refunding	2,257	6,090	-
Deferred Outflow related to Pensions	4,346	63,834	14,043
Deferred Outflow related to OPEB	2,054	9,520	-
Total Deferred Outflow of Resources	8,657	79,444	14,043

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

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2021  
(amounts expressed in thousands)  
Page 3 of 4

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	2,401	12,647	3,435	22,951
Due to Other Governmental Units	-	780	-	-
Customer Deposits	43	-	186	9,475
Interest Payable	-	156	1,631	10,907
Environment Liabilities - Current	632	215	-	325
Notes, Contract, Lease Payable - Current	-	4,843	164	-
Compensated Absences - Current	181	368	327	1,502
Bonds Payable - Current	2,209	6,595	14,745	5,945
Payable From Restricted Assets:				
Debt Principal Payable - Current	201	600	-	-
Interest Payable	193	776	-	-
Deposits and Other Payable	48	-	-	-
Unearned Revenue	292	512	-	2,017
Other Liabilities Payable	1,105	1,634	2,985	12,357
Total Current Liabilities	<u>7,305</u>	<u>29,126</u>	<u>23,473</u>	<u>65,479</u>
Noncurrent Liabilities				
Bonds Payable	51,423	228,540	339,676	524,255
Unearned Revenue	-	-	6,049	-
Compensated Absences	1,381	3,316	2,942	13,519
Environmental Liabilities	12,881	2,321	-	-
Other LT Liabilities Payable	421	3,854	13,542	1,931
Notes, Contracts, and Lease Payables	-	53,571	64,793	10,000
Total OPEB Liability	3,201	3,856	4,781	13,296
Net Pension Liability	3,998	7,218	6,338	26,436
Total Noncurrent Liabilities	<u>73,305</u>	<u>302,676</u>	<u>438,121</u>	<u>589,437</u>
Total Liabilities	<u>80,610</u>	<u>331,802</u>	<u>461,594</u>	<u>654,916</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Inflow - Rate Stabilization	7,000	25,000	35,575	63,000
Deferred Inflow Related to Bond Refunding	116	-	-	-
Deferred Inflow related to Pensions	855	1,545	1,357	5,656
Deferred Inflow related to OPEB	295	1,400	305	1,179
Total Deferred Inflow of Resources	<u>8,266</u>	<u>27,945</u>	<u>37,237</u>	<u>69,835</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	43,606	409,094	512,097	589,358
Restricted for:				
Capital Purchase	-	-	-	-
Debt Service	2,109	-	2,339	5,945
Utility Donations & System Development	-	-	73,158	-
Culture and Recreation	-	-	-	-
Self Insurance	-	-	-	-
Environment Service & Program	-	-	-	-
Inspection	-	-	-	-
Pension	-	-	-	-
Reserves	-	4,672	-	29,028
Unrestricted	<u>28,583</u>	<u>89,012</u>	<u>65,001</u>	<u>251,664</u>
Total Net Position	<u>\$ 74,298</u>	<u>\$ 502,778</u>	<u>\$ 652,595</u>	<u>\$ 875,995</u>

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



**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 4 of 4

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	3,020	44,454	14,274
Due to Other Governmental Units	112	892	-
Customer Deposits	14,342	24,046	-
Interest Payable	221	12,915	-
Environment Liabilities - Current	-	1,172	-
Notes, Contract, Lease Payable - Current	844	5,851	-
Compensated Absences - Current	311	2,689	3,119
Bonds Payable - Current	7,167	36,661	-
Payable From Restricted Assets:			
Debt Principal Payable - Current	-	801	-
Interest Payable	-	969	-
Deposits and Other Payable	-	48	-
Unearned Revenue	52	2,873	-
Other Liabilities Payable	1,471	19,552	46,539
Total Current Liabilities	27,540	152,923	63,932
Noncurrent Liabilities			
Bonds Payable	51,699	1,195,593	-
Unearned Revenue	-	6,049	-
Compensated Absences	2,791	23,949	2,931
Environmental Liabilities	-	15,202	-
Other LT Liabilities Payable	7,279	27,027	14,820
Notes, Contracts, and Lease Payables	2,487	130,851	-
Total OPEB Liability	11,164	36,298	-
Net Pension Liability	3,213	47,203	10,384
Total Noncurrent Liabilities	78,633	1,482,172	28,135
Total Liabilities	106,173	1,635,095	92,067
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow - Rate Stabilization	-	130,575	-
Deferred Inflow Related to Bond Refunding	49	165	-
Deferred Inflow related to Pensions	688	10,101	2,222
Deferred Inflow related to OPEB	2,817	5,996	-
Total Deferred Inflow of Resources	3,554	146,837	2,222
<b>NET POSITION</b>			
Net Investment in Capital Assets	167,404	1,721,559	41,053
Restricted for:			
Capital Purchase	2,850	2,850	-
Debt Service	3,564	13,957	-
Utility Donations & System Development	-	73,158	-
Culture and Recreation	13,337	13,337	-
Self Insurance	-	-	7,894
Environment Service & Program	4,095	4,095	-
Inspection	1,057	1,057	-
Pension	-	-	-
Reserves	6,364	40,064	-
Unrestricted	20,507	454,767	22,328
Total Net Position	\$ 219,178	\$ 2,324,844	\$ 71,275

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

**RECONCILIATION OF TOTAL ENTERPRISE NET POSITION  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION**

December 31, 2021  
(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 2,324,844
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Amounts reported for business activities in the statement of net position are different because:

Internal service funds are used by management to charge the cost of support services to individual enterprise funds. In this case the support service is Fleet Management. The assets and liabilities of the Fleet fund are included in the business activities in the government-wide statement of net position.	5,129
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NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 2,329,973
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The notes to the financial statements are an integral part of this statement

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 1 of 2

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 82,922	\$ 119,291	\$ 98,999	\$ 448,242
Interfund Insurance Premiums	-	-	-	-
Other Operating Revenue	446	3,930	12,367	22,054
Total Operating Revenue	<u>83,368</u>	<u>123,221</u>	<u>111,366</u>	<u>470,296</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	23,490	38,121	31,632	129,253
Supplies	1,302	5,282	3,163	148,364
Services	31,027	32,247	21,549	77,424
Taxes	1,420	1,687	5,856	21,396
Depreciation	6,057	18,589	27,728	50,607
Total Operating Expenses	<u>63,296</u>	<u>95,926</u>	<u>89,928</u>	<u>427,044</u>
Operating Income (Loss)	<u>20,072</u>	<u>27,295</u>	<u>21,438</u>	<u>43,252</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	485	1,391	1,882	2,481
Operating Contributions	415	-	482	-
Other Non-Operating Revenues	14	1,583	324	656
Gain (Loss) on Sale of Capital Assets	336	20	2,118	606
Unrealized Net Gain(Loss) on Fair Value Investment	(823)	(2,480)	(3,064)	(3,578)
Interest Expense	(1,665)	(9,448)	(17,095)	(19,410)
Other Non-Operating Expenses	(254)	-	-	-
External Contributions	-	-	-	(2,086)
Total Non-Operating Revenues (Expenses)	<u>(1,492)</u>	<u>(8,934)</u>	<u>(15,353)</u>	<u>(21,331)</u>
Income (Loss) Before Contributions & Transfers	<u>18,580</u>	<u>18,361</u>	<u>6,085</u>	<u>21,921</u>
Capital Contributions	-	5,153	18,548	12,329
Transfers In	286	391	203	1,086
Transfers Out	<u>(6,636)</u>	<u>(11,185)</u>	<u>(8,306)</u>	<u>(36,341)</u>
Change in Net Position	<u>12,230</u>	<u>12,720</u>	<u>16,530</u>	<u>(1,005)</u>
Net Position, January 1	62,068	490,058	636,065	877,000
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	<u>62,068</u>	<u>490,058</u>	<u>636,065</u>	<u>877,000</u>
Net Position, December 31	<u>\$ 74,298</u>	<u>\$ 502,778</u>	<u>\$ 652,595</u>	<u>\$ 875,995</u>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 2 of 2

	Enterprise Funds		Total Internal Service Funds
	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 61,484	\$ 810,938	\$ 88,641
Interfund Insurance Premiums	-	-	102,305
Other Operating Revenue	615	39,412	-
Total Operating Revenue	62,099	850,350	190,946
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	35,772	258,268	59,674
Supplies	1,630	159,741	2,790
Services	25,699	187,946	122,748
Taxes	640	30,999	-
Depreciation	10,397	113,378	6,797
Total Operating Expenses	74,138	750,332	192,009
Operating Income (Loss)	(12,039)	100,018	(1,063)
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest Revenue	600	6,839	850
Operating Contributions	15,253	16,150	-
Other Non-Operating Revenues	827	3,404	27
Gain (Loss) on Sale of Capital Assets	21	3,101	194
Unrealized Net Gain(Loss) on Fair Value Investment	(779)	(10,724)	(1,569)
Interest Expense	(2,448)	(50,066)	-
Other Non-Operating Expenses	(169)	(423)	(10)
External Contributions	(2)	(2,088)	-
Total Non-Operating Revenues (Expenses)	13,303	(33,807)	(508)
Income (Loss) Before Contributions & Transfers	1,264	66,211	(1,571)
Capital Contributions	1,144	37,174	(1,843)
Transfers In	12,651	14,617	4,626
Transfers Out	(5,718)	(68,186)	(45)
Change in Net Position	9,341	49,816	1,167
Net Position, January 1	209,885	2,275,076	69,208
Prior Period Adjustment	(48)	(48)	900
Net Position, January 1 restated	209,837	2,275,028	70,108
Net Position, December 31	\$ 219,178	\$ 2,324,844	\$ 71,275

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION OF ENTERPRISE FUNDS  
TO THE STATEMENT OF ACTIVITIES  
BUSINESS-TYPE ACTIVITIES**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

NET CHANGE IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$	49,816
Amounts reported for business activities in the statement of activities are different because:		
The net revenue of certain activities of internal service funds is reported with business activities.		13,621
 NET POSITION OF BUSINESS ACTIVITIES	 <u>\$</u>	 <u>63,437</u>

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

**STATEMENT OF CASH FLOW**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 1 of 4

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 79,304	\$ 118,991	\$ 108,845	\$ 479,770
Receipts from interfund services provided	-	-	-	-
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	(31,130)	(33,921)	(25,981)	(214,272)
Payments to employees	(23,708)	(38,711)	(31,637)	(133,420)
Payments for taxes	(1,294)	(2,160)	(5,782)	(21,332)
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues	-	-	-	221
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>23,172</u>	<u>44,199</u>	<u>45,445</u>	<u>110,967</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	286	391	203	1,086
Grants and contributions received	307	522	-	-
Payments paid on noncapital debts	(332)	(1,055)	-	-
Transfer to other funds	(6,636)	(11,185)	(8,306)	(37,341)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(6,375)</u>	<u>(11,327)</u>	<u>(8,103)</u>	<u>(36,255)</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Proceeds received from capital debts	-	30,439	-	145,605
Proceeds from sales of capital assets	368	89	2,020	1,127
Contributions and donations	-	1,237	13,076	5,677
Acquisitions and constructions of capital assets	(11,922)	(49,985)	(32,272)	(73,483)
Principals paid on capital debts	(2,315)	(11,275)	(15,461)	(152,470)
Interest and issuance costs paid on capital debts	(2,074)	(10,030)	(18,124)	6,985
Transfers to other funds	-	-	-	-
Other Long-Term Liabilities	-	-	1,816	(104)
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>(15,943)</u>	<u>(39,525)</u>	<u>(48,945)</u>	<u>(66,663)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	(338)	(1,089)	(1,183)	(1,096)
Change in fair value of investment	-	-	-	-
Other Non-Operating Revenues	(272)	1,181	432	(198)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(610)</u>	<u>92</u>	<u>(751)</u>	<u>(1,294)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>244</u>	<u>(6,561)</u>	<u>(12,354)</u>	<u>6,755</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	56,982	170,572	219,340	292,480
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 57,226</u>	<u>\$ 164,011</u>	<u>\$ 206,986</u>	<u>\$ 299,235</u>

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

**STATEMENT OF CASH FLOW**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 65,557	\$ 852,467	\$ 15,708
Receipts from interfund services provided	-	-	74,298
Contribution received - employee/employer	-	-	100,814
Payments to suppliers	(25,269)	(330,573)	(33,242)
Payments to employees	(35,914)	(263,390)	(143,637)
Payments for taxes	(734)	(31,302)	(1,236)
Payments for interfund services used	(2,343)	(2,343)	(2,906)
Other operating or non-operating revenues	1,378	1,599	19
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,675</u>	<u>226,458</u>	<u>9,818</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	7,305	9,271	2,643
Grants and contributions received	11,236	12,065	18
Payments paid on noncapital debts	3,849	2,462	-
Transfer to other funds	(2,911)	(66,379)	(45)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>19,479</u>	<u>(42,581)</u>	<u>2,616</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	540	540	1,983
Proceeds received from capital debts	3,984	180,028	-
Proceeds from sales of capital assets	-	3,604	216
Contributions and donations	6,651	26,641	-
Acquisitions and constructions of capital assets	(6,695)	(174,357)	(2,911)
Principals paid on capital debts	(9,520)	(191,041)	-
Interest and issuance costs paid on capital debts	(2,721)	(25,964)	-
Transfers to other funds	(2,803)	(2,803)	(1,843)
Other Long-Term Liabilities	-	1,712	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(10,564)</u>	<u>(181,640)</u>	<u>(2,555)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	609	(3,097)	850
Change in fair value of investment	(779)	(779)	(1,569)
Other Non-Operating Revenues	-	1,143	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(170)</u>	<u>(2,733)</u>	<u>(719)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>11,420</u>	<u>(496)</u>	<u>9,160</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	58,450	797,824	97,609
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 69,870</u>	<u>\$ 797,328</u>	<u>\$ 106,769</u>

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



**STATEMENT OF CASH FLOW**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 3 of 4

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO  
NET CASH PROVIDED (USED) BY OPERATING  
ACTIVITIES**

	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
Operating income (loss)	\$ 20,072	\$ 27,295	\$ 21,438	\$ 43,252
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation and amortization expenses	6,057	18,589	27,728	50,607
(Increase) decrease in accounts receivable	(1,700)	(1,047)	(2,443)	(15,526)
(Increase) decrease in intergovernmental receivables	-	-	-	221
(Increase) decrease in inventories	-	(216)	(393)	(313)
(Increase) decrease in prepaid items	-	9	(481)	-
(Increase) decrease in other assets	-	103	-	5,845
Increase (decrease) in deposit payable	(17)	(4)	(63)	3,189
Increase (decrease) in accounts payable	(242)	(2,041)	(410)	(1,188)
Increase (decrease) in accrued wages payable	73	80	176	745
Increase (decrease) in compensated absences	(38)	46	27	1,414
Increase (decrease) in intergovernmental payable	-	-	-	-
Increase (decrease) in deferred revenues	-	44	-	25,000
Increase (decrease) in other current liabilities	170	11	74	-
Increase (decrease) long term liabilities	(1,203)	1,268	(208)	(2,279)
Miscellaneous non-operating revenues (expenses)	-	62	-	-
Prior Period Adjustment	-	-	-	-
Total adjustments	<u>3,100</u>	<u>16,904</u>	<u>24,007</u>	<u>67,715</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>\$ 23,172</u></b>	<b><u>\$ 44,199</u></b>	<b><u>\$ 45,445</u></b>	<b><u>\$ 110,967</u></b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	3,852	7,283	1,083

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

**STATEMENT OF CASH FLOW**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 4 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (12,039)	\$ 100,018	\$ (1,063)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation and amortization expenses	10,397	113,378	6,797
(Increase) decrease in accounts receivable	1,873	(18,843)	(74)
(Increase) decrease in intergovernmental receivables	-	221	-
(Increase) decrease in inventories	(96)	(1,018)	(391)
(Increase) decrease in prepaid items	(1,322)	(1,794)	(73)
(Increase) decrease in other assets	51	5,999	(7)
Increase (decrease) in deposit payable	3,573	6,678	-
Increase (decrease) in accounts payable	(1,037)	(4,918)	551
Increase (decrease) in accrued wages payable	63	1,137	1,738
Increase (decrease) in compensated absences	278	1,727	(2,029)
Increase (decrease) in intergovernmental payable	1	1	-
Increase (decrease) in deferred revenues	(657)	24,387	-
Increase (decrease) in other current liabilities	873	1,128	3,345
Increase (decrease) long term liabilities	765	(1,657)	101
Miscellaneous non-operating revenues (expenses)	-	62	23
Prior Period Adjustment	(48)	(48)	900
Total adjustments	14,714	126,440	10,881
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 2,675</b>	<b>\$ 226,458</b>	<b>\$ 9,818</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	12,218	-

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

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2021  
(amounts expressed in thousands)

	Seizure Fund	Pension Trust Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 60	2,939
Investments	-	55,279
Equities	-	969,866
Fixed income	-	783,126
Real estate	-	117,040
Venture capital and partnerships	-	361,673
Securities lending collateral	-	111,556
Due From Other Governments	-	2,136
Interest and Dividends	-	2,844
Investment Sales	-	59,719
Capital Assets, net of accumulated depreciation	-	7
Net pension assets	-	-
Total Assets	60	2,466,185
 DEFERRED OUTFLOW OF RESOURCES	 -	 -
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>
 <b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	-	2,511
Accrued Wages and Benefits Payable	-	111
Investments Purchase Payable	-	237,790
Other Current Liabilities	60	5
Total Current Liabilities	60	240,417
Noncurrent Liabilities		
Accrued Employee Leave Benefits	-	156
Total Noncurrent Liabilities	-	156
Total Liabilities	60	240,573
 DEFERRED INFLOW OF RESOURCES	 -	 -
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>
 <b>NET POSITION</b>		
Net position restricted for pensions and other purposes	\$ -	2,225,612

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Seizure Fund	Pension Trust Fund
<b>ADDITIONS</b>		
Employer Contributions	\$ -	32,335
Member Contributions	-	28,444
Other Contributions	-	-
Total Contributions	<u>-</u>	<u>60,779</u>
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	(2)	324,648
Interest and Dividends	2	34,388
Total Investment Income	<u>-</u>	<u>359,036</u>
Less Investment Expenses:		
Investment Management Fees	-	(8,629)
Securities Lending - Agent Fees	-	(66)
Securities Lending - Broker Rebates	-	16
Total Investment Expense	<u>-</u>	<u>(8,679)</u>
Net Investment Income	-	350,357
 Total Additions	 <u>-</u>	 <u>411,136</u>
<b>DEDUCTIONS</b>		
Wages and Benefit Payments	-	976
Healthcare Benefit Payments	-	96,997
Refunds of Contributions	-	2,236
Administrative Expense	-	1,075
Total Deductions	<u>-</u>	<u>101,284</u>
 Net Increase (Decrease)	 -	 309,852
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>		
Net position - beginning	2	1,915,760
Prior period adjustment	(2)	-
Net position - beginning (restated)	-	1,915,760
Net position - ending	<u>\$ -</u>	<u>2,225,612</u>

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

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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#### Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Tacoma's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Effective for the fiscal year 2021, the City applied the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 98 – The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Division has applied the effective accounting and financial reporting provisions as prescribed by GASB Statement No. 98.

For more information on the accounting changes, please see Note 7A – *Accounting changes*.

#### A. Reporting Entity

The City of Tacoma is a municipal corporation incorporated January 7, 1884. The City operates under a Council-Manager form of government, and under its charter has all powers granted by the constitution and laws of the State of Washington. The City provides the full range of services contemplated by statute or charter. Areas under City Council include:

1. Governmental functions: City Attorney, Community & Economic Development, Environmental Policy & Sustainability, Environmental Services, Finance, Fire, Governmental Relations, Hearing Examiner, Human Resources, Information Technology, Library, Municipal Court, Media & Communications, Neighborhood & Community Services, Office of Management and Budget, Planning & Development Services, Police, Tacoma Venues and Events, and Public Works; and,
2. Utility functions: Power, Water, Wastewater, Surface Water, Solid Waste and Rail.

The accompanying financial statements present the City and its component units.

Component units are required to be blended if the component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit/burden relationship between the primary government and the component unit or (2) management of the primary government has operational responsibility for the component unit. Additionally, per GASB Statement No. 80, a component unit should be included using blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member. A component unit should be presented as blended when the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Discretely presented component units are separate legal entities for which the City is financially accountable and there is a financial benefit/burden relationship with the City. Exclusion of these entities would cause the City's financial statements to be misleading or incomplete. To be presented as a discretely presented component unit all of the following criteria must be met:

1. The economic resources received or held by the organization are almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

## Notes to the Financial Statements For the Year Ended December 31, 2021

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3. The economic resources received or held by an individual organization of the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

For related party transactions refer to Note 3 Section G.

### *Blended Component Units:*

**Tacoma Transportation Benefit District (TBD)** is governed by a Board, comprised of Tacoma City Councilmembers acting ex officio and independently of their elected position, as required by the authorizing state law. Though it is legally separated from the City, the TBD is reported as if it was part of the primary government because its sole purpose is to acquire, construct, improve, and provide funding for transportation improvements for the benefit of the City and City management has operational responsibility and services are provided entirely to the City. The authority to form a TBD was granted under Washington State RCW 35.21.225 and RCW 36.73.020. During 2012 City Council created the TBD, by ordinance No. 28099 and RCW 82.80.140 gives the TBD the authority to impose taxes, fees, charges, and tolls. The TBD approved Resolution No. TBD001 imposing a \$20 vehicle registration fee within the district's boundaries, effective in 2013.

Financial statements for the TBD can be found in the Combining Statements located in the Financial Section of this report.

### *Discretely presented Component Units:*

**Tacoma Community Redevelopment Authority (TCRA)** is a separate public development authority established through City ordinances and the laws of the State of Washington. TCRA was created to administer Housing and Urban Development (HUD) and Economic Development Administration (EDA) funds assisting the City in housing rehabilitation and business economic development projects. The Tacoma Community Redevelopment Authority is governed by a 10-member board appointed by the Tacoma City Council. Although it is legally separated from the City, the TCRA is a component unit of the primary government because its sole purpose is to finance and provide housing rehabilitation and community & economic development loans to residents and businesses in the City of Tacoma. The City has operational responsibility for administration and contract approval.

Separate financial statements for TCRA can be obtained from: TCRA, 747 Market Street, Room 132, Tacoma, Washington 98402.

**The Greater Tacoma Regional Convention Center Public Facilities District (the District)** is a public corporation organized under the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23 and pursuant to an interlocal agreement between the Cities of Tacoma, Fife, University Place, Lakewood and Pierce County. Liability of the District is limited to the District's assets with no recourse to the City of Tacoma assets or property. Although it is legally separated from the City, the District is a component unit of the primary government because its sole purpose is to assist finance, and otherwise facilitate the construction and operation of a Convention Center. The City appoints a voting majority of the board and has responsibility for administration for the debt service on bonds issued by the City for the construction of the Convention Center. The District imposed the 0.033 percent sales and use tax authorized by RCW 82.08 and 82.12. The District pays these revenues to the City of Tacoma primarily for the debt service for bond issued by the City of Tacoma to fund the design, development, construction and operation of Convention Center inclusive of real property, buildings, fixtures, furnishings, appurtenances and improvements.

Separate financial statements for the District can be obtained from: GTRCC PFD, c/o the City of Tacoma Finance Department, 747 Market Street, Room 132; Tacoma, Washington 98402.

### *Joint Ventures:*



## Notes to the Financial Statements For the Year Ended December 31, 2021

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### **Tacoma-Pierce County Health Department**

The Health Department is a joint venture of the City and County providing personal and environmental health services throughout the County. The Department provides community leadership in protecting the public's health, preventing health problems, and promoting healthy and safe living. The Health Department was created pursuant to the provisions of Chapter 70.08 of the Revised Code of Washington (RCW) to serve the needs of the constituents of the City of Tacoma, Pierce County, and other cities and towns within the County. The operations of the Health Department are governed by an agreement, dated May 23, 2006, between the City of Tacoma and Pierce County. The Health Department is managed by the Board of Health, which consists of the Pierce County Executive or a duly designated representative, three members of the County Council, Mayor of the City of Tacoma or a duly designated representative, one member of the City Council, one member representing Pierce County Cities and Towns Association, and one member-at-large appointed by the first six representatives. The City of Tacoma and Pierce County are responsible for its debts and are entitled to the surplus.

Financial information for both entities is included in Note 7 Section F. The City of Tacoma however, does not report an equity interest in the Government-wide financial statements.

### **B. Government-wide and fund financial statements**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes, charges between the City's utilities and various other functions of the government, and some indirect cost allocations between the general fund and other funds of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which the direct expenses of a given governmental function or business segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a given function or segment. Taxes, transfers between funds, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement focus, basis of accounting and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## Notes to the Financial Statements For the Year Ended December 31, 2021

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The City uses encumbrance accounting. Purchase orders, contracts and other commitments are recorded as encumbrances. Encumbrances at year-end are no longer specifically reported as reservations of fund balances for governmental type funds. They are included in the restricted, committed, or assigned fund balance as defined by GASB Statement No. 54.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to generally be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred and when goods and services are received, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Deferred Inflows of Resources includes property taxes that were not available to finance expenditures of the current period and grant revenues received in advance. Detailed information on property taxes is contained in the Statistical Section, Table 8. All other revenue items are considered to be measurable and available only when cash is received by the government.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. In addition, the City has two Internal Service Funds that provides 100% support to business-type activities only. A reconciliation is provided to explain the adjustment needed to transform the fund based financial statements into the business-type column of the government-wide presentation. These reconciliations are included as part of the basic financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's various utilities and internal service funds are charges to customers for sales and services. The City enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Internal service funds account for support services provided to other City departments, such as motor pool, facilities and telecommunication services, and computer and system support.

Fiduciary fund statements for the pension trust are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, and additions to and deductions from (including contributions, benefits, and refunds) plan net position of the retirement funds are recognized when the transactions or events occur. Employee and employer contributions are reported in the period in which the contributions are due. Member benefits, including refunds, are due and payable by the plan in accordance with plan terms.

The City reports the following major governmental funds:

- The General fund (#0010) is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The Transportation Capital and Engineering fund (#3-1060) accounts for maintenance, engineering, and construction of city streets.

## Notes to the Financial Statements For the Year Ended December 31, 2021

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The City reports the following major proprietary funds:

- The Solid Waste fund (#4200) provides solid waste collection and disposal services for residential and commercial customers. Services include recycling, long-haul to an outside landfill, and disposal in the City owned landfill.
- The Wastewater and Surface Water (Sewer) fund (#4300-01) accounts for the planning, design, construction, operation, and maintenance of the wastewater and surface water facilities owned by the City.
- The Tacoma Water fund (#4600) accounts for the activities of the City's water distribution system.
- The Tacoma Power fund (#4700) accounts for the activities of the City's electric production and distribution operations.

### D. Assets, liabilities and net position or fund balances

#### 1. Cash and investments

The City's cash and cash equivalents include cash on hand, cash working fund, restricted cash, short term investments with original or remaining maturities of three months or less when purchased, and cash and investments in the City-wide investment pool. Investments, including equity in pooled cash and investments are stated at fair value, except for the Pension trust fund which is reported on a trade date basis, at fair value. No direct investments restricted or otherwise, are considered to be cash equivalents. The City uses a pooled investment portfolio. Each fund receives interest based on a pro-rata share of its cash balance to the total cash invested. Portfolio earnings are distributed monthly based on average daily cash balances of the participating funds.

#### 2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as either "due to/from other funds," if current, or "advances to/from other funds," if long-term. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the governmental fund financial statements, are included in the non-spendable classification in fund balance unless the proceeds from collection are restricted, committed, or assigned.

Property taxes are levied in November and become a property lien as of January 1. The first half is due April 30 and the second half on October 31. If the first half is not paid by April 30, the total annual tax becomes delinquent. Property taxes are collected by Pierce County and remitted to the City monthly. An allowance for uncollectible accounts is deemed unnecessary as delinquent taxes become an enforceable lien on the property. Property taxes collected within 60 days after year-end are considered measurable and available and are recognized as revenues in the fund statements. The total levy is recognized as revenue in the government-wide financial statements, regardless of when collected.

Utility receivables are shown net of an allowance for uncollectables. The uncollectable amount is established based on an analysis of historical experience. Allowances for other receivables are not utilized because the amounts are not material.

Notes and contracts receivable signed between the City and/or the Tacoma Community Redevelopment Authority (TCRA) and various parties represent economic development efforts of either a business nature or with homeowners. A large majority of the Power utility notes and contracts receivable represent energy conservation efforts between the City and homeowners or businesses.

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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#### 3. *Inventories and prepaid items*

Inventories for proprietary funds are valued at first-in/first out, moving average cost method, or lower of cost or market, depending on the fund. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items accounted for under the consumption method and are expensed over the period the services are provided rather than when purchased.

#### 4. *Restricted assets*

Restricted assets in the enterprise funds are monies which are restricted by legal or contractual requirements. These assets are generally intended for either construction of capital assets or for the repayment of debt. See Note 3 Section H for further information.

#### 5. *Capital assets*

Capital assets; which include land, property, plant, equipment, and work in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of one year except for land, easements, rights-of-way, infrastructure and buildings and improvements. Land, easements, and rights-of-way are capitalized regardless of cost. Infrastructure capitalization threshold is \$5,000 or more. Building and infrastructure improvements are capitalized when the cost is greater than \$5,000 and increases its useful life or service capacity. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or the life of the asset are expensed.

Depreciation on all capital assets is recorded as an allocated expense in the government-wide Statement of Activities and in the proprietary fund statements. Capital assets are reported net of depreciation. The City uses a combination of group depreciation and straight-line depreciation over the life of the assets.

The estimated useful lives for all City assets are:

Property, plant, and equipment	3-100 years
Water Plant	13-60 years
Power Plant	2-62 years
Parks	33 years
Library materials	5 years
Intangibles	3-25 years
Infrastructure	5-60 years

#### 6. *Compensated absences*

The City has two different policies for compensated absences. The City's original policy allows employees to accrue vacation based on the number of years worked with a maximum accrual equal to the amount earned in a two-year period. These employees also accrue one day of sick leave per month without any ceiling on the maximum accrued. An employee is entitled to 100% of the value of the vacation leave; 25% of the value of the sick leave at retirement or death, or 10% of the value of the sick leave upon termination for any other reason. Under a revised City policy, employees earn Personal Time off (PTO) without distinction between vacation and sick leave with a maximum accrual of 960 hours. Employees who worked for the City prior to the change, or are covered by a collective bargaining agreement that provides only for vacation and sick leave could choose to stay with the original policy or may opt to convert to the new policy. The amount of leave

## Notes to the Financial Statements For the Year Ended December 31, 2021

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earned is based on years of service. The Tacoma Public Library has slightly different rules governing sick leave and vacation leave, but these differences are not considered material to the City's financial statements.

### **7. Pensions**

For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and the Tacoma Employees Retirement System (TERS) sponsored pension plan and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the respective sponsors. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Related restricted net position of the net pension asset is calculated using the GASB preferred method which is equal to the net pension asset balance, excluding deferred inflows and deferred outflows.

### **8. Long-term obligations**

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method or weighted average of the bonds outstanding. Bonds payable are reported net of the applicable bond premium or discount.

In proprietary funds, unamortized debt issue costs for insurance are recorded as an asset and bonds are displayed net of premium or discount; annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt issue costs and discount.

### **9. Fund equity**

#### ***Fund balance***

The City of Tacoma implemented Governmental Accounting Standards Board (GASB) Statement No. 54 in 2011. For governmental fund financial statements fund balances are reported in five classifications.

1. **Nonspendable:** Includes amounts that are not in a spendable form, such as inventories, prepaid items, long-term interfund receivables, and amounts that are legally or contractually required to be maintained intact or required to be retained in perpetuity, such as the principal of an endowment fund.
2. **Restricted:** Includes amounts that can be spent only for the specific purposes stipulated by external resource providers. Amounts should be reported as restricted when constraints placed on use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
3. **Committed:** Fund Balance can only be used for specific purposes as determined by formal action by the City Council. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation. The amount committed in the General Fund is accounted for under Fund 1030 Contingency Fund.
4. **Assigned:** Includes amounts that have been allocated by the General Fund through the encumbrance process, previously classified as unassigned. The authority to assign funds is delegated to City Management through the adoption of the biennium budget by the City Council. Fund balances of special revenue funds, debt service funds, capital project funds, that are not classified as nonspendable, restricted, or committed will be classified as assigned for the purpose of the fund. The authority to create

## Notes to the Financial Statements For the Year Ended December 31, 2021

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funds is determined by formal action by the City Council, by adoption of an ordinance, or by state statute.

5. Unassigned: Includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category as a positive fund balance. In other governmental funds, if the expenditures incurred for specific purposes exceeds the amounts, restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

It is the policy of the City of Tacoma to spend funds in the following order:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

Use of resources will be spent in the following hierarchy:

1. Bond Proceeds
2. Federal Funds
3. State Funds
4. Local Non-city Funds
5. City Funds

For detailed information on fund balances of governmental funds, please refer to Note 3 Section J.

### ***Net position***

Proprietary fund financial statements report reservations of net position amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

## **Note 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary information**

The Tacoma City Council adopts a biennial budget using an appropriation ordinance. While not legally required by law, the City also adopts budgets for debt service funds, proprietary funds, and some selected trust funds. Capital project budgets are adopted for fiscal periods that correspond to the lives of the projects.

The description of the budget process and the budget reconciliation schedule are included in the budget notes in the Required Supplementary Information (RSI) and Combining Statements – Non-Major funds sections. Budgetary data for the general fund is included in the RSI and Non-Major governmental funds are included in the Combining Statements – Non-Major funds section. The budgetary statements show the original budget, revised amended budget and actual amounts expended to date for the biennium.

For budgetary tracking purposes, in the General Fund, assessments are budgeted as negative revenues. These negative revenues are considered a budgetary authority increase to both revenues and expenditures for reporting purposes in the original and final adopted budgets. The budgeted amount totaled \$1,228,079 for 2021.

### **B. Deficits in fund balance or net position**

## Notes to the Financial Statements For the Year Ended December 31, 2021

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The following governmental and proprietary funds had deficit net position.

Voted Bonds fund has a net fund balance deficit of \$3 thousand due to General Obligation Bonds refunding in April 2021.

TPU Fleet Service fund has a net position deficit of \$1.3 million due to an increase in capital contribution to the Power fund.

Third Party Liability Claims Fund has a net position deficit of \$29.9 million, creating a deficit \$2.8 million larger than the prior year. This is due to the increases in liability claims.

The City continues studying these programs to ensure that future claims are fully funded.

### Net Deficit (expressed in thousands)

<u>FUND</u>	<u>AMOUNT</u>
Voted Bond (#2010)	\$ (3)
TPU Fleet Service (#5050)	(1,258)
Third Party Liability Claims (#5550)	<u>(29,869)</u>
	<u>\$ (31,130)</u>

### C. Legal and contractual compliance

The City has complied, to the best of its knowledge, with all material finance related legal and contractual provisions.

## Note 3 – DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

#### 1. Legal, Contractual and Administrative Provisions

**Certificates of deposit (CDs) and Demand Deposits:** The City places certificates of deposit and demand deposits only with State of Washington banks and savings and loan institutions approved as qualified public depositories under chapter 39.58 RCW by the Washington State Public Deposit Protection Commission (WSPDPC). Qualified public depositories are limited to banks operating within Washington State, which have executed a Deposit Pledge Agreement with the WSPDPC. Until July 1, 2009, the WSPDPC maintained a multiple financial institution collateral pool wherein the qualified public depositories pledge and transmit to a third party trustee, securities through the execution of the pledge agreement, providing common collateral for their deposits of public funds. The assets of the pool and the power to make additional assessments against the members of the pool insured there would be no loss of public funds because of default of a member. Effective July 1, 2009, the WSPDPC required public depositories to fully collateralize their uninsured public deposits at 100%. The WSPDPC allows for deposits up to the net worth of a qualified institution.

At year-end, the carrying amount of the City's deposits was \$106,394,647.

**Other investments:** State statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, bankers' acceptances, commercial paper, and repurchase agreements. The City is also

## Notes to the Financial Statements For the Year Ended December 31, 2021

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authorized to enter into reverse repurchase agreements.

The City sustained no investment losses during 2021, there was no significant loss potential, and there were no significant or recurring violations of administrative, legal or contractual provisions.

**Investment committee guidelines:** The City's Investment Committee, composed of the Mayor, the Finance Director and the City Treasurer, recommended the following portfolio mix guidelines. These guidelines are intended to limit risk and generate a competitive return on investments. The Committee recognizes that daily transactions may misalign this mix.

1. U.S. Treasury Bills, Certificates, Notes and Bonds: Portfolio mix guidelines allow for a maximum of 100% of the total portfolio to be invested in these securities.
2. U.S. Government Agency Securities: Portfolio mix guidelines suggest a maximum of 90% of the total portfolio with no more than 50% of the total portfolio per agency.
3. Supranational Agency Bonds: U.S. dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment: (1) the Supranational is rated within one of the two highest rating categories of a NRSRO; and the institution has the United States government as its largest shareholder. No more than 10% of the Portfolio may be invested in Supranational Agency obligations with no more than 5% being invested in obligations of a single Supranational Agency.
4. Bankers Acceptances: City investment policy allows for purchases of bankers acceptances from the top 50 world banks as published by American Banker. A maximum of 20% of the total portfolio may be invested in bankers' acceptances with no more than 5% of the total portfolio in any one bank.
5. Commercial Paper: Portfolio mix guidelines require the highest rating by at least two nationally recognized rating agencies for purchase with no more than 10% of the portfolio invested in commercial paper with an additional limit of no more than 5% in any one issuer.
6. Repurchase Agreements: Portfolio mix guidelines suggest repurchase agreements be limited to maximum of 25% of the total portfolio. The market value of collateral must exceed the dollar amount of the repurchase agreement by 2% over the term of the agreement. The collateral must be an investment instrument which the City is authorized to purchase.
7. Reverse Repurchase Agreements: The City did not participate in any reverse repurchase agreements in 2021.
8. Municipal Bonds: A maximum of 30% of the portfolio invested in municipal bonds with no more than 5% of the portfolio being invested in bonds of any one municipal bond issuer. The maximum maturity for investments in municipal bonds shall be limited to five years.
9. Certificates of Deposit (CDs): The percentage of CDs may not exceed 25% of the total assets of the portfolio with the percentage limited to 3% for any single bank or savings and loan association. Maturities shall not exceed one year.
10. Corporate Notes: Unsecured debt obligations purchased on the secondary market, provided that such investments are made in accordance with the investment policies and procedures adopted by the State Investment Board. No more than 10% of the portfolio may be invested in corporate notes and no more than 2% with any one issuer.
11. Money Market Funds: Money Market Funds meeting the requirements outlined in the City's Investment Policy are permissible investments exclusively for bond proceeds invested in accordance



## Notes to the Financial Statements For the Year Ended December 31, 2021

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with Section 1.148 of the U.S. Internal Revenue Code, related to arbitrage rebate. A maximum of 25% of such bond proceeds may be invested in Money Market Funds.

12. Local Government Investment Pools: A maximum of 25% of the portfolio may be invested in local government investment pools.

### 2. Deposits and investments – December 31, 2021

Custodial credit risk – All bank deposits are covered 100% by federal depository insurance and pledged collateral on deposit with WSPDPC.

Foreign currency risk – The City has no deposits subject to foreign currency risk.

All certificates of deposit held by the City are in the City's name and are insured by FDIC up to \$250,000 and by the Washington State Public Deposit Protection Commission (WSPDPC) for amounts over \$250,000. Under Washington State statute, members of the WSPDPC, a multiple financial institution collateral pool, may be assessed on a prorated basis if the pool's collateral is insufficient to cover a loss.

At December 31, 2021, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments  
December 31, 2021  
(amounts expressed in thousands)

Reconciliation of Cash and Investments:	2021
Investments (less Component Units)	\$ 3,501,958
Treasurer's Cash, net	106,120
Petty Cash Funds	274
Sub-total	3,608,352
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	1,674
TCRA - External Cash	5,352
Public Facilities District (PFD)	3,080
Sub-total (Component Units)	10,106
Total	\$ 3,618,458

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

#### Reconciliation of cash, cash equivalents, deposits and investments to Statement of Net Position:

	Amounts expressed in thousands
From Statement of Net Position	
Cash and cash equivalents	\$ 945,962
Restricted cash and cash equivalents	260,851
Total Primary Government	<u>1,206,813</u>
Component Units	
TCRA	7,026
GTRCC PFD	3,080
Total Component Units	<u>10,106</u>
Fiduciary Funds	
Cash and cash equivalents	2,999
Investments at fair value	55,279
Pension Trust	2,343,261
Total Fiduciary Funds	<u>2,401,539</u>
Total cash and investments	<u><u>\$ 3,618,458</u></u>

#### At year-end, the government's investment balances, expressed in thousands, were as follows:

Investments:	Fair Value at 12/31/2021
Financial Institutions	
WA State Local Government Investment Pool	\$ 95,864
Government Agencies (various)	1,012,307
Equity in Pool Transferred to Component Units	<u>(7,752)</u>
Total Investments with Financial Institutions	1,100,419
Pension Trust	
Equities	969,866
Fixed Income	783,127
Real Estate	117,040
Venture Capital & Partnerships	361,673
Short Term Bill & Notes	28,648
Other Assets	16
Cash and Cash Equivalents	29,613
Securities Lending Collateral	111,556
Total Other Investments - Pension Trust	<u>2,401,539</u>
Total	<u><u>\$ 3,501,958</u></u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

#### 3. General Disclosure and Disclosure Relating to Interest Rate Risk/Segmented Time Distribution Method

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. City of Tacoma Investment Policy allows for authorized investments up to 60 months in maturity. One way the City manages its exposure to interest rate risk is by timing cash flows from maturities so that portions of the portfolio are maturing over time to provide cash flow and liquidity needed for operations. The city has deposits of \$95,155,537 with the State Treasurer's Local Government Investment Pool and \$107,333,660 in the city's deposit accounts with commercial banks. The monies from these accounts are available immediately.

Investment Type	Par	Maturing (in months)				
		Less than 12	13-24	25-36	37-48	49-60
Main Bank Demand Deposits	\$ 107,333,660	\$ 107,333,660	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	95,864,422	95,864,422	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	5,094,110	5,094,110	-	-	-	-
Fixed Rate Non-Callable Agency Securities	350,758,768	123,474,498	119,057,979	54,860,415	53,365,876	-
Fixed Rate Callable Agency Securities	24,981,260	-	24,981,260	-	-	-
Totals	\$ 584,032,220	\$ 331,766,690	\$ 144,039,239	\$ 54,860,415	\$ 53,365,876	\$ -
Percent of Total		56.81%	24.66%	9.39%	9.14%	0.00%

#### 4. Disclosure Relating to Credit Risk

**Credit risk** is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by state statute, which is the same in the City Investment policy and the actual rating as of the end of the year 2020 for each type of investment. AAA is the highest rating for bonds. The Bank Certificates of Deposit and Demand Deposit Accounts are protected by the Federal Deposit Insurance Corporation (FDIC) insurance up to \$250,000. All CD and DDA deposits not covered by FDIC are covered by the Washington State Public Deposit Protection Commission (PDPC) of the State of Washington. The PDPC is a statutory authority established under the Revised Code of Washington (RCW) 39.58. It constitutes fully insured or fully collateralized pool. The WA State Treasurers Local Government Investment Pool (LGIP) is authorized by the Revised Code of Washington (RCW) 43.250. The LGIP operates like a 2A7 fund and is collateralized by short term legal investments.

Investment Type	Par	Minimum Legal Requirement	FDIC and PDPC	AAA	AA	A
Bank Demand Deposits & State Pool	\$ 203,198,082	FDIC & PDPC	\$ 203,198,082	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	5,094,110	A	-	994,150	4,099,960	-
Fixed Rate Non-Callable Agency Securities	350,758,768	AAA	-	350,758,768	-	-
Fixed Rate Callable Agency Securities	24,981,260	AAA	-	24,981,260	-	-
Total	\$ 584,032,220		\$ 203,198,082	\$ 376,734,178	\$ 4,099,960	\$ -

#### 5. Concentration of Credit Risk

**Concentration Risk** disclosure is required for all investments in any one issuer that is 5% or more of the total City's investments.

## Notes to the Financial Statements For the Year Ended December 31, 2021

The following, which are more than 5%, are Financial, State Government, or Government Sponsored Agencies.

Issuer	Investment Type	Amount Reported	Percentage
Washington State	Municipal Securities	\$ n/a	n/a
Federal Farm Credit Bank	Agency Securities	98,608,480	9.7%
Federal Home Loan Bank	Agency Securities	119,113,543	11.8%
Federal Home Mortgage Corporation	Agency Securities	82,805,205	8.2%
Federal National Mortgage Association	Agency Securities	75,212,800	7.4%
Total		\$ 375,740,028	

### 6. Disclosure of Custodial Credit Risk

The city policy states that all security transactions will be settled "delivery versus payment" by the City's safekeeping bank.

### 7. Investments Measured at Fair Value

The City measures and records its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, where fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.
- Level 2 – Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are sourced from pricing vendors using models that are market-based and corroborated by observable market data including: quoted prices; nominal yield spreads; benchmark yield curves; and other corroborated inputs.
- Level 3– Level 3 inputs are unobservable inputs for the asset or liability and should only be used when relevant Level 1 or Level 2 inputs are unavailable.

The fair value evaluations are provided by Interactive Data. Interactive Data utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information and for structured securities, cash flow and, when available, loan performance data. Because many fixed income securities do not trade on a daily basis, Interactive Data's evaluated pricing applications apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing, to prepare evaluations. In addition, Interactive Data uses model processes, such as the Option Adjusted Spread model to assess interest rate impact and development payment scenarios. Their models and processes take into account market convention. For each asset class, a team of evaluators gathers information from market sources and integrates relevant credit information, perceived market movements and sector news into the evaluated pricing applications and models.

Cash and cash equivalents include highly liquid investments including short-term investment funds. Cash and cash equivalents are valued at cost and, therefore, excluded from the fair value schedule.

## Notes to the Financial Statements For the Year Ended December 31, 2021

Data regarding the City's investments, valued and categorized according to the above outlined levels is included below:

### Investments Measured at Fair Value

Debt Securities	As of			
	12/31/2021	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 549,528,777	\$ -	\$ 549,528,777	\$ -
Supranational Securities	25,416,670	-	25,416,670	-
Municipal Bonds	5,094,110	-	5,094,110	-
Agency Securities	375,740,028	-	375,740,028	-
Money Market	708,884	708,884	-	-
Corporate Securities	56,527,275	-	56,527,275	-
<b>Total</b>	<b>\$ 1,013,015,744</b>	<b>\$ 708,884</b>	<b>\$ 1,012,306,860</b>	<b>\$ -</b>

### B. Receivables

Receivables as of year-end for the governments and enterprise's individual major and non-major funds, internal service and fiduciary funds, including applicable allowances for uncollectible accounts are as follows:

(amounts expressed in thousands)

Accounts Receivable (amounts expressed in thousands)	Trans Capital		Non-Major	Solid Waste Fund	Waste Water Fund
	General Fund	& Engineering Fund	Governmental Funds		
Accounts Receivable (net short-term)	\$ 13,940	\$ 29	\$ 36,965	\$ 9,417	\$ 18,127
Due from other Funds	-	-	-	-	-
Advances to other Funds	-	-	-	-	-
Due from Other Governments	15,444	2,592	9,314	108	178
Interest Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net short-term)	-	-	-	-	102
Notes and Contracts Receivable (net long-term)	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 29,384</b>	<b>\$ 2,621</b>	<b>\$ 46,279</b>	<b>\$ 9,525</b>	<b>\$ 18,407</b>

Accounts Receivable (amounts expressed in thousands)	Water	Power	Non-Major	Internal	Fiduciary	Total
	Fund	Fund	Enterprise Funds	Service Funds	Funds	
Accounts Receivable (net short-term)	\$ 14,631	\$ 78,498	\$ 11,056	\$ 494	\$ -	\$ 183,157
Due from other Funds	-	-	-	-	-	-
Advances to other Funds	-	-	-	-	-	-
Due from Other Governments	482	-	428	-	2,136	30,682
Interest Receivable (net short-term)	-	-	-	-	2,844	2,844
Notes and Contracts Receivable (net short-term)	-	-	-	-	-	102
Notes and Contracts Receivable (net long-term)	-	1,961	8,209	-	-	10,170
<b>TOTAL</b>	<b>\$ 15,113</b>	<b>\$ 80,459</b>	<b>\$ 19,693</b>	<b>\$ 494</b>	<b>\$ 4,980</b>	<b>\$ 226,955</b>

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

#### C. Capital assets

Capital asset activity for the year-ended December 31, 2021 was as follows:

(amounts expressed in thousands)

Governmental activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 35,844	\$ 7,002	\$ (3,218)	\$ 39,628
Art	3,004	14	-	3,018
Construction Work in progress	33,841	29,814	(11,456)	52,199
Total Capital assets, not being depreciated	<u>72,689</u>	<u>36,830</u>	<u>(14,674)</u>	<u>94,845</u>
Capital assets, being depreciated				
Property, plant, and equipment	291,174	38,876	(7,063)	322,987
Infrastructure	1,487,511	11,914	-	1,499,425
Total capital assets, being depreciated	<u>1,778,685</u>	<u>50,790</u>	<u>(7,063)</u>	<u>1,822,412</u>
Less Accumulated depreciation:				
Property, plant, and equipment	(186,854)	(23,741)	2,347	(208,248)
Infrastructure	(889,046)	(28,352)	-	(917,398)
Total accumulated depreciation	<u>(1,075,900)</u>	<u>(52,093)</u>	<u>2,347</u>	<u>(1,125,646)</u>
Governmental activities, capital assets (net of accumulated depreciation)	<u>\$ 775,474</u>	<u>\$ 35,527</u>	<u>\$ (19,390)</u>	<u>\$ 791,611</u>
Business Type Activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 164,157	\$ 1,867	\$ (92)	\$ 165,932
Construction Work in progress	126,845	85,758	(77,390)	135,213
Total Capital assets, not being depreciated	<u>291,002</u>	<u>87,625</u>	<u>(77,482)</u>	<u>301,145</u>
Capital assets, being depreciated				
Property, plant, and equipment	4,698,301	176,613	(19,056)	4,855,858
Total capital assets, being depreciated	<u>4,698,301</u>	<u>176,613</u>	<u>(19,056)</u>	<u>4,855,858</u>
Less Accumulated depreciation:				
Property, plant, and equipment	(2,053,054)	(113,564)	21,886	(2,144,732)
Total accumulated depreciation	<u>(2,053,054)</u>	<u>(113,564)</u>	<u>21,886</u>	<u>(2,144,732)</u>
Business Type Activities, capital assets (net of accumulated depreciation)	<u>\$ 2,936,249</u>	<u>\$ 150,674</u>	<u>\$ (74,652)</u>	<u>\$ 3,012,271</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General Government	\$ 913
Public Safety	2,880
Transportation	29,463
Economic Environment	10,322
Social Services	3
Culture and Recreation	1,899
Capital Assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>6,613</u>
Total depreciation expense - governmental activities	<u>52,093</u>

**Business-type activities:**

Permit	\$ 34
Mountain Rail	785
Parking Garage	1,380
Convention Center	1,740
Baseball Park	1,474
Tacoma Dome	1,607
Performing Arts	1,109
TPU Fleet *	186
Solid Waste	6,057
Waste Water	18,589
Tacoma Rail	2,268
Water	27,728
Power	<u>50,607</u>
Total depreciation expense - business-type activities	<u>113,564</u>

\* Internal Service Fund that solely supports business-type activities.

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

#### D. Leases

Tacoma Power obtained a lease agreement with Mason County Public Utility District No. 3 (PUD 3) for a Telecommunication Network. This is a 20-year capital lease for the use of multiple segments on PUD 3's internal network. The value for this lease is \$812 and there is no interest on the lease.

(amounts expressed in thousands)

Year Ending December 31	Amount
2022	32
2023	32
2024	32
2025	32
2026	32
2027 - 2037	345
	<u>\$505</u>

#### E. Long-term debt

##### *General obligation bonds*

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities.

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of December 31, 2021 are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2022	11,962	3,409	\$ 2,533	\$ 1,939
2023	9,394	3,727	2,505	1,816
2024	9,230	3,887	2,625	1,690
2025	8,525	4,017	2,750	1,559
2026	8,591	3,960	2,890	1,422
2027-2031	40,399	19,056	16,670	4,981
2032-2036	33,118	10,482	14,258	1,323
2037-2041	3,575	193	-	-
	<u>\$ 124,794</u>	<u>\$ 48,731</u>	<u>\$ 44,231</u>	<u>\$ 14,730</u>



## Notes to the Financial Statements

### For the Year Ended December 31, 2021

General obligation bonds are direct obligations and pledge the full faith and credit of the government and are being repaid with general governmental revenue sources. General obligation bonds currently outstanding are as follows:

	Interest Rates to Maturity	Outstanding December 31, 2021
Governmental activities	1.12580 - 7.2020%	\$ 124,794
Business-type activities	2.2439 - 3.2066%	\$ 44,231

#### **Special assessment bonds**

The City has issued special assessment bonds for various capital construction purposes. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other foreclosure proceeds are received. As of December 31, 2021, the amount of LID Special Assessment delinquency equals \$2,326,276. The bond interest rates range from 3.125 to 5.75% and are payable over the next twenty-six years.

Annual debt service requirements to maturity, including principal and interest, for special assessment bonds outstanding at year-end are as follows:

	Governmental activities Special Assessment Bonds (amounts expressed in thousands)		
	Principal	Interest	Total
2022	\$ -	\$ 1,010	\$ 1,010
2023	-	1,010	1,010
2024	-	1,010	1,010
2025	-	1,010	1,010
2026	-	1,010	1,010
2027-2031	-	5,049	5,049
2032-2036	1,380	5,049	6,429
2037-2041	-	4,825	4,825
2042-2046	15,075	2,224	17,299
2047-2054	3,140	98	3,238
Total	\$ 19,595	\$ 22,294	\$ 41,889

#### **Revenue Bonds and Loans**

The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service. Revenue bonds are secured by net operating revenue and cash and equity in pooled investment balances in the bond construction, reserve, and debt service funds. The bonds are also subject to certain financial and non-financial covenants. The original amount of outstanding revenue bonds, Washington State Public Works Trust Fund loans, Washington State Department of Transportation Rail loans, and Drinking Water State Revolving Fund loans issued in prior years was \$1.3 billion. During 2021, new debt issues amounted to \$164 million for capital improvements in the Tacoma Power fund and refunding bonds in the Water and Sewer funds.

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

Business-type activities Revenue Bonds and Loans (amounts expressed in thousands)			
	Principal	Interest	Total
2022	40,090	52,945	93,036
2023	38,106	52,714	90,820
2024	39,719	51,489	91,207
2025	38,042	50,048	88,090
2026	39,350	48,885	88,235
2027-2031	230,772	215,649	446,421
2032-2036	317,345	148,863	466,207
2037-2041	253,890	77,739	331,629
2042-2046	162,126	25,228	187,354
2047-2054	65,519	4,738	70,257
Total	\$ 1,224,959	\$ 728,298	\$ 1,953,257

Changes in long-term liabilities for the year ended December 31, 2021 are as follows:

#### Changes in long-term liabilities

##### Governmental activities

Long-term liabilities (amounts expressed in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
General obligation bonds	\$ 132,485	\$ 18,873	\$ (28,276)	123,081	\$ 11,392
Add: Unamortized premium	-	888	(127)	761	-
Less: Unamortized discount	(38)	(66)	9	(95)	-
Public works trust fund loans	2,281	-	(571)	1,710	570
Bond anticipation notes	841	-	-	841	841
Special assessment debt	20,035	-	(440)	19,595	-
Claims and judgments	37,288	10,240	(8,515)	39,013	31,893
Total OPEB Liabilities	177,614	60,122	(44,771)	192,965	-
Total pension liability-Police and Firefighters'	43,808	-	(2,289)	41,519	4,152
Net pension liability	-	21,490	-	21,490	-
Compensated absences	19,397	35,339	(30,238)	24,498	4,964
Total governmental activities - long-term liabilities	\$ 433,711	\$ 146,886	\$ (115,219)	\$ 465,379	\$ 53,812

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$5.8 million of internal service funds compensated absences were included in the above amounts. Additionally, the governmental activities, claims and judgments, and employee benefits are generally liquidated by the Third Party Claims and Workers' Compensation funds, Information Services fund, and the General fund respectively.

The additions for governmental activities general obligations bonds in the amount of \$18.9 million listed above represents the Governmental Funds issuance of long-term debt (\$18.9) million reported in the government wide financial statements.

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

#### Business-Type activities

Long-term liabilities (amounts expressed in thousands)	Beginning			Ending	Due within
	Balance	Additions	Reductions	Balance	one year
Revenue Bonds, Public Works Trust Fund loans	\$ 1,019,721	\$ 121,855	\$ (31,672)	\$ 1,109,904	\$ 28,801
General obligation bonds	46,714	887	(3,369)	44,232	2,533
Add: Unamortized premium	53,944	23,959	(5,099)	72,804	-
Less: Unamortized discount	(10)	(4)	3	(11)	-
Muckleshoot liability	6,412	-	(167)	6,244	164
State COP Loan	12,795	-	(525)	12,270	565
State Revolving Fund (SRF) Loan	104,394	2,627	(11,086)	95,935	10,405
WIFIA Loan	-	15,049	-	15,049	-
WA State Rail Loan	3,940	275	(886)	3,329	844
Revolving line of credit	131,250	23,750	(145,000)	10,000	-
Environmental liability	1,692	2,132	(963)	2,861	540
Landfill postclosure care cost liability	14,435	-	(922)	13,513	632
Total OPEB liabilities	30,808	36,298	(30,808)	36,298	-
Compensated absences	24,848	29,186	(27,134)	26,900	2,715
Net pension liability	-	47,870	-	47,870	-
Total business-type activities - long-term liabilities	\$ 1,450,943	\$ 303,884	\$ (257,628)	\$ 1,497,199	\$ 47,200

Note 14 summarizes changes in long-term debt.

#### ***Debt issued in 2021***

##### Governmental activities

On April 13, 2021 the City issued Limited Tax General Obligation Bonds in the amount of \$16.085 million with the interest rates of 2.2158%-2.7447%. The bonds were issued to refund bond 2009B, 2010B, 2009C, and 2010E. The City also issued Unlimited General Obligation Bonds in the amount of \$3.675 million with the interest rates of 1.258% to refund 2010A Bonds.

##### Business-type activities:

Tacoma Power issued \$121.9 million of Electric System Revenue Bonds, Series 2021 (Green Bonds) in September 2021. The proceeds of the issuance were used to pay down \$145.0 million of the Wells Fargo line of credit. In August and October 2021 Tacoma Power took a draw of \$13.8 million and \$10.0 million, respectively, on the line of credit agreement with Wells Fargo.

In 2021, Tacoma Sewer received a State Revolving Fund Loan of \$2,626,625 with interest rate of 1.2% to reimburse a portion of costs related to the design of the Central Treatment Plant Electrical Distribution System Replacement projects. Also, a loan was placed with US Environmental Protection Agency (EPA) in accordance with a Water Infrastructure Finance and Innovation Act (WIFIA) with the amount of \$15,026,875 with the interest rate of 1.2%. The outstanding balance of WIFIA loan as of December 31, 2021 is \$15,049,415 including \$22,540 of interest.

#### **Bond Defeasance**

As of December 31, 2020, there was \$4.6 million 2013 Electric System Revenue Refunding Bonds, Series A considered defeased in substance. As of December 31, 2021, there were no bonds defeased in substance. Total \$4.6 million of 2013 Electric System Revenue Refunding Bonds, Series A, was paid off through the escrow account during 2021.

## Notes to the Financial Statements For the Year Ended December 31, 2021

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As of December 31, 2021, there was no Sewer Revenue Refunding bonds defeased in substance. Total of \$34.3 million of outstanding Sewer Revenue Refunding bond, 2006 and 2011, in the market was called and paid off through the escrow account on December 1, 2021.

These refunded bonds constitute a contingent liability of Tacoma Power only to the extent that cash and investments presently in the control of the refunding trustees are not sufficient to meet debt service requirements and are therefore excluded from the financial statements because the likelihood of additional funding requirements is considered remote.

### Arbitrage

Under US Treasury Department regulations, all tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. In general, the requirements stipulate that the earnings from investments of tax-exempt bond proceeds that exceed interest expenditures on the related debt, must be remitted to the Federal government on every fifth anniversary of each bond issue. At the fund level, the City recognizes this liability only when it is due and payable. The city has evaluated each general obligation bond and revenue bond issue subject to the arbitrage rebate requirement and, as of December 31, 2021, has no outstanding arbitrage liability.

### F. Restricted assets

The balance of the current restricted assets accounts in the enterprise funds are as follows:

(amounts expressed in thousands)

Cash for debt service	\$	25,703
Cash for bond reserve		28,473
Cash for construction		29,411
Cash for other special purposes		<u>177,264</u>
	\$	<u><u>260,851</u></u>

### G. Related party transactions

The City of Tacoma's Mayor appoints the Governing Board for the Tacoma Housing Authority, which is not considered a component unit of the City. The City is under no obligation to subsidize, nor does it exercise any other prerequisite for inclusion.

City Officials serve on boards of several organizations, Workforce Central, Pierce Transit and South Sound 911. There is no evidence City Council can influence the programs and activities of these organizations or that they create a significant financial benefit or burden to the City. There are no material financial transactions between the City and these organizations and therefore are not included in the reporting entity.

### H. Fund balances

The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54. Balances previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned, and unassigned. Please refer to Note 1 Section C for fund balance descriptions.

The following shows a composition of the fund balances of the governmental funds:

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

\* The City Council adopted through Ordinance No. 19315 the establishment of the Council Contingency fund per RCW 35.21.070. This fund rolls into the General Fund for financial reporting purposes. Use of the Contingency Fund requires approval from majority of the City Council through the adoption of an ordinance detailing the facts surrounding its reason for withdrawal.

	Major Funds		Non-major Funds			Total Funds
	General Fund	Transp Capital & Engr	Special Revenue	Debt Service	Capital Project	
Fund balances:						
Nonspendable:						
Accounts Receivable	\$ -	\$ -	\$ 35	\$ -	\$ -	\$ 35
Economic development programs	-	-	4,876	-	-	4,876
Inventory	1,463	-	1,671	-	-	3,134
Prepays	56	-	-	-	-	56
Trust	-	-	17	-	-	17
Total nonspendable	<u>1,519</u>	<u>-</u>	<u>6,599</u>	<u>-</u>	<u>-</u>	<u>8,118</u>
Restricted:						
Crime Prevention & Safety	336	-	4,075	-	-	4,411
Culture and recreation	-	-	-	-	3	3
Debt service	-	-	8,134	4,541	1,356	14,031
Grants	-	-	23,945	-	-	23,945
Housing Development	-	-	5,647	-	-	5,647
Library, Culture, Arts, Preservation	-	-	9,779	-	-	9,779
Neighborhoods	-	-	1,387	-	-	1,387
Other capital & purchase	-	-	-	-	702	702
Other reserves	-	-	5,913	-	-	5,913
Paths & Trails	-	-	360	-	-	360
Public services	33	-	23,619	-	-	23,652
Public Works projects	-	-	13,303	-	20,478	33,781
Sidewalk & Street projects	-	4,801	1,500	-	18,455	24,756
Total restricted	<u>369</u>	<u>4,801</u>	<u>97,662</u>	<u>4,541</u>	<u>40,994</u>	<u>148,367</u>
Committed:						
Council contingency*	916	-	-	-	-	916
Crime Prevention & Safety	-	-	-	-	4,311	4,311
Library, Culture, Arts, Preservation	-	-	4,432	-	1,179	5,611
Neighborhoods	-	-	2,858	-	754	3,612
Public services	-	-	4,363	-	-	4,363
Public Works projects	-	-	22,461	-	73	22,534
Total committed	<u>916</u>	<u>-</u>	<u>34,114</u>	<u>-</u>	<u>6,317</u>	<u>41,347</u>
Assigned:						
Business & Training Assistance	-	-	428	-	-	428
Crime Prevention & Safety	421	-	33	-	-	454
Demolitions	-	-	2,933	-	-	2,933
Economic development programs	76	-	4,542	-	-	4,618
Library, Culture, Arts, Preservation	-	-	2,763	-	-	2,763
Neighborhoods	443	-	2,913	-	-	3,356
Open Space Properties	-	-	532	-	-	532
Police activities	-	-	1,557	-	-	1,557
Public services	28	-	2,673	-	-	2,701
Public Works projects	-	2,097	5,269	-	14	7,380
Sidewalk & Street projects	-	-	6,780	-	-	6,780
Other purposes	279	-	56	-	-	335
Total assigned	<u>1,247</u>	<u>2,097</u>	<u>30,479</u>	<u>-</u>	<u>14</u>	<u>33,837</u>
Unassigned:	<u>101,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,228</u>
Total fund balances:	<u>\$ 105,279</u>	<u>\$ 6,898</u>	<u>\$ 168,854</u>	<u>\$ 4,541</u>	<u>\$ 47,325</u>	<u>\$ 332,897</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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#### I. Restricted fund balance – governmental funds

In the governmental funds financial statements fund balance is restricted when constraints placed on fund balance use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Amounts expressed in thousands.

Purpose	
Crime prevention & safety	\$ 4,411
Debt service	14,031
Culture and recreation	3
Library arts & preservation	9,779
Neighborhoods	1,387
Grants	23,944
Other capital	6,615
Paths & trails	360
Public services	23,653
Public works projects	33,781
Sidewalks & street projects	24,756
Housing development	5,647
	<u>\$ 148,367</u>

#### Note 4 – PENSION PLANS OBLIGATIONS AND OTHER POST-EMPLOYMENT BENEFITS

Employees of the City, other than law enforcement officers, firefighters, and railroad employees, are covered by the Tacoma Employees' Retirement System (the System), an actuarially funded system operated by the City. Law enforcement officers and firefighters are covered by the Law Enforcement Officer and Firefighter Retirement System (LEOFF), a cost-sharing multi-employer plan administered by the State of Washington for law enforcement officers and firefighters throughout the State of Washington. Additionally, the City administers two single employer Pension funds as required by State Statute - a Police Relief and Pension fund and a Firemen's Relief and Pension fund.

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, Accounting and Financial Reporting for Pensions for the year 2021:

<u>Aggregate Pension Amounts - All Plans</u>	
Pension liabilities	\$ (69,360,121)
Pension assets	\$ 177,099,205
Deferred outflows of resources	\$ 105,623,759
Deferred inflows of resources	\$ (102,884,251)
Pension expense/expenditures	\$ 336,565

At December 31, 2021, The City reported the aggregate deferred outflows of resources and deferred inflows of resources for all pension plans as follows:

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

Total - All Plans	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (10,460,984)	\$ 18,984,865
Changes of assumptions	\$ (6,744,209)	\$ 51,642,891
Net difference between projected and actual earnings	\$ (83,483,421)	\$ -
Contributions made subsequent to the measurement date	\$ -	\$ 32,217,678
Changes in employer proportion	\$ (2,195,637)	\$ 2,778,326
Total	<u>\$ (102,884,251)</u>	<u>\$ 105,623,759</u>

#### A. Tacoma Employees' Retirement System fund (TERS)

The Tacoma Employees' Retirement System (TERS), a pension trust fund of the City of Tacoma, issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information and can be obtained by writing to:

Tacoma Employee's Retirement System  
3628 South 35<sup>th</sup> Street  
Tacoma, WA 98409

Or the TERS comprehensive annual financial report may be downloaded from the TERS website at [www.cityoftacoma.org/retirement](http://www.cityoftacoma.org/retirement)

**1. Administration of the system:** The Tacoma Employees' Retirement System is a cost-sharing, multiple-employer, defined benefit retirement plan covering substantially all employees of the City of Tacoma, with the exception of police officers, firefighters, and Tacoma Rail employees who are covered by state and federal retirement plans. Employees of the Tacoma-Pierce County Health Department as well as certain employees of Pierce Transit and South Sound 911 (formerly known as Law Enforcement Support Agency) who established membership in the System when these agencies were still departments of the City of Tacoma are also members. The Board of Administration of the Tacoma Employees' Retirement System administers the plan and derives its authority in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code.

At the direction of the City Council, the System is administered by the Board of Administration (the Board) consisting of nine regular members and one alternate member. The members of the Board are: the Mayor, who serves as Chair; the Director of Finance; the City Manager (or designee); the Public Utilities Director (or designee); three elected employee representatives; one elected retired representative; and one City resident (not employed by the City) elected by the other eight members. The nine Board members appoint a TERS member, either active or retired, as an alternate Board member. The Board is required by the Tacoma Municipal Code to make annual reports to the City Council on the financial condition of the Retirement System. The Board, subject to City Council approval, appoints the Director who is responsible for managing the daily operations of the System.

**2. Membership:** Substantially all employees of the City of Tacoma are members of the System, with the exception of police officers, firefighter, and Tacoma Rail employees, who are covered by state or federal retirement plans. Other members include employees of the Tacoma-Pierce County Health Department, and certain employees of the Pierce Transit and the South Sound 911 who established membership in the System when these agencies were still City of Tacoma departments. The breakdown of membership as of January 1, 2021 is as follows:

## Notes to the Financial Statements For the Year Ended December 31, 2021

Retirees and beneficiaries		2,653
Terminated vested and other terminated participants		790
Active members:		
City of Tacoma	2,740	
Pierce Transit	10	
South Sound 911	2	
Tacoma-Pierce County Health Department	285	
Total active members		3,037
Total membership		6,480

**3. Benefits:** There are two formulas to calculate the retirement benefits. The benefit paid will be issued on the formula which provides the higher benefit. The most commonly applied formula, “service retirement”, is a product of the member’s average monthly salary for the highest, consecutive 24-month period, the number of years of membership credit, and a percentage factor (2% maximum) that is based on the member’s age and years of service. The other formula is an annuity based on member contributions. There are several options available for the retiree to provide for their beneficiaries. The System also provides death, disability and deferred retirement. Additionally, the System provides cost of living adjustment (COLA) increases up to 2.125% as of July 1<sup>st</sup> of each year; the actual COLA granted is dependent on the Consumer Price Index (Seattle Area – all items) over the preceding calendar year.

Any active member who has not retired, and has five or more years of service may purchase up to five additional years of service at the time of retirement. Total service including service purchased cannot exceed 30 years.

The System participates in the portability of public retirement benefits in Washington State public retirement. As provided under Chapter 41.54 of the RCW, this allows a member to use all years of service with qualified Washington systems to determine retirement eligibility and percentage factor for benefits under the System.

**4. Contributions:** The participating employers are responsible for funding the System at a level sufficient to pay obligations and ensure the actuarial and financial soundness of the System. Contribution rates for the employer and the employee are recommended by the Board of Administration and final approval rests with the Tacoma City Council. Currently, the required contribution rate for employees is 9.66% of their regular base pay; the employer contributes 11.34%, for a combined total of 21.00%. This is consistent with the Board’s goal of maintaining a contribution rate that is greater than or equal to the normal cost rate of 18.97%. The difference of 2.03% between the contribution rate and the normal cost rate will be used to amortize the unfunded liability of the System. Changes to the contribution rate are subject to Sections 1.30.340 and 1.30.360 of the Tacoma Municipal Code. \*The Normal Cost Rate increased from 18.59% of pay to 18.97% of pay from the prior actuarial valuation. Therefore, the portion of the total 21.00% of pay contribution rate available to amortize the UAAL after Normal Costs are financed decreased from 2.41% of pay at January 1, 2020 (21.00% - 18.59%) to 2.03% of pay at January 1, 2021 (21.00% - 18.97%).

Actual Contribution Rates	TERS	
	Employer	Employee*
January - December 2021		
TERS	11.34%	9.66%
TERS UAAL	2.03%	
Administrative fee	0.80%	
Total	14.17%	9.66%



## Notes to the Financial Statements For the Year Ended December 31, 2021

**5. Significant Assumptions:** The following actuarial methods were used in the funding valuation.

Measurement Date	December 31, 2020
Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Funding is based on statutory contribution rate. This amount is compared to a 25-year amortization for the purposes of calculating the Actuarially Determined Contribution. The amortization method for the ADC is as follows*: <ul style="list-style-type: none"> <li>• Level percent</li> <li>• Open periods</li> <li>• 25 year amortization period</li> <li>• 3.25% amortization grown rate</li> </ul>
Asset Valuation Method	4 year smoothing period; Corridor - None
Inflation	2.50%
Salary Increases	Varies by service; details in funding valuation report
Investment Rate of Return	6.75%
Cost of Living Adjustment	2.125%
Retirement Age	Varies by age, gender, eligibility; details in funding valuation report.
Turnover	Varies by service, gender; details in funding valuation report.
Mortality	105% of Male and 100% of the Female PubG-2010 Amount Weighted Mortality Tables, sex distinct. Generational improvements with projection unisex based on Social Security Administration Data from 1957-2017
Active Members:	Employee Mortality
Inactive Members, Retired Members and Beneficiaries:	Healthy Retiree Mortality
Disabled Members:	Disabled Retired Mortality

\*The actual contribution is used if that rate is greater than the rate necessary to amortize the UAAL. Note that the UAAL amortization period is 30 years for years 2017 and earlier and 25 for years beginning January 1, 2018 and later.

## Notes to the Financial Statements For the Year Ended December 31, 2021

**6. Benefit and Assumption Changes:** The comparability of the data from year to year can be affected by changes in actuarial assumptions, benefit provisions, accounting policies, and other factors. Between January 1, 2020 and January 1, 2021 assumptions were not changed.

Significant Changes in Benefits, Contributions, and Assumptions were as follows:

Valuations as of January 1

- 2021 Nearly all economic and non-economic actuarial assumptions were changed
- 2020 No change
- 2019 No change
- 2018 Contribution rates were increased effective February 2018
- 2017 Nearly all economic and non-economic actuarial assumptions were changed
- 2016 No change
- 2015 No change
- 2014 The discount rate (investment return assumption was lowered)
- 2013 The discount rate (investment return assumption) was lowered, along with price and wage inflation. Most active demographic assumptions were changed. The mortality assumption for contributing members, service retirees, beneficiaries, and disabled members was changed.
- 2012 Contribution rates were increased effective January 1, 2012.

**7. Target Allocations:** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the System's investment advisors as of December 31, 2021. The target asset allocation is based on TERS Investment Policy Statement dated November 2021.

Asset Class	Target Allocation	Arithmetic Real Rate of Return
Investment Grade Fixed income	19.5%	2.00%
US Bank/Leveraged loans	3.0%	3.14%
US long government bonds	3.0%	2.30%
High Yield Bonds	6.0%	3.60%
Emerging Market Debt	5.0%	3.20%
Global equity	34.5%	5.15%
Private Real Estate	10.0%	5.90%
Reivate Equity	10.0%	8.10%
Master Limited Partnerships	4.0%	6.60%
Timber	1.5%	3.88%
Infrastructure	2.0%	7.55%
Agriculture	1.5%	4.23%
Assumed Inflation - Mean		2.50%
Assumed Inflation - Standard Deviation		1.23%
Portfolio 30 year Arithmetic Real Return		7.26%
Portfolio 30 year Geometric Rate of Return		6.71%
Portfolio Standard Deviation		10.97%
Long-Term Expected Rate of return, net of investment expenses		6.75%

## Notes to the Financial Statements For the Year Ended December 31, 2021

**8. Sensitivity Analysis:** The following presents the employer's proportionate share of the collective net pension liability as of the December 31, 2020 measurement date calculated using the discount rate of 6.75%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Employer's proportionate share of the net pension liability	\$307,047,140	\$69,360,120	(\$128,727,913)

**9. Deferred outflows of resources and deferred inflows of resources:** These balances are presented by source (for example, experience gains and losses, or differences between assumed and actual investment earnings).

For the period ended December 31, 2021, the employer recognizes the following amounts:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (9,711,560)	\$ 12,553,174
Changes of assumptions	\$ -	\$ 51,581,592
Net difference between projected and actual earnings	\$ (5,085,385)	\$ -
Contributions made subsequent to the measurement date	NA	\$ 29,661,963
Changes in employer proportion	\$ (45,870)	\$ 942
Total	\$ (14,842,815)	\$ 93,797,671

**10. Deferred outflows for contribution subsequent to the measurement date:** The total contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.\* Note that the employer reporting date is one year later than the measurement date.

Year Ending December 31	
2021	\$ 7,240,096
2022	\$ 24,130,966
2023	\$ (7,951,145)
2024	\$ 20,316,529
2025	\$ 5,556,446
Thereafter	\$ -

**11. Schedule of Pension Amounts by Employer:** The employer's percentage of the collective net pension liability, how it was determined, and any change in the percentage since the previous measurement.

The following table is a schedule of the proportionate share by employer. Each employer in TERS contributes at the same rate of payroll. Using the actual contributions for the year provides a reasonable basis for each employer's projected long-term contribution effort.

## Notes to the Financial Statements For the Year Ended December 31, 2021

Employer	2020	Rounded	Beginning Net	Ending Net
	Employer Contributions	Percentage of Total Contributions	Beginning Net Pension Liability*	Ending Net Pension Liability**
City of Tacoma	\$ 28,635,219	92.22974%	\$ (18,606,284)	\$ 69,360,120
South Sound 911	27,296	0.08792%	(17,732)	66,116
Pierce Transit	99,496	0.32046%	(53,437)	240,999
Health Department	2,285,696	7.36189%	(1,458,516)	5,536,404
Grand Total	\$ 31,047,707	100.00000%	\$ (20,135,969)	\$ 75,203,639

\*Based on unrounded contributions from 2019

\*\*Based on unrounded contributions from 2020

### B. Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for each plan. The DRS comprehensive annual financial report may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
P.O. Box 48380  
Olympia, WA 98540-8380

Or the DRS comprehensive annual financial report may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

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

**LEOFF Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

#### Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18 percent of covered payroll.

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

**LEOFF Plan 2** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2021.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
<b>January - June 2021</b>		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.77%</b>	<b>8.59%</b>
<b>July - December 2021</b>		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.71%</b>	<b>8.53%</b>

The City of Tacoma's actual contributions to the plan were \$4,982,250 for the year ended December 31, 2021.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For fiscal year ending June 30, 2020, the state contributed \$78,170,320 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$4,866,699.

## Notes to the Financial Statements For the Year Ended December 31, 2021

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### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2019 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increase:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity
- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information

### Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

## Notes to the Financial Statements For the Year Ended December 31, 2021

### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times.

### Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return	
		Arithmetic	
Fixed Income	20%	2.20%	
Tangible Assets	7%	5.10%	
Real Estate	18%	5.80%	
Global Equity	32%	6.30%	
Private Equity	23%	9.30%	
	100%		

### Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City of Tacoma's proportionate share\* of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the City of Tacoma's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
LEOFF 1	\$ (31,774,954)	\$ (35,295,141)	\$ (38,340,700)
LEOFF 2	\$ (89,431,743)	\$ (141,804,064)	\$ (184,694,734)

### Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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

At June 30, 2021, the City of Tacoma reported its proportionate share of the net pension liabilities as follows:

	<u>Liability (or Asset)</u>
LEOFF 1	\$ (35,295,141)
LEOFF 2	\$ (141,804,064)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City of Tacoma. The amount recognized by the City of Tacoma as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City of Tacoma were as follows:

	<u>LEOFF 1 Asset</u>	<u>LEOFF 2 Asset</u>
Employer's proportionate share	\$ (35,295,141)	\$ (141,804,064)
State's proportionate share of the net pension asset associated with the employer	<u>\$ (238,735,457)</u>	<u>\$ (91,479,100)</u>
Total	\$ (274,030,598)	\$ (233,283,164)

At June 30, the City of Tacoma proportionate share of the collective net pension liabilities was as follows:

	<u>Proportionate Share 6/30/2020</u>	<u>Proportionate Share 6/30/2021</u>	<u>Change in Proportion</u>
LEOFF 1	1.03%	1.03%	0.00%
LEOFF 2	2.50%	2.44%	(0.06%)

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61 percent of employer contributions.



## Notes to the Financial Statements

### For the Year Ended December 31, 2021

#### Pension Expense

For the year ended December 31, 2021, the City of Tacoma recognized pension expense as follows:

	<u>Pension Expense</u>
LEOFF 1	\$ (5,216,825)
LEOFF 2	(17,416,460)
Total	\$ (22,633,285)

#### Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the City of Tacoma reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (10,784,838)
Changes of assumptions	\$ -	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$ -	\$ -
Total	\$ -	\$ (10,784,838)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,431,691	\$ (749,424)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (67,613,197)
Changes of assumptions	\$ 61,298	\$ (6,744,209)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 2,777,384	\$ (2,149,767)
Contributions subsequent to the measurement date	\$ 2,555,715	\$ -
Total	\$ 11,826,087	\$ (77,256,597)

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

Deferred outflows of resources related to pensions resulting from the City of Tacoma contributions subsequent to the measurement date but before the end of the reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	LEOFF 1
2022	\$ (2,864,840)
2023	\$ (2,620,422)
2024	\$ (2,472,613)
2025	\$ (2,826,963)
2026	\$ -
Thereafter	\$ -

Year ended December 31:	LEOFF 2
2022	\$ (17,988,042)
2023	\$ (16,758,246)
2024	\$ (15,829,077)
2025	\$ (17,830,031)
2026	\$ (198,050)
Thereafter	\$ 617,222

#### C. Police and Firefighter's Relief and Pension Funds

The following table represents the aggregate pension amounts for the single plan subject to the requirements of the GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* for the year 2021:

Aggregate Pension Amounts	Firefighters' Pension Fund	Police Pension Fund
Total pension liability	\$ 29,150,827	\$ 12,368,467

##### 1. Plan description:

The Police Relief and Pension Fund (PRP) and the Fire Relief and Pension Fund (FRP) are single-employer defined-benefit pension plans. These funds were established and administered by the City in accordance with the requirements of the Revised Code of Washington (RCW) 41.18 and 41.20. Both pension funds were reclassified from a fiduciary fund to the General Fund in 2016, as prescribed by GASB Statement 73, paragraph 115. The City implemented the rest of GASB Statement 73 that became effective in fiscal year 2017. The City does not collect contributions or hold assets in trust for the PRP or FRP plans. Any monies provided by the City for future benefit payments are not legally protected from creditors and are not dedicated to the provision of pensions to plan members. Per GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the plans do not meet the criteria for pension plans administered through trusts. Therefore, the plans are accounted for as part of the General Fund.

The plans provide retirement and medical benefits to all police officers, firefighters and their beneficiaries for individuals employed before March 1, 1970, the effective date of LEOFF. The LEOFF laws were subsequently amended by the Pension Reform Act, which took effect October 1, 1977. Through the LEOFF Act, the state undertook to provide the bulk of police and fire pensions; however, the municipalities continue

## Notes to the Financial Statements For the Year Ended December 31, 2021

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to be responsible for all or part of pension benefits for employees hired before March 1, 1970. The plans are closed plans that provide pension and medical benefits, some of which can be in excess of LEOFF benefits. There are 0 active Police Officer and 1 active Firefighters with prior rights covered under these plans as of December 31, 2021. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 106 for the PRP and 143 for the FRP as of December 31, 2021. There are no terminated employees under either plan who are entitled to benefits but not receiving them.

Each retiree receives the greater of the benefit payable under the Washington Law Enforcement Officers' and Firefighters' Retirement System and the benefits available under the provisions of prior law. Where benefits under the old law exceed those under the new for any police or firefighter, the excess benefits are paid from the FRP and PRP of the city employment them on March 1, 1970.

The Police Pension Board consists of six members authorized by statute: the Mayor as Chair, the City Clerk, the City Treasurer, and three law enforcement officers (active or retired LEOFF 1 or LEOFF 2 officers), who will serve in the elected capacity for three-year terms.

The Fire Pension Board consists of five members authorized by statute: the Mayor as Chair, the Finance Director, the City Treasurer, and two elected firefighters (active or retired LEOFF 1 or LEOFF 2 firefighters). The two elected firefighters serve two year terms and select a third firefighter who serves as an alternate in the event of an absence of one of the regularly elected firefighters.

### **2. Benefit Provisions**

The LEOFF Act requires a varying obligation of the City for benefits paid to police officers and firefighters.

- Pension and medical expenses for police officers and firefighters retired prior to March 1, 1970; continue to be paid in their entirety by the City under the old pension laws.
- Police officers and firefighters hired before, but not retired on March 1, 1970, received at retirement the greater of the pension benefit provided under the old pension laws and under the LEOFF Act. Any excess of the old benefit over the LEOFF benefit is provided by the City. The City also pays the reasonable cost of necessary medical expenses of the retiree for life.
- For police officers and firefighters hired on or after March 1, 1970, and prior to October 1, 1977, the City is obligated for lifetime medical expenses only. The LEOFF system pays the entire retirement allowance.
- Police officers and firefighters hired on or after October 1, 1977, are covered entirely by the LEOFF system with no City obligation for either retirement allowance or medical expenses.
- The benefits are directly correlated to the salaries of active employees. Cost of Living Adjustments (COLAs) provided at the state level do not impact the total pension benefits provided to the members. The City's obligation under the Plan consists of paying the difference between pension and medical benefits provided by LEOFF and those provided by the City's Plan. There were no changes in benefit provisions in the current year.

### **3. Contributions**

The PRP is funded entirely from annual contributions from the City's General Fund that are budgeted and approved by the City Council. Funding of these benefits is required by RCW 41.20. The FRP contributions are required by RCW 41.18 and are funded from two sources: (1) state contributions of 25% on fire insurance premium collections and is considered a non-employer contributing entity and (2) a property tax levy of up to \$.225 per \$1,000 of assessed valuation. Retirement benefit provisions are established in state statute and

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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may only be amended by the State Legislature. Amendments to each of the Plans are authorized by the separate Police and Fire Pension Boards.

Contributions are determined on a pay-as-you-go basis. There have been no required employee contributions to the police and firefighter's relief and pension plans since March 1, 1970.

The General Fund is responsible for the costs of administering the plans and ensuring that the fund has adequate cash to pay its obligations each year. The total General Fund contributions to the PRD and FRP were \$3.9 million and \$4.6 million for 2021.

The state contributes 25% of taxes on fire insurance premiums to the FRP and the amount contributed in 2021 was \$479,000.

#### 4. Actuarial Assumptions

The total pension liability (TPL) was determined by an actuarial valuation as of January 1, 2020, projected forward to the measurement date of December 31, 2021. The liability was calculated based on the discount rate and other actuarial assumptions below.

	<b>Firefighter Relief and Pension</b>	<b>Police Relief and Pension</b>
Discount Rate		
Municipal bond rate	2.00%	2.00%
Actuarial Assumptions:		
Valuation Date	January 1, 2020	January 1, 2020
Measurement Date	December 31, 2021	December 31, 2021
Inflation	2.25%	2.25%
Salary increases including inflation	3.25%	3.25%
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Project Scale BB, with ages set back one year for males and forward one year females (set forward two years for disabled members).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Project Scale BB, with ages set back one year for females (set forward two years for disabled members).
Actual Cost Method	Entry Age Normal	Entry Age Normal

## Notes to the Financial Statements For the Year Ended December 31, 2021

### 5. Changes in the Total Pension Liability

	Firefighters' Relief Pension	Police Relief Pension
	Increase (Decrease) Total Pension Liability	Increase (Decrease) Total Pension Liability
<b>Balance as of December 31, 2020</b>	\$ 30,675,679	\$ 13,131,961
<b>Changes for the year:</b>		
Service cost	-	-
Interest	592,446	252,529
Effect of plan changes	-	-
Effect of economic/demographic gains or losses	-	-
Effect of assumptions changes or inputs	-	-
Benefit payments*	(2,117,298)	(1,016,023)
<b>Net changes</b>	<b>(1,524,852)</b>	<b>(763,494)</b>
<b>Balance as of December 31, 2021</b>	<b>29,150,827</b>	<b>12,368,467</b>

\*Benefit payments are estimated based on expected payouts.

### 6. Sensitivity of the Total Pension Liability

The following presents the net pension liability of the City, calculated using the discount rate of 2.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate.

	1% Decrease (1.00%)	Current Discount Rate (2.00%)	1% Increase (1.00%)
Total pension liability - Fire	\$ 31,886,521	\$ 29,150,827	\$ 26,786,794
Total pension liability - Police	\$ 13,439,732	\$ 12,368,467	\$ 11,434,637

### 7. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

Pension expense of \$113,446 and \$252,529 were recognized in 2021 for the FRP and PRP. As of December 31, 2021, there are no deferred outflows or deferred inflows of resources related to these pension funds. The effects of changes in assumptions/inputs and economic/demographic gains or losses are recognized over the average remaining service life for all active and inactive members, with immediate recognition when the average remaining service life is less than one. There is no effect of changes in assumptions in the current year.

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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#### D. Defined Benefit Other Post-Employment Benefits (OPEB) Plans

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2021:

Aggregate OPEB Amounts - All Plans		
OPEB liabilities	\$	(229,262,808)
OPEB assets	\$	-
Deferred outflows of resources	\$	51,572,376
Deferred inflows of resources	\$	(28,282,385)
OPEB expense/expenditures	\$	917,028

##### 1. Plan description:

The City provides the opportunity to receive medical benefits to most of its retirees until the age of 65. Eligibility and the amount of benefits paid by the City for Other Post-Employment Benefits (OPEB) vary by retirement group (TERS, LEOFF 1, LEOFF 2, or Rail) The City charges some early retirees not yet eligible for Medicare a health premium based on the claims experience of both active members and retirees. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes, and is administered by the City of Tacoma's Human Resources Department. Eligibility and the amount of benefits paid by the City for OPEB vary by retirement group. Each plan provides medical benefits to eligible retired City employees and beneficiaries.

Benefits per retirement group are as follows:

Medical TERS and LEOFF 2 Upon retirement, members are permitted to receive medical benefits. Retirees pay a blended/composite rate that reflects the costs for both active and retired employees under age 65. Spouses and child dependents are also covered while the employee is under age 65 and the retirees pay the same premium regardless of the number of lives covered.

Medical Rail Retirees and their spouses receive medical benefits through age 65, paid fully by the employer if the employee belongs to one of the following personnel sub-areas:

- BL Engineers
- UTU Switch Crew
- UTU Yardmasters

Other Rail employees and their spouses can purchase medical benefits for the same rates as TERS members.

Medical LEOFF 1 The necessary hospital, medical and nursing care expenses not payable by workers' compensation, Social Security, or other programs are covered for any retired LEOFF 1 member. These expenses are paid both prior to age 65 and afterwards. The City also pays the Medicare Part B premiums for all LEOFF 1 employees who are over age 65. Spouses of LEOFF 1 members are permitted to purchase medical insurance. The premium rates are set specifically for the spouses of LEOFF 1 members and are not subsidized by the City. We therefore do not include liability for LEOFF 1 spouses.

Dental Non-LEOFF 1 retirees are paid in full by the retirees and are not considered in this valuation.

Dental LEOFF 1 retirees are paid by the city and included in this valuation.

Benefit provisions for TERS are established in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code. These statutes assign the authority to establish benefit provision for TERS. For LEOFF Plan 2, benefits are established in accordance with RCWs 41.16, 41.18, 41.20 and

## Notes to the Financial Statements For the Year Ended December 31, 2021

41.26. These statutes assign the authority to establish benefit provisions. For LEOFF Plan 1, these benefit provisions are established by state statute of the State of Washington through the Department of Retirement Systems, per RCW 41.26. LEOFF Plan 1 is closed to new entrants. For the Railroad Retirement System, these are administered by Federal statute under the Railroad Retirement Act (45 U.S.C. 231 et seq.) and authority resides by these Federal statutory provisions.

Financial reports for the LEOFF Plans and Railroad Retirement System plans are available at the addresses below. These reports may be obtained by writing at the following addresses:

LEOFF Plan 1  
State of Washington  
Office of Financial Management  
P.O. Box 43113  
Olympia, WA 98504-3113

U.S. Railroad Retirement Board  
844 North Rush Street  
Chicago, IL 60611-2092

Benefit payments are recognized when due and payable in accordance with benefit terms. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes, and is administered by the City of Tacoma's Human Resources Department. The membership in the program is as follows:

	Non-LEOFF 1 as of January 1, 2021	Non-LEOFF 1 as of January 1, 2020	Total
Inactive employees or beneficiaries currently receiving benefits	322	370	692
Inactive employees entitled to but not yet receiving benefits	562	-	562
Active employees	3,531	1	3,532
Total	4,415	371	4,786

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

### **2. Actuarial Assumptions and Other Inputs:**

The Valuation Date is January 1, 2021 for non-LEOFF 1 members and January 1, 2020 for LEOFF 1 members. This is the date as of which the census data is gathered and the actuarial valuation is performed. The Measurement Date is December 31, 2020. This is the date as of which the total OPEB liability is determined. Note that GASB 75 allows a lag of up to one year between the measurement date and the reporting date. No adjustment is required between the measurement date and the reporting date. The Reporting Date is December 31, 2021. This is the employer's fiscal year ending date.

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rates below, and then projected to the measurement dates. There have been no significant changes between the valuation date and fiscal year ends. If there were significant changes, an additional analysis or valuation might be required.

## Notes to the Financial Statements For the Year Ended December 31, 2021

	<b>Non-LEOFF 1</b>	<b>LEOFF 1</b>																		
Valuation Date	January 1, 2020	January 1, 2020																		
Measurement Date	December 31, 2020	December 31, 2020																		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal																		
Discount Rate – based on 20 Year Tax-Exempt Municipal Bond Yield with an average rating of AA/Aa or higher at the Measurement Date	2.12%	2.12%																		
Funding Plan	Pay-as-you-go	Pay-as-you-go																		
Medical Cost and Dental Trends Combined.  *Dental not applicable to Non-LEOFF	2021 6.0% 2022 5.5% 2023 5.0% 2030 4.7% 2040 4.9% 2050 4.9% 2060 4.7% Grading down to an ultimate rate of 4.0% in 2074. The trends above assume that, overtime, deductibles and out of pocket maximums will be periodically increased as medical trends increase.	<table border="1"> <thead> <tr> <th></th> <th><b>Pre-65</b></th> <th><b>Post-65</b></th> </tr> </thead> <tbody> <tr> <td>2020-2021</td> <td>6.10%</td> <td>5.5%</td> </tr> <tr> <td>2021-2022</td> <td>5.50%</td> <td>5.2%</td> </tr> <tr> <td>2022-2023</td> <td>4.9%</td> <td>4.8%</td> </tr> <tr> <td>2023-2024</td> <td>4.8%</td> <td>4.8%</td> </tr> <tr> <td>2024-2025</td> <td>4.7%</td> <td>4.7%</td> </tr> </tbody> </table> Grading down to an ultimate rate of 3.7% in 2074. The trends above do not reflect increases in costs due to excise tax.		<b>Pre-65</b>	<b>Post-65</b>	2020-2021	6.10%	5.5%	2021-2022	5.50%	5.2%	2022-2023	4.9%	4.8%	2023-2024	4.8%	4.8%	2024-2025	4.7%	4.7%
	<b>Pre-65</b>	<b>Post-65</b>																		
2020-2021	6.10%	5.5%																		
2021-2022	5.50%	5.2%																		
2022-2023	4.9%	4.8%																		
2023-2024	4.8%	4.8%																		
2024-2025	4.7%	4.7%																		
Long-Term Care Inflation Rate	Not applicable	4.5%																		
Participation Assumption	100% Rail employees eligible for City-paid retiree medical benefits.  25% of TERS and LEOFF 2 active employees who are not eligible for benefits paid entirely by the City. 25% of Rail employees who are not eligible for benefits paid entirely by the City are assumed to receive medical benefits.  5% of terminate-vested members are assumed to receive retiree medical benefits.	100% participation																		
Experience Study Dates	Social Security Administration data from the most recent 60 years available (1957-2017) (adopted 1/1/2021).	2007-2012																		
<b>Demographic Assumptions (Eligibility):</b>																				
Disability	Five years of service are required for non-service connected disability for TERS and LEOFF 2. Ten years of service are required for non-service connected disability for Rail.	For a duty disability, employee is eligible after six-month waiting period (RCW 41.18.050, RCW 41.20.060). For non-duty disability, employee eligible after 90-day-6 months waiting period (RCW 41.18.080 RCW 41.20.065).																		



**Notes to the Financial Statements  
For the Year Ended December 31, 2021**

	<b>Non-LEOFF 1</b>	<b>LEOFF 1</b>
Retirement	<p>TERS members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits).</p> <ul style="list-style-type: none"> <li>- 30 years of service</li> <li>- 60 years of age</li> <li>- Age + Service = 80 years</li> <li>- Age 55 with 10 service years</li> <li>- Age 40 with 20 service year</li> </ul> <p>Former members who are entitled to a deferred vested pension benefit are also eligible to receive medical benefits after pension benefits commence.</p> <p>LEOFF 2 members are eligible for retiree medical benefits after achieving one of the following:</p> <ul style="list-style-type: none"> <li>- Age 53 with 5 service years</li> <li>- Age 50 with 20 service years</li> </ul> <p>Certain Rail employees and their spouses are entitled to employer-paid retiree medical benefits until age 65 when retiring at age 60 with 30 service years.</p>	<p>Members are eligible to receive lifetime medical benefits upon service retirement after age 50 with at least five years of service. If they are not eligible to retire at time of termination but have 20 years of service credit, they are eligible for medical benefits when pension benefits commence.</p>
<b>Mortality:</b>		
Contributing Members	105% of Male and 100% of Female PubG-2010 Amount-Weighted Employee Mortality Tables, projected with a unisex table based on Social Security Administration data from the most recent 60 years available (1957-2017) (adopted 1/1/2021).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females.
Inactive Members, Retired Members, and Beneficiaries	105% of Male and 100% of Female PubG-2010 Amount-Weighted Employee Mortality Tables, projected with a unisex table based on Social Security Administration data from the most recent 60 years available (1957-2017) (adopted 1/1/2021).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males.
Disabled Members	105% of Male and 100% of Female PubG-2010 Amount-Weighted Employee Mortality Tables, projected with a unisex table based on Social Security Administration data from the most recent 60 years available (1957-2017) (adopted 1/1/2021).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set forward two years for disabled members.

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

#### 3. Sensitivity Analysis:

The following presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 201,643,547	\$ 229,262,808	\$ 262,129,286

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.12%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.12%) or one percentage point higher (3.12%) than the current rate.

	1% Decrease 1.12%	Discount Rate 2.12%	1% Increase 3.12%
Total OPEB Liability	\$ 259,431,218	\$ 229,262,808	\$ 204,053,720

#### 4. Changes in the Total OPEB Liability:

Changes in the Total OPEB Liability for reporting period ending December 31, 2020, are as follows:

	Increase (Decrease) Total OPEB Liability
Total OPEB Liability at beginning of period	\$ 208,422,031
Changes for the year:	
Service cost	2,576,496
Interest on total OPEB liability	5,661,711
Effect of plan changes	-
Effect of economic/demographic gains or losses	373,959
Effect of assumptions changes or inputs	21,021,530
Expected benefit payments	(8,792,919)
Total OPEB Liability at end of period	\$ 229,262,808

There was a change in assumption as the discount rate from 4.10% for 2020 and 2.12% for 2021.

The total OPEB liability of \$229,262,808 was determined by an actuarial valuation as of the valuation dates of January 1, 2021, calculated based on the discount rate of 2.12%, and then projected to the measurement date of December 31, 2019. The City recognized an OPEB expense of \$10,342,732. The OPEB expense for December 31, 2021 financial reporting period is as follows:

## Notes to the Financial Statements For the Year Ended December 31, 2021

	<u>OPEB Expense</u>
Service Cost	\$ 2,576,496
Interest on total OPEB liability	5,661,711
Effect of plan changes	-
Recognition of deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	(533,744)
Recognition of assumptions changes or inputs	<u>2,638,269</u>
OPEB Expense	\$ 10,342,732

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 345,461	\$ (2,453,314)
Changes of assumptions	25,600,134	(9,627,994)
Changes in proportionate share	13,925,624	(13,925,624)
Difference in contributions	2,275,453	(2,275,453)
Contributions made subsequent to the measurement date	9,425,704	-
Total	<u>\$ 51,572,376</u>	<u>\$ (28,282,385)</u>

Deferred outflows of resources of \$9,425,704, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2022. Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense below. Note that additional future deferred inflows and outflows of resources may impact these numbers.

Year ended December 31:		
2021	\$	2,104,525
2022	\$	2,104,525
2023	\$	767,741
2024	\$	3,406,505
2025	\$	3,245,644
Thereafter	\$	2,235,347

### Note 5 – DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan through a third party created in accordance with Internal Revenue Code Section 457. The plan, available to all City permanent full-time and part-time employees, permits them to defer a portion of their salary into a retirement savings plan. Withdrawals from a participant's account are normally available at separation, retirement, disability, or to a beneficiary in the case of an employee's death. As an active employee a withdrawal can be done through in-service withdrawals upon turning age 59 ½ or older, in-service withdrawal within the one-year period of a qualifying birth or adoption, in the form of a hardship withdrawal or through a loan provision. An employee may defer 100% of their salary net of employee pension contributions and any Section 125 deductions, up to the IRS annual contribution limits. The 2021 contribution

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

limits are \$20,500 for regular deferral, \$41,000 for pre-retirement and \$27,000 for age 50 provision deferrals. The City has agreed through contract negotiation with the Local 6 Police union and the Local 31 Fire union to match contributions made by all Police Officers and Fire Officers up to a maximum of \$211 per pay period. Local 26 Police Officers and Fire/Police Professional Public Safety Management Association employees receive an employer contribution of \$238 per pay period. Tacoma Rail employees also receive matching contributions up to three percent per TMC 1.12.115 and applicable collective bargaining agreements.

Benefit Plan	Third Party Administrator	Pre-Tax Employer Contributions	Pre-Tax Employee Contributions	After-Tax Employee Contributions	Total by Plan
457 deferred compensation	MissionSquare	2,001,724	14,545,890	2,235,002	18,782,616
457 deferred compensation	Nationwide	1,525,799	3,091,109	168,738	4,785,646
Total		<u>\$ 3,527,523</u>	<u>\$ 17,636,999</u>	<u>\$ 2,403,740</u>	<u>\$ 23,568,262</u>

#### Note 6 – INTERFUND ACTIVITY

Interfund activity is composed of three types of transactions. Due to and due from other funds represent internal charges for services. Advances to and from other funds are loans between funds for capital or cash flow purposes. Transfers represent a sharing of resources between funds. At the fund level, these transfers increase or decrease individual funds resources, but they do not affect the City's total resources. These internal activities do not represent inflows or outflows of the City's resources; rather, they reflect resources being moved within the City. The effects of these transactions are included in the City's fund statements but are removed from the entity-wide financial statements.

The information below provides detail of the advances, or interfund payable transactions:

There are no interfund advances for Non-Major Governmental Funds and Non-Major Enterprise Funds.

The composition of interfund transfers for the year ended December 31, 2021 is as follows:

	Interfund Transfers (amounts expressed in thousands)									
	Transfer In									Transfer Out Total
	General Fund	Trans Capital & Engineering	Solid Waste	Wastewater & Surface Water	Tacoma Water	Tacoma Power	Internal Service Funds	Non-Major Governmental Funds	Non-Major Enterprise Funds	
Transfer Out										
General Fund	\$ 275	\$ 1,380	\$ -	\$ -	\$ -	\$ -	\$ 1,058	\$ 22,309	\$ 6,672	\$ 31,694
Solid Waste Fund	4,977	-	-	-	-	-	-	1,659	-	6,636
Waste Water Fund	7,509	-	-	-	-	-	-	2,503	1,172	11,184
Water	6,239	-	-	-	-	-	-	2,067	-	8,306
Power	29,151	-	-	-	-	-	-	7,189	-	36,340
Internal Service Fund	-	-	-	-	-	44	-	1	-	45
Non-Major Governmental	1,919	4,555	286	391	203	1,086	3,463	39,013	4,806	55,722
Non-Major Enterprise	2,077	-	-	-	-	-	60	3,581	-	5,718
Transfer In Total	<u>\$ 52,147</u>	<u>\$ 5,935</u>	<u>\$ 286</u>	<u>\$ 391</u>	<u>\$ 203</u>	<u>\$ 1,086</u>	<u>\$ 4,625</u>	<u>\$ 78,322</u>	<u>\$ 12,650</u>	<u>\$ 155,645</u>

The information below provides detail of the interfund transfer transactions:

\$275,000 was transferred from the General Fund to General Fund for Contingency

## Notes to the Financial Statements For the Year Ended December 31, 2021

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\$1,380,360 was transferred from the General Fund to Trans Capital & Engineering Fund for Broadway LID project

\$1,057,981 was transferred from the General Fund to Internal Service Funds for services and projects

\$22,309,262 was transferred from the General Fund to Non-Major Governmental Funds for grant matches, debt service, capital projects, non-capital projects and regular operations

\$6,672,192 was transferred from the General Fund to Non-Major Enterprise Funds for contributions to support debt services payments, capital projects and regular operations

\$4,976,960 was transferred from the Solid Waste Fund to General Fund for Gross Earnings Tax

\$1,658,987 was transferred from the Solid Waste Fund to Non-Major Governmental Funds for Gross Earning Tax

\$7,509,372 was transferred from the Waste Water Fund to General Fund for Gross Earnings Tax

\$2,503,124 was transferred from the Waste Water Fund to Non-Major Governmental Funds for Gross Earning Tax

\$1,172,500 was transferred from the Waste Water Fund to Non-Major Enterprise Fund for operations of PDS Development Service

\$6,239,133 was transferred from the Water Fund to General Fund for Gross Earnings Tax

\$2,066,764 was transferred from the Water Fund to Non-Major Governmental Funds for Gross Earnings Tax

\$29,151,362 was transferred from the Power Fund to General Fund for Gross Earnings Tax

\$7,189,413 was transferred from the Power Fund to Non-Major Governmental Funds for Gross Earning Tax

\$44,488 was transferred from the Internal Service Funds to Internal Service Fund for purchasing vehicle

\$620 was transferred from the Internal Service Funds to Non-Governmental Funds for operation

\$1,918,592 was transferred from the Non-Major Governmental Funds to General Fund to reimburse capital project

\$4,555,010 was transferred from the Non-Major Governmental funds to Trans Capital & Engineering Fund for capital projects

\$285,726 was transferred from the Non-Major Governmental funds to Solid Waste for Federal grants

\$391,187 was transferred from the Non-Major Governmental Funds to Waste Water Fund for Federal grants

\$202,658 was transferred from the Non-Major Governmental funds to Water Fund for Federal grants

\$1,085,608 was transferred from the Non-Major Governmental funds to Power Fund for Federal grants

\$3,463,238 was transferred from the Non-Major Governmental Funds to Internal Services Funds for purchasing vehicles

\$39,013,131 was transferred from the Non-Major Governmental funds to Non-Major Governmental Funds for various capital projects and debt service payments

## Notes to the Financial Statements For the Year Ended December 31, 2021

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\$4,805,906 was transferred from the Non-Major Governmental funds to Non-Major Enterprise funds for debt service payments

\$2,076,895 was transferred from the Non-Major Enterprise Funds to General Fund for Gross Earnings Tax

\$59,838 was transferred from the Non-Major Enterprise Funds to the Internal Service Funds for vehicle purchasing

\$3,580,814 was transferred from the Non-Major Enterprise Funds to Non-Major Governmental Funds for Gross Earnings Tax and debt service payments

### Note 7 – OTHER INFORMATION

#### A. Accounting changes

There were no accounting changes effective for the fiscal year 2021.

#### B. Risk management

The City is self-insured for tort liability, medical, benefits, unemployment and worker's compensation and records its claims and liabilities in the accrual basis of accounting. Liabilities include an estimate for Incurred but Not Reported ("IBNR") claims. The estimate for reported claims is based on Risk Management and Legal Departments' projections and is adjusted annually. The IBNR for the self-insured employee benefits is based on an average of two-month claims from the reporting year. The IBNR for tort liabilities are calculated by a periodic actuarial study. The handling and paying of all tort liability claims for which the City is found legally liable is accounted for in either the Self-Insurance Claim Fund or the Tacoma Public Utility ("TPU") Self Insurance Claim Fund. Moneys are appropriated from various cost centers based on prior claims history and paid to these funds.

The Self-Insurance Program is maintained in conformity with all laws, rules and regulations pertaining thereto and in accordance with Revised Code of Washington in RCW 35.21.085(2). The General Government of the City carries a supplemental liability policy with a \$15 million limit and a \$5 million self-insurance retention excluding law enforcement for General Government, renewable on May 15 of each year. TPU carries separate supplemental liability policies with total limits of \$52.5 million, \$250,000 retention for wrongful acts claims and a \$24.5 million self-insured retention for all other covered claims, renewable on December 1 of each year. The Belt Line Railroad carries separate Railroad Liability policies with total limits of \$50 million each occurrence and a \$1 million self-insured retention renewable on December 1 of each year. Mountain Rail carries a separate Railroad Liability policy with a limit of \$7 million each occurrence and a \$50,000 self-insured retention renewable on December 2 of each year. These policies are provided to supplement the City's current self-insurance risk for settlements in excess of the self-insured retentions.

The City also has a policy to cover extraordinary worker's compensation claims with a statutory liability limit and a \$1.25 million retention for each occurrence. This policy renews January 1 of each year.

The City carries property coverage with a maximum single occurrence limit of \$500 million with sub-limits, and \$150,000 deductible per occurrence, with exceptions. This policy renews July 1 of each year. TPU carries separate property coverage with a maximum single occurrence limit of \$150 million with sub-limits, and a \$250,000 deductible per occurrence, with exceptions. This policy renews July 1 of each year.

The TPU Self-Insurance Claim Fund was established in 1979 to cover general liability claims of the Light and Water divisions. The Belt Line Railroad became a participant in 1985. Total assets in this fund are \$10.96M. Settlement payments were within amounts available for coverage for the last three years—2021, 2020, and 2019.

## Notes to the Financial Statements For the Year Ended December 31, 2021

Changes in estimated claims settlements liability for the past two years were as follows:

(Amounts expressed in thousands)

	Self Insurance Fund			Worker Compensation Fund			TPU Self Insurance Fund		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Balance 01/01	\$ 33,131	\$ 35,663	\$ 28,714	\$ 4,158	\$ 3,870	\$ 5,049	\$ 3,099	\$ 4,034	5172
New Claims	84	106	449	1,295	1,566	1,869	1,140	2,679	536
Adjustments to Claims	7,137	2,677	8,657	2,431	2,734	473	(648)	(2,709)	(1,075)
Claims Payment	(4,827)	(5,315)	(2,157)	(4,397)	(4,012)	(3,521)	(521)	(905)	(599)
Balance 12/31	\$ 35,525	\$ 33,131	\$ 35,663	\$ 3,487	\$ 4,158	\$ 3,870	\$ 3,070	\$ 3,099	\$ 4,034

### C. Prior-Period Adjustments

Prior year adjustments are used for the correction of an error or the implementation of a new authoritative standard.

Subsequent to the issuance of the December 31, 2021 financial statements, prior period adjustments were made.

Governmental Funds:	Description
General Fund # 0010	Beginning net position increased by \$560,475 from reclassing capital to expenditures, and correcting grant revenue and expenditures
Special Funds # 1065# 1090, # 1155, #1195, and #1267	Beginning net position decreased by \$371,813 from reclassing capital asset to expenditures, AR write-off, and correcting grant revenue and expenditures
Capital Project Fund # 3211	Beginning net position decreased by \$398,215 from reclassing capital asset to expenditures, and correcting grant revenue and expenditures
Enterprise Funds:	Description
Permit Service Fund # 4110	Beginning net position decreased by \$7,194 from grant revenue posted incorrectly
Parking Fund # 4140	Beginning net position increased by \$48,965 from misclassified revenue and correction of tax expenses.
Convention Center Fund # 4165	Beginning net position decreased by \$90,003 from prior year amortized bond premium expense
Equipment Rental Fund # 5400	Beginning net position increased by \$513,147 from duplicated expenses in previous year

The prior period adjustments on the fund statements detailed above impacted the Government-Wide statements as follows:

## Notes to the Financial Statements For the Year Ended December 31, 2021

Government-wide Statements  
(amounts expressed in thousands)

Activity	Amount	Description
Governmental	690,975	General Fund, Public Works Street, Fire, Fire EMS, Community & Economic Development, Police SR, Capital Project, Equipment Rental, and Unemployment Compensation
Business	(48,232)	Permit Service, Parking, and Conventin Center
Total	<u>\$ 642,743</u>	

### D. Segment Information

The following are the three segment enterprise funds maintained by the City. Segment information was as follows:

(Amounts expressed in thousands)

#### CONDENSED STATEMENT OF NET POSITION

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Assets:			
Current assets	\$ 959	\$ 2,769	\$ -
Accounts receivable (net)	275	184	3,275
Prepayments	35	78	-
Restricted assets	-	2,728	2,003
Capital assets (net)	45,608	51,350	-
Other non-current assets	-	31	-
Total assets	<u>46,877</u>	<u>57,140</u>	<u>5,278</u>
Deferred outflow of resources	360	2,738	-
Liabilities:			
Current liabilities	2,266	4,601	1,988
Net pension liabilities	266	355	-
Non-current liabilities	3,424	48,473	2,368
Total liabilities	<u>5,956</u>	<u>53,429</u>	<u>4,356</u>
Deferred inflow of resources	89	93	-
Net position			
Net investment in capital assets	40,501	1,597	-
Restricted	-	2,728	1,951
Unrestricted	691	2,031	(1,029)
Total Net Position	<u>\$ 41,192</u>	<u>\$ 6,356</u>	<u>\$ 922</u>



## Notes to the Financial Statements For the Year Ended December 31, 2021

### CONDENSED STATEMENT OF REVENUES EXPENSES, AND CHANGES IN NET POSITION

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Operating revenues	\$ 3,217	\$ 785	\$ -
Depreciation expense	(1,379)	(1,739)	-
Other operating expenses	(3,590)	(4,897)	(4)
Operating income	(1,752)	(5,851)	(4)
Nonoperating revenues (expenses)			
Interest revenue	18	61	-
Interest expense	(185)	(1,929)	(344)
Other nonoperating revenues (expenses)	(43)	3,988	343
Capital contributions	-	-	-
Transfers	2,085	4,806	-
Change in net position	123	1,075	(5)
Beginning net position	41,020	5,371	927
Prior period adjustments	49	(90)	-
Ending net position	\$ 41,192	\$ 6,356	\$ 922

### CONDENSED STATEMENT OF CASH FLOW

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Net cash provided (used) by:			
Operating activities	\$ (32)	\$ (4,348)	\$ 435
Noncapital financing activities	3,300	4,017	-
Capital and related financing activities	(5,137)	(545)	(772)
Investing activities	(25)	(22)	-
Net increase (decrease)	(1,894)	(898)	(337)
Beginning cash and cash equivalents	2,853	6,395	2,340
Ending cash and cash equivalents	\$ 959	\$ 5,497	\$ 2,003

- Parking Garage fund (#4140) accounts for the City's parking facilities.
- Convention Center fund (#4165) accounts for activities associated with operating the Convention Center.
- Union Station fund (#4450) accounts for the thirty-year lease with the Federal Government who uses Union Station as a Federal Courthouse.

## Notes to the Financial Statements For the Year Ended December 31, 2021

### E. Tax expense – Utility Funds

The taxes expense shown in the statements for Enterprise Funds consists primarily of an 8.0% tax upon gross earnings for Tacoma Water, Tacoma Rail, Surface Water, Waste Water, and Solid Waste and a 7.5% tax upon gross earnings for Tacoma Power which is paid to the General Fund. Non-governmental utilities also pay gross earnings tax at the following rates: Natural Gas, 7.5%; Cable TV, 8.0%; Electricity, 7.5%; Solid Waste Collection, 8% and Telephone, 7.5%.

### F. Results of operations of joint ventures

A joint venture is a legal entity or other organization that results from a contractual agreement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an on-going financial interest or (b) on-going financial responsibility.

The City participates in a joint venture with the Tacoma-Pierce County Health Department (Health Department). The City of Tacoma however, does not report an equity interest in the Government-wide financial statements.

Summary financial information on the joint ventures is listed below for the year of the last audited financials. These figures reflect the information as prepared and submitted to the City by the various entities.

<b>Joint Venture</b>	
(amounts expressed in thousands)	
	<b>HEALTH DEPARTMENT</b>
Balance Sheet Date	<u>12/31/2020</u>
Total Assets	\$ 20,999
Capital Assets (net of accumulated depreciation)	1,845
Deferred Outflows	4,389
Total Liabilities	5,661
Non-current Liabilities	413
Deferred Inflows	5,565
Total Net Position	15,595
Total Revenues	55,051
Total Expenditures/Expenses	48,684
Net Increase/(Decrease) in Net Assets	6,367
City Contribution	-

Additional information about the entity can be obtained from separately published financial statements by contacting the Tacoma/Pierce County Health Department, Christopher Schuler, Business Support Services, 3629 South D Street, Tacoma, WA 98418-6813.

## Note 8 – CLAIMS, JUDGEMENTS AND COMMITMENTS

### A. Claims

From time to time, claims have been filed against the City involving tort actions for such things as defective sidewalks, automobile accidents, claims of false arrest, etc.; all of which are in a sense routine in nature and common to all local governments. In those instances, when material, where it has been determined that it is probable that a claim will be paid by the City, the expenditure/expense and the related liability are reported in the

## Notes to the Financial Statements For the Year Ended December 31, 2021

statements of the appropriate fund in the year when such a determination is made. See Note 7B for risk management information.

The City has entered into interlocal agreements with the Tacoma-Pierce County Health Department. If, in fact, this entity was to suffer a catastrophic disaster, claim or lawsuit that exceeded the levels of insurance maintained by the Health Department, their self-insurance funds or otherwise resources were to be depleted; the City and other participating jurisdictions may be required to stand behind and make good the excess liability.

Under state law, the City is required to pay for unemployment and industrial insurance and medical aid. The City has chosen to self-insure rather than remit its payments to the state pool. See Note 7B for risk management information.

### B. Construction Commitments

The City has various construction projects as of December 31, 2021. The projects include street and capital project constructions for improvements of existing streets and bridges or new bridges. At year-end the City's major commitments with the contractors are as follows: (amounts expressed in thousands)

Project	Authorized	Spent-to-date	Remaining Commitment
2021 Striping Contract	598,251		598,251
56th St and Cirque Drive Corridor Improvements Phase 2	6,639,949	3,642,442	2,997,507
Asphalt Plant Auger Replacement	195,517	136,044	59,473
Convention Center Guard House		253,769	(253,769)
E. 34th Street Bridge Repair	182,820	161,804	21,016
E. 64th Street, Phase 1, Pacific to McKinley	7,929,245	7,905,422	23,823
East Locomotive Servicing Facility	3,873,766		3,873,766
East Portland Avenue Improvements	2,674,558	2,416,463	258,095
Fawcett Avenue/S. 21st Street	4,653,511		4,653,511
McKinley Ave Crosswalk Improvements - E 36th and E 37th	380,000	358,474	21,526
Murray Morgan Bridge Elevator Window Repair	72,528	72,528	-
On-Call Nuisance Abatement Services, 2019-2020	278,345	320,926	(42,580)
On-Call Securing Properties, 2019-2020	456,225	410,399	45,826
Pipeline Trail Phase 3	2,012,188	1,961,011	51,177
Rail Crossing Improvements 6th Ave & S 19th St	298,824		298,824
Revitalizing Tacoma's Brewery District	6,605,605	222,862	6,382,743
Rialto Theater Fence Security Enhancements		3,040	(3,040)
S 19th St Signal & Crosswalk Improvements at Yakima Ave &	520,000	510,773	9,227
Sidewalk Beveling Pilot Project - Joint Contract with City of Seattle		24,754	(24,754)
South 19 and Clay Huntington	592,930	528,660	64,270
South 21st and Fawcett Improvement Project	6,889,462	1,770,391	5,119,070
Streets Initiative Package #13	2,789,820	3,073,179	(283,360)
Streets Initiative Package #14	4,824,847	2,023,956	2,800,891
Streets Initiative Package #22	358,184	2,349,104	(1,990,920)
Streets Initiative Package #33	467,467	360,450	107,017
Taylor Way Rehabilitation	23,644,969	21,177,628	2,467,341
TEMS 4 - S 69th & Proctor - Civil		228,254	(228,254)
TEMS 4 - S 69th & Proctor - Electrical	158,160	161,049	(2,889)
Yakima Avenue Bridge Deck Repair	1,857,822	1,512,839	344,984
	<u>\$ 78,954,993</u>	<u>\$ 51,586,222</u>	<u>\$ 27,368,770</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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These commitments are being funded by a variety of funding sources such as Federal, State and Local Grants, Gas Tax Revenue, City contributions and long-term debt.

#### C. Solid waste utility—landfill closure and post closure liabilities

The Division operates a 235-acre landfill site, which became part of the South Tacoma Channel Superfund Site in 1983. In 1991, the City entered a Consent Decree settlement with the United States Environmental Protection Agency (EPA) and the Washington State Department of Ecology (DOE), titled *United States et al v. City of Tacoma* US District Court Case No. C-89C583T, to “clean-up” the release of hazardous substances at the Landfill. The City completed the majority of the remediation work required by the Consent Decree several years ago. The remaining work mostly involves monitoring the remediation work completed by the City in the 1990s to assure that it continues to protect human health and the environment. The Consent Decree settlement was entered pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. §9601 et seq., and the state Model Toxics Control Act (MTCA), Chapter 70.105D RCW.

The City’s remediation work has included: (1) covering the landfill with a double flexible membrane cap that is impermeable to water; (2) capturing methane gas within and at the landfill perimeter to prevent off-site migration; (3) pumping and treating ground water to remove contamination at the point of compliance and beyond property boundaries; and (4) closing the landfill in accordance with the above-referenced Consent Decree. The City has an obligation under the Consent Decree to monitor the remediation work over the next 20 years, or more years to make sure it continues to be effective at protecting human health and the environment.

The costs for ongoing maintenance of the Tacoma Landfill are not expected to require rate increases above those already projected. The City will be responsible for the costs of additional work if migration of pollutants from the site is not completely controlled by current remedial actions. The City’s on-going monitoring efforts indicate the remedial actions undertaken by the City at the Tacoma Landfill are performing as designed.

In 2014, following closure of the portions of the Tacoma Landfill as required by the Consent Decree, the remaining recovery and transfer facilities continued to be permitted by the Tacoma Pierce County Health Department (TPCHD) through the same permitting process. All closed portions of the Landfill will also be covered by a TPCHD closure permit, which may be incorporated into the overall facility permit. The closure permit will mirror the requirements implemented as a result of the Landfill remedial action. The Tacoma-Pierce County Health Department has determined that the Tacoma Landfill is exempt under RCW 70.105D and WAC 173-351-700(4)(c) from TPCHD closure permit requirements. In February of 2019, the City and the TPCHD executed an agreement where in the City agreed to comply with TPCHD closure permit requirements and a new Solid Waste permit was issued by TPCHD expiring in March of 2020. The new Solid Waste Permit was renewed in 2021 and now expires March 24, 2022.

Long-term plans for the closed capped areas of the Tacoma Landfill include recreational facilities, such as trails and playfields, as well as other governmental facilities, such as greenhouses for grounds maintenance operations. All development on the Tacoma Landfill site must be designed to accommodate differential settlement and allow for continued functioning of the environmental remediation systems.

The Division reported \$13,513,313 as landfill post-closure care liability as of December 31, 2021 based on 100% use of the total capacity of the Tacoma Landfill. This compares to \$14,435,352 at December 31, 2020 based on 100% of capacity. Actual care costs may be higher or lower due to inflation, changes in technology, or changes in regulations. The Division will be responsible for the costs of additional work if migration of pollutants from the site is not completely controlled by current remedial actions. To meet the previous requirements of State and Federal laws and regulations, contributions were made to a reserve for financing closure costs.

Because of the nature of its activities, the Division is subject to various pending and threatened legal actions, which arise in the ordinary course of business. The Division believes, based on the information presently known, the ultimate liability for any legal actions, individually or in the aggregate, taking into account established accruals

## Notes to the Financial Statements For the Year Ended December 31, 2021

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for estimated liabilities, will not be material to the financial position of the Division, but could be material to results of operations or cash flows for a particular annual period. No assurance can be given, however, as to the ultimate outcome with respect to any particular claim.

### Note 9 – CONTINGENT LIABILITIES

***Solid Waste (#4200) Long-term Contract – Land Recovery, Inc.*** - In February 2000, the Division entered into a 20-year contract with Land Recovery, Inc. (LRI) to dispose of all “acceptable waste” collected or handled by the Division (as that term is defined in the agreement), at the 304th Street landfill operated by LRI. The Division entered into this agreement to extend the life of the Tacoma Landfill and to secure a long-term disposal arrangement at a favorable disposal cost. The agreement excludes solid waste that LRI is not authorized by law or permit to receive, or which could create or expose LRI or the Division to potential liability, among other things. Recycling and/or composting waste is not covered by the agreement. The agreement further provides that LRI shall charge a base rate per ton for disposal services, and that said rate shall decrease as the tonnage increases during each contract year. The agreement also provides that the base rate charged by LRI shall increase annually based on the Seattle-Tacoma CPI. The rate per ton is periodically increased by LRI to cover certain increased costs, including the increased cost of landfill closure liabilities. These rate adjustments are part of the existing agreement.

***Solid Waste (#4200) Long-term Contract – Pierce County Recycling, Composting and Disposal*** - In October 2004 the Division entered into a ten (10) year agreement with Pierce County Recycling Composting and Disposal (PCRCDD) LLC to accept organic material collected by the City curbside or delivered to the City's landfill for processing into compost. Under the agreement, which has two 5-year renewal options, PCRCDD will charge a base rate per ton for the organic waste it receives from the City. This price may be adjusted beginning on the second anniversary of the agreement, and thereafter annually based on the Seattle-Tacoma-Bremerton CPI. The agreement also includes a revenue sharing component. The Division entered into this agreement to extend the life of the Tacoma landfill and secure a long-term composting arrangement at a favorable cost through 2030.

***Wastewater and Surface Water (#4300-01) Olympic View Resource Area*** - In 2001, the City entered into an Administrative Order on Consent for Removal Action at the Olympic View Resource Area (OVRA) with the Environmental Protection Agency (EPA). Contamination identified during construction of the NRDA site in this location led to the need for sediment cleanup work to be performed as a separate action. The cleanup action was completed in 2002, followed by long-term monitoring to ensure the protectiveness of the cap. In 2014, results of this monitoring indicated the potential of some loss of the capping material present at the site. This material loss was confirmed by subsequent surveys and a cap material replenishment project was designed and subsequently implemented in 2020 under EPA oversight. Because contaminated material was left in place under a cap at the site, long-term monitoring is expected to continue on a periodic basis in perpetuity. The results of this monitoring may result in additional limited maintenance efforts in the future. Included in the financial statements for the years 2021 and 2020 are liabilities of \$420,000 and \$475,000 respectively.

***Wastewater and Surface Water (#4300-01) Foss Consent Decree*** – Under the current long-term Monitoring Plan developed in accordance with the Foss Consent Decree, the City has an obligation for continued monitoring through 2028. It is expected that another long-term Monitoring Plan will be developed following completion of monitoring under the current plan. Because contaminated material is left in place under caps in the waterway, some level of periodic monitoring will continue in perpetuity. Erosion in two areas was identified and requires maintenance to protect the integrity of the remedy. The basis of design evaluation began in 2021, design is continuing in 2022, and construction of the maintenance project is planned for 2023/2024. Ongoing monitoring may result in additional limited maintenance efforts in the future. Included in the financial statements for the years 2021 and 2020 are liabilities of \$2,116,000 and \$817,000, respectively.

The City indemnified certain parties when it purchased real property along the Thea Foss Waterway in the late 1980's and early 1990's. The City expects that any financial obligation it may have related to these indemnities

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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will be de minimus given the historical uses of the indemnified properties and the limited potential for releases from these properties to damage natural resources.

**Wastewater and Surface Water (#4300-01) Coal-Gas Site Agreed Order** - In 1993 the City became a party to an agreed order with the State Department of Ecology under MTCA (RCW 70.105D.050(1)) for the clean-up of the coal-gas properties located at the head of the Foss Waterway just south of the cable stay bridge below the SR 705 spur. The City is one of several potentially liable parties (PLPs) that are signatories to this agreed order. The agreed order, and subsequent amendments, provided for interim measures to control the coal-tar from migrating from this site into the Foss Waterway but did not provide for final cleanup or closure of the site. In mid-2016, Ecology contacted the City and other potentially liable parties to initiate the negotiations of a new Agreed Order which would address final closure of the Coal Gas Site by completion of a Remedial Investigation/Feasibility Study (RI/FS) and development of a draft Cleanup Plan (dCAP) for the site. Other parties are performing the work under the Agreed Order, and the City's role and cost obligation should be limited. This new Agreed Order was fully executed on September 13, 2018 and work has commenced.

**Tacoma Rail (#4500) Estate of Wesley Evans v. the City of Tacoma, TPU and Tacoma Rail** – On September 19, 2017 Wesley Evans was killed when the vehicle he was driving collided with a Tacoma Rail train at a railroad crossing located on Milwaukee Way near the intersection of Lincoln Avenue within the city limits of the City of Tacoma. On September 9, 2020, a Complaint for Wrongful Death and Survival was filed in Pierce County Superior Court on behalf of the estate and beneficiaries of Wesley Evans. The City of Tacoma, Tacoma Public Utilities and Tacoma Rail are represented by outside counsel Debra Dickerson, of the law firm of Preg, O'Donnell & Gillett (appointed by our insurance carrier). Trial is scheduled for September 8, 2021.

**Tacoma Water (#4600) Capital Improvements** – The financial requirement for Tacoma Water's 2021-2022 biennial Capital Improvement program is approximately \$79.3 million and Tacoma Water has substantial contractual commitments relating to the program. At December 31, 2021 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$55.2 million.

**Tacoma Water (#4600) Muckleshoot Indian Tribe Settlement** – A mutually beneficial settlement agreement was reached with the Muckleshoot Indian Tribe in 1995. The settlement package has a cost of approximately \$30 million and includes five basic elements: 1) building a fish restoration facility and annual operation and maintenance of that facility, or in the alternative, providing \$12 million (indexed at 1995 dollars) into a fish restoration fund; 2) providing for enhanced flows in the Green River; 3) transferring certain lands; 4) establishing a trust fund payable over 40 years which is intended to provide for the general welfare, educational and other needs of the Tribe; and 5) limited access into the Green River Watershed. The settlement resolved past damage claims by the Tribe for Tacoma Water's historical operations on the river, gain the Tribe's support for the Second Supply Project and provide the basis for a long-term, cooperative working relationship on the Green River. Tacoma Water has been implementing this agreement.

**Tacoma Water (#4600) General Legal Matters** - The Water Division has received several other miscellaneous claims or litigation that either do not allege material amounts or that the Legal Department has determined do not pose a risk of liability to the Utility.

**Tacoma Power (#4700) Capital Improvements** – The financial requirement for Tacoma Power's 2021/2022 biennial Capital Improvement Program is approximately \$149.9 million. As of December 31, 2021, the remaining financial requirement for the 2021/2022 biennial Capital budget was approximately \$93.1 million.

**Tacoma Power (#4700) Kosmos Mill Oil Seep** - On November 21, 2019, emergency action was initiated and subsequently completed to install a containment cap on oil seepage near Riffe Lake on the Cowlitz River. A sawmill was historically located at this site near the town of Kosmos before the area was inundated by Riffe Lake. The Division is working with the Department of Ecology towards a remedial investigation of the site and has recognized a liability in the amount of \$325,000 as the known cost for the site investigation progress in 2022.

## Notes to the Financial Statements For the Year Ended December 31, 2021

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**Tacoma Power (#4700) General Legal Matters** - Tacoma Power has received several other miscellaneous claims that either do not allege significant amounts or that the Legal Department has determined do not pose a risk to liability to the Utility.

**Western Metal Industry Pension Fund** - The City of Tacoma had approximately 113 employees who participated in the Western Metal Industry Pension Fund (WMIPF). WMIPF is a cost-sharing, defined benefit, multiple-employer pension plan and is administered by the Board of Trustees. The Trustees and other WMIPF fiduciaries have discretionary authority to interpret the WMIPF and determine entitlement to WMIPF benefits.

The WMIPF fell into critical status following the 2009 Plan Year and was certified as “critical” in 2010. In an effort to improve the WMIPF funding situation, the Trustees adopted a Rehabilitation Plan on May 28, 2010, and subsequently updated it on July 24, 2012, and December 9, 2016.

The Rehabilitation Plan consists of reductions in adjustable benefits including early retirement benefits and retirement payment options, and contribution increases of 16% per year for up to 11 years over the current contribution level. These contribution increases do not translate into additional benefit accruals but instead are directed solely toward improving the WMIPF funded status. The Trustees have adopted the “free look” rule set forth in subsection 4210(a) of ERISA related to withdrawal liabilities.

Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or, a copy of the Plan's annual report may be obtained by making a written request to the WMIPF administrator.

The employer is required to make contributions to the WMIPF absent terms of a Collective Bargaining Agreement.

On December 11, 2018, the Tacoma City Council approved the collective bargaining agreement for the International Association of Machinists and Aerospace Workers District Lodge 160, Local Lodge 297 covering City of Tacoma Rail Mechanics and Track Workers. Contained in these agreements were a call for cessation of the participation in the WMIPF. The contributions submitted for the December 31, 2018 payroll were the final contributions made on behalf of the employees in those two units.

On December 3, 2019, the Tacoma City Council approved the collective bargaining agreement for the International Association of Machinists and Aerospace Workers District Lodge 160, Local Lodge 297 covering City of Tacoma Rail Yard Clerks. Contained in this agreement was a call for cessation of the participation in the WMIPF. The contributions submitted for the December 31, 2019 payroll were the final contributions made on behalf of the employees in this unit. As December 31, 2020, there were no employees participating in the WMIPF. Rail had 26 employees who participated in the WMIPF, those employees who vested would be eligible for benefits based on their date of withdrawal.

There were no contribution rates applicable for 2021 and 2020. There were no contributions in 2021 and 2020.

There is currently no schedule to amortize the unfunded liability for the employees who are remaining within the WMIPF and the system is currently functioning on a pay-as-you-go basis. The City's obligation is to pay, in full, the payroll withholdings to the system.

On November 5, 2021, the City received a Withdrawal Liability Demand Letter from the Plan. The actuaries for the WMIPF determined that the withdrawal liability attributed to City of Tacoma is \$44,325,881 in total, but the liability was recorded for 20-year limitation liability of \$17,863,052 in accordance with Section 4219 (c) of the Employee Retirement Income Security Act (ERISA), 20 U.S.C. 1399(c). Each operating division recorded the respective liability based on its proportionate share of the 20-year limitation liability as at December 31, 2021. The initial \$337,619 payment was due on or before January 1, 2022 which was comprised of \$169,829 attributable to the partial withdrawal and \$167,790 attributable to the complete withdrawal. Subsequent payments will be due

## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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quarterly. The partial withdrawal quarterly payment will continue until 80 quarterly payments are made for a total of \$13,586,320 while the last quarterly installment for the complete withdrawal will be due on April 1, 2028, for a total of \$4,276,732, the last payment amount will be \$81,982.

As of December 31, 2021, the Division reported a liability of \$2,979,324 for its proportionate share of the collective total withdrawal liability of \$17,525,433 compared to \$2,354,440 at December 31, 2020. The current portion of the withdrawal liability is \$229,581 as of December 31, 2021 and there was no current liability as of December 31, 2020. At December 31, 2021 and 2020, the Division's proportion was 17.0% and 16.8%, respectively. For the year ended December 31, 2021, the Division recognized a withdrawal expense of \$682,279.

On January 26, 2022, the City submitted an appeal over the liability calculation subject to the Employee Retirement Income Security Act of 1974 (ERISA). The outcome of the appeal is uncertain at the time of the report issuance and may affect the liability amount.

#### **Grants**

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

#### **Note 10 – TAX ABATEMENTS**

As of December 31, 2021, the City provides tax abatements for the following programs:

##### **1. Multifamily Housing Property Tax Exemption**

The Multifamily Housing Property Tax Exemption Program encourages development of market rate and affordable housing in mixed use areas. This program was established under the Tacoma Municipal Code, Section 6A.110.020.

Criteria: The applicant must be the owner of the property, and the property must be located within the boundaries of a mixed-use center. The Tax Review Committee, made up of City staff from the Community & Economic Development Dept. and the Legal Dept., and a representative from the Pierce County Assessor's Office, approve the request. Once approved, the construction must be completed within 3 years. If the owner sells the property after the tax exemption has been granted, the exemption stays with the property and is transferred to the new owner. The contract includes the agreed upon specifications of the housing improvements. The exemption will begin after the improvements are completed. The City will issue a Final Certificate of Tax Exemption with the Pierce County Assessor's Office and the property owner's assessed value will be adjusted to reflect this exemption. The property tax abatement is determined by a percentage of assessed value. In Pierce County, the tax rate in 2021 is 0.012536078 of assessed value. The City of Tacoma receives 20.564% of that tax.

##### **2. Special Valuation Property Tax Exemption**

This Special Valuation Property Tax Exemption Program encourages the owners of historic properties to invest in the improvement and rehabilitation of historic buildings. This program was established under the Washington State RCW Chapter 84.26, Historic Property.

Criteria: Property owners may obtain a reduced tax assessment by submitting an application at the conclusion of project construction. The applicant must be the owner of the property, and the property must be listed on the Tacoma Register of Historic Places or be a historically contributing property within a local historic overlay zone. In addition, the project must meet the Secretary of Interior's Standards for Rehabilitation of



## Notes to the Financial Statements

### For the Year Ended December 31, 2021

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Historic Buildings and must not adversely affect the building's historically significant, character defining elements. Exterior modifications must be approved by the Tacoma Landmarks Preservation Commission. The project investment expenditures must be a minimum of 25% of the assessed value of current improvements on the property over a 24 month consecutive period. The reduced assessment begins the tax year following the approval. This program is jointly processed and administered by the City's Historic Preservation Program and the Pierce County Assessor. The property owner's assessed value will be adjusted to reflect this exemption. The property tax abatement is determined by a percentage of assessed value. In Pierce County, the tax rate in 2021 is 0.012536078 of assessed value. The City of Tacoma receives 20.564% of that tax.

The City is required to disclose other abatement arrangements entered into by other governments that reduce the City's tax revenues. The State of Washington's tax abatements that affected the City of Tacoma tax revenue are included below:

#### 3. *Aerospace Industries Tax Exemption*

Aerospace industries are allowed a tax exemption for computer hardware, software and peripherals. This program was established under the Washington State RCW Chapters 82.08.975 and 82.12.975 Exemptions – Computer parts and software related to the manufacture of commercial airplanes. The City of Tacoma's data is confidential and cannot be disclosed.

#### 4. *Manufacturing Facilities Tax Exemption*

Manufacturing facilities in counties with high unemployment rates are allowed to defer sales and use tax. This program was established under the Washington State RCW Chapter 82.60, Tax Deferrals for Investment Projects in Rural Counties. The City of Tacoma's data is confidential and cannot be disclosed.

#### 5. *Multi-Unit Urban Housing Tax Exemption*

The Multi-Unit Urban Housing Exemption encourages increased residential opportunities, including affordable housing opportunities, in cities that are required to plan or choose to plan under the growth management act within urban centers where the governing authority of the affected city has found there is insufficient housing opportunities, including affordable housing opportunities. It also encourages the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers having insufficient housing opportunities that will increase and improve residential opportunities, including affordable housing opportunities within these urban centers. This program was established under the Washington State RCW 84.14, New and Rehabilitated Multiple-Unit Dwellings in Urban Centers.

Information relevant to the disclosure of those programs under contract with the City of Tacoma for the fiscal year ended December 31, 2021 is:

Tax Abatement Program	Amount of Taxes Abated (in thousands)
Multifamily Property Tax Exemption	\$ 1,289
Special Value Tax Exemption	\$ 136
Future Nonprofit Low-Income Housing	\$ 1,252

#### Note 11 - COVID-19 PANDEMIC

The COVID-19 pandemic is ongoing, and the duration and severity of the crisis are uncertain. The City took aggressive budget actions in early 2020 to manage the impacts of COVID-19. The actions included, but are not

## **Notes to the Financial Statements For the Year Ended December 31, 2021**

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limited to, the following: reduction of 2020 revenue projections, eliminated discretionary spending, cancelled planned projects, established purchasing and contract freezes, established a hiring freeze, put certain staff on temporary furloughs and did targeted lay-offs. During the 2021-2022 budget development process the City took quick action to reduce the expenses through program eliminations, reduced hiring, and temporary furloughs to address the projected revenue losses. In 2021, the City's tax revenues performed better than projections and the City was able to return funding for a limited number of one-time programs and investments. The City will continue to monitor the community impacts of COVID-19 and remain flexible on responding to community needs.

### **Note 12 – SUBSEQUENT EVENTS**

In Mid-May of 2022, the City expects to receive approximately \$30.4 million, the second tranche of funds from the total of \$60.9 million from the American Rescue Plan Act (“ARPA”). ARPA provides \$350 billion to help states, counties, cities and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Based on allocation projections, the City expects to receive approximately \$60.9 million in ARPA assistance, of which approximately \$30.5 million was received in May of 2021. Funds received under the ARPA may be used for authorized purposes relating to mitigating the fiscal effects of the COVID-19 pandemic, including responding to the public health emergency, providing governmental services, and making certain infrastructure investments, among other purposes. The City will monitor and apply for additional Federal and State support for expenses related to responding to the COVID-19 pandemic if and as such relief becomes available.

### **Note 13 – DISSOLUTION OF FOSS WATERWAY DEVELOPMENT AUTHORITY**

In 1996 the Tacoma City Council established the Foss Waterway Development Authority (Authority) to assist in redeveloping certain real property in and along the Foss Waterway, by acquiring, managing and disposing of real property, securing financing, undertaking or providing for redevelopment and entering into agreements with developers proposing to develop projects along the Waterway. In 1997, the City and the Authority executed a series of Operating Agreements to guide the Authority's work. The final extension of the Operating Agreements expired on December 31, 2020, having successfully completed the majority of development work. In 2021, the Authority was dissolved in accordance with the agreement and commenced a transition process, concluding in the orderly dissolution of the Authority consistent with requirements of TMC 1.60.430. All assets, obligations, property and liabilities were assumed/transferred to the City.

The acquired balances of the Authority's assets, liabilities, and net position as of the beginning of the period were determined on the basis of the carrying values reported in their financial statements as of December 31, 2020. The City acquired \$85,706 in current assets, \$25,805,510 in capital assets, and \$760,555 in current liabilities.



NOTES TO THE FINANCIAL STATEMENTS  
FOR DECEMBER 31, 2021

NOTE 14  
CHANGES IN LONG TERM DEBT  
(all dollar values in thousands)

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-21	ISSUED 2021	REDEEMED 2021	AMOUNT O/S 12/31/201
<b>GENERAL OBLIGATION BONDS, LOANS, &amp; NOTES</b>									
Unlimited General Obligation Bonds									
Genl Obl Bonds 2010	Refunding 2002 Bonds	11/10/10	2011 - 2022	21,870	2.6323	5,150	0	5,150	0
Genl Obl Bonds 2021	Refunding 2010A Bonds	04/13/21	2021 - 2022	3,675		0	3,675	1,190	2,485
	Subtotal Unlimited (Voted)					<b>5,150</b>	<b>3,675</b>	<b>6,340</b>	<b>2,485</b>
Limited General Obligation Bonds									
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011 - 2035	15,380	5.8600	13,280	0	410	12,850
Ltd. Genl Obl Bonds 2009B Dock & Salishan	Capital Improvements	12/17/09	2035	3,320	3.5400	3,320	0	3,320	0
Ltd. Genl Obl Bonds 2009C Cheney	Capital Improvements	12/17/09	2034	4,975	4.8800	4,975	0	4,975	0
Ltd. Genl Obl Bonds 2009E Multiple Projects	Capital Improvements	12/17/09	2026 - 2035	13,526	5.7500	13,526	0	0	13,526
Ltd. Genl Obl Bonds 2009E Acreted Interest	Capital Improvements	12/18/09	2026 - 2036	13,526	5.7500	11,503	1,447	0	12,950
Ltd. Genl Obl Bonds 2009F Cheney & Env Remed	Capital Improvements	12/17/09	2023 - 2027	6,681	7.2020	6,681	0	0	6,681
Ltd. Genl Obl Bonds 2009F Acreted Interest	Capital Improvements	12/18/09	2023 - 2027	6,681	7.2020	7,758	1,053	0	8,811
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 1997B, 2001, 2004, 2006A	11/10/10	2015 - 2022	7,355	2.7966	1,445	0	1,445	0
Ltd. Genl Obl Bonds 2010C Refunding Bonds	Refund 2001, 2007, 2009	11/10/10	2015 - 2022	7,355	3.8076	2,040	0	1,000	1,040
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015 - 2033	30,225	5.0399	22,415	0	1,410	21,005
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015 - 2040	9,130	5.7155	7,570	0	4,640	2,930
Ltd. Genl Obl Bonds 2013 Refunding Bonds	Refund 2001 & 2004	03/05/13	2015 - 2034	44,170	3.1768	34,775	0	1,825	32,950
Ltd. Genl Obl Bonds 2015A Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2036	12,735	3.2066	11,010	0	475	10,535
Ltd. Genl Obl Bonds 2015B Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2027	20,215	2.8933	11,450	0	3,930	7,520
Ltd. Genl Obl Bonds 2017 - Tacoma Dome	Capital Improvements	12/12/17	2019 - 2037	25,295	3.2114	22,320	0	1,040	21,280
Ltd. Genl Obl Bonds 2021A Refunding Bonds	Refund 009B/2010B	04/13/21	2021 - 2035	4,555		0	4,555	725	3,830
Ltd. Genl Obl Bonds 2021B Refunding Bonds	Refund 2009C	04/13/21	2034	4,475		0	4,475	0	4,475
Ltd. Genl Obl Bonds 2021C Refunding Bonds	Refund 2010E	04/13/21	2021 - 2040	4,555		0	4,555	110	4,445
	Subtotal Limited (Councilmanic)					<b>174,048</b>	<b>16,085</b>	<b>25,305</b>	<b>164,828</b>
Washington State Public Works Trust Fund Loan									
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004 - 2024	4,500	0.5000	2,282	0	571	1,711
	Subtotal Washington State Loan (Councilmanic)					<b>2,282</b>	<b>0</b>	<b>571</b>	<b>1,711</b>
	<b>Total General Obligation Bonds, Loans, &amp; Notes</b>					<b>\$ 181,480</b>	<b>\$ 19,760</b>	<b>\$ 32,216</b>	<b>\$ 169,024</b>
<b>ENTERPRISE REVENUE BONDS, LOANS, &amp; NOTES</b>									
Greater Tacoma Convention Center									
Tac CC & Parking Rev/Ref Bonds, Series 2010	Refunding 2004 Bonds	11/10/10	2015 - 2024	5,015	3.7656	2,300	0	535	1,765
Tac CC & Parking Rev/Ref Bonds, Series 2015	Refunding 2004 Bonds	08/14/15	2015 - 2024	20,453	2.3304	8,648	0	2,096	6,552
	Subtotal Convention Center					<b>10,948</b>	<b>0</b>	<b>2,631</b>	<b>8,317</b>
Wastewater Utility									
State Revolving Fund (SRF) Loan #40006A	Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	22,583	0	2,866	19,717
State Revolving Fund (SRF) Loan #40006B	Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	9,766	0	1,195	8,571
Sewer Rev & Ref Bonds 2015	Refunding	03/18/15	2016 - 2045	109,300	3.5358	100,835	0	2,015	98,820
Sewer Rev & Ref Bonds 2016A	Refunding	06/15/16	2016 - 2038	31,855	2.8277	27,205	0	1,145	26,060
Sewer Rev & Ref Bonds 2016B	Refunding	06/15/16	2017 - 2020	11,865	1.3269	2,605	0	2,605	0
Sewer Revenue Bonds 2018 Waste I	Improvements	11/28/19	2019 - 2048	43,460	3.9387	41,760	0	905	40,855

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-21	ISSUED 2021	REDEEMED 2021	AMOUNT O/S 12/31/201
Sewer Revenue Bonds 2018 Waste II	Improvements	11/28/19	2019 - 2031	6,115	3.0387	6,100		10	6,090
State Revolving Fund (SRF) Loan #0166	Treatment Plant Upgrade	11/08/21	2021 - 2041	2,627		0	2,627	72	2,555
WIFIA Loan	Treatment Plant Upgrade	12/01/21	2026 - 2054	15,049		0	15,049		15,049
Subtotal Sewer						<b>210,854</b>	<b>17,676</b>	<b>10,813</b>	<b>217,717</b>
<b>Surface Water Utility</b>									
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	276		24	252
Sewer Revenue Bonds 2018 Surface I	Improvements	11/28/19	2019 - 2048	26,930	3.9387	25,875		560	25,315
Sewer Revenue Bonds 2018 Surface II	Improvements	11/28/19	2019 - 2031	24,440	3.0387	24,380		35	24,345
Subtotal Surface Water						<b>50,531</b>	<b>0</b>	<b>619</b>	<b>49,912</b>
<b>Solid Waste Utility</b>									
Solid Waste Revenue Bonds, 2015	Capital Improvements	03/18/15	2017 - 2025	21,095	2.1375	12,645		2,315	10,330
Solid Waste Rev/Ref Bonds, 2016A	Refunding	06/15/16	2031 - 2036	23,200	3.4260	23,200			23,200
Solid Waste Rev/Ref Bonds, 2016B	Refunding	06/15/16	2026 - 2031	15,025	2.9985	15,025			15,025
Subtotal Refuse						<b>50,870</b>	<b>0</b>	<b>2,315</b>	<b>48,555</b>
<b>Electric System</b>									
Electric System 2010B Rev Bonds (BABS)	Capital Improvements	07/27/10	2031 - 2035	147,070	3.9071	147,070			147,070
Electric System 2010C Rev Bonds (CREBS)	Capital Improvements	07/27/10	2027	24,185	1.9235	24,185			24,185
Electric System 2013A Rev Ref Bonds	Refund & Capital Imp	06/13/13	2014 - 2042	181,610	3.3869	96,125	7,470		88,655
Electric System 2013B Rev Ref Bonds	Refunding	06/13/13	2014 - 2030	35,620	3.3427	35,620			35,620
Electric System 2017 Revenue Bonds	Capital Improvements	09/01/17	2022 - 2046	70,575		70,575			70,575
Electric System 2021 Revenue Bonds	Refunding of Bank Note	09/14/21	2036 - 2051	121,855		0	121,855		121,855
Subtotal Electric System						<b>373,575</b>	<b>121,855</b>	<b>7,470</b>	<b>487,960</b>
<b>Water System</b>									
PW-DWSRF-00-65120-031	Construction	10/07/02	2003 - 2021	3,060	2.5000	161		161	0
PW -00-691-PRE-115	Construction	04/11/01	2003 - 2021	1,000	0.5000	53		53	0
PW-01-691-061	Construction	08/27/01	2003 - 2021	10,000	0.5000	533		533	0
PW -01-691-PRE-127	Construction	02/15/02	2003 - 2021	1,000	0.5000	54		54	0
PW-02-691-056	Construction	04/15/02	2004 - 2022	10,000	0.5000	1,063		531	532
PW-04-691-PRE-101	Construction	03/19/04	2006 - 2024	1,000	0.5000	214		53	161
Water Sys Ref & Rev Bonds 2005	Construction & Refinance	10/11/05	2006 - 2025	46,550	4.6390	5			5
PW-06-962-043	Construction	07/18/06	2008 - 2026	7,000	0.5000	2,224		371	1,853
Water Sys Rev Bonds 2009 (Taxable BABS)	Capital Improvements	11/04/09	2033 - 2039	76,775	3.7780	76,775			76,775
PC08-951-047	Construction	11/25/09	2010 - 2028	10,000	0.5000	4,367		546	3,821
DM07-952-015	Construction	03/31/10	2010 - 2028	4,040	1.721	1,500		215	1,506
PW-DWSRF 09-952-074	Construction	04/09/10	2013 - 2032	6,579	1.0000	4,405		367	4,038
Water Sys Rev Bonds 2010B (BABS)	Construction	08/24/10	2024 - 2040	74,985	5.5636	74,985			74,985
Water RWSS Revenue Bonds 2010A	Construction	08/24/10	2013 - 2024	3,595	3.2460	1,345		315	1,030
Water RWSS Revenue Bonds 2010B (BABS)	Construction	08/24/10	2025 - 2040	44,245	5.5636	44,245			44,245
PW-DWSRF 10-952-026	Construction	06/17/11	2015 - 2034	6,060	1.5000	3,636		303	3,333
PW-DWSRF 11-952-035	Construction	06/30/11	2016 - 2035	6,060	1.5000	1,580		122	1,458
PW-DWSRF 11-952-036	Construction	06/30/11	2016 - 2035	6,060	1.5000	1,580		303	4,242
PC 12-951-017	Construction	07/01/11	2011 - 2031	10,000	0.5000	6,111		556	5,555
PW-DWSRF 12-952-088	Construction	01/22/13	2017 - 2036	12,120	1.5000	9,090		606	8,484
Water Sys Rev Ref Bonds 2013 (RWSS)	Refinance	04/16/13	2013 - 2032	64,795	3.1477	55,920		1890	54,030
Water Sys Rev Ref Bonds 2013	Refinance	05/07/13	2013 - 2043	78,305	3.8523	74,355			74,355
PW-DWSRF-13-952-133	Construction	10/07/13	2019 - 2037	12,120	1.5000	9,090		606	8,484
PW-DWSRF-10-952-031	Construction	03/26/14	2015 - 2034	6,060	1.5000	4,264		305	3,959
PW-DWSRF-13-952-167	Construction	11/06/14	2015 - 2037	12,120	1.5000	9,090		606	8,484

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-21	ISSUED 2021	REDEEMED 2021	AMOUNT O/S 12/31/201
Water Sys Ref Bonds 2015A	Refinance	05/12/15	2017 - 2025	16,645	1.9926	9,230		1670	7,560
DM15-952-033	Construction	06/01/14	2016 - 2034	12,120	1.5000	9,568		638	8,930
2020 Water Refunding Bonds	Refunding	05/14/20	2020-2023	14,467	1.7107	13,158		4490	8,668
Subtotal Water System						<b>421,787</b>	<b>0</b>	<b>15,294</b>	<b>406,493</b>
<b>Tacoma Rail</b>									
WA State Rail Loan RRB-1007	Capital Improvements	08/04/09	2010 - 2024	26	0.0000	7		2	5
WA State Rail Loan RRB-1008	Capital Improvements	08/04/09	2011 - 2025	249	0.0000	83		17	66
WA State Rail Loan RRB-1007	Capital Improvements	12/06/11	2013 - 2022	450	0.0000	90		45	45
WA State Rail Loan RRB-1010	Capital Improvements	03/28/12	2013 - 2022	612	0.0000	122		61	61
WA State Rail Loan RRB-1011	Capital Improvements	03/28/12	2013 - 2022	349	0.0000	70		35	35
WA State Rail Loan RRB-1026	Capital Improvements	09/06/12	2014 - 2023	347	0.0000	104		35	69
WA State Rail Loan RRB-1030	Capital Improvements	09/06/12	2014 - 2023	364	0.0000	109		36	73
WA State Rail Loan RRB-1045	Capital Improvements	08/01/13	2015 - 2024	823	0.0000	247		62	185
WA State Rail Loan RRB-1046	Capital Improvements	08/01/13	2015 - 2024	250	0.0000	100		25	75
WA State Rail Loan RRB-1052	Capital Improvements	10/24/13	2016 - 2025	366	0.0000	183		37	146
WA State Rail Loan RRB-1053	Capital Improvements	10/24/13	2016 - 2025	773	0.0000	387		77	310
WA State Rail Loan RRB-1054	Capital Improvements	10/24/13	2016 - 2025	1,015	0.0000	553		111	442
WA State Rail Loan RRB-1055	Capital Improvements	10/08/13	2016 - 2025	516	0.0000	258		52	206
WA State Rail Loan RRB-1086	Capital Improvements	10/27/15	2016 - 2025	1,037	0.0000	455		91	364
WA State Rail Loan RRB-1108	Capital Improvements	07/03/17	2017 - 2026	311	0.0000	187		31	156
WA State Rail Loan RRB-1109	Capital Improvements	09/29/16	2017 - 2026	121	0.0000	73		12	61
WA State Rail Loan RRB-1110	Capital Improvements	09/08/16	2017 - 2026	406	0.0000	243		41	202
WA State Rail Loan RRB-1111	Capital Improvements	01/06/17	2017 - 2026	370	0.0000	222		37	185
WA State Rail Loan RRB-1112	Capital Improvements	12/06/16	2017 - 2026	150	0.0000	90		15	75
WA State Rail Loan RRB-1225	Capital Improvements	06/30/20	2021 - 2029	233	0.0000	233		23	210
WA State Rail Loan RRB-1226	Capital Improvements	12/30/20	2021 - 2029	125	0.0000	125	275	40	360
Subtotal Tacoma Rail						<b>3,941</b>	<b>275</b>	<b>885</b>	<b>3,337</b>
<b>Lease Revenue</b>									
Lease Revenue Bonds 1990	Construction	03/15/90	1992-2022	36,250	9.3476	4,960		3,230	1,730
Lease Revenue Bonds 1992	Construction	12/15/92	1993-2022	4,695	7.4769	590		385	205
Subtotal Lease Revenue						<b>5,550</b>	<b>0</b>	<b>3,615</b>	<b>1,935</b>
<b>Total Revenue Bonds</b>						<b>\$ 1,128,056</b>	<b>\$ 139,806</b>	<b>\$ 43,642</b>	<b>\$ 1,224,220</b>
<b>Total General Obligation &amp; Revenue Bonds</b>						<b>\$ 1,309,536</b>	<b>\$ 159,566</b>	<b>\$ 75,858</b>	<b>\$ 1,393,244</b>
<b>SPECIAL ASSESSMENT BONDS</b>									
Local Improvement District Bonds	Construction	04/05/16		2,341	3.2500	1,530		150	1,380
District #64 Bonds	Construction	04/29/13	2043	30,999	5.7500	15,075			15,075
District #65 Bonds	Construction	12/19/19	2047	4,011	3.1250	3,430		290	3,140

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-21	ISSUED 2021	REDEEMED 2021	AMOUNT O/S 12/31/201
Subtotal LID Bonds/Notes									
Bond Anticipation Notes									
Revolving Line of Credit	LID Construction	07/01/16	At CLID Issue	\$15mm	Floating	841			841
	Subtotal Bond Anticipation Notes					841	0	0	841
<b>Total Special Assessment Bonds</b>						<b>\$20,876</b>	<b>\$0</b>	<b>\$440</b>	<b>\$20,436</b>
Wells Fargo Revolving Line of Credit	Capital Improvements	05/15/15	5/11/2019	\$100mm Max	0.5000	131,250	23,750	145,000	10,000
	Subtotal Wells Fargo Revolving Line of Credit					<b>131,250</b>	<b>23,750</b>	<b>145,000</b>	<b>10,000</b>
Local Agent Site Lease, Series 2020C	Capital Improvements	07/21/20	2021 - 2040	12,795	2.1197	12,795		525	12,270
	Subtotal Local Agent Site Lease					<b>12,795</b>	<b>0</b>	<b>525</b>	<b>12,270</b>
<b>Total All Bonds</b>						<b>\$1,474,457</b>	<b>\$183,316</b>	<b>\$221,823</b>	<b>\$1,435,950</b>
									<b>\$1,435,950</b>

Notes related to debt increases:

1. Ltd. Genl Obl Bonds 2009E Multiple Projects - Additions represent accreted interest capitalized to bond principal.
2. Ltd. Genl Obl Bonds 2009F Cheney & Env Remed - Additions represent accreted interest capitalized to bond principal.
3. PW-DWSRF & DM - Additions for each of these represent an additional draw from available funds.





## Required Supplementary Information

## LEOFF 1

Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*

	Fiscal Years Ended June 30				
	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability(asset) as a percentage	1.03%	1.03%	1.03%	1.05%	1.07%
Employer's proportionate share of net pension liability(asset)	(35,295,141)	(19,497,420)	(20,428,571)	(19,103,856)	(16,163,187)
State's proportionate share of the net pension liability(asset) associated with the employer	(238,735,457)	(131,880,066)	(138,178,348)	(129,218,006)	(109,327,398)
Total	(274,030,598)	(151,377,486)	(158,606,919)	(148,321,862)	(125,490,585)
Covered payroll	-	-	-	-	-
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	187.45%	146.88%	148.78%	144.42%	135.96%
	2016	2015	2014	2013	2012
Employer's proportion of the net pension liability(asset) as a percentage	1.08%	1.09%	N/A	N/A	N/A
Employer's proportionate share of net pension liability(asset)	(11,098,437)	(13,178,851)	N/A	N/A	N/A
State's proportionate share of the net pension liability(asset) associated with the employer	(75,069,549)	(89,141,418)	N/A	N/A	N/A
Total	(86,167,986)	(102,320,269)	N/A	N/A	N/A
Covered payroll	-	-	-	-	-
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	123.74%	127.36%	N/A	N/A	N/A

\*Until a full 10-year trend is compiled, only information for those years available is presented.

**LEOFF 2**Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*

	Fiscal Years Ended June 30				
	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability(asset) as a percentage	2.44%	2.50%	2.38%	2.47%	2.59%
Employer's proportionate share of net pension liability(asset)	(141,804,064)	(51,021,624)	(55,232,023)	(50,235,694)	(35,974,279)
State's proportionate share of the net pension liability (asset) associated with the employer	(91,479,101)	(32,634,464)	(36,169,575)	(32,526,664)	(23,335,843)
Total	(233,283,165)	(83,656,088)	(91,401,598)	(82,762,358)	(59,310,122)
Covered payroll	82,311,046	75,426,288	71,393,403	79,762,242	77,370,718
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-172.28%	-67.64%	-77.36%	-62.98%	-46.50%
Plan fiduciary net position as a percentage the total pension liability	142.00%	115.83%	119.43%	118.50%	113.36%
	2016	2015	2014	2013	2012
Employer's proportion of the net pension liability(asset) as a percentage	2.48%	2.47%	N/A	N/A	N/A
Employer's proportionate share of net pension liability(asset)	(14,416,299)	(25,352,743)	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the employer	(9,398,378)	(16,763,253)	N/A	N/A	N/A
Total	(23,814,677)	(42,115,996)	N/A	N/A	N/A
Covered payroll	77,913,215	72,486,494	N/A	N/A	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-18.50%	-34.98%	N/A	N/A	N/A
Plan fiduciary net position as a percentage the total pension liability	106.04%	111.67%	N/A	N/A	N/A

\*Until a full 10-year trend is compiled, only information for those years available is presented.

**LEOFF 2**Schedule of the City of Tacoma's Contributions  
Last 10 Fiscal Years\*

	Fiscal Year Ended December 31				
	2021	2020	2019	2018	2017
Contractually required employer contribution	\$4,982,250	\$4,892,925	\$4,687,724	\$4,448,565	\$4,025,059
Contributions in relation to the contractually required employer contribution	(4,982,250)	(4,892,925)	(4,687,724)	(4,448,565)	(4,025,059)
Employer contribution deficiency (excess)	0	0	0	0	0
Covered payroll	\$97,146,418	\$93,760,283	\$90,117,849	\$84,770,897	\$78,198,160
Employer contribution as a percentage of covered payroll	5.13%	5.22%	5.20%	5.25%	5.15%
	2016	2015	2014	2013	2012
Contractually required employer contribution	\$4,026,349	\$3,716,978	N/A	N/A	N/A
Contributions in relation to the contractually required employer contribution	(4,026,349)	(3,716,978)	N/A	N/A	N/A
Employer contribution deficiency (excess)	0	0	N/A	N/A	N/A
Covered payroll	\$79,849,106	\$73,603,497	N/A	N/A	N/A
Employer contribution as a percentage of covered payroll	5.04%	5.05%	N/A	N/A	N/A

\*Until a full 10-year trend is compiled, only information for those years available is presented.

**Tacoma Employee's Retirement System Fund (TERS)**Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*

	Fiscal Year Ended December 31				
	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability(asset) as a percentage	91.73%	92.23%	92.40%	92.39%	92.46%
Employer's proportion share of net pension liability(asset)	(146,649,370)	69,360,120	(18,606,284)	117,009,191	(39,323,299)
Covered payroll (1)	261,569,330	252,515,159	246,403,836	233,555,537	223,371,667
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-56.07%	27.47%	-7.55%	50.10%	-17.60%
Plan fiduciary net position as a percentage the total pension liability	107.74%	96.22%	101.08%	92.81%	102.53%
	2016	2015	2014	2013	2012
Employer's proportion of the net pension liability(asset) as a percentage	92.48%	92.63%	92.67%	N/A	N/A
Employer's proportion share of net pension liability(asset)	92,880,524	86,584,348	(9,606,514)	N/A	N/A
Covered payroll (1)	218,669,028	210,616,602	205,085,611	N/A	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	42.48%	41.11%	-4.68%	N/A	N/A
Plan fiduciary net position as a percentage the total pension liability	93.91%	93.94%	100.71%	N/A	N/A

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This table is intended to show ten years of data. As more information becomes available, this table will be updated.

**Tacoma Employee's Retirement System Fund (TERS)**Schedule of the City of Tacoma's Contributions  
Last 10 Fiscal Years\*

Fiscal Year Ended December 31

	2021	2020	2019	2018	2017
Contractually required employer contribution	\$29,661,962	\$28,635,219	\$27,942,195	\$26,414,402	\$24,124,140
Contributions in relation to the contractually required employer contribution	(29,661,962)	(28,635,219)	(27,942,195)	(26,414,402)	(24,124,140)
Employer contribution deficiency (excess)	0	0	0	0	0
Covered payroll	\$261,569,330	\$252,515,159	\$246,403,836	\$233,555,537	\$223,371,667
Employer contribution as a percentage of covered payroll	11.34%	11.34%	11.34%	11.31%	10.80%

	2016	2015	2014	2013	2012
Contractually required employer contribution	\$23,616,255	\$22,746,593	\$22,149,246	N/A	N/A
Contributions in relation to the contractually required employer contribution	(23,616,255)	(22,746,593)	(22,149,246)	N/A	N/A
Employer contribution deficiency (excess)	0	0	0	N/A	N/A
Covered payroll	\$218,669,028	\$210,616,602	\$205,085,611	N/A	N/A
Employer contribution as a percentage of covered payroll	10.80%	10.80%	10.80%	N/A	N/A

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This table is intended to show ten years of data. As more information becomes available, this table will be updated.

**Firefighters and Police Relief Pension Fund**

Schedule of Changes in Total Pension Liability and Related Ratios  
 Last 10 Years\*  
 (dollars expressed in thousands)

**Firefighters' Pension Fund**

Fiscal Year Ended December 31

	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	592	701	957	975	1,058
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	3,587	-	(1,871)	-
Effect of assumption changes or inputs	-	1,972	2,624	(1,076)	622
Benefit payments	(2,117)	(2,101)	(1,968)	(1,952)	(2,100)
Net change in total pension liability	(1,525)	4,159	1,613	(3,924)	(420)
Total pension liability, beginning	30,676	26,517	24,904	28,828	29,248
Total pension liability, ending	29,151	30,676	26,517	24,904	28,828
Covered payroll	-	-	-	-	-
Total pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A

	2016	2015	2014	2013	2012
<b>Total Pension Liability</b>					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending	N/A	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A	N/A

**Firefighters and Police Relief Pension Fund**

Schedule of Changes in Total Pension Liability and Related Ratios  
Last 10 Years\*  
(dollars expressed in thousands)

**Police Relief and Pension Fund**

	Fiscal Year Ended December 31				
	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	253	371	512	514	573
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	(1,005)	-	(667)	-
Effect of assumption changes or inputs	-	785	1,303	(540)	311
Benefit payments	(1,016)	(1,028)	(1,195)	(1,406)	(1,341)
Net change in total pension liability	(763)	(877)	620	(2,098)	(456)
Total pension liability, beginning	13,132	14,010	13,391	15,490	15,946
Total pension liability, ending	12,368	13,132	14,010	13,391	15,490
Covered payroll	-	-	-	-	N/A
Total pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A
	2016	2015	2014	2013	2012
<b>Total Pension Liability</b>					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending	N/A	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A	N/A
Total pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A

\*This table is intended to represent 10 years of comparative data. Prior years are not available. As future years become available the table will be updated.

**Other Post Employment Benefit Plan (OPEB)**  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Total City  
 Last 10 Years\*  
 (dollars expressed in thousands)

	Measurement Period Ended December 31				
	2020	2019	2018	2017	2016
<b>Total OPEB Liability</b>					
Service cost	\$ 2,576	\$ 2,338	\$ 3,302	\$ 3,010	N/A
Interest on total OPEB liability	5,662	8,272	7,562	7,866	N/A
Changes in benefit terms	-	-	-	-	N/A
Effect of economic/demographic gains or (losses)	374	(3,650)	54	-	N/A
Effect of assumption changes or inputs	21,022	6,839	(18,945)	9,060	N/A
Expected benefit payments	(8,793)	(9,490)	(8,671)	(8,352)	N/A
Net change in total OPEB liability	20,841	4,309	(16,698)	11,584	N/A
Total OPEB liability, beginning	208,422	204,113	220,811	209,227	N/A
Total OPEB liability, ending	229,263	208,422	204,113	220,811	N/A
Covered-employee payroll	\$ 380,095	\$ 369,912	\$ 350,507	\$ 330,788	N/A
Total OPEB liability as a % of covered-employee payroll	60.32%	56.34%	58.23%	66.75%	N/A

	Measurement Period Ended December 31				
	2015	2014	2013	2012	2011
<b>Total OPEB Liability</b>					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A



**Other Post Employment Benefit Plan (OPEB)**  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 TERS  
 Last 10 Years\*  
 (dollars expressed in thousands)

	Measurement Period Ended December 31				
	2020	2019	2018	2017	2016
<b>Total OPEB Liability</b>					
Service cost	\$ 1,503	\$ 1,367	N/A	N/A	N/A
Interest on total OPEB liability	535	800	N/A	N/A	N/A
Changes in benefit terms	-	-	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	(615)	-	N/A	N/A	N/A
Effect of assumption changes or inputs	5,133	(1,009)	N/A	N/A	N/A
Expected benefit payments	(1,211)	(1,353)	N/A	N/A	N/A
Net change in total OPEB liability	5,345	(195)	N/A	N/A	N/A
Total OPEB liability, beginning	18,631	18,826	N/A	N/A	N/A
Total OPEB liability, ending	23,976	18,631	18,826	N/A	N/A
Covered-employee payroll	\$ 273,789	\$ 266,662	252,789	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	8.76%	6.99%	7.45	N/A	N/A

	Measurement Period Ended December 31				
	2015	2014	2013	2012	2011
<b>Total OPEB Liability</b>					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

**Other Post Employment Benefit Plan (OPEB)**  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 LEOFF 1  
 Last 10 Years\*  
 (dollars expressed in thousands)

	Measurement Period Ended December 31				
	2020	2019	2018	2017	2016
<b>Total OPEB Liability</b>					
Service cost	\$ -	\$ -	N/A	N/A	N/A
Interest on total OPEB liability	4,678	6,799	N/A	N/A	N/A
Changes in benefit terms	-	-	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	-	(3,650)	N/A	N/A	N/A
Effect of assumption changes or inputs	14,429	8,681	N/A	N/A	N/A
Expected benefit payments	(6,610)	(7,237)	N/A	N/A	N/A
Net change in total OPEB liability	12,497	4,593	N/A	N/A	N/A
Total OPEB liability, beginning	173,996	169,403	N/A	N/A	N/A
Total OPEB liability, ending	186,493	173,996	169,403	N/A	N/A
Covered-employee payroll	\$ -	\$ -	\$ -	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

	Measurement Period Ended December 31				
	2015	2014	2013	2012	2011
<b>Total OPEB Liability</b>					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

**Other Post Employment Benefit Plan (OPEB)**  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 LEOFF 2  
 Last 10 Years\*  
 (dollars expressed in thousands)

	Measurement Period Ended December 31				
	2020	2019	2018	2017	2016
<b>Total OPEB Liability</b>					
Service cost	\$ 637	\$ 571	N/A	N/A	N/A
Interest on total OPEB liability	301	463	N/A	N/A	N/A
Changes in benefit terms	-	-	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	1,506	-	N/A	N/A	N/A
Effect of assumption changes or inputs	1,253	(577)	N/A	N/A	N/A
Expected benefit payments	(881)	(790)	N/A	N/A	N/A
Net change in total OPEB liability	2,816	(333)	N/A	N/A	N/A
Total OPEB liability, beginning	10,780	11,113	N/A	N/A	N/A
Total OPEB liability, ending	13,596	10,780	11,113	N/A	N/A
Covered-employee payroll	\$ 94,586	\$ 91,575	\$ 86,516	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	14.37%	11.77%	12.85%	N/A	N/A

	Measurement Period Ended December 31				
	2015	2014	2013	2012	2011
<b>Total OPEB Liability</b>					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

**Other Post Employment Benefit Plan (OPEB)**  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Rail  
 Last 10 Years\*  
 (dollars expressed in thousands)

	Measurement Period Ended December 31				
	2020	2019	2018	2017	2016
<b>Total OPEB Liability</b>					
Service cost	\$ 437	\$ 400	N/A	N/A	N/A
Interest on total OPEB liability	148	210	N/A	N/A	N/A
Changes in benefit terms	-	-	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	(518)	-	N/A	N/A	N/A
Effect of assumption changes or inputs	206	(256)	N/A	N/A	N/A
Expected benefit payments	(90)	(109)	N/A	N/A	N/A
Net change in total OPEB liability	183	245	N/A	N/A	N/A
Total OPEB liability, beginning	5,015	4,770	N/A	N/A	N/A
Total OPEB liability, ending	5,198	5,015	4,770	N/A	N/A
Covered-employee payroll	\$ 11,720	\$ 11,675	\$ 11,202	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	44.36%	42.96%	42.58%	N/A	N/A

	Measurement Period Ended December 31				
	2015	2014	2013	2012	2011
<b>Total OPEB Liability</b>					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

## Notes to Required Supplementary Information (RSI)

### Note 1—Budgetary data

#### A. General budget policies

The biennial budget is adopted by appropriation ordinance of the Tacoma City Council and may be amended by subsequent ordinances. Biennial budgets are legally adopted for all governmental fund types. Any comparisons between budget and actual revenues and expenditures are reported under the GAAP basis. The budget is adopted with budgetary control at the fund level, so expenditures may not legally exceed appropriations at that level of detail. Transfers or revisions within funds are administratively allowed, but only City Council has the legal authority to increase or decrease a given funds biennial budget. While not required by law, the City adopts budgets for proprietary funds and some selected trust funds. These budgets are "management budgets" and as such, are not reported in the ACFR.

Although the City is not legally responsible for the Tacoma Community Redevelopment Authority (TCRA), the City has included certain financial information pertaining to TCRA. The City is not required to report the TCRA or the Greater Tacoma Regional Convention Center Public Facilities District (GTRCCPFD)'s budgets and therefore it is excluded from the budget and actual comparisons.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded, is employed as an extension of formal budgetary control for governmental fund types. Encumbrances outstanding at December 31 are reported as restricted, committed, or assigned fund balances as defined by GASB 54. Encumbrances outstanding at the end of the biennium are re-appropriated at the beginning of the next biennium with budget's approval.

#### B. Budget basis of accounting

All budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

#### C. The budget process

The budget process begins with the City Council making appropriate revisions to the City's long-term strategic plan, identifying goals, and setting priorities. In early June, the initial revenue forecast is completed by the Office of Management, Budget and Analysis (OMBA) and City departments and agencies begin budget preparation. Budget requests are due to OMBA in late July. OMBA reviews and revises budget requests in August. The revenue forecast is refined in early September and a preliminary budget is presented to the Executive Forum in early October. The preliminary budget is further refined during the month of October.

By Washington State law, the City Council must receive a balanced preliminary budget by November 1st. Public budget hearings are conducted by the City Council in mid-November. Any changes the Council decides to make to the preliminary budget are made after the public hearings and before the reading of the budget ordinance in December. Washington State law requires that the City Council adopt a balanced budget on or before December 31.

Washington State law requires that a mid-biennial review and modification be conducted between September 1 and December 31 of the first year of the biennium. Supplemental budget requests are accepted from departments during the month of August. Revenue estimates for the biennium are reviewed and adjusted in early September. The new revenue estimates and the supplemental requests are submitted to the Budget Committee and the Executive Forum in late September. Preliminary modifications are presented to the City Manager for review and changes in October. Modifications are submitted to the City Council in early November. Public hearings are conducted in November. The City Council adopts the amended biennial budget on or before December 31.

#### D. Funds presented

Budgetary information is displayed for all funds that are subject to the City's biennial budget process. The General Fund's budgetary information is located in the Required Supplementary Information section on page 4-15. Non-major special revenue funds budgetary information are located in the Combining Statements Non-Major Funds section on pages 5-12 to 5-39.

**Note 2 Pensions**

Schedule of Changes in the Employer Net Pension Liability or Asset: The total pension liability contained in the schedule was provided by the System's actuary, Milliman. The net pension liability or asset is measured at the total pension liability, less the amount of System's fiduciary net position.

Schedule of Employer Contributions: The required employee contributions and percent of those contributions actually made are presented in the schedule.

Actuarial Assumptions: The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of determining the actuarially determined contribution rate. The assumptions and methods used for this actuarial valuation were recommended by the actuary and adopted by the Board.

The police and firefighters pension funds are not within the scope of GASB 68 and are not administered through an irrevocable trust. They are required to be reported under the requirements of GASB 73. The assets accumulated for this purpose are recorded in the General Fund.

**Note 3 Other Post-Employment Benefits (OPEB)**

Schedule of Changes in the Total OPEB Liability and Related Ratios are presented above. The schedule was provided by the actuary. It includes a 10-year schedule of changes in the total OPEB liability as well as the total OPEB liability, covered-employee payroll and the total OPEB liability as a percentage of covered-employee payroll.

There are no assets accumulated in a trust that meets the criteria set forth in paragraph 4 of GASB 75 to pay related benefits. There have been no significant changes between the valuation date and the fiscal year end. If there were significant changes, an additional analysis or valuation might be required. GASB 75 requires the discount rate used to measure the Total OPEB Liability to be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Compared to the prior measurement date, the discount rate changed from 2.74% to 2.12% at the December 31, 2020 measurement date.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 127,725	\$ 130,033	\$ 64,678	\$ (65,355)
Retail Sales & Use	104,582	122,244	76,621	(45,623)
Business	107,673	107,192	43,962	(63,230)
Excise	3,365	9,983	1,961	(8,022)
Other	906	737	719	(18)
Licenses and Permits	13,068	12,750	1,858	(10,892)
Intergovernmental	22,623	1,077	8,974	7,897
Charges for Services	6,962	5,562	9,768	4,206
Fines and Forfeitures	1,088	1,089	797	(292)
Investment Earnings	2,949	4,659	(93)	(4,752)
Miscellaneous	-	2,378	610	(1,768)
Total Revenues	<u>390,941</u>	<u>397,704</u>	<u>209,855</u>	<u>(187,849)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	79,569	84,438	35,814	(48,624)
Public Safety	318,200	324,437	153,424	(171,013)
Transportation	-	-	-	-
Natural and Economic Environment	11,463	15,904	5,306	(10,598)
Social Service	17,497	15,754	8,499	(7,255)
Culture and Recreation	31,230	33,010	14,014	(18,996)
Debt Service	-	-	3	3
Capital Outlay	-	-	1,053	1,053
Total Expenditures	<u>457,959</u>	<u>473,543</u>	<u>218,113</u>	<u>(255,430)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(67,018)</u>	<u>(75,839)</u>	<u>(8,258)</u>	<u>67,581</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	4	14	10
Insurance Recoveries	-	27	26	(1)
Transfers In	98,960	119,899	51,872	(68,027)
Transfers Out	(50,966)	(71,128)	(31,695)	39,433
Total Other Financing Sources and Uses	<u>47,994</u>	<u>48,802</u>	<u>20,217</u>	<u>(28,585)</u>
Net Change in Fund Balances	<u>(19,024)</u>	<u>(27,037)</u>	<u>11,959</u>	<u>38,996</u>
Fund Balances - January 1	19,024	23,336	91,492	68,156
Prior Period Adjustment	-	-	560	560
Fund Balance - January 1, Restated	19,024	23,336	92,052	68,716
Fund Balances - December 31	<u>\$ -</u>	<u>\$ (3,701)</u>	<u>\$ 104,011</u>	<u>\$ 107,712</u>

**Perspective Difference Reconciliation**

ACTUAL FUND BALANCE - GENERAL FUND SCHEDULE OF  
REVENUES, EXPENDITURES, AND CHANGE IN FUND  
BALANCE

104,011

The following fund were budgeted as general fund or trust  
fund but do not meet the definition of special revenue fund, or  
trust and therefore are accounted for within the general fund

Contingency Fund	916
Deferred Compensation Fund	16
Police Pension Fund	118
Firefighter Pension Fund	218
Payroll Clearing Fund	-
TOTAL FUND BALANCE - GENERAL FUND BALANCE SHEET FOR GOVERNMENTAL FUNDS	<u>\$ 105,279</u>





## ***Non-Major Governmental Funds***

The City of Tacoma has six types of Non-Major Governmental Funds.

### **Special Revenue Funds**

Special Revenue funds account for specific revenues sources that are restricted for expenditure for a specific purpose. The City of Tacoma has 22 different special revenue funds. These funds include everything from the Fire Department Fund, to the Library Fund, to the Tourism Fund.

### **Debt Service Funds**

Debt Service Funds accounts for the payment and accumulation of resources or both the principal and interest of long-term debt. The City of Tacoma has 7 different debt service funds.

### **Capital Project Funds**

Capital Project Funds account for the financial resources used in acquisition or construction of major capital facilities. The City has 6 different capital project funds.

### **Enterprise Funds**

Enterprise Funds are used when in exchange of goods and/or services, a fee is charged. The City of Tacoma has 10 different enterprise funds which include the Performing Arts Fund and the Tacoma Dome Fund.

### **Internal Service Funds**

Internal Service funds are used to report the financing of goods and/or services administered from one department to another department. These transactions follow a cost reimbursement basis and include funds such as the Worker's Compensation Fund, Health Benefits Trust Fund, as well as 14 other funds.

### **Trust Funds**

The City of Tacoma has two types of trust funds in place. The first is the Seizure Fund which accounts for the awarded seized funds. The second is the Tacoma Employee Retirement Systems Fund which accounts for the activities of the City's retirement system. This system accumulates resources for pension benefit payments to qualified City employees.

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS**

December 31, 2021

(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 157,114	\$ 2,864	\$ 45,181	\$ 205,159
Accounts Receivables (Net)	15,801	21,162	2	36,965
Due From Other Governmental Units	6,453	59	2,802	9,314
Inventory	1,671	-	-	1,671
Advance to Other Funds	-	-	-	-
Total Assets	<u>181,039</u>	<u>24,085</u>	<u>47,985</u>	<u>253,109</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>181,039</u>	<u>24,085</u>	<u>47,985</u>	<u>253,109</u>
<b>LIABILITIES</b>				
Accounts Payable	6,062	-	660	6,722
Customer Deposit	25	-	-	25
Other Liabilities Payable	2,067	-	-	2,067
Unearned Revenue	3,627	-	-	3,627
Total Liabilities	<u>11,781</u>	<u>-</u>	<u>660</u>	<u>12,441</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Unavailable Revenue	404	19,544	-	19,948
Total Deferred Inflow of Resources	<u>404</u>	<u>19,544</u>	<u>-</u>	<u>19,948</u>
<b>FUND BALANCE</b>				
Nonspendable	6,599	-	-	6,599
Restricted	97,662	4,541	40,994	143,197
Committed	34,114	-	6,317	40,431
Assigned	30,479	-	14	30,493
Unassigned	-	-	-	-
Total Fund Balance	<u>168,854</u>	<u>4,541</u>	<u>47,325</u>	<u>220,720</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 181,039</u>	<u>\$ 24,085</u>	<u>\$ 47,985</u>	<u>\$ 253,109</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENT FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Total Nonmajor Governmental
<b>REVENUES</b>				
Taxes:				
Property	\$ 16,093	\$ 2,812	\$ -	\$ 18,905
Retail Sales & Use	29,514	-	500	30,014
Business	2,419	-	-	2,419
Excise	3,109	-	17,551	20,660
Licenses and permits	1,428	-	-	1,428
Intergovernmental	61,562	-	-	61,562
Charges for Services	8,436	-	-	8,436
Fines and Penalties	4,503	1,155	-	5,658
Investment Earnings	(316)	45	(129)	(400)
Miscellaneous	532	953	119	1,604
Total Revenues	<u>127,280</u>	<u>4,965</u>	<u>18,041</u>	<u>150,286</u>
<b>EXPENDITURES</b>				
Current:				
General Government	432	1	83	516
Public Safety	31,564	-	-	31,564
Transportation	34,363	-	-	34,363
Natural and Economic Environment	14,398	-	-	14,398
Social Services	6,157	-	-	6,157
Culture and Recreation	4,136	-	48	4,184
Debt Service:				
Principal	-	30,214	-	30,214
Interest	-	6,751	-	6,751
Capital Outlay	5,368	-	2,528	7,896
Total Expenditures	<u>96,418</u>	<u>36,966</u>	<u>2,659</u>	<u>136,043</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>30,862</u>	<u>(32,001)</u>	<u>15,382</u>	<u>14,243</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	19,762	-	19,762
Sale of Capital Assets	1,988	-	-	1,988
Insurance Recoveries	135	-	-	135
Transfers In	41,888	31,172	5,263	78,323
Transfers Out	(28,628)	(18,272)	(8,822)	(55,722)
Total Other Financing Sources (Uses)	<u>15,383</u>	<u>32,662</u>	<u>(3,559)</u>	<u>44,486</u>
Net Change in Fund Balance	<u>46,245</u>	<u>661</u>	<u>11,823</u>	<u>58,729</u>
Fund Balance - Beginning	122,981	3,880	35,900	162,761
Prior Period Adjustment	(372)	-	(398)	(770)
Fund Balance - Beginning, Restated	<u>122,609</u>	<u>3,880</u>	<u>35,502</u>	<u>161,991</u>
Fund Balance - Ending	<u>\$ 168,854</u>	<u>\$ 4,541</u>	<u>\$ 47,325</u>	<u>\$ 220,720</u>

### ***Non-Major Special Revenue Funds***

Special Revenue funds accounts for specific revenue sources that are restricted for expenditures for a specific purpose. The City of Tacoma has 22 different special revenue funds. These funds include everything from the Fire Department Fund to the Library Fund, to the Tourism Fund.

#### **Courts Special Revenue Fund (#1020)**

Accounts for costs associated with the court system.

#### **Contingency Fund (#1030)**

Accounts for Council approved projects. This fund is rolled into the General Fund for reporting but budgeted separately.

#### **Transportation Revenue Fund (#1050)**

Accounts for Motor vehicle Fuel tax revenues.

#### **Public Works Street Fund (#1065)**

Accounts for maintenance of City streets.

#### **Transportation Benefit District (#1070)**

Accounts for revenues and disbursement to the City of funds collected within the Transportation Benefit District. These funds are transferred to the Public Works Street fund for the maintenance of City streets.

#### **Streets Initiative Fund (#1085)**

Accounts for resources collected from Propositions 3 & A and expenditures for street repairs identified in the Infrastructure Maintenance Plan.

#### **Fire Department Fund (#1090)**

Accounts for expenditures related to the specific revenues or grants for fire services.

#### **Property Management/Street Vacation Fund (#1100)**

Accounts for costs associated with Public Works Facilities and Street Rights-of-way.

#### **Local Improvement Guarantee Fund (#1110)**

Provides for the guarantee of Local Improvement Bond obligations.

#### **Public Works Paths and Trails Fund (#1140)**

Was created for the purpose of creating and maintaining paths and trails within the City of Tacoma

#### **Building and Land Use Services Fund (#1145)**

Was created for the purpose of managing code violations and preserving historical buildings.

#### **Fire Department EMS Fund (#1155)**

Accounts for costs associated with the emergency management.

#### **Tourism Fund (#1180)**

Was created to promote use of the convention center and to promote tourism for the City.

#### **Neighborhood and Community Service Fund (#1185)**

Accounts for neighborhood and community services to protect human rights and provide services to improve neighborhoods and households.

#### **Community and Economic Development Fund (#1195)**

Was created to promote economic development for the City.

#### **Library Fund (#1200)**

Accounts for costs associated with the operations of the Library system.

**Historically Underutilized Business (HUB) Fund (#1236)**

Accounts for activities which provide opportunities to qualified small businesses doing business within the City.

**Police Special Revenue Fund (#1267)**

Accounts for cost related to specific special revenues or grants for police services.

**Municipal Cable Fund (#1431)**

Supports the accounting for TV Tacoma, the City's television station

**Local Employment Apprenticeship Program (LEAP) Fund (#1500)**

Accounts for activities for the Local Employment Apprenticeship Program.

**Traffic Enforcement, Engineering, and Education Fund (#1650)**

Manages the "red light" traffic camera program.

**American Rescue Plan Act Fund (#1700)**

Accounts for the grant awards from the Department of Treasury and related expenditures.

**COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 1 of 6

	Courts Special Revenue # 1020	Transportation Revenue # 1050	Public Works Street # 1065	Transportation Benefit District # 1070
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 345	\$ 5,084	\$ 10,621	\$ 5,859
Accounts Receivables (Net)	-	652	690	458
Due From Other Governmental Units	-	-	86	1,259
Inventory	-	-	1,671	-
Total Assets	<u>345</u>	<u>5,736</u>	<u>13,068</u>	<u>7,576</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>345</u>	<u>5,736</u>	<u>13,068</u>	<u>7,576</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	1,017	-
Customer Deposit	-	-	-	-
Other Liabilities Payable	1	-	519	-
Unearned Revenue	123	-	-	-
Total Liabilities	<u>124</u>	<u>-</u>	<u>1,536</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	1,671	-
Restricted	188	5,726	-	7,576
Committed	-	-	4,601	-
Assigned	33	10	5,260	-
Unassigned	-	-	-	-
Total Fund Balance	<u>221</u>	<u>5,736</u>	<u>11,532</u>	<u>7,576</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 345</u>	<u>\$ 5,736</u>	<u>\$ 13,068</u>	<u>\$ 7,576</u>

**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 2 of 6

	Streets Initiative # 1085	Fire Department # 1090	Property Management Street Vacation # 1100	Local Improvement Guarantee # 1110
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 26,152	\$ 1,889	\$ 5,355	\$ 5,407
Accounts Receivables (Net)	714	372	-	-
Due From Other Governmental Units	91	163	1	-
Inventory	-	-	-	-
Total Assets	26,957	2,424	5,356	5,407
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	26,957	2,424	5,356	5,407
<b>LIABILITIES</b>				
Accounts Payable	482	130	-	-
Customer Deposit	-	-	25	-
Other Liabilities Payable	75	13	3	813
Unearned Revenue	258	26	-	-
Total Liabilities	815	169	28	813
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	1,500	2,045	1,387	4,594
Committed	17,861	-	1,032	-
Assigned	6,781	210	2,909	-
Unassigned	-	-	-	-
Total Fund Balance	26,142	2,255	5,328	4,594
Total Liabilities, Deferred Inflows and Fund Balance	\$ 26,957	\$ 2,424	\$ 5,356	\$ 5,407

**COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 3 of 6

	Public Works Paths & Trails # 1140	Building & Land Use Services # 1145	Fire Department EMS # 1155	Tourism # 1180
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 408	\$ 1,482	\$ 17,607	\$ 2,759
Accounts Receivables (Net)	-	1,468	1,695	-
Due From Other Governmental Units	-	-	244	781
Inventory	-	-	-	-
Total Assets	<u>408</u>	<u>2,950</u>	<u>19,546</u>	<u>3,540</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>408</u>	<u>2,950</u>	<u>19,546</u>	<u>3,540</u>
<b>LIABILITIES</b>				
Accounts Payable	48	17	289	-
Customer Deposit	-	-	-	-
Other Liabilities Payable	-	-	541	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>48</u>	<u>17</u>	<u>830</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	404	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>404</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	360	-	13,949	3,540
Committed	-	-	4,363	-
Assigned	-	2,933	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>360</u>	<u>2,933</u>	<u>18,312</u>	<u>3,540</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 408</u>	<u>\$ 2,950</u>	<u>\$ 19,546</u>	<u>\$ 3,540</u>



**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 4 of 6

	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200	Historically Underutilized Business # 1236
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,386	\$ 20,197	\$ 7,520	\$ 120
Accounts Receivables (Net)	1,435	7,843	-	-
Due From Other Governmental Units	1,400	2,336	-	-
Inventory	-	-	-	-
Total Assets	<u>13,221</u>	<u>30,376</u>	<u>7,520</u>	<u>120</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u><u>13,221</u></u>	<u><u>30,376</u></u>	<u><u>7,520</u></u>	<u><u>120</u></u>
<b>LIABILITIES</b>				
Accounts Payable	1,989	1,718	3	13
Customer Deposit	-	-	-	-
Other Liabilities Payable	9	53	-	-
Unearned Revenue	3,157	63	-	-
Total Liabilities	<u>5,155</u>	<u>1,834</u>	<u>3</u>	<u>13</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	35	4,876	17	-
Restricted	7,306	16,519	473	-
Committed	30	208	4,224	-
Assigned	695	6,939	2,803	107
Unassigned	-	-	-	-
Total Fund Balance	<u>8,066</u>	<u>28,542</u>	<u>7,517</u>	<u>107</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u><u>\$ 13,221</u></u>	<u><u>\$ 30,376</u></u>	<u><u>\$ 7,520</u></u>	<u><u>\$ 120</u></u>

**COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	LEAP # 1500	Traffic Enforce Engineering & Education # 1650
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,393	\$ 7,811	\$ 247	\$ 655
Accounts Receivables (Net)	4	4	-	466
Due From Other Governmental Units	92	-	-	-
Inventory	-	-	-	-
Total Assets	<u>2,489</u>	<u>7,815</u>	<u>247</u>	<u>1,121</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>2,489</u>	<u>7,815</u>	<u>247</u>	<u>1,121</u>
<b>LIABILITIES</b>				
Accounts Payable	13	107	-	74
Customer Deposit	-	-	-	-
Other Liabilities Payable	-	-	5	35
Unearned Revenue	-	-	-	-
Total Liabilities	<u>13</u>	<u>107</u>	<u>5</u>	<u>109</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	1,931	5,913	-	-
Committed	-	1,795	-	-
Assigned	545	-	242	1,012
Unassigned	-	-	-	-
Total Fund Balance	<u>2,476</u>	<u>7,708</u>	<u>242</u>	<u>1,012</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 2,489</u>	<u>\$ 7,815</u>	<u>\$ 247</u>	<u>\$ 1,121</u>

**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
December 31, 2021  
(amounts expressed in thousands)  
Page 6 of 6

	American Rescue Plan Act # 1700	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 24,817	\$ 157,114
Accounts Receivables (Net)	-	15,801
Due From Other Governmental Units	-	6,453
Inventory	-	1,671
Total Assets	24,817	181,039
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
	-	-
Total Assets and Deferred Outflows	24,817	181,039
<b>LIABILITIES</b>		
Accounts Payable	162	6,062
Customer Deposit	-	25
Other Liabilities Payable	-	2,067
Unearned Revenue	-	3,627
Total Liabilities	162	11,781
<b>DEFERRED INFLOW OF RESOURCES</b>		
Unavailable Revenue	-	404
Total Deferred Inflow of Resources	-	404
<b>FUND BALANCE</b>		
Nonspendable	-	6,599
Restricted	24,655	97,662
Committed	-	34,114
Assigned	-	30,479
Unassigned	-	-
Total Fund Balance	24,655	168,854
Total Liabilities, Deferred Inflows and Fund Balance	\$ 24,817	\$ 181,039

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 1 of 6

	Courts Special Revenue # 1020	Transportation Revenue # 1050	Public Works Street # 1065	Transportation Benefit District # 1070
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	6,812
Business	-	-	1,112	-
Excise	-	-	-	3,109
License and Permits	-	102	-	-
Intergovernmental	68	4,447	342	-
Charges for Services	-	30	1,007	-
Fines and penalties	2	-	-	-
Investment Earnings	-	(18)	(14)	(25)
Miscellaneous	-	-	4	-
<b>Total Revenues</b>	<u>70</u>	<u>4,561</u>	<u>2,451</u>	<u>9,896</u>
<b>EXPENDITURES</b>				
Current:				
General Government	31	-	-	-
Public Safety	-	-	-	-
Transportation	-	1	21,479	1
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>31</u>	<u>1</u>	<u>21,479</u>	<u>1</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>39</u>	<u>4,560</u>	<u>(19,028)</u>	<u>9,895</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	135	-
Transfers In	-	-	24,941	-
Transfers Out	-	(3,346)	(791)	(9,656)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,346)</u>	<u>24,285</u>	<u>(9,656)</u>
Net Change in Fund Balance	<u>39</u>	<u>1,214</u>	<u>5,257</u>	<u>239</u>
Fund Balance - Beginning	182	4,522	6,364	7,337
Prior period adjustment	-	-	(89)	-
Fund Balance - Beginning, Restated	<u>182</u>	<u>4,522</u>	<u>6,275</u>	<u>7,337</u>
Fund Balance - Ending	<u>\$ 221</u>	<u>\$ 5,736</u>	<u>\$ 11,532</u>	<u>\$ 7,576</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 2 of 6

	Streets Initiative # 1085	Fire Department # 1090	Property Management Street Vacation # 1100	Local Improvement Guarantee # 1110
<b>REVENUES</b>				
Taxes:				
Property	\$ 4,384	\$ -	\$ -	\$ -
Retail Sales & Use	278	-	-	-
Business	1,307	-	-	-
Excise	-	-	-	-
License and Permits	-	-	795	-
Intergovernmental	-	1,132	-	-
Charges for Services	-	288	94	-
Fines and penalties	-	-	-	-
Investment Earnings	(138)	(8)	(27)	32
Miscellaneous	-	55	-	-
<b>Total Revenues</b>	<u>5,831</u>	<u>1,467</u>	<u>862</u>	<u>32</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	146	9
Public Safety	-	1,337	-	-
Transportation	12,882	-	-	-
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	37	-	-
Total Expenditures	<u>12,882</u>	<u>1,374</u>	<u>146</u>	<u>9</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(7,051)</u>	<u>93</u>	<u>716</u>	<u>23</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	15,521	162	-	3
Transfers Out	(3,483)	(83)	-	-
Total Other Financing Sources (Uses)	<u>12,038</u>	<u>79</u>	<u>-</u>	<u>3</u>
Net Change in Fund Balance	<u>4,987</u>	<u>172</u>	<u>716</u>	<u>26</u>
Fund Balance - Beginning	21,155	2,083	4,612	4,568
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>21,155</u>	<u>2,083</u>	<u>4,612</u>	<u>4,568</u>
Fund Balance - Ending	<u>\$ 26,142</u>	<u>\$ 2,255</u>	<u>\$ 5,328</u>	<u>\$ 4,594</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 3 of 6

	Public Works Paths & Trails # 1140	Building & Land Use Services # 1145	Fire Department EMS # 1155	Tourism # 1180
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ 11,709	\$ -
Retail Sales & Use	-	-	-	4,134
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	-	-	-
Intergovernmental	-	-	8,677	-
Charges for Services	-	115	4,362	-
Fines and penalties	-	91	-	-
Investment Earnings	(3)	(7)	(111)	(30)
Miscellaneous	-	-	16	-
<b>Total Revenues</b>	<u>(3)</u>	<u>199</u>	<u>24,653</u>	<u>4,104</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	125	23,719	-
Transportation	-	-	-	-
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	1
Capital Outlay	336	-	1,004	-
<b>Total Expenditures</b>	<u>336</u>	<u>125</u>	<u>24,723</u>	<u>1</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(339)</u>	<u>74</u>	<u>(70)</u>	<u>4,103</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	217	-	136	-
Transfers Out	-	-	(1,983)	(4,806)
<b>Total Other Financing Sources (Uses)</b>	<u>217</u>	<u>-</u>	<u>(1,847)</u>	<u>(4,806)</u>
Net Change in Fund Balance	<u>(122)</u>	<u>74</u>	<u>(1,917)</u>	<u>(703)</u>
Fund Balance - Beginning	482	2,859	20,229	4,243
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>482</u>	<u>2,859</u>	<u>20,229</u>	<u>4,243</u>
Fund Balance - Ending	<u>\$ 360</u>	<u>\$ 2,933</u>	<u>\$ 18,312</u>	<u>\$ 3,540</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 4 of 6

	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200	Historically Underutilized Business # 1236
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	6,816	11,474	-	-
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	-	-	-
Intergovernmental	8,550	7,463	-	-
Charges for Services	79	1,665	336	106
Fines and penalties	-	-	-	-
Investment Earnings	(42)	(1)	(38)	-
Miscellaneous	75	29	344	-
<b>Total Revenues</b>	<u>15,478</u>	<u>20,630</u>	<u>642</u>	<u>106</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	1	-	106
Public Safety	635	1,331	-	-
Transportation	-	-	-	-
Natural and Economic Environment	6,999	7,248	-	-
Social Services	6,157	-	-	-
Culture and Recreation	-	3,988	147	-
Capital Outlay	-	378	9	-
Total Expenditures	<u>13,791</u>	<u>12,946</u>	<u>156</u>	<u>106</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>1,687</u>	<u>7,684</u>	<u>486</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	1,988	-	-
Insurance Recoveries	-	-	-	-
Transfers In	228	680	-	-
Transfers Out	(2,393)	-	-	-
Total Other Financing Sources (Uses)	<u>(2,165)</u>	<u>2,668</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(478)</u>	<u>10,352</u>	<u>486</u>	<u>-</u>
Fund Balance - Beginning	8,544	18,395	7,031	107
Prior period adjustment	-	(205)	-	-
Fund Balance - Beginning, Restated	<u>8,544</u>	<u>18,190</u>	<u>7,031</u>	<u>107</u>
Fund Balance - Ending	<u>\$ 8,066</u>	<u>\$ 28,542</u>	<u>\$ 7,517</u>	<u>\$ 107</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	LEAP # 1500	Traffic Enforce Engineering & Education # 1650
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	-
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	531	-	-
Intergovernmental	345	-	53	-
Charges for Services	191	64	99	-
Fines and penalties	592	-	-	3,818
Investment Earnings	(10)	(30)	(2)	(2)
Miscellaneous	9	-	-	-
<b>Total Revenues</b>	<u>1,127</u>	<u>565</u>	<u>150</u>	<u>3,816</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	139	-	-
Public Safety	831	-	-	3,288
Transportation	-	-	-	-
Natural and Economic Environment	-	-	151	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>831</u>	<u>139</u>	<u>151</u>	<u>3,288</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>296</u>	<u>426</u>	<u>(1)</u>	<u>528</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(1)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>296</u>	<u>425</u>	<u>(1)</u>	<u>528</u>
Fund Balance - Beginning	2,258	7,283	243	484
Prior period adjustment	(78)	-	-	-
Fund Balance - Beginning, Restated	<u>2,180</u>	<u>7,283</u>	<u>243</u>	<u>484</u>
Fund Balance - Ending	<u>\$ 2,476</u>	<u>\$ 7,708</u>	<u>\$ 242</u>	<u>\$ 1,012</u>



**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 6 of 6

	American Rescue Plan Act # 1700	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>		
Taxes:		
Property	\$ -	\$ 16,093
Retail Sales & Use	-	29,514
Business	-	2,419
Excise	-	3,109
License and Permits	-	1,428
Intergovernmental	30,485	61,562
Charges for Services	-	8,436
Fines and penalties	-	4,503
Investment Earnings	158	(316)
Miscellaneous	-	532
<b>Total Revenues</b>	<u>30,643</u>	<u>127,280</u>
<b>EXPENDITURES</b>		
Current:		
General Government	-	432
Public Safety	298	31,564
Transportation	-	34,363
Natural and Economic Environment	-	14,398
Social Services	-	6,157
Culture and Recreation	-	4,136
Capital Outlay	3,604	5,368
<b>Total Expenditures</b>	<u>3,902</u>	<u>96,418</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>26,741</u>	<u>30,862</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Sales of Capital Assets	-	1,988
Insurance Recoveries	-	135
Transfers In	-	41,888
Transfers Out	(2,086)	(28,628)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,086)</u>	<u>15,383</u>
Net Change in Fund Balance	<u>24,655</u>	<u>46,245</u>
Fund Balance - Beginning	-	122,981
Prior period adjustment	-	(372)
Fund Balance - Beginning, Restated	-	122,609
Fund Balance - Ending	<u>\$ 24,655</u>	<u>\$ 168,854</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COURTS SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	136	136	68	(68)
Fines and Penalties	8	8	2	(6)
Total Revenues	<u>144</u>	<u>144</u>	<u>70</u>	<u>(74)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	170	170	31	(139)
Total Expenditures	<u>170</u>	<u>170</u>	<u>31</u>	<u>(139)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(26)</u>	<u>(26)</u>	<u>39</u>	<u>65</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(26)</u>	<u>(26)</u>	<u>39</u>	<u>65</u>
Fund Balance - January 1	26	26	182	156
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ 221</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNCIL CONTINGENCY FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	(4)	(4)
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(4)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	550	496	251	(245)
Transportation	-	-	-	-
Natural and Economic Environment	-	-	-	-
Total Expenditures	<u>550</u>	<u>496</u>	<u>251</u>	<u>(245)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(550)</u>	<u>(496)</u>	<u>(255)</u>	<u>241</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	550	496	275	(221)
Total Other Financing Sources (Uses)	<u>550</u>	<u>496</u>	<u>275</u>	<u>(221)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>896</u>	<u>896</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916</u>	<u>\$ 916</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
TRANSPORTATION SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	200	200	102	(98)
Intergovernmental	6,743	6,628	4,447	(2,181)
Charges for Services		-	30	30
Investment Earnings	66	66	(18)	(84)
Miscellaneous		-	-	-
Total Revenues	<u>7,009</u>	<u>6,894</u>	<u>4,561</u>	<u>(2,333)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	226	1,935	1	(1,934)
Total Expenditures	<u>226</u>	<u>1,935</u>	<u>1</u>	<u>(1,934)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>6,783</u>	<u>4,959</u>	<u>4,560</u>	<u>(399)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	115	-	
Transfers Out	(6,448)	(7,210)	(3,346)	3,864
Total Other Financing sources and Uses	<u>(6,448)</u>	<u>(7,095)</u>	<u>(3,346)</u>	<u>3,749</u>
Net Change in fund Balances	335	(2,136)	1,214	3,350
Fund Balance - January 1		2,136	4,522	2,386
Fund Balance -December 31	<u>\$ 335</u>	<u>\$ -</u>	<u>\$ 5,736</u>	<u>\$ 5,736</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC WORKS STREET SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Business	\$ 1,707	\$ 1,706	\$ 1,112	\$ (594)
Intergovernmental		-	342	342
Charges for Services	750	944	1,007	63
Fines and Penalties		-	-	-
Investment Earnings	212	212	(14)	(226)
Miscellaneous	371	114	4	(110)
Total Revenues	<u>3,040</u>	<u>2,976</u>	<u>2,451</u>	<u>(525)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	52,135	56,879	21,479	(35,400)
Capital Outlay	-	-	-	-
Total Expenditures	<u>52,135</u>	<u>56,879</u>	<u>21,479</u>	<u>(35,400)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(49,095)</u>	<u>(53,903)</u>	<u>(19,028)</u>	<u>34,875</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets		-	-	-
Insurance Recoveries		-	135	135
Transfers In	49,621	53,537	24,941	(28,596)
Transfers Out	(526)	(971)	(791)	180
Total Other Financing Sources (Uses)	<u>49,095</u>	<u>52,566</u>	<u>24,285</u>	<u>(28,281)</u>
Net Change in Fund Balances	<u>-</u>	<u>(1,337)</u>	<u>5,257</u>	<u>6,594</u>
Fund Balance - January 1	-	1,337	4,614	3,277
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,871</u>	<u>\$ 9,871</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
TRANSPORTATION BENEFIT DISTRICT SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 12,922	\$ 12,922	\$ 6,812	\$ (6,110)
Excise	5,796	5,796	3,109	(2,687)
Investment Earnings		-	(25)	(25)
Miscellaneous		-	-	-
Total Revenues	<u>18,718</u>	<u>18,718</u>	<u>9,896</u>	<u>(8,822)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation		-	1	1
Total Expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>18,718</u>	<u>18,718</u>	<u>9,895</u>	<u>(8,823)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	(19,507)	(21,244)	(9,656)	11,588
Total Other Financing Sources (Uses)	<u>(19,507)</u>	<u>(21,244)</u>	<u>(9,656)</u>	<u>11,588</u>
				-
Net Change in Fund Balances	<u>(789)</u>	<u>(2,526)</u>	<u>239</u>	<u>2,765</u>
Fund Balance - January 1	789	2,526	4,414	1,888
Prior Period Adjustment	-	-	-	-
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,653</u>	<u>\$ 4,653</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STREET INITIATIVE SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ 8,651	\$ 8,811	\$ 4,384	\$ (4,427)
Retail Sales & Use	401	526	278	(248)
Business	2,762	2,823	1,307	(1,516)
Charges for Services	-	-	-	-
Investment Earnings	336	336	(138)	(474)
Total Revenues	<u>12,150</u>	<u>12,496</u>	<u>5,831</u>	<u>(6,665)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	40,397	34,980	12,882	(22,098)
Total Expenditures	<u>40,397</u>	<u>34,980</u>	<u>12,882</u>	<u>(22,098)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(28,247)</u>	<u>(22,484)</u>	<u>(7,051)</u>	<u>15,433</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	29,207	30,957	15,521	(15,436)
Transfers Out	(960)	(8,473)	(3,483)	4,990
Insurance Recoveries	-	-	-	-
Total Other Financing Sources (Uses)	<u>28,247</u>	<u>22,484</u>	<u>12,038</u>	<u>(10,446)</u>
Net Change in Fund Balances	-	-	4,987	4,987
Fund Balances - January 1	-	1	12,888	12,887
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	-	1	12,888	12,887
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 17,875</u>	<u>\$ 17,874</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FIRE SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,092	\$ 1,719	\$ 1,132	\$ (587)
Charges for Services		1,331	288	(1,043)
Investment Earnings		29	(8)	(37)
Miscellaneous	126	122	55	(67)
Total Revenues	<u>3,218</u>	<u>3,201</u>	<u>1,467</u>	<u>(1,734)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	3,428	3,618	1,337	(2,281)
Debt Service			-	-
Principal	142	142	-	(142)
Interest and Other Costs	15	15	-	(15)
Capital Outlay			37	37
Total Expenditures	<u>3,585</u>	<u>3,775</u>	<u>1,374</u>	<u>(2,401)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(367)</u>	<u>(574)</u>	<u>93</u>	<u>667</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	287	162	(125)
Transfers Out	-		(83)	(83)
Total Other Financing Sources (Uses)	<u>-</u>	<u>287</u>	<u>79</u>	<u>(208)</u>
Net Change in Fund Balances	<u>(367)</u>	<u>(287)</u>	<u>172</u>	<u>459</u>
Fund Balance - January 1	367	287	973	686
Prior Period Adjustment			(38)	(38)
Fund Balance - January 1, Restated	<u>367</u>	<u>287</u>	<u>935</u>	<u>648</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,107</u>	<u>\$ 1,107</u>



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PROPERTY MANAGEMENT STREET VACATION SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Licenses and Permits	\$ 371	\$ 371	\$ 795	\$ 424
Investment Earnings	72	72	(27)	(99)
Miscellaneous	-	-	-	-
Total Revenues	<u>443</u>	<u>443</u>	<u>862</u>	<u>419</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	641	642	146	(496)
Total Expenditures	<u>641</u>	<u>642</u>	<u>146</u>	<u>(496)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(198)</u>	<u>(199)</u>	<u>716</u>	<u>915</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(198)</u>	<u>(199)</u>	<u>716</u>	<u>915</u>
Fund Balances - January 1	198	199	3,531	3,332
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>198</u>	<u>199</u>	<u>3,531</u>	<u>3,332</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,247</u>	<u>\$ 4,247</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL IMPROVEMENT GUARANTEE SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	37	37	32	(5)
Total Revenues	<u>37</u>	<u>37</u>	<u>32</u>	<u>(5)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	37	37	9	(28)
Total Expenditures	<u>37</u>	<u>37</u>	<u>9</u>	<u>(28)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	3	3
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
Fund Balance - January 1			4,299	4,299
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,325</u>	<u>\$ 4,325</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PATHS & TRAILS SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 7,052	\$ -	\$ (7,052)
Investment Earnings	-	-	(3)	(3)
Total Revenues	<u>-</u>	<u>7,052</u>	<u>(3)</u>	<u>(7,055)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	-	-	-	-
Debt Service	-	-	-	-
Interest and Other Costs	-	-	-	-
Capital Outlay	-	-	336	336
Total Expenditures	<u>-</u>	<u>-</u>	<u>336</u>	<u>336</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>7,052</u>	<u>(339)</u>	<u>(7,391)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	7,052	217	(6,835)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,052</u>	<u>217</u>	<u>(6,835)</u>
Net Change in Fund Balances	<u>-</u>	<u>14,104</u>	<u>(122)</u>	<u>(14,226)</u>
Fund Balance - January 1	-	-	472	472
Fund Balance - January 1, Restated	-	-	472	472
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 14,104</u>	<u>\$ 350</u>	<u>\$ (13,754)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BUILDING & LAND USE SERVICES SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Charges for Services	\$ 307	\$ 307	\$ 115	\$ (192)
Fines and Penalties	288	288	91	(197)
Investment Earnings	75	75	(7)	(82)
Miscellaneous	-	-	-	-
Total Revenues	<u>670</u>	<u>670</u>	<u>199</u>	<u>(471)</u>
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	1,261	1,261	-	(1,261)
Total Expenditures	<u>1,261</u>	<u>1,261</u>	<u>125</u>	<u>(1,136)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(591)</u>	<u>(591)</u>	<u>74</u>	<u>665</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(591)</u>	<u>(591)</u>	<u>74</u>	<u>665</u>
Fund Balance - January 1	<u>591</u>	<u>591</u>	<u>2,552</u>	<u>1,961</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,626</u>	<u>\$ 2,626</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FIRE EMS SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ 23,105	\$ 23,505	\$ 11,709	\$ (11,796)
Intergovernmental	33,830	28,681	8,677	(20,004)
Charges for Services	5,642	8,050	4,362	(3,688)
Investment Earnings	309	309	(111)	(420)
Miscellaneous	-	-	16	16
Total Revenues	<u>62,886</u>	<u>60,545</u>	<u>24,653</u>	<u>(35,892)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	65,960	63,751	23,719	(40,032)
Capital Outlay	-	-	1,004	1,004
Total Expenditures	<u>65,960</u>	<u>63,751</u>	<u>24,723</u>	<u>(39,028)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(3,074)</u>	<u>(3,206)</u>	<u>(70)</u>	<u>3,136</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	136	136
Transfers Out	(6,481)	(2,400)	(1,983)	417
Total Other Financing Sources (Uses)	<u>(6,481)</u>	<u>(2,400)</u>	<u>(1,847)</u>	<u>553</u>
Net Change in Fund Balances	<u>(9,555)</u>	<u>(5,606)</u>	<u>(1,917)</u>	<u>3,689</u>
Fund Balance - January 1	<u>9,555</u>	<u>5,606</u>	<u>5,885</u>	<u>279</u>
Prior Period Adjustment	-	-	-	-
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,968</u>	<u>\$ 3,968</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**TOURISM SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 6,717	\$ 6,717	\$ 4,134	\$ (2,583)
Investment Earnings	42	42	(30)	(72)
Miscellaneous	-	-	-	-
Total Revenues	<u>6,759</u>	<u>6,759</u>	<u>4,104</u>	<u>(2,655)</u>
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>6,759</u>	<u>6,759</u>	<u>4,103</u>	<u>(2,656)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(9,599)</u>	<u>(9,599)</u>	<u>(4,806)</u>	<u>4,793</u>
Total Other Financing Sources (Uses)	<u>(9,599)</u>	<u>(9,599)</u>	<u>(4,806)</u>	<u>4,793</u>
Net Change in Fund Balances	<u>(2,840)</u>	<u>(2,840)</u>	<u>(703)</u>	<u>2,137</u>
Fund Balance - January 1	<u>2,840</u>	<u>2,840</u>	<u>6,062</u>	<u>3,222</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,359</u>	<u>\$ 5,359</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
NEIGHBORHOOD & COMMUNITY SERVICES SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 11,202	\$ 12,960	\$ 6,816	\$ (6,144)
Intergovernmental	762	11,728	8,550	(3,178)
Charges for Services	-	400	79	(321)
Investment Earnings	158	158	(42)	(200)
Miscellaneous	-	150	75	(75)
Total Revenues	<u>12,122</u>	<u>25,396</u>	<u>15,478</u>	<u>(9,918)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	-	-	635	635
Natural and Economic Environment	1,509	8,901	6,999	(1,902)
Social Service	12,400	15,268	6,157	(9,111)
Total Expenditures	<u>13,909</u>	<u>24,169</u>	<u>13,791</u>	<u>(10,378)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(1,787)</u>	<u>1,227</u>	<u>1,687</u>	<u>460</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	843	228	(615)
Transfers Out	-	(2,070)	(2,393)	(323)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,227)</u>	<u>(2,165)</u>	<u>(938)</u>
Net Change in Fund Balances	<u>(1,787)</u>	<u>-</u>	<u>(478)</u>	<u>(478)</u>
Fund Balance - January 1	<u>1,787</u>		<u>7,963</u>	<u>7,963</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,485</u>	<u>\$ 7,485</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY & ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 12,949	\$ 22,295	\$ 11,474	\$ (10,821)
Licenses and Permits	-	-	-	-
Intergovernmental	12,437	18,810	7,463	(11,347)
Charges for Services	3,188	5,115	1,665	(3,450)
Investment Earnings	-	135	(1)	(136)
Miscellaneous			29	29
Total Revenues	<u>28,574</u>	<u>46,355</u>	<u>20,630</u>	<u>(25,725)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	1	1
Public Safety	3,565	3,994	1,331	(2,663)
Natural and Economic Environment	15,997	28,619	7,248	(21,371)
Culture and Recreation	12,897	17,077	3,988	(13,089)
Capital Outlay			378	378
Total Expenditures	<u>32,459</u>	<u>49,690</u>	<u>12,946</u>	<u>(36,744)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(3,885)</u>	<u>(3,335)</u>	<u>7,684</u>	<u>11,019</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	1,180	680	(500)
Transfers Out	-	(4,719)	-	4,719
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,539)</u>	<u>2,668</u>	<u>6,207</u>
Net Change in Fund Balances	<u>(3,885)</u>	<u>(6,874)</u>	<u>10,352</u>	<u>17,226</u>
Fund Balance - January 1	3,885	6,874	9,634	2,760
Prior Period Adjustment	-	-	(205)	(205)
Fund Balance - January 1, Restated	<u>3,885</u>	<u>6,874</u>	<u>9,429</u>	<u>2,555</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,781</u>	<u>\$ 19,781</u>



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LIBRARY SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Intergovernmental	-	248	-	(248)
Charges for Services	\$ 1	\$ 202	\$ 336	\$ 134
Investment Earnings	106	122	(38)	(160)
Miscellaneous	66	60	344	284
Total Revenues	<u>173</u>	<u>632</u>	<u>642</u>	<u>10</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and Recreation	795	1,056	147	(909)
Capital Outlay	-	-	9	9
Total Expenditures	<u>795</u>	<u>1,056</u>	<u>156</u>	<u>(900)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(622)</u>	<u>(424)</u>	<u>486</u>	<u>910</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	200	533	-	(533)
Transfers Out	-	(117)	-	117
Total Other Financing Sources (Uses)	<u>200</u>	<u>416</u>	<u>-</u>	<u>(416)</u>
Net Change in Fund Balances	<u>(422)</u>	<u>(8)</u>	<u>486</u>	<u>494</u>
Fund Balance - January 1	<u>422</u>	<u>8</u>	<u>6,588</u>	<u>6,580</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,074</u>	<u>\$ 7,074</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HISTORICALLY UNDERUTILIZED BUSINESS SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Charges for Services	\$ 482	\$ 482	\$ 106	\$ (376)
Total Revenues	<u>482</u>	<u>482</u>	<u>106</u>	<u>(376)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	482	482	106	(376)
Total Expenditures	<u>482</u>	<u>482</u>	<u>106</u>	<u>(376)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 107</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**POLICE SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Intergovernmental	\$ 561	\$ 539	\$ 345	\$ (194)
Charges for Services	190	190	191	1
Fines and Penalties	740	740	592	(148)
Investment Earnings	52	52	(10)	(62)
Miscellaneous	10	10	9	(1)
Total Revenues	<u>1,553</u>	<u>1,531</u>	<u>1,127</u>	<u>(404)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	1,849	1,615	831	(784)
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,849</u>	<u>1,615</u>	<u>831</u>	<u>(784)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(296)</u>	<u>(84)</u>	<u>296</u>	<u>380</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	22	-	(22)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>22</u>	<u>-</u>	<u>(22)</u>
Net Change in Fund Balances	<u>(296)</u>	<u>(62)</u>	<u>296</u>	<u>358</u>
Fund Balance - January 1	296	62	2,285	2,223
Prior Period Adjustment			(78)	(78)
Fund Balance - January 1, Restated	296	62	2,207	2,145
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,503</u>	<u>\$ 2,503</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MUNICIPAL CABLE SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Licenses and Permits	\$ 724	\$ 724	\$ 531	\$ (193)
Intergovernmental	-	-	-	-
Charges for Services	-	-	64	64
Investment Earnings	72	72	(30)	(102)
Miscellaneous	-	-	-	-
Total Revenues	<u>796</u>	<u>796</u>	<u>565</u>	<u>(231)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	500	500	139	(361)
Capital Outlay	-	-	-	-
Total Expenditures	<u>500</u>	<u>500</u>	<u>139</u>	<u>(361)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>296</u>	<u>296</u>	<u>426</u>	<u>130</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	(296)	-	(1)	(1)
Total Other Financing Sources (Uses)	<u>(296)</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net Change in Fund Balances	<u>-</u>	<u>296</u>	<u>425</u>	<u>129</u>
Fund Balances - January 1	-	-	4,799	4,799
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>-</u>	<u>-</u>	<u>4,799</u>	<u>4,799</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 296</u>	<u>\$ 5,224</u>	<u>\$ 4,928</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LEAP SPECIAL REVENUE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 53	\$ 53
Charges for Services	445	445	99	(346)
Investment Earnings	7	7	(2)	(9)
Miscellaneous	-	-	-	-
Total Revenues	<u>452</u>	<u>452</u>	<u>150</u>	<u>(302)</u>
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	678	678	151	(527)
Total Expenditures	<u>678</u>	<u>678</u>	<u>151</u>	<u>(527)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(226)</u>	<u>(226)</u>	<u>(1)</u>	<u>225</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	170	170	-	(170)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>170</u>	<u>170</u>	<u>-</u>	<u>(170)</u>
Net Change in Fund Balances	<u>(56)</u>	<u>(56)</u>	<u>(1)</u>	<u>55</u>
Fund Balance - January 1	56	56	247	191
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246</u>	<u>\$ 246</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRAFFIC ENFORCEMENT, ENGINEERING, AND EDUCATION SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Fines and Penalties	\$ 5,906	\$ 6,466	\$ 3,818	\$ (2,648)
Investment Earnings	19	19	(2)	(21)
Total Revenues	<u>5,925</u>	<u>6,485</u>	<u>3,816</u>	<u>(2,669)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	7,215	7,257	3,288	(3,969)
Total Expenditures	<u>7,215</u>	<u>7,257</u>	<u>3,288</u>	<u>(3,969)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(1,290)</u>	<u>(772)</u>	<u>528</u>	<u>1,300</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,234	675	-	(675)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,234</u>	<u>675</u>	<u>-</u>	<u>(675)</u>
Net Change in Fund Balances	<u>(56)</u>	<u>(97)</u>	<u>528</u>	<u>625</u>
Fund Balance - January 1	56	97	152	55
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	56	97	152	55
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680</u>	<u>\$ 680</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
AMERICAN RESCUE PLAN ACT**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Intergovernmental	\$ -	\$ 61,000	\$ 30,485	\$ (30,515)
Investment Earnings	-	-	158	158
Total Revenues	<u>-</u>	<u>61,000</u>	<u>30,643</u>	<u>(30,357)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	54,525	-	(54,525)
Total Expenditures	<u>-</u>	<u>54,525</u>	<u>3,902</u>	<u>(50,623)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>6,475</u>	<u>26,741</u>	<u>20,266</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	-	61,000	-	(61,000)
Transfers Out	-	(6,475)	(2,086)	4,389
Total Other Financing Sources (Uses)	<u>-</u>	<u>54,525</u>	<u>(2,086)</u>	<u>(56,611)</u>
Net Change in Fund Balances	<u>-</u>	<u>61,000</u>	<u>24,655</u>	<u>(36,345)</u>
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 61,000</u>	<u>\$ 24,655</u>	<u>\$ (36,345)</u>

### *Non-Major Debt Service Funds*

Debt Service Funds account for the payment and accumulation of resources of both the principal and interest of long-term debt. The City of Tacoma has seven different debt service funds.

**Voted Bonds Fund (#2010)**

Accounts for the debt service of unlimited general obligation bonds issued by the City of Tacoma.

**Non-voted Bonds Fund (#2035)**

Accounts for the debt service of limited general obligation bonds issued by the City of Tacoma.

**CWED PWTF Loans Fund (#2038)**

Accounts for the debt service of obtaining public works trust fund loans.

**2009 LTGO Bonds Series A-F Fund (#2040)**

Accounts for the debt service of the 2009 LTGO bonds.

**2010 LTGO Bonds Fund (#2041)**

Accounts for the debt service of the 2010 LTGO bonds.

**LTGO Bonds (#2043)**

Accounts for the debt service of LTGO bonds.

**Consolidated LID Bond Redemption Fund (#(2)-7999)**

Accounts for the debt service related to LIDs.



**COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 1 of 3

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 288	\$ -
Receivables:			
Accounts Receivables (Net)	-	-	-
Due From Other Governmental Units	-	-	-
Total Assets	<u>-</u>	<u>288</u>	<u>-</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
Total Assets and Deferred Outflows	<u>-</u>	<u>288</u>	<u>-</u>
<b>LIABILITIES</b>			
Liabilities:			
Other Liabilities Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable Revenue	<u>3</u>	<u>-</u>	<u>-</u>
Total Deferred Inflow of Resources	<u>3</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	(3)	288	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	<u>(3)</u>	<u>288</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ -</u>	<u>\$ 288</u>	<u>\$ -</u>

**COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 2 of 3

	2009 LTGO Bonds #2040	2010 LTGO Bonds #2041	2017 LTGO Bonds #2043
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 283	\$ 1,236
Receivables:			
Accounts Receivables (Net)	-	-	-
Due From Other Governmental Units	-	-	59
Total Assets	<u>-</u>	<u>283</u>	<u>1,295</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
Total Assets and Deferred Outflows	<u>-</u>	<u>283</u>	<u>1,295</u>
<b>LIABILITIES</b>			
Liabilities:			
Other Liabilities Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable Revenue	-	-	43
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>43</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	-	283	1,252
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	<u>-</u>	<u>283</u>	<u>1,252</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ -</u>	<u>\$ 283</u>	<u>\$ 1,295</u>

**COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 3 of 3

	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,057	\$ 2,864
Receivables:		
Accounts Receivables (Net)	21,162	21,162
Due From Other Governmental Units	-	59
Total Assets	22,219	24,085
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
	-	-
Total Assets and Deferred Outflows	22,219	24,085
<b>LIABILITIES</b>		
Liabilities:		
Other Liabilities Payable	-	-
Total Liabilities	-	-
<b>DEFERRED INFLOW OF RESOURCES</b>		
Unavailable Revenue	19,498	19,544
Total Deferred Inflow of Resources	19,498	19,544
<b>FUND BALANCE</b>		
Nonspendable	-	-
Restricted	2,721	4,541
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total Fund Balance	2,721	4,541
Total Liabilities, Deferred Inflows and Fund Balance	\$ 22,219	\$ 24,085

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****NON-MAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 1 of 3

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038
<b>REVENUES</b>			
Taxes:			
Property Taxes	\$ 195	\$ -	\$ -
Fines and Penalties	-	-	-
Investment Earnings	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>195</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
General Government	-	-	-
Debt Service:			
Principal	5,150	3,315	570
Interest	76	188	12
Total Expenditures	<u>5,226</u>	<u>3,503</u>	<u>582</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(5,031)</u>	<u>(3,503)</u>	<u>(582)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Debt	-	-	-
Transfers In	3,756	3,503	582
Transfers Out	(135)	-	-
Total Other Financing Sources (Uses)	<u>3,621</u>	<u>3,503</u>	<u>582</u>
Net Change in Fund Balance	<u>(1,410)</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>1,407</u>	<u>288</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (3)</u>	<u>\$ 288</u>	<u>\$ -</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 2 of 3

	2009 LTGO Bonds #2040	2010 LTGO Bonds #2041	2017 LTGO Bonds #2043
<b>REVENUES</b>			
Taxes:			
Property Taxes	\$ -	\$ -	\$ 2,617
Fines and Penalties	-	-	-
Investment Earnings	4	1	47
Miscellaneous	-	-	-
Total Revenues	<u>4</u>	<u>1</u>	<u>2,664</u>
<b>EXPENDITURES</b>			
General Government	-	-	1
Debt Service:			
Principal	8,705	9,110	2,924
Interest	3,455	1,707	288
Total Expenditures	<u>12,160</u>	<u>10,817</u>	<u>3,213</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(12,156)</u>	<u>(10,816)</u>	<u>(549)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Debt	2,500	-	17,262
Transfers In	9,649	11,079	2,603
Transfers Out	-	-	(18,134)
Total Other Financing Sources (Uses)	<u>12,149</u>	<u>11,079</u>	<u>1,731</u>
Net Change in Fund Balance	<u>(7)</u>	<u>263</u>	<u>1,182</u>
Fund Balance - Beginning	<u>7</u>	<u>20</u>	<u>70</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 283</u>	<u>\$ 1,252</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****NON-MAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 3 of 3

	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
<b>REVENUES</b>		
Taxes:		
Property Taxes	\$ -	\$ 2,812
Fines and Penalties	1,155	1,155
Investment Earnings	(7)	45
Miscellaneous	953	953
Total Revenues	<u>2,101</u>	<u>4,965</u>
<b>EXPENDITURES</b>		
General Government	-	1
Debt Service:		
Principal	440	30,214
Interest	1,025	6,751
Total Expenditures	<u>1,465</u>	<u>36,966</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>636</u>	<u>(32,001)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of Debt	-	19,762
Transfers In	-	31,172
Transfers Out	(3)	(18,272)
Total Other Financing Sources (Uses)	<u>(3)</u>	<u>32,662</u>
Net Change in Fund Balance	<u>633</u>	<u>661</u>
Fund Balance - Beginning	<u>2,088</u>	<u>3,880</u>
Fund Balance - Ending	<u>\$ 2,721</u>	<u>\$ 4,541</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
VOTED DEBT SERVICE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ 5,441	\$ 5,461	\$ 195	\$ (5,266)
Total Revenues	<u>5,441</u>	<u>5,461</u>	<u>195</u>	<u>(5,266)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	4,675	5,150	5,150	-
Interest and Other Costs	766	311	76	(235)
Total Expenditures	<u>5,441</u>	<u>5,461</u>	<u>5,226</u>	<u>(235)</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(5,031)</u>	<u>(5,031)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	3,756	3,756
Transfers Out	-	-	(135)	(135)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>3,621</u>	<u>3,621</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,410)</u>	<u>(1,410)</u>
Fund Balance - January 1	-	-	1,407	1,407
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ (3)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
NON VOTED DEBT SERVICE FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	7,530	7,960	3,315	(4,645)
Interest and Other Costs	948	583	188	(395)
Total Expenditures	8,478	8,543	3,503	(5,040)
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<b>(8,478)</b>	<b>(8,543)</b>	<b>(3,503)</b>	<b>5,040</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	8,478	8,543	3,503	(5,040)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	8,478	8,543	3,503	(5,040)
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	288	288
Fund Balance - December 31	\$ -	\$ -	\$ 288	\$ 288



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC WORKS TRUST FUND LOANS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	1,141	1,141	570	(571)
Interest and Other Costs	31	20	12	(8)
Total Expenditures	<u>1,172</u>	<u>1,161</u>	<u>582</u>	<u>(579)</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(1,172)</u>	<u>(1,161)</u>	<u>(582)</u>	<u>579</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,172	1,161	582	(579)
Total Other Financing Sources and Uses	<u>1,172</u>	<u>1,161</u>	<u>582</u>	<u>(579)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**2009 LTGO REFUNDING (SERIES A-F) DEBT SERVICE FUND**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	4	4
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	690	870	8,705	7,835
Interest and Other Costs	2,499	2,423	3,455	1,032
Total Expenditures	<u>3,189</u>	<u>3,293</u>	<u>12,160</u>	<u>8,867</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(3,189)</u>	<u>(3,293)</u>	<u>(12,156)</u>	<u>(8,863)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	2,500	2,500
Transfers In	3,189	3,293	9,649	6,356
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>3,189</u>	<u>3,293</u>	<u>12,149</u>	<u>8,856</u>
Net Change in Fund Balances	-	-	(7)	(7)
Fund Balance - January 1	-	-	7	7
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**2010 LTGO BONDS DEBT SERVICE FUND**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	1	1
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	5,681	5,987	9,110	3,123
Interest and Other Costs	3,766	3,307	1,707	(1,600)
Total Expenditures	<u>9,447</u>	<u>9,294</u>	<u>10,817</u>	<u>1,523</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(9,447)</u>	<u>(9,294)</u>	<u>(10,816)</u>	<u>(1,522)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	9,447	9,294	11,079	1,785
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>9,447</u>	<u>9,294</u>	<u>11,079</u>	<u>1,785</u>
Net Change in Fund Balances	-	-	263	263
Fund Balance - January 1	-	-	20	20
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283</u>	<u>\$ 283</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**2013 LTGO BOND DEBT SERVICE FUND**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ 2,617	\$ 2,617
Investment Earnings	-	-	47	47
Total Revenues	<u>-</u>	<u>-</u>	<u>2,664</u>	<u>2,664</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	1	1
Debt Service				
Principal	2,020	2,105	2,924	819
Interest and Other Costs	1,443	1,359	288	(1,071)
Total Expenditures	<u>3,463</u>	<u>3,464</u>	<u>3,213</u>	<u>(251)</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(3,463)</u>	<u>(3,464)</u>	<u>(549)</u>	<u>2,915</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	3,463	3,464	2,603	(861)
Transfers Out	-	-	(18,134)	(18,134)
Total Other Financing Sources and Uses	<u>3,463</u>	<u>3,464</u>	<u>1,731</u>	<u>(1,733)</u>
Net Change in Fund Balances	-	-	1,182	1,182
Fund Balance - January 1	-	-	70	70
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,252</u>	<u>\$ 1,252</u>

### *Non-Major Capital Project Funds*

Capital Project Funds account for the financial resources used in the acquisition or construction of major capital facilities. The City has six different capital project funds.

**Real Estate Excise Tax Fund (#3210)**

Accounts for revenues for capital projects.

**Capital Projects Fund (#3211)**

Accounts for the various capital expenditures.

**2002 Police Facility Fund (#3216)**

Accounts for the construction costs associated with the construction of the police facility.

**2009 LTGO Capital Projects Fund (#3218)**

Accounts for the capital expenditures associated with the proceeds obtained from the 2009 LTGO Bond Issue.

**2010 LTGO Capital Projects Fund (#3220)**

Accounts for various capital expenditures funded by the 2010 LTGO bond issue.

**LID Interim Financing Fund (#3-7070)**

Is used to provide interim financing during the formation and construction of local improvement district projects.

**COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECT FUNDS**

December 31, 2021  
(amounts expressed in thousands)

Page 1 of 2

	Real Estate Excise Tax #3210	Capital Projects #3211	2002 Police Facility #3216	2009 LTGO Capital Projects #3218
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 38,225	\$ 5,240	\$ -	\$ 92
Accounts Receivables (Net)	-	2	-	-
Due From Other Governmental Units	2,802	-	-	-
Total Assets	<u>41,027</u>	<u>5,242</u>	<u>-</u>	<u>92</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>41,027</u>	<u>5,242</u>	<u>-</u>	<u>92</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable	-	657	-	-
Total Liabilities	<u>-</u>	<u>657</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	36,716	2,565	-	92
Committed	4,311	2,006	-	-
Assigned	-	14	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>41,027</u>	<u>4,585</u>	<u>-</u>	<u>92</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 41,027</u>	<u>\$ 5,242</u>	<u>\$ -</u>	<u>\$ 92</u>

**COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECT FUNDS**

December 31, 2021  
(amounts expressed in thousands)

Page 2 of 2

	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Total Nonmajor Capital Projects Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 268	\$ 1,356	\$ 45,181
Accounts Receivables (Net)	-	-	2
Due From Other Governmental Units	-	-	2,802
Total Assets	<u>268</u>	<u>1,356</u>	<u>47,985</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
Total Assets and Deferred Outflows	<u>268</u>	<u>1,356</u>	<u>47,985</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts Payable	<u>3</u>	-	<u>660</u>
Total Liabilities	<u>3</u>	-	<u>660</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable Revenue	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	265	1,356	40,994
Committed	-	-	6,317
Assigned	-	-	14
Unassigned	-	-	-
Total Fund Balance	<u>265</u>	<u>1,356</u>	<u>47,325</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 268</u>	<u>\$ 1,356</u>	<u>\$ 47,985</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR CAPITAL PROJECT FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 1 of 2

	Real Estate Excise Tax #3210	Capital Projects #3211	2002 Police Facility #3216	2009 LTGO Capital Projects #3218
<b>REVENUES</b>				
Taxes:				
Retail Sales & Use	\$ 500	\$ -	\$ -	\$ -
Excise	17,551	-	-	-
Investment Earnings	(110)	(16)	-	(1)
Miscellaneous	-	14	-	-
Total Revenues	<u>17,941</u>	<u>(2)</u>	<u>-</u>	<u>(1)</u>
<b>EXPENDITURES</b>				
General Government	8	74	-	-
Culture and Recreation	-	48	-	-
Capital Outlay	-	2,528	-	-
Total Expenditures	<u>8</u>	<u>2,650</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>17,933</u>	<u>(2,652)</u>	<u>-</u>	<u>(1)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	960	4,303	-	-
Transfers Out	(7,862)	(960)	-	-
Total Other Financing Sources (Uses)	<u>(6,902)</u>	<u>3,343</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>11,031</u>	<u>691</u>	<u>-</u>	<u>(1)</u>
Fund Balance - Beginning	29,996	4,292	-	93
Prior Period Adjustment	-	(398)	-	-
Fund Balance - Beginning, Restated	<u>29,996</u>	<u>3,894</u>	<u>-</u>	<u>93</u>
Fund Balance - Ending	<u>\$ 41,027</u>	<u>\$ 4,585</u>	<u>\$ -</u>	<u>\$ 92</u>



**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR CAPITAL PROJECT FUNDS**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

Page 2 of 2

	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>			
Taxes:			
Retail Sales & Use	\$ -	\$ -	\$ 500
Excise	-	-	17,551
Investment Earnings	(2)	-	(129)
Miscellaneous	-	105	119
Total Revenues	<u>(2)</u>	<u>105</u>	<u>18,041</u>
<b>EXPENDITURES</b>			
General Government	-	1	83
Culture and Recreation	-	-	48
Capital Outlay	-	-	2,528
Total Expenditures	<u>-</u>	<u>1</u>	<u>2,659</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(2)</u>	<u>104</u>	<u>15,382</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	5,263
Transfers Out	-	-	(8,822)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,559)</u>
Net Change in Fund Balance	<u>(2)</u>	<u>104</u>	<u>11,823</u>
Fund Balance - Beginning	267	1,252	35,900
Prior Period Adjustment	-	-	(398)
Fund Balance - Beginning, Restated	<u>267</u>	<u>1,252</u>	<u>35,502</u>
Fund Balance - Ending	<u>\$ 265</u>	<u>\$ 1,356</u>	<u>\$ 47,325</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
REAL ESTATE EXCISE TAX FUND**

For the Year Ended December 31, 2021  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales & Use	1,580	1,152	500	(652)
Excise	12,300	22,332	17,551	(4,781)
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Penalties	-	-	-	-
Investment Earnings	-	660	(110)	(770)
Miscellaneous	1,256	141	-	(141)
Total Revenues	<u>15,136</u>	<u>24,285</u>	<u>17,941</u>	<u>(6,344)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	3	-	8	8
Debt Service				
Principal	2,934	-	-	-
Interest and Other Costs	-	-	-	-
Total Expenditures	<u>2,937</u>	<u>-</u>	<u>8</u>	<u>8</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>12,199</u>	<u>24,285</u>	<u>17,933</u>	<u>(6,352)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	-	-
Transfers In	141	5,306	960	(4,346)
Transfers Out	(13,526)	-	(7,862)	(7,862)
Total Other Financing Sources and Uses	<u>(13,385)</u>	<u>5,306</u>	<u>(6,902)</u>	<u>(12,208)</u>
Net Change in Fund Balances	<u>(1,186)</u>	<u>29,591</u>	<u>11,031</u>	<u>(18,560)</u>
Fund Balance - January 1	3,074	30,129	29,996	(133)
Prior Period Adjustment	-	-	-	-
Fund Balance - December 31	<u>\$ 1,888</u>	<u>\$ 59,720</u>	<u>\$ 41,027</u>	<u>\$ (18,693)</u>

## ***Non-Major Enterprise Funds***

Enterprise Funds are used as a cost center for the City for which in exchange of goods and/or services, a fee is charged. The City of Tacoma has 10 different enterprise funds which include the Performing Arts Fund and the Tacoma Dome Fund.

### **Permit Services Fund (#4110)**

Was created to track the revenues generated from permits and expenditures incurred directly related to the permitting process.

### **Tacoma Rail Mountain Division Fund (#4120)**

Accounts for the operation costs of the rail system.

### **Parking Fund (#4140)**

Accounts for the City's parking facilities.

### **Convention Center Fund (#4165)**

Accounts for activities associated with operating the Convention Center

### **Cheney Stadium Fund (#4170)**

Accounts for activities associated with operating Cheney Stadium.

### **Tacoma Dome Fund (#4180)**

Accounts for activities associated with operating the Tacoma Dome.

### **Performing Arts Fund (#4190)**

Was created to track costs associated with the Performing Arts Center, Rialto Theater, Broadway Theater District, and Pantages Theater.

### **Union Station Fund (#4450)**

Accounts for the thirty year lease with the Federal Government who uses the Union Station as a Federal Courthouse.

### **Tacoma Rail Belt Line Division Fund (#4500)**

Accounts for costs for the operations of the rail system between Tacoma and the Olympia area.

### **Low Income Assistance Fund (#4805)**

Was created to accept voluntary donations to help low income customers pay utility bills.

**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 1 of 6

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 8,090	\$ 565	\$ 959	\$ 2,769
Accounts Receivables (Net)	2,504	313	275	184
Due From Other Governmental Units	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	1	50	35	78
Restricted Cash:				
Debt Service	-	-	-	997
Other	9,678	-	-	1,731
Total Current Assets	<u>20,273</u>	<u>928</u>	<u>1,269</u>	<u>5,759</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	-	-
Other non-current assets	-	-	-	31
Capital Assets:				
Land	-	1,007	11,176	15,086
Buildings and Equipment	306	26,499	52,004	69,474
Construction in Progress	-	53	4,088	-
Less: Accumulated Depreciation	(239)	(12,842)	(21,660)	(33,210)
Total Capital Assets (Net of A/D)	<u>67</u>	<u>14,717</u>	<u>45,608</u>	<u>51,350</u>
Total Noncurrent Assets	<u>67</u>	<u>14,717</u>	<u>45,608</u>	<u>51,381</u>
Total Assets	<u>20,340</u>	<u>15,645</u>	<u>46,877</u>	<u>57,140</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	-	-	2,257
Deferred Outflow Related to Pensions	2,799	-	360	481
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>2,799</u>	<u>-</u>	<u>360</u>	<u>2,738</u>

**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
December 31, 2021  
(amounts expressed in thousands)  
Page 2 of 6

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 51	\$ 11,597	\$ 2,214	\$ -
Accounts Receivables (Net)	506	347	87	3,275
Due From Other Governmental Units	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	38	85	41	-
Restricted Cash:				
Debt Service	111	-	-	2,003
Other	223	13,337	-	-
Total Current Assets	<u>929</u>	<u>25,366</u>	<u>2,342</u>	<u>5,278</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	8,209	-
Other non-current assets	-	-	-	-
Capital Assets:				
Land	224	6,161	2,087	-
Buildings and Equipment	39,868	70,219	24,514	-
Construction in Progress	-	-	155	-
Less: Accumulated Depreciation	(17,934)	(32,452)	(12,129)	-
Total Capital Assets (Net of A/D)	<u>22,158</u>	<u>43,928</u>	<u>14,627</u>	<u>-</u>
Total Noncurrent Assets	<u>22,158</u>	<u>43,928</u>	<u>22,836</u>	<u>-</u>
Total Assets	<u>23,087</u>	<u>69,294</u>	<u>25,178</u>	<u>5,278</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	-	-	-
Deferred Outflow Related to Pensions	-	706	-	-
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>-</u>	<u>706</u>	<u>-</u>	<u>-</u>

**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
December 31, 2021  
(amounts expressed in thousands)  
Page 3 of 6

	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 14,086	\$ 1,459	\$ 41,790
Accounts Receivables (Net)	3,565	-	11,056
Due From Other Governmental Units	428	-	428
Inventory	1,354	-	1,354
Prepaid Expenses	3,380	-	3,708
Restricted Cash:			
Debt Service	-	-	3,111
Other	-	-	24,969
Total Current Assets	<u>22,813</u>	<u>1,459</u>	<u>86,416</u>
Noncurrent Assets:			
Long-Term Contracts and Notes			8,209
Other non-current assets	-	-	31
Capital Assets:			
Land	172	-	35,913
Buildings and Equipment	60,958	-	343,842
Construction in Progress	646	-	4,942
Less: Accumulated Depreciation	(28,639)	-	(159,105)
Total Capital Assets (Net of A/D)	<u>33,137</u>	<u>-</u>	<u>225,592</u>
Total Noncurrent Assets	<u>33,137</u>	<u>-</u>	<u>233,832</u>
Total Assets	<u>55,950</u>	<u>1,459</u>	<u>320,248</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow from Bond Refunding	-	-	2,257
Deferred Outflow Related to Pensions	-	-	4,346
Deferred Outflow Related to OPEB	2,054	-	2,054
Total Deferred Outflow of Resources	<u>2,054</u>	<u>-</u>	<u>8,657</u>

**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 4 of 6

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	116	25	440	308
Interest Payable	-	-	-	169
Due to Other Governments	6	2	26	-
Customer Deposits	112	45	-	567
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	117	-	11	11
Bonds Payable - Current	-	-	1,754	3,478
Unearned Revenues	-	-	-	5
Other Current Liabilities	375	3	35	63
Total Current Liabilities	<u>726</u>	<u>75</u>	<u>2,266</u>	<u>4,601</u>
Noncurrent Liabilities:				
Compensated Absences	1,053	-	103	95
Other non-current liabilities	-	-	-	-
Loans Payable	-	-	-	-
Bonds Payable	-	-	3,321	48,378
Total OPEB Liability	-	-	-	-
Net Pension Liability	2,070	-	266	355
Total Noncurrent Liabilities	<u>3,123</u>	<u>-</u>	<u>3,690</u>	<u>48,828</u>
Total Liabilities	<u>3,849</u>	<u>75</u>	<u>5,956</u>	<u>53,429</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Bond Refunding	-	-	32	17
Deferred Inflow Related to Pensions	443	-	57	76
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflows of Resources	<u>443</u>	<u>-</u>	<u>89</u>	<u>93</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	67	14,717	40,501	1,597
Restricted				
Capital Purchase	-	-	-	1,731
Debt Service	-	-	-	997
Culture and Recreation	-	-	-	-
Environment Service & Program	4,095	-	-	-
Inspections	1,057	-	-	-
Pension	-	-	-	-
Reserves	4,959	-	-	-
Unrestricted	<u>8,669</u>	<u>853</u>	<u>691</u>	<u>2,031</u>
Total Net Position	<u>\$ 18,847</u>	<u>\$ 15,570</u>	<u>\$ 41,192</u>	<u>\$ 6,356</u>

**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 5 of 6

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	-	264	437	-
Interest Payable	-	-	-	52
Due to Other Governments	-	-	-	-
Customer Deposits	-	13,518	-	-
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	-	25	-	-
Bonds Payable - Current	-	-	-	1,935
Unearned Revenues	-	46	-	1
Other Current Liabilities	-	73	-	-
Total Current Liabilities	<u>-</u>	<u>13,926</u>	<u>437</u>	<u>1,988</u>
Noncurrent Liabilities:				
Compensated Absences	-	229	-	-
Other non-current liabilities	-	-	-	2,368
Loans Payable	-	-	-	-
Bonds Payable	-	-	-	-
Total OPEB Liability	-	-	-	-
Net Pension Liability	-	522	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>751</u>	<u>-</u>	<u>2,368</u>
Total Liabilities	<u>-</u>	<u>14,677</u>	<u>437</u>	<u>4,356</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Bond Refunding	-	-	-	-
Deferred Inflow Related to Pensions	-	112	-	-
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflows of Resources	<u>-</u>	<u>112</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	22,159	43,928	14,628	-
Restricted				
Capital Purchase	223	896	-	-
Debt Service	616	-	-	1,951
Culture and Recreation	-	13,337	-	-
Environment Service & Program	-	-	-	-
Inspections	-	-	-	-
Pension	-	-	-	-
Reserves	-	-	-	-
Unrestricted	89	(2,950)	10,113	(1,029)
Total Net Position	<u>\$ 23,087</u>	<u>\$ 55,211</u>	<u>\$ 24,741</u>	<u>\$ 922</u>



**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

December 31, 2021

(amounts expressed in thousands)

Page 6 of 6

	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,430	-	3,020
Interest Payable	-	-	221
Due to Other Governments	78	-	112
Customer Deposits	100	-	14,342
Loans Payable - Current	844	-	844
Compensated Absences - Current	147	-	311
Bonds Payable - Current	-	-	7,167
Unearned Revenues	-	-	52
Other Current Liabilities	868	54	1,471
Total Current Liabilities	<u>3,467</u>	<u>54</u>	<u>27,540</u>
Noncurrent Liabilities:			
Compensated Absences	1,311	-	2,791
Other non-current liabilities	4,911	-	7,279
Loans Payable	2,487	-	2,487
Bonds Payable	-	-	51,699
Total OPEB Liability	11,164	-	11,164
Net Pension Liability	-	-	3,213
Total Noncurrent Liabilities	<u>19,873</u>	<u>-</u>	<u>78,633</u>
Total Liabilities	<u>23,340</u>	<u>54</u>	<u>106,173</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Bond Refunding	-	-	49
Deferred Inflow Related to Pensions	-	-	688
Deferred Inflow Related to OPEB	2,817	-	2,817
Deferred Inflows of Resources	<u>2,817</u>	<u>-</u>	<u>3,554</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	29,807	-	167,404
Restricted			
Capital Purchase	-	-	2,850
Debt Service	-	-	3,564
Culture and Recreation	-	-	13,337
Environment Service & Program	-	-	4,095
Inspections	-	-	1,057
Pension	-	-	-
Reserves	-	1,405	6,364
Unrestricted	2,040	-	20,507
Total Net Position	<u>\$ 31,847</u>	<u>\$ 1,405</u>	<u>\$ 219,178</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 1 of 3

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 16,677	\$ 2,030	\$ 3,217	\$ 735
Other Operating Revenue	-	-	-	50
Total Operating Revenues	<u>16,677</u>	<u>2,030</u>	<u>3,217</u>	<u>785</u>
<b>OPERATING EXPENSES:</b>				
Salaries and Benefits	12,443	593	1,269	2,475
Supplies	156	122	14	94
Service	3,610	1,615	2,291	2,291
Taxes	-	1	16	37
Depreciation	34	785	1,379	1,739
Total Operating Expenses	<u>16,243</u>	<u>3,116</u>	<u>4,969</u>	<u>6,636</u>
Operating Income (Loss)	<u>434</u>	<u>(1,086)</u>	<u>(1,752)</u>	<u>(5,851)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest Revenue	142	5	18	61
Operating Contributions	-	-	-	4,017
Other Non-Operating Revenues	-	-	-	55
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized net gain(loss) in fair value investment	(207)	(9)	(43)	(83)
Interest Expense	-	-	(185)	(1,929)
Other Non-Operating Expenses	-	-	-	(1)
External Contributions	-	(2)	-	-
Total Non-Operating Revenue (Expense)	<u>(65)</u>	<u>(6)</u>	<u>(210)</u>	<u>2,120</u>
Income (Loss) Before Contributions & Transfers	<u>369</u>	<u>(1,092)</u>	<u>(1,962)</u>	<u>(3,731)</u>
Capital Contributions	-	-	-	-
Transfers In	2,468	391	3,300	4,806
Transfers Out	(60)	-	(1,215)	-
Total Contributions and Transfers	<u>2,408</u>	<u>391</u>	<u>2,085</u>	<u>4,806</u>
Change in Net Position	2,777	(701)	123	1,075
Net Position, January 1	16,077	16,271	41,020	5,371
Prior Period Adjustment	(7)	-	49	(90)
Net Position, January 1 restated	16,070	16,271	41,069	5,281
Net Position, December 31	<u>\$ 18,847</u>	<u>\$ 15,570</u>	<u>\$ 41,192</u>	<u>\$ 6,356</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 2 of 3

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 430	\$ 4,297	\$ 10	\$ -
Other Operating Revenue	543	22	-	-
Total Operating Revenues	<u>973</u>	<u>4,319</u>	<u>10</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>				
Salaries and Benefits	1	2,038	194	-
Supplies	4	218	65	-
Service	73	3,291	1,171	4
Taxes	-	47	-	-
Depreciation	1,474	1,607	1,110	-
Total Operating Expenses	<u>1,552</u>	<u>7,201</u>	<u>2,540</u>	<u>4</u>
Operating Income (Loss)	<u>(579)</u>	<u>(2,882)</u>	<u>(2,530)</u>	<u>(4)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest Revenue	2	144	101	-
Operating Contributions	-	10,000	235	-
Other Non-Operating Revenues	-	-	-	334
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized net gain(loss) in fair value investment	(3)	(186)	(21)	-
Interest Expense	-	-	-	(334)
Other Non-Operating Expenses	-	-	-	(1)
External Contributions	-	-	-	-
Total Non-Operating Revenue (Expense)	<u>(1)</u>	<u>9,958</u>	<u>315</u>	<u>(1)</u>
Income (Loss) Before Contributions & Transfers	<u>(580)</u>	<u>7,076</u>	<u>(2,215)</u>	<u>(5)</u>
Capital Contributions	-	-	-	-
Transfers In	671	-	1,015	-
Transfers Out	(1,276)	(398)	-	-
Total Contributions and Transfers	<u>(605)</u>	<u>(398)</u>	<u>1,015</u>	<u>-</u>
Change in Net Position	(1,185)	6,678	(1,200)	(5)
Net Position, January 1	24,272	48,533	25,941	927
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	24,272	48,533	25,941	927
Net Position, December 31	<u>\$ 23,087</u>	<u>\$ 55,211</u>	<u>\$ 24,741</u>	<u>\$ 922</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

Page 3 of 3

	Tacoma Rail Belt Line Division #4500	Low Income Assistance #4805	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 34,088	\$ -	\$ 61,484
Other Operating Revenue	-	-	615
Total Operating Revenues	<u>34,088</u>	<u>-</u>	<u>62,099</u>
<b>OPERATING EXPENSES:</b>			
Salaries and Benefits	16,759	-	35,772
Supplies	957	-	1,630
Service	11,353	-	25,699
Taxes	539	-	640
Depreciation	2,269	-	10,397
Total Operating Expenses	<u>31,877</u>	<u>-</u>	<u>74,138</u>
Operating Income (Loss)	<u>2,211</u>	<u>-</u>	<u>(12,039)</u>
	-	-	-
<b>NON-OPERATING REVENUE (EXPENSE):</b>			
Interest Revenue	118	9	600
Operating Contributions	-	1,001	15,253
Other Non-Operating Revenues	438	-	827
Gain (Loss) on Sale of Capital Assets	21	-	21
Unrealized net gain(loss) in fair value investment	(216)	(11)	(779)
Interest Expense	-	-	(2,448)
Other Non-Operating Expenses	-	(167)	(169)
External Contributions	-	-	(2)
Total Non-Operating Revenue (Expense)	<u>361</u>	<u>832</u>	<u>13,303</u>
Income (Loss) Before Contributions & Transfers	<u>2,572</u>	<u>832</u>	<u>1,264</u>
Capital Contributions	1,144	-	1,144
Transfers In	-	-	12,651
Transfers Out	(2,769)	-	(5,718)
Total Contributions and Transfers	<u>(1,625)</u>	<u>-</u>	<u>8,077</u>
Change in Net Position	947	832	9,341
Net Position, January 1	30,900	573	209,885
Prior Period Adjustment	-	-	(48)
Net Position, January 1 restated	30,900	573	209,837
Net Position, December 31	<u>\$ 31,847</u>	<u>\$ 1,405</u>	<u>\$ 219,178</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 1 of 8

	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 16,528	\$ 1,568	\$ 3,914
Payments to suppliers	(1,648)	(1,732)	(2,290)
Payments to employees	(12,356)	(594)	(1,323)
Payments for taxes	-	(31)	(25)
Payments for interfund services used	(1,724)	-	(380)
Other operating or non-operating revenues	-	447	72
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>800</u>	<u>(342)</u>	<u>(32)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	1,928	391	3,300
Grants and contributions received	-	-	-
Payments paid on noncapital debts	-	(1)	-
Transfer to other funds	(60)	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,868</u>	<u>390</u>	<u>3,300</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	540	-	-
Proceeds received from capital debts	-	-	-
Contributions and donations	-	-	-
Acquisitions and constructions of capital assets	-	(4)	(2,018)
Principal paid on capital debts	-	-	(1,710)
Interest and issuance costs paid on capital debts	-	-	(194)
Transfers to other funds	-	-	(1,215)
Proceeds from other nonoperating revenues	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>540</u>	<u>(4)</u>	<u>(5,137)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	142	5	18
Change in fair value of investment	(207)	(9)	(43)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(65)</u>	<u>(4)</u>	<u>(25)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,143</u>	<u>40</u>	<u>(1,894)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	14,625	525	2,853
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 17,768</u>	<u>\$ 565</u>	<u>\$ 959</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 2 of 8

	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 626	\$ 428	\$ 7,509
Payments to suppliers	(2,899)	(87)	(3,164)
Payments to employees	(2,511)	(1)	(2,081)
Payments for taxes	(38)	-	(67)
Payments for interfund services used	513	(2)	(660)
Other operating or non-operating revenues	(39)	543	22
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(4,348)</u>	<u>881</u>	<u>1,559</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	-	671	-
Grants and contributions received	-	-	10,000
Payments paid on noncapital debts	4,017	-	-
Transfer to other funds	-	(85)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>4,017</u>	<u>586</u>	<u>10,000</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	-
Proceeds received from capital debts	-	-	-
Contributions and donations	4,806	-	-
Acquisitions and constructions of capital assets	55	-	-
Principal paid on capital debts	(3,311)	-	-
Interest and issuance costs paid on capital debts	(2,095)	-	-
Transfers to other funds	-	(1,190)	(398)
Proceeds from other nonoperating revenues	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(545)</u>	<u>(1,190)</u>	<u>(398)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	61	2	144
Change in fair value of investment	(83)	(3)	(186)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(22)</u>	<u>(1)</u>	<u>(42)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(898)</u>	<u>276</u>	<u>11,119</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	6,395	109	13,815
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 5,497</u>	<u>\$ 385</u>	<u>\$ 24,934</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 3 of 8

	Performing Arts #4190	Union Stations #4450	Tacoma Rail Belt Line Div #4500
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 61	\$ 102	\$ 34,977
Payments to suppliers	(972)	-	(12,477)
Payments to employees	(195)	-	(16,853)
Payments for taxes	-	-	(573)
Payments for interfund services used	(90)	-	-
Other operating or non-operating revenues	-	333	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,196)</u>	<u>435</u>	<u>5,074</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	1,015	-	-
Grants and contributions received	235	-	-
Payments paid on noncapital debts	-	-	-
Transfer to other funds	-	-	(2,766)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,250</u>	<u>-</u>	<u>(2,766)</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	-
Proceeds received from capital debts	-	3,275	709
Contributions and donations	-	-	1,845
Acquisitions and constructions of capital assets	(154)	-	(4,574)
Principal paid on capital debts	-	(3,615)	(884)
Interest and issuance costs paid on capital debts	-	(432)	-
Transfers to other funds	-	-	-
Proceeds from other nonoperating revenues	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(154)</u>	<u>(772)</u>	<u>(2,904)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	110	-	118
Change in fair value of investment	(21)	-	(216)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>89</u>	<u>-</u>	<u>(98)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(11)</u>	<u>(337)</u>	<u>(694)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	2,225	2,340	14,780
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,214</u>	<u>\$ 2,003</u>	<u>\$ 14,086</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
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	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipt from customers and users	\$ (156)	\$ 65,557
Payments to suppliers	-	(25,269)
Payments to employees	-	(35,914)
Payments for taxes	-	(734)
Payments for interfund services used	-	(2,343)
Other operating or non-operating revenues	-	1,378
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(156)</u>	<u>2,675</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer from other funds	-	7,305
Grants and contributions received	1,001	11,236
Payments paid on noncapital debts	(167)	3,849
Transfer to other funds	-	(2,911)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>834</u>	<u>19,479</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	-	540
Proceeds received from capital debts	-	3,984
Contributions and donations	-	6,651
Acquisitions and constructions of capital assets	-	(6,695)
Principal paid on capital debts	-	(9,520)
Interest and issuance costs paid on capital debts	-	(2,721)
Transfers to other funds	-	(2,803)
Proceeds from other nonoperating revenues	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(10,564)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interests and dividends received	9	609
Change in fair value of investment	(11)	(779)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2)</u>	<u>(170)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>676</u>	<u>11,420</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	783	58,450
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,459</u>	<u>\$ 69,870</u>



**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
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	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 434	\$ (1,086)	\$ (1,752)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	34	785	1,379
(Increase) decrease in accounts receivable	191	(12)	469
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	2	(1)	(6)
(Increase) decrease in other assets	-	-	-
(Increase) decrease in deposits payable	1	-	-
Increase (decrease) in accounts payable	97	(28)	(110)
Increase (decrease) in accrued wages payable	12	-	(10)
Increase (decrease) in compensated absences	236	-	(18)
Increase (decrease) in intergovernmental payable	1	-	-
Increase (decrease) in deferred revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	(8)
Increase (decrease) long term liabilities	(201)	-	(25)
Miscellaneous non-operating revenues (expenses)	-	-	-
Prior Period Adjustment	(7)	-	49
Total adjustments	366	744	1,720
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 800</b>	<b>\$ (342)</b>	<b>\$ (32)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
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	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (5,851)	\$ (579)	\$ (2,882)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1,739	1,474	1,607
(Increase) decrease in accounts receivable	(130)	(2)	(308)
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	(10)	(12)	(4)
(Increase) decrease in other assets	-	-	-
(Increase) decrease in deposits payable	33	-	3,539
Increase (decrease) in accounts payable	(6)	-	(337)
Increase (decrease) in accrued wages payable	21	-	-
Increase (decrease) in compensated absences	(26)	-	-
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in deferred revenues	5	-	8
Increase (decrease) in other current liabilities	(1)	-	(20)
Increase (decrease) long term liabilities	(32)	-	(44)
Miscellaneous non-operating revenues (expenses)	-	-	-
Prior Period Adjustment	(90)	-	-
Total adjustments	1,503	1,460	4,441
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (4,348)</b>	<b>\$ 881</b>	<b>\$ 1,559</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 7 of 8

	Performing Arts #4190	Union Stations #4450	Tacoma Rail Belt Line Div #4500
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (2,530)	\$ (4)	\$ 2,211
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1,110	-	2,269
(Increase) decrease in accounts receivable	-	776	889
(Increase) decrease in inventories	-	-	(96)
(Increase) decrease in prepaid items	-	-	(1,291)
(Increase) decrease in other assets	51	-	-
(Increase) decrease in deposits payable	-	-	-
Increase (decrease) in accounts payable	173	-	(826)
Increase (decrease) in accrued wages payable	-	-	40
Increase (decrease) in compensated absences	-	-	86
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in deferred revenues	-	(670)	-
Increase (decrease) in other current liabilities	-	-	1,058
Increase (decrease) long term liabilities	-	333	734
Miscellaneous non-operating revenues (expenses)	-	-	-
Prior Period Adjustment	-	-	-
Total adjustments	1,334	439	2,863
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,196)</b>	<b>\$ 435</b>	<b>\$ 5,074</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	1,144

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2021  
(amounts expressed in thousands)  
Page 8 of 8

	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ -	\$ (12,039)
Adjustments to reconcile operating income (loss) to net cash provided (used)		
by:		
Operating Activities:		
Depreciation expenses	-	10,397
(Increase) decrease in accounts receivable	-	1,873
(Increase) decrease in inventories	-	(96)
(Increase) decrease in prepaid items	-	(1,322)
(Increase) decrease in other assets	-	51
(Increase) decrease in deposits payable	-	3,573
Increase (decrease) in accounts payable	-	(1,037)
Increase (decrease) in accrued wages payable	-	63
Increase (decrease) in compensated absences	-	278
Increase (decrease) in intergovernmental payable	-	1
Increase (decrease) in deferred revenues	-	(657)
Increase (decrease) in other current liabilities	(156)	873
Increase (decrease) long term liabilities	-	765
Miscellaneous non-operating revenues (expenses)	-	-
Prior Period Adjustment	-	(48)
Total adjustments	(156)	14,714
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (156)</b>	<b>\$ 2,675</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Contribution of capital assets	-	-

### ***Non-Major Internal Service Funds***

Internal Service funds are used to report the financing of goods and/or services administered from one department/agency to another department/agency. These transactions follow a cost reimbursement basis and include funds such as the Worker's Compensation Fund, Health Benefits Trust Fund, as well as 12 other funds.

**Finance Department Fund (#5007)**

Accounts for the operation of the Finance Division

**BSIP Project Fund (#5027)**

Accounts for the Business Systems Improvement Project

**TPU Fleet Services Fund (#5050)**

Accounts for costs of maintaining and replacing City vehicles for business type activities.

**Tacoma Training and Employment Program (TTEP) Fund (#5086)**

Accounts for program costs to assist residents of the City ages 18-24 gain the necessary work ethics for sustainable employment.

**Public Works Equipment Rental Fund (#5400)**

Accounts for costs of maintaining and replacing City vehicles for General Government activities.

**Asphalt Plant Fund (#5453)**

Accounts for the manufacturing of asphalt sold to other funds within the City of Tacoma.

**Communications Equipment-Replacement Reserves Fund (#5540)**

Accounts for radio communication equipment

**Third Party Liability Claims Fund (#5550)**

Was created to track costs related to our self-insurance program.

**Unemployment Compensation Fund (#5560)**

Accounts for the City's self-insurance unemployment compensation costs.

**Worker's Compensation Fund (#5570)**

Accounts for the City's self-insurance worker's compensation costs.

**Facilities Operations and Telecommunications Fund (#5700)**

Accounts for maintenance and operation cost associated with all City of Tacoma buildings.

**Information Systems Fund (#5800)**

Provides computer and system support for all City departments.

**Health Benefits Trust Fund (#5-64xx)**

Provides accounting for self-insurance to all City's cost for healthcare.

**Self-Insurance Claims Fund (#5-4800)**

Provides accounting for self-insurance to business-type activities of the City of Tacoma departments including provisions for losses on property, liability, workers compensation, unemployment compensation.

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

December 31, 2021

(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1	\$ 143	\$ 3,121
Accounts Receivables (Net)	21	-	-
Inventories	-	-	476
Prepaid Expenses	-	-	-
Total Current Assets	<u>22</u>	<u>143</u>	<u>3,597</u>
Noncurrent Assets:			
Net Pension Assets	-	-	
Capital Assets:			
Land	-	-	-
Property, Plant and Equipment	-	-	3,836
Construction in Progress	-	-	68
Less: Accumulated Depreciation	-	-	(3,124)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>780</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>780</u>
Total Assets	<u>22</u>	<u>143</u>	<u>4,377</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow Related to Pensions	<u>-</u>	<u>-</u>	<u>902</u>

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

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(amounts expressed in thousands)

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	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 131	\$ 11,721	\$ 199	\$ 7,252
Accounts Receivables (Net)	-	32	35	95
Inventories	-	614	388	-
Prepaid Expenses	-	62	-	-
Total Current Assets	<u>131</u>	<u>12,429</u>	<u>622</u>	<u>7,347</u>
Noncurrent Assets:				
Net Pension Assets	-	-	-	-
Capital Assets:				
Land	-	-	11	-
Property, Plant and Equipment	-	67,538	1,014	6,003
Construction in Progress	-	1,866	15	30
Less: Accumulated Depreciation	-	(42,933)	(545)	(5,139)
Total Capital Assets (Net of A/D)	-	<u>26,471</u>	<u>495</u>	<u>894</u>
Total Noncurrent Assets	-	<u>26,471</u>	<u>495</u>	<u>894</u>
Total Assets	<u>131</u>	<u>38,900</u>	<u>1,117</u>	<u>8,241</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	-	1,175	44	203

**COMBINING STATEMENT OF NET POSITION  
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	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 5,743	\$ 1,901	\$ 7,001	\$ 3,744
Accounts Receivables (Net)	-	-	7	1
Inventories	-	-	-	-
Prepaid Expenses	-	-	352	11
Total Current Assets	5,743	1,901	7,360	3,756
Noncurrent Assets:				
Net Pension Assets	-	-	-	
Capital Assets:				
Land	-	-	-	346
Property, Plant and Equipment	-	-	-	22,395
Construction in Progress	-	-	-	140
Less: Accumulated Depreciation	-	-	-	(17,410)
Total Capital Assets (Net of A/D)	-	-	-	5,471
Total Noncurrent Assets	-	-	-	5,471
Total Assets	5,743	1,901	7,360	9,227
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	-	-	60	450



**COMBINING STATEMENT OF NET POSITION  
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(amounts expressed in thousands)

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	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 27,311	\$ 27,536	\$ 10,965	\$ 106,769
Accounts Receivables (Net)	303	-	-	494
Inventories	79	-	-	1,557
Prepaid Expenses	1,223	-	-	1,648
Total Current Assets	<u>28,916</u>	<u>27,536</u>	<u>10,965</u>	<u>110,468</u>
Noncurrent Assets:				
Net Pension Assets	-	-	-	-
Capital Assets:				
Land	-	-	-	357
Property, Plant and Equipment	33,875	12	-	134,673
Construction in Progress	2,948	-	-	5,067
Less: Accumulated Depreciation	(29,888)	(5)	-	(99,044)
Total Capital Assets (Net of A/D)	<u>6,935</u>	<u>7</u>	<u>-</u>	<u>41,053</u>
Total Noncurrent Assets	<u>6,935</u>	<u>7</u>	<u>-</u>	<u>41,053</u>
Total Assets	<u>35,851</u>	<u>27,543</u>	<u>10,965</u>	<u>151,521</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	<u>11,209</u>	<u>-</u>	<u>-</u>	<u>14,043</u>

**COMBINING STATEMENT OF NET POSITION  
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(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>LIABILITIES</b>			
Current Liabilities:			
Current Payables	-	-	2,116
Compensated Absences - Current	-	-	26
Other Liabilities Payable	-	-	357
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>2,499</u>
Noncurrent Liabilities			
Unearned Revenue	-	-	-
Compensated Absences	-	-	236
Other LT Liabilities Payable	-	-	2,992
Net Pension Liability	-	-	667
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>3,895</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>6,394</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Pensions	-	-	143
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	-	780
Restricted For:			
Self Insurance	-	-	-
Unrestricted	22	143	(2,038)
Total Net Position	<u>\$ 22</u>	<u>\$ 143</u>	<u>\$ (1,258)</u>

**COMBINING STATEMENT OF NET POSITION  
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(amounts expressed in thousands)

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	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	-	290	58	63
Compensated Absences - Current	-	24	1	17
Other Liabilities Payable	-	393	-	-
Total Current Liabilities	<u>-</u>	<u>707</u>	<u>59</u>	<u>80</u>
Noncurrent Liabilities				
Unearned Revenue	-	-	-	-
Compensated Absences	-	212	8	152
Other LT Liabilities Payable	-	4,707	-	-
Net Pension Liability	-	869	32	150
Total Noncurrent Liabilities	<u>-</u>	<u>5,788</u>	<u>40</u>	<u>302</u>
Total Liabilities	<u>-</u>	<u>6,495</u>	<u>99</u>	<u>382</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	<u>-</u>	<u>186</u>	<u>7</u>	<u>32</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	26,470	495	894
Restricted For:				
Self Insurance	-	-	-	-
Unrestricted	131	6,924	560	7,136
Total Net Position	<u>\$ 131</u>	<u>\$ 33,394</u>	<u>\$ 1,055</u>	<u>\$ 8,030</u>

**COMBINING STATEMENT OF NET POSITION  
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(amounts expressed in thousands)

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	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	86	44	616	186
Compensated Absences - Current	-	-	-	11
Other Liabilities Payable	28,405	-	3,488	-
Total Current Liabilities	<u>28,491</u>	<u>44</u>	<u>4,104</u>	<u>197</u>
Noncurrent Liabilities				
Unearned Revenue	-	-	-	-
Compensated Absences	-	-	-	103
Other LT Liabilities Payable	7,121	-	-	-
Net Pension Liability	-	-	44	333
Total Noncurrent Liabilities	<u>7,121</u>	<u>-</u>	<u>44</u>	<u>436</u>
Total Liabilities	<u>35,612</u>	<u>44</u>	<u>4,148</u>	<u>633</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	-	-	9	71
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	5,472
Restricted For:				
Self Insurance	-	-	-	-
Unrestricted	(29,869)	1,857	3,263	3,501
Total Net Position	<u>\$ (29,869)</u>	<u>\$ 1,857</u>	<u>\$ 3,263</u>	<u>\$ 8,973</u>

**COMBINING STATEMENT OF NET POSITION  
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(amounts expressed in thousands)

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	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	3,340	7,473	2	14,274
Compensated Absences - Current	3,040	-	-	3,119
Other Liabilities Payable	-	10,827	3,069	46,539
Total Current Liabilities	<u>6,380</u>	<u>18,300</u>	<u>3,071</u>	<u>63,932</u>
Noncurrent Liabilities				
Unearned Revenue	-	-	-	
Compensated Absences	2,220	-	-	2,931
Other LT Liabilities Payable	-	-	-	14,820
Net Pension Liability	8,289	-	-	10,384
Total Noncurrent Liabilities	<u>10,509</u>	<u>-</u>	<u>-</u>	<u>28,135</u>
Total Liabilities	<u>16,889</u>	<u>18,300</u>	<u>3,071</u>	<u>92,067</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	1,774	-	-	2,222
<b>NET POSITION</b>				
Net Investment in Capital Assets	6,935	7	-	41,053
Restricted For:				
Self Insurance	-	-	7,894	7,894
Unrestricted	21,462	9,236	-	22,328
Total Net Position	<u>\$ 28,397</u>	<u>\$ 9,243</u>	<u>\$ 7,894</u>	<u>\$ 71,275</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>OPERATING REVENUES</b>			
Charges for Services	\$ -	\$ -	\$ 4,669
Interfund Insurance Premiums	-	-	-
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>4,669</u>
<b>OPERATING EXPENSES</b>			
Salaries & Benefits	-	-	4,217
Supplies	-	-	125
Service	-	-	966
Depreciation	-	-	186
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>5,494</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>(825)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest Revenue	-	-	25
Other Non-Operating Revenues	-	-	16
Gain (Loss) on Sale of Capital Assets	-	-	4
Unrealized Gain(loss) on FMV of Investments	-	-	(223)
Interest Expense	-	-	1
Other Non-Operating Expenses	-	-	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>(177)</u>
Income (Loss) Before Contributions	-	-	(1,002)
Capital Contributions	-	-	(1,843)
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>(2,845)</u>
Net Position, January 1	22	143	1,587
Prior Period Adjustment	-	-	-
Net Position, January 1 restated	22	143	1,587
Total Net Position - Ending	<u>\$ 22</u>	<u>\$ 143</u>	<u>\$ (1,258)</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

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	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 61	\$ 7,976	\$ 1,274	\$ 2,381
Interfund Insurance Premiums	-	-	-	-
Total Operating Revenues	<u>61</u>	<u>7,976</u>	<u>1,274</u>	<u>2,381</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	-	5,604	172	810
Supplies	-	190	380	440
Service	69	2,152	349	1,114
Depreciation	-	4,151	31	431
Total Operating Expenses	<u>69</u>	<u>12,097</u>	<u>932</u>	<u>2,795</u>
Operating Income (Loss)	<u>(8)</u>	<u>(4,121)</u>	<u>342</u>	<u>(414)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	1	105	1	59
Other Non-Operating Revenues	-	3	-	-
Gain (Loss) on Sale of Capital Assets	-	190	-	-
Unrealized Gain(loss) on FMV of Investments	(2)	(166)	1	(105)
Interest Expense	-	(1)	-	-
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>(1)</u>	<u>131</u>	<u>2</u>	<u>(46)</u>
Income (Loss) Before Contributions	<u>(9)</u>	<u>(3,990)</u>	<u>344</u>	<u>(460)</u>
Capital Contributions	-	-	-	-
Transfers In	-	4,187	-	-
Transfers Out	-	-	-	-
Change in Net Position	<u>(9)</u>	<u>197</u>	<u>344</u>	<u>(460)</u>
Net Position, January 1	140	32,684	711	8,490
Prior Period Adjustment	-	513	-	-
Net Position, January 1 restated	140	33,197	711	8,490
Total Net Position - Ending	<u>\$ 131</u>	<u>\$ 33,394</u>	<u>\$ 1,055</u>	<u>\$ 8,030</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

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	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>OPERATING REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 5,489
Interfund Insurance Premiums	6,416	491	5,075	-
Total Operating Revenues	<u>6,416</u>	<u>491</u>	<u>5,075</u>	<u>5,489</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	209	-	(13)	1,894
Supplies	-	-	5	467
Service	8,903	198	5,311	2,571
Depreciation	-	-	-	279
Total Operating Expenses	<u>9,112</u>	<u>198</u>	<u>5,303</u>	<u>5,211</u>
Operating Income (Loss)	<u>(2,696)</u>	<u>293</u>	<u>(228)</u>	<u>278</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	45	15	65	29
Other Non-Operating Revenues	-	-	-	6
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized Gain(loss) on FMV of Investments	(123)	(11)	(125)	(46)
Interest Expense	-	-	-	-
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>(78)</u>	<u>4</u>	<u>(60)</u>	<u>(11)</u>
Income (Loss) Before Contributions	<u>(2,774)</u>	<u>297</u>	<u>(288)</u>	<u>267</u>
Capital Contributions	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Net Position	<u>(2,774)</u>	<u>297</u>	<u>(288)</u>	<u>267</u>
Net Position, January 1	(27,095)	1,173	3,551	8,706
Prior Period Adjustment	-	387	-	-
Net Position, January 1 restated	<u>(27,095)</u>	<u>1,560</u>	<u>3,551</u>	<u>8,706</u>
Total Net Position - Ending	<u>\$ (29,869)</u>	<u>\$ 1,857</u>	<u>\$ 3,263</u>	<u>\$ 8,973</u>



**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2021

(amounts expressed in thousands)

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	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 66,791	\$ -	\$ -	\$ 88,641
Interfund Insurance Premiums	91	88,714	1,518	102,305
Total Operating Revenues	<u>66,882</u>	<u>88,714</u>	<u>1,518</u>	<u>190,946</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	45,671	1,110	-	59,674
Supplies	1,172	11	-	2,790
Service	14,897	85,577	641	122,748
Depreciation	1,718	1	-	6,797
Total Operating Expenses	<u>63,458</u>	<u>86,699</u>	<u>641</u>	<u>192,009</u>
Operating Income (Loss)	<u>3,424</u>	<u>2,015</u>	<u>877</u>	<u>(1,063)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	198	218	89	850
Other Non-Operating Revenues	2	-	-	27
Gain (Loss) on Sale of Capital Assets	-	-	-	194
Unrealized Gain(loss) on FMV of Investments	(336)	(287)	(146)	(1,569)
Interest Expense	-	-	-	-
Other Non-Operating Expenses	(10)	-	-	(10)
Total Non-Operating Revenues (Expenses)	<u>(146)</u>	<u>(69)</u>	<u>(57)</u>	<u>(508)</u>
Income (Loss) Before Contributions	3,278	1,946	820	(1,571)
Capital Contributions	-	-	-	(1,843)
Transfers In	439	-	-	4,626
Transfers Out	(45)	-	-	(45)
Change in Net Position	<u>3,672</u>	<u>1,946</u>	<u>820</u>	<u>1,167</u>
Net Position, January 1	24,725	7,297	7,074	69,208
Prior Period Adjustment	-	-	-	900
Net Position, January 1 restated	24,725	7,297	7,074	70,108
Total Net Position - Ending	<u>\$ 28,397</u>	<u>\$ 9,243</u>	<u>\$ 7,894</u>	<u>\$ 71,275</u>

**COMBINING STATEMENT OF CASH FLOW  
INTERNAL SERVICE FUNDS**

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(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Service #5050	Tacoma Training & Employment Program #5086
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ -	\$ -	\$ 1,366	\$ -
Receipts from interfund services provided	-	-	3,222	61
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	-	-	1,297	(63)
Payments to employees	-	-	(4,301)	-
Payments for taxes	-	-	(19)	-
Payments for interfund services used	-	-	(433)	(6)
Other operating or non-operating revenues	-	-	15	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>-</u>	<u>1,147</u>	<u>(8)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	-
Grants and contributions received	-	-	-	-
Transfer to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Proceeds from sales of capital assets	-	-	14	-
Acquisitions and constructions of capital assets	-	-	2,248	-
Transfers to other funds	-	-	(1,843)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>419</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	-	-	25	1
Change in fair value of investment	-	-	(223)	(2)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(198)</u>	<u>(1)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>-</u>	<u>1,368</u>	<u>(9)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	1	143	1,753	140
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1</u>	<u>\$ 143</u>	<u>\$ 3,121</u>	<u>\$ 131</u>

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

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	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540	Third Party Liabilities Claims #5550
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 3,207	\$ 1,173	\$ 2,289	\$ -
Receipts from interfund services provided	4,762	139	-	-
Contribution received - employee/employer	-	-	-	6,416
Payments to suppliers	(1,457)	(792)	(1,375)	(8,242)
Payments to employees	(5,657)	(177)	(803)	(202)
Payments for taxes	(2)	(93)	-	-
Payments for interfund services used	(837)	(68)	(146)	(599)
Other operating or non-operating revenues	3	-	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>19</u>	<u>182</u>	<u>(35)</u>	<u>(2,627)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	2,204	-	-	-
Grants and contributions received	-	-	-	-
Transfer to other funds	-	-	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>2,204</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	1,983	-	-	-
Proceeds from sales of capital assets	202	-	-	-
Acquisitions and constructions of capital assets	(4,360)	(15)	(29)	-
Transfers to other funds	-	-	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>(2,175)</u>	<u>(15)</u>	<u>(29)</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	105	1	59	45
Change in fair value of investment	(166)	1	(105)	(123)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(61)</u>	<u>2</u>	<u>(46)</u>	<u>(78)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(13)</u>	<u>169</u>	<u>(110)</u>	<u>(2,705)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	11,734	30	7,362	8,448
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 11,721</u>	<u>\$ 199</u>	<u>\$ 7,252</u>	<u>\$ 5,743</u>

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2021

(amounts expressed in thousands)

Page 3 of 8

	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700	GG Internal Services #5800
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ -	\$ -	\$ 5,368	\$ 786
Receipts from interfund services provided	-	-	120	65,994
Contribution received - employee/employer	491	5,068	-	91
Payments to suppliers	(165)	(5,113)	(2,712)	(15,699)
Payments to employees	(197)	(1)	(1,901)	(45,667)
Payments for taxes	-	(1,098)	(27)	3
Payments for interfund services used	-	(21)	(411)	(143)
Other operating or non-operating revenues	-	-	6	(5)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>129</b>	<b>(1,165)</b>	<b>443</b>	<b>5,360</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	439
Grants and contributions received	-	-	-	18
Transfer to other funds	-	-	-	(45)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>412</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Acquisitions and constructions of capital assets	-	-	(140)	(615)
Transfers to other funds	-	-	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(140)</b>	<b>(615)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	15	65	29	198
Change in fair value of investment	(11)	(125)	(46)	(336)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>4</b>	<b>(60)</b>	<b>(17)</b>	<b>(138)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>133</b>	<b>(1,225)</b>	<b>286</b>	<b>5,019</b>
CASH AND CASH EQUIVALENTS, JANUARY 1	1,768	8,226	3,458	22,292
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,901	\$ 7,001	\$ 3,744	\$ 27,311

**COMBINING STATEMENT OF CASH FLOW  
INTERNAL SERVICE FUNDS**

For year ended December 31, 2021

(amounts expressed in thousands)

Page 4 of 8

	Health Benefits #64XX	Self Insurance Claims #4800	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ -	\$ 1,519	\$ 15,708
Receipts from interfund services provided	-	-	74,298
Contribution received - employee/employer	88,748	-	100,814
Payments to suppliers	1,672	(593)	(33,242)
Payments to employees	(84,731)	-	(143,637)
Payments for taxes	-	-	(1,236)
Payments for interfund services used	(165)	(77)	(2,906)
Other operating or non-operating revenues	-	-	19
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>5,524</b>	<b>849</b>	<b>9,818</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	-	-	2,643
Grants and contributions received	-	-	18
Transfer to other funds	-	-	(45)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>2,616</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	1,983
Proceeds from sales of capital assets	-	-	216
Acquisitions and constructions of capital assets	-	-	(2,911)
Transfers to other funds	-	-	(1,843)
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(2,555)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	218	89	850
Change in fair value of investment	(287)	(146)	(1,569)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(69)</b>	<b>(57)</b>	<b>(719)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,455</b>	<b>792</b>	<b>9,160</b>
CASH AND CASH EQUIVALENTS, JANUARY 1	22,081	10,173	97,609
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 27,536	\$ 10,965	\$ 106,769

**COMBINING STATEMENT OF CASH FLOW  
INTERNAL SERVICE FUNDS**

For year ended December 31, 2021

(amounts expressed in thousands)

Page 5 of 8

	Finance Department #5007	BSIP Project #5027	TPU Fleet Service #5050	Tacoma Training & Employment Program #5086
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ -	\$ -	\$ (825)	\$ (8)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	186	-
(Increase) decrease in accounts receivable	-	-	-	-
(Increase) decrease in inventories	-	-	(101)	-
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other assets	-	-	-	-
Increase (decrease) in accounts payable	-	-	1,284	-
Increase (decrease) in accrued wages	-	-	8	-
Increase (decrease) in compensated absences	-	-	(26)	-
Increase (decrease) in other current liabilities	-	-	233	-
Increase (decrease) long term liabilities	-	-	372	-
Miscellaneous non-operating revenues (expenses)	-	-	16	-
Prior period adjustments	-	-	-	-
Total adjustments	-	-	1,972	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,147</b>	<b>\$ (8)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	-	(1,843)	-

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2021

(amounts expressed in thousands)

Page 6 of 8

	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540	Third Party Liabilities Claims #5550
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (4,121)	\$ 342	\$ (414)	\$ (2,696)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	4,151	31	431	-
(Increase) decrease in accounts receivable	(13)	37	(93)	-
(Increase) decrease in inventories	(71)	(242)	-	-
(Increase) decrease in prepaid items	(38)	-	-	254
(Increase) decrease in other assets	-	-	-	-
Increase (decrease) in accounts payable	(1,486)	15	34	(2,587)
Increase (decrease) in accrued wages	13	-	6	7
Increase (decrease) in compensated absences	17	(2)	16	-
Increase (decrease) in other current liabilities	393	4	-	2,475
Increase (decrease) long term liabilities	658	(3)	(15)	(80)
Miscellaneous non-operating revenues (expenses)	3	-	-	-
Prior period adjustments	513	-	-	-
Total adjustments	<u>4,140</u>	<u>(160)</u>	<u>379</u>	<u>69</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 19</u>	<u>\$ 182</u>	<u>\$ (35)</u>	<u>\$ (2,627)</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	-	-	-

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2021

(amounts expressed in thousands)

Page 7 of 8

	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700	GG Internal Services #5800
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 293	\$ (228)	\$ 278	\$ 3,424
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	279	1,718
(Increase) decrease in accounts receivable	-	-	-	(9)
(Increase) decrease in inventories	-	-	-	23
(Increase) decrease in prepaid items	-	(352)	(4)	67
(Increase) decrease in other assets	-	(7)	-	-
Increase (decrease) in accounts payable	(551)	106	(108)	136
Increase (decrease) in accrued wages	-	(7)	5	2,849
Increase (decrease) in compensated absences	-	-	19	(2,053)
Increase (decrease) in other current liabilities	-	(671)	-	-
Increase (decrease) long term liabilities	-	(6)	(32)	(793)
Miscellaneous non-operating revenues (expenses)	-	-	6	(2)
Prior period adjustments	387	-	-	-
Total adjustments	<u>(164)</u>	<u>(937)</u>	<u>165</u>	<u>1,936</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 129</u>	<u>\$ (1,165)</u>	<u>\$ 443</u>	<u>\$ 5,360</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	-	-	-



**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2021

(amounts expressed in thousands)

Page 8 of 8

	Health Benefits #64XX	Self Insurance Claims #4800	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 2,015	\$ 877	\$ (1,063)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1	-	6,797
(Increase) decrease in accounts receivable	4	-	(74)
(Increase) decrease in inventories	-	-	(391)
(Increase) decrease in prepaid items	-	-	(73)
(Increase) decrease in other assets	-	-	(7)
Increase (decrease) in accounts payable	3,710	(2)	551
Increase (decrease) in accrued wages	(1,143)	-	1,738
Increase (decrease) in compensated absences	-	-	(2,029)
Increase (decrease) in other current liabilities	937	(26)	3,345
Increase (decrease) long term liabilities	-	-	101
Miscellaneous non-operating revenues (expenses)	-	-	23
Prior period adjustments	-	-	900
Total adjustments	<u>3,509</u>	<u>(28)</u>	<u>10,881</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 5,524</u>	<u>\$ 849</u>	<u>\$ 9,818</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	1,843



**City of Tacoma**  
**Special Assessment Billings and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ending 31-Dec</b>	<b>Assessments Levied</b>	<b>Assessments Collected</b>	<b>Total Assessments Outstanding</b>
2012	245,501	602,084	1,447,704
2013	31,566,484	898,967	32,115,220
2014	1,642,736	2,465,027	31,292,929
2015	669,088	757,232	31,204,785
2016	0	2,929,619	28,275,166
2017	0	3,617,601	24,657,565
2018	0	3,296,349	21,361,216
2019	9,025,368	7,651,747	22,734,837
2020	0	2,639,374	20,095,462
2021	0	953,020	19,142,442

NOTE: This Table includes billings and collections from Local Improvement District assessments and charges by the Sidewalk Construction Fund for repair or replacement of hazardous sidewalks.



# SECTION 3

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## STATISTICAL SECTION

### FINANCIAL TRENDS

These schedules contain trend information used in understanding how the City's financial performance has changed over time.

1. NET POSITION BY COMPONENTS
2. CHANGES IN NET POSITION
3. FUND BALANCES OF GOVERNMENTAL FUNDS
4. CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
5. GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

### REVENUE CAPACITY

These schedules contain information used in assessing the City's revenue from property tax.

6. ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
7. PROPERTY TAX RATES—DIRECT AND OVERLAPPING GOVERNMENTS
8. PROPERTY TAX LEVIES AND COLLECTIONS
9. PRINCIPAL TAXPAYERS

### DEBT CAPACITY

These schedules contain information used in assessing the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

10. RATIOS OF OUTSTANDING DEBT BY TYPE
11. RATIOS OF GENERAL BONDED DEBT OUTSTANDING
12. COMPUTATION OF DIRECT AND OVERLAPPING DEBT
13. LEGAL DEBT MARGIN INFORMATION
14. COMPUTATION OF CONSTITUTIONAL LIMIT OF INDEBTEDNESS
15. PLEDGED REVENUE COVERAGE

### DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules show demographic and economic indicators used in understanding the environment in which the City's activities take place.

16. DEMOGRAPHIC AND ECONOMIC STATISTICS
17. PRINCIPAL EMPLOYERS

### OPERATING INFORMATION

These schedules contain service and infrastructure data used in relating the City's financial report to the services the City provides and the activities it performs.

18. FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
19. OPERATING INDICATORS BY FUNCTION
20. CAPITAL ASSET STATISTICS BY FUNCTION
21. CONTRIBUTING STAFF

**Net Position by Component**  
**Last Ten Fiscal Years**  
**Table 1**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 1 of 2**

	2012	2013	2014	2015	2016
<b>Governmental activities</b>					
Net investment in capital assets	\$ 699,307	\$ 681,794 (1)	\$ 669,951	\$ 678,872	\$ 673,093
Restricted	82,405	74,670	79,630	110,825	113,897
Unrestricted	(64,890)	(25,296)	(20,567)	(17,920)	(35,177)
<b>Total governmental activities net position</b>	<b>716,822</b>	<b>731,168</b>	<b>729,014</b>	<b>771,777</b>	<b>751,813</b>
<b>Business-type activities</b>					
Net investment in capital assets	1,401,679	1,508,950 (1)	1,515,858	1,620,194	1,613,805
Restricted	103,350	112,925	121,369	127,008	124,289
Unrestricted	318,920	256,481	307,104	258,962	287,195
<b>Total business-type activities net position</b>	<b>1,823,949</b>	<b>1,878,356</b>	<b>1,944,331</b>	<b>2,006,164</b>	<b>2,025,289</b>
<b>Primary government</b>					
Net investment in capital assets	2,100,986	2,190,744	2,185,809	2,299,066	2,286,898
Restricted	185,755	187,595	200,999	237,833	238,186
Unrestricted	254,030	231,185	286,537	241,042	252,018
<b>Total primary government net position</b>	<b>\$ 2,540,771</b>	<b>\$ 2,609,524</b>	<b>\$ 2,673,345</b>	<b>\$ 2,777,941</b>	<b>\$ 2,777,102</b>

(1) Limited General Obligation Bonds 2013 were issued to refund the 2001 and 2004 LTGO Bonds.

**Net Position by Component**  
**Last Ten Fiscal Years**  
**Table 1**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

	2017	2018	2019	2020	2021
<b>Governmental activities</b>					
Net investment in capital assets	\$ 666,530	\$ 634,650	\$ 628,205	\$ 620,972	\$ 646,034
Restricted	168,280	179,780	194,244	213,926	325,466
Unrestricted	(68,583)	(97,026)	(99,133)	(84,216)	(104,663)
<b>Total governmental activities net position</b>	<b>766,227</b>	<b>717,404</b>	<b>723,316</b>	<b>750,682</b>	<b>866,837</b>
<b>Business-type activities</b>					
Net investment in capital assets	1,636,652	1,671,671	1,699,160	1,700,269	1,722,339
Restricted	129,836	211,427	177,563	171,938	158,482
Unrestricted	301,616	295,681	334,523	394,377	449,152
<b>Total business-type activities net position</b>	<b>2,068,104</b>	<b>2,178,779</b>	<b>2,211,246</b>	<b>2,266,584</b>	<b>2,329,973</b>
<b>Primary government</b>					
Net investment in capital assets	2,303,182	2,306,321	2,327,365	2,321,241	2,368,373
Restricted	298,116	391,207	371,807	385,864	483,948
Unrestricted	233,033	198,655	235,390	310,161	344,489
<b>Total primary government net position</b>	<b>\$ 2,834,331</b>	<b>\$ 2,896,183</b>	<b>\$ 2,934,562</b>	<b>\$ 3,017,266</b>	<b>\$ 3,196,810</b>

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Table 2**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)  
 Page 1 of 4

	2012	2013	2014	2015	2016
<b>Governmental activities:</b>					
General government	\$ 52,038	\$ 49,781	\$ 56,887	\$ 51,578	\$ 74,293
Public Safety	150,575	138,368	142,097	144,312	175,131
Utilities	2	2,477	2,580	2,864	1
Transportation	52,424	58,288	61,524	57,885	60,881
Social Services	757	1,953	2,649	3,551	4,983
Natural & Econ Environment	23,510	21,255	22,856	20,887	36,759
Culture and Recreation	10,690	18,832	14,823	18,448	15,258
Interest on long-term debt	6,351	14,401	13,001	13,643	8,670
<b>Total governmental activities expense</b>	<b>296,347</b>	<b>305,355</b>	<b>316,417</b>	<b>313,168</b>	<b>375,976</b>
<b>Business-type activities:</b>					
Public Assembly Facilities	24,062	16,832	19,801	17,801	20,986
Rail	24,753	29,024	30,095	28,579	31,571
Solid Waste	59,391	67,591	61,040	54,867	66,661
Sewer (Waste Water)	83,294	81,286	80,343	84,984	92,958
Water	76,755	79,773	72,324	82,604	95,869
Power	395,954	432,321	422,265	425,044	404,566
Other business-type funds	9,147	14,979	16,005	16,594	16,721
<b>Total business-type activities</b>	<b>673,356</b>	<b>721,806</b>	<b>701,873</b>	<b>710,473</b>	<b>729,332</b>
<b>Total primary government expenses</b>	<b>\$ 969,703</b>	<b>\$ 1,027,161</b>	<b>\$ 1,018,290</b>	<b>\$ 1,023,641</b>	<b>\$ 1,105,308</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for services:					
General government	\$ 6,607	\$ 23,726	\$ 31,568	\$ 27,729	\$ 39,227
Public Safety	20,306	8,153	6,439	7,353	15,625
Utilities	93	287	353	297	-
Transportation	9,434	1,168	1,097	2,661	5,749
Social Services	421	207	-	-	-
Natural & Econ Environment	2,380	3,396	2,096	2,024	2,116
Culture and Recreation	1,180	417	75	86	65
Interest on long-term debt	2,658	-	-	-	-
Operating grants and contributions:	14,974	33,925	30,378	30,420	33,903
Capital grants and contributions	37,338	19,813	15,882	23,996	7,392
<b>revenues</b>	<b>95,391</b>	<b>91,092</b>	<b>87,888</b>	<b>94,566</b>	<b>104,077</b>
<b>Business-type activities:</b>					
Charges for services:					
Public Assembly Facilities	14,863	10,766	10,933	14,823	15,871
Rail	25,969	29,926	32,937	32,673	33,864
Solid Waste	57,541	62,026	64,642	66,843	71,809
Sewer (Waste Water)	81,582	85,493	90,648	97,583	106,601
Water	81,508	96,365	99,426	100,305	94,433
Power	395,105	438,444	468,988	437,491	420,332
NonMajor business-type funds	6,044	16,679	17,928	17,459	18,372
Operating grants and contributions:	180	7,438	7,968	8,138	8,392
Capital grants and contributions	31,222	25,150	19,587	21,582	21,413
<b>Total business-type activities program revenues</b>	<b>694,014</b>	<b>772,287</b>	<b>813,057</b>	<b>796,897</b>	<b>791,087</b>
<b>Total primary government program revenues</b>	<b>\$ 789,405</b>	<b>\$ 863,379</b>	<b>\$ 900,945</b>	<b>\$ 891,463</b>	<b>\$ 895,164</b>
Net (expense)/revenue					
Governmental activities	\$ (200,956)	\$ (214,263)	\$ (228,529)	\$ (218,602)	\$ (271,899)
Business-type activities	20,658	50,481	111,184	86,424	61,755
<b>Total primary government net expense</b>	<b>\$ (180,298)</b>	<b>\$ (163,782)</b>	<b>\$ (117,345)</b>	<b>\$ (132,178)</b>	<b>\$ (210,144)</b>



**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Table 2**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 2 of 4**

	2017	2018	2019	2020	2021
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government	\$ 24,436	\$ 39,791	\$ 44,839	\$ 28,171	\$ 44,056
Public Safety	162,416	154,794	188,233	188,563	160,016
Utilities	-	-	-	-	-
Transportation	69,741	78,066	95,718	75,468	47,414
Social Services	4,908	7,425	6,167	6,818	14,368
Natural & Econ Environment	25,102	25,864	25,435	28,745	29,618
Culture and Recreation	11,187	15,380	24,249	19,276	20,417
Interest on long-term debt	8,837	6,680	16,261	7,719	9,531
<b>Total governmental activities expense</b>	<b>306,627</b>	<b>328,000</b>	<b>400,902</b>	<b>354,760</b>	<b>325,419</b>
<b>Business-type activities:</b>					
Public Assembly Facilities	23,243	-	-	-	-
Rail	33,579	-	-	-	-
Solid Waste	52,938	55,544	61,534	63,262	64,787
Sewer (Waste Water)	95,960	91,802	104,565	108,263	102,481
Water	97,540	96,565	101,075	107,093	103,268
Power	420,368	406,741	481,736	435,080	441,413
Other business-type funds	16,326	70,862	82,286	76,545	75,496
<b>Total business-type activities</b>	<b>739,954</b>	<b>721,514</b>	<b>831,196</b>	<b>790,243</b>	<b>787,445</b>
<b>Total primary government expenses</b>	<b>\$ 1,046,581</b>	<b>\$ 1,049,514</b>	<b>\$ 1,232,098</b>	<b>\$ 1,145,003</b>	<b>\$ 1,112,864</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for services:					
General government	\$ 23,007	\$ 24,223	\$ 25,512	\$ 22,850	\$ 16,967
Public Safety	20,221	14,734	17,729	15,548	9,545
Utilities	-	-	-	-	-
Transportation	1,994	5,087	1,911	2,533	1,273
Social Services	-	9	21	476	154
Natural & Econ Environment	3,145	2,410	1,906	2,370	1,899
Culture and Recreation	195	325	2,867	3,468	694
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:	31,791	44,865	55,031	47,185	72,676
Capital grants and contributions	11,549	18,304	4,122	10,775	24,603
<b>Total governmental activities program revenues</b>	<b>91,902</b>	<b>109,957</b>	<b>109,099</b>	<b>105,205</b>	<b>127,811</b>
<b>Business-type activities:</b>					
Charges for services:					
Tacoma Venues and Events	16,270	*	*	*	*
Rail	33,246	*	*	*	*
Solid Waste	67,964	69,541	73,580	75,863	83,797
Sewer (Waste Water)	111,787	118,606	119,257	122,927	124,804
Water	95,085	103,364	104,365	105,391	112,172
Power	446,343	458,960	462,673	462,707	470,952
Other business-type funds	20,847	72,889	84,779	63,944	78,179
Operating grants and contributions:	208	-	-	-	-
Capital grants and contributions	30,528	52,194	50,369	38,277	35,331
<b>Total business-type activities program revenues</b>	<b>822,278</b>	<b>875,554</b>	<b>895,023</b>	<b>869,109</b>	<b>905,235</b>
<b>Total primary government program revenues</b>	<b>\$ 914,180</b>	<b>\$ 985,511</b>	<b>\$ 1,004,122</b>	<b>\$ 974,314</b>	<b>\$ 1,033,046</b>
Net (expense)/revenue					
Governmental activities	\$ (214,725)	\$ (218,043)	\$ (291,803)	\$ (249,555)	\$ (197,608)
Business-type activities	82,324	154,040	63,827	78,866	117,790
<b>Total primary government net expense</b>	<b>\$ (132,401)</b>	<b>\$ (64,003)</b>	<b>\$ (227,976)</b>	<b>\$ (170,689)</b>	<b>\$ (79,818)</b>

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Table 2**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

Page 3 of 4

	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes:					
Property taxes	\$ 64,900	\$ 62,487	\$ 64,204	\$ 67,313	\$ 78,886
Excise taxes	-	-	5,359 (1)	12,096	13,900
Sales taxes	46,738	45,743	47,976	81,772	58,970
Business taxes	90,710	103,631	63,969	36,325	49,440
Unrestricted investment earnings	856	297	2,044	2,000	2,141
Gain on sale of capital assets	1,684	136	46	(103)	175
Transfers	(10,186)	(2,153)	44,853	43,572	48,973
<b>Total governmental activities</b>	<b>194,702</b>	<b>210,141</b>	<b>228,451</b>	<b>242,975</b>	<b>252,485</b>
<b>Business-type activities:</b>					
Taxes	-	-	-	-	-
Unrestricted investment earnings	18,947	3,063	1,130	3,965	6,223
Gain on sale of capital assets	341	(184)	644	4,679	782
Transfers	10,186	2,153	(44,853)	(43,572)	(48,973)
<b>Total business-type activities</b>	<b>29,474</b>	<b>5,032</b>	<b>(43,079)</b>	<b>(34,928)</b>	<b>(41,968)</b>
<b>Total primary government</b>	<b>\$ 224,176</b>	<b>\$ 215,173</b>	<b>\$ 185,372</b>	<b>\$ 208,047</b>	<b>\$ 210,517</b>
<b>Change in Net Position</b>					
Governmental activities	\$ (6,254)	\$ (4,122)	\$ (78)	\$ 24,373	\$ (19,414)
Business-type activities	50,132	55,513	68,105	51,496	19,787
<b>Total primary government</b>	<b>\$ 43,878</b>	<b>\$ 51,391</b>	<b>\$ 68,027</b>	<b>\$ 75,869</b>	<b>\$ 373</b>

(1) Excise taxes have been presented separately from Business taxes beginning in 2014.

\* Amounts included with "NonMajor Business-Type Funds"

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Table 2**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

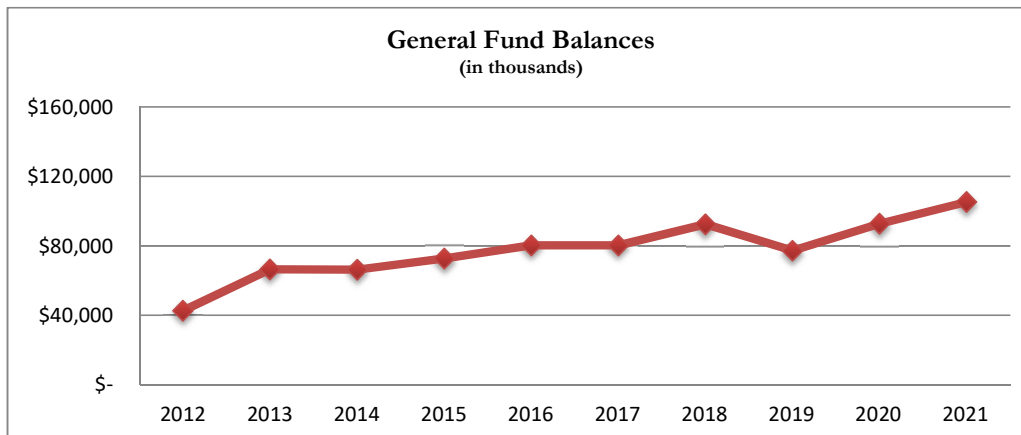
Page 4 of 4

	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes:					
Property taxes	\$ 74,479	\$ 74,918	\$ 77,970	\$ 81,388	\$ 81,783
Excise taxes	12,881	15,665	15,320	14,747	23,340
Sales taxes	71,634	76,153	81,132	77,718	106,635
Business taxes	51,043	53,249	53,563	52,042	46,381
Unrestricted investment earnings	2,134	5,028	9,473	4,992	(988)
Gain on sale of capital assets	293	1,233	366	498	2,353
Transfers	51,452	49,459	52,627	231,385	53,569
<b>Total governmental activities</b>	<b>263,916</b>	<b>275,705</b>	<b>290,451</b>	<b>462,770</b>	<b>313,073</b>
<b>Business-type activities:</b>					
Taxes	1,702	1,387	-	-	-
Unrestricted investment earnings	5,591	10,848	24,682	18,509	(3,885)
Gain on sale of capital assets	4,650	3,250	107	4,836	3,101
Transfers	(51,452)	(49,459)	(52,627)	23,345	(53,569)
<b>Total business-type activities</b>	<b>(39,509)</b>	<b>(33,974)</b>	<b>(27,838)</b>	<b>46,690</b>	<b>(54,353)</b>
<b>Total primary government</b>	<b>\$ 224,407</b>	<b>\$ 241,731</b>	<b>\$ 262,613</b>	<b>\$ 509,460</b>	<b>\$ 258,720</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 49,191	\$ 57,662	\$ (1,352)	\$ 213,215	\$ 115,465
Business-type activities	42,815	120,066	35,989	125,556	63,437
<b>Total primary government</b>	<b>\$ 92,006</b>	<b>\$ 177,728</b>	<b>\$ 34,637</b>	<b>\$ 338,771</b>	<b>\$ 178,902</b>

\* Amounts included with "NonMajor Business-Type Funds"

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
Table 3  
(modified accrual basis of accounting)  
(amounts expressed in thousands)  
Page 1 of 2**

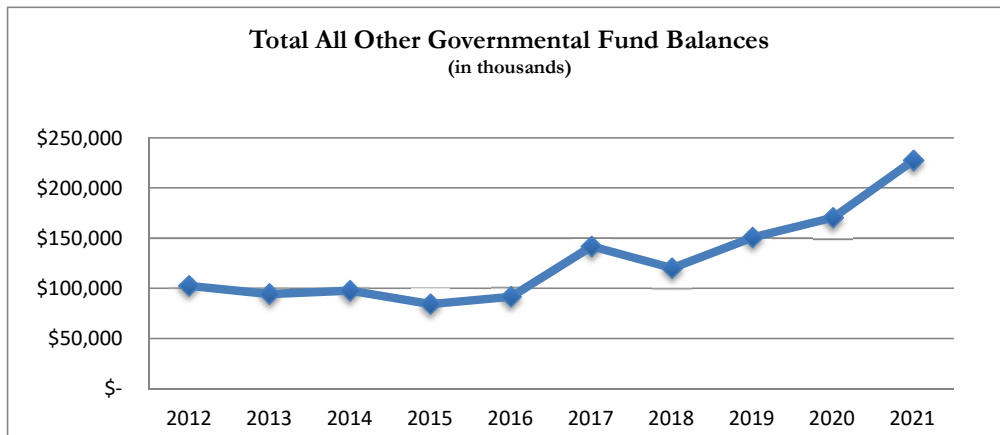
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Nonspendable	\$ 16,719	\$ 15,961	\$ 15,026	\$ 9,933	\$ 7,774
Restricted	-	9	9	9	476
Committed	-	-	-	-	-
Committed - Council Contingencies	1,130	982	973	732	584
Assigned	1,274	6,364	1,949	5,580	2,592
Unassigned	23,573	43,178	48,343	56,517	68,922
<b>Total General Fund</b>	<b>\$ 42,696</b>	<b>\$ 66,494</b>	<b>\$ 66,300</b>	<b>\$ 72,771</b>	<b>\$ 80,348</b>
<b>All other governmental funds</b>					
Nonspendable	\$ 1,913	\$ 1,833	\$ 1,824	\$ 1,887	\$ 1,887
Restricted	78,341	74,797	79,622	69,493	78,204
Committed	20,669	21,728	237	370	1,047
Assigned	6,863	4,722	21,743	17,048	14,941
Unassigned	(5,079)	(8,530)	(5,709)	(4,512)	(4,429)
<b>Total all other governmental funds</b>	<b>\$ 102,707</b>	<b>\$ 94,550</b>	<b>\$ 97,717</b>	<b>\$ 84,286</b>	<b>\$ 91,650</b>



**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
Table 3  
(modified accrual basis of accounting)  
(amounts expressed in thousands)  
Page 2 of 2**

	2017	2018	2019	2020	2021
<b>General Fund</b>					
Nonspendable	\$ 3,630	\$ 3,915	\$ 4,074	\$ 3,720	\$ 1,519
Restricted	352	388	395	376	369
Committed	52 (1)	588	710	896	916
Committed - Council Contingencies	647	-	-	-	-
Assigned	7,974	3,148	1,992	1,826	1,247
Unassigned	67,559	84,377	70,115	85,993	101,228
<b>Total General Fund</b>	<b>\$ 80,214</b>	<b>\$ 92,416</b>	<b>\$ 77,286</b>	<b>\$ 92,811</b>	<b>\$ 105,279</b>
<b>All other governmental funds</b>					
Nonspendable	\$ 1,685	\$ 1,404	\$ 1,423	\$ 1,453	\$ 6,599
Restricted	115,791	97,006	116,757	139,833	147,998
Committed	8,211	7,680	15,651	10,505	40,431
Assigned	16,177	14,206	17,027	18,885	32,590
Unassigned	134	(3)	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 141,998</b>	<b>\$ 120,293</b>	<b>\$ 150,858</b>	<b>\$ 170,676</b>	<b>\$ 227,618</b>

(1) Committed fund balance for Deportation Defense program established in 2017.



**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years**

**Table 4  
(modified accrual basis of accounting)  
(amounts expressed in thousands)**

Page 1 of 2

<b>Revenues</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Taxes	\$ 203,028	\$ 212,066	\$ 176,615	\$ 184,836	\$ 197,531
Licenses and permits	3,043	3,235	3,652	4,743	9,335
Intergovernmental revenue	52,295	53,466	46,260	52,026	38,097
Charges for goods and services	24,115	23,323	25,840	26,614	39,544
Fines and forfeitures	3,772	6,395	7,761	6,842	7,182
Interest	2,658	994	1,626	1,758	1,702
Miscellaneous revenues	6,441	2,791	2,777	1,327	3,433
<b>Total revenues</b>	<b>295,352</b>	<b>302,270</b>	<b>264,531</b>	<b>278,146</b>	<b>296,824</b>
<b>Expenditures</b>					
General government	49,208	47,041	54,671	53,917	58,488
Public Safety	138,406	132,783	140,578	144,331	155,393
Physical environment	-	2,477	2,571	2,704	-
Transportation	21,379	21,597	21,997	26,362	24,219
Economic environment	19,633	21,123	20,846	19,560	31,853
Mental and physical health	684	1,953	2,640	3,387	4,360
Culture and recreation	14,133	10,688	12,198	12,379	11,781
Capital outlay	55,395	36,317	25,969	45,573	22,869
Debt Service:					
Principal retirement	3,991	34,263 (1)	15,652	12,305	16,074
Interest and fiscal charges	6,117	11,072	12,977	13,617	8,670
<b>Total Expenditures</b>	<b>308,946</b>	<b>319,314</b>	<b>310,099</b>	<b>334,135</b>	<b>333,707</b>
Excess of revenues over (under) expenditures	(13,594)	(17,044)	(45,568)	(55,989)	(36,883)
<b>Other financing sources (uses)</b>					
Sale of capital asset	1,684	492	1,477	91	526
Transfers in	28,755	28,588	95,060	87,312	98,474
Transfers (out)	(33,023)	(32,145)	(50,705)	(41,500)	(51,163)
Insurance recoveries	43	58	121	148	55
Proceeds from bonds issues	30,235	37,769	2,203	22,444	4,563
Issuance of debt refunding bonds	-	-	-	-	-
Payment to escrow - refunded bonds	-	(1,105)	-	(20,033)	-
Premium on issuance of debt	-	68	-	-	-
Discount on issuance of debt	(3)	-	-	-	-
<b>Total other financing sources &amp; uses</b>	<b>27,691</b>	<b>33,725</b>	<b>48,156</b>	<b>48,462</b>	<b>52,455</b>
<b>Net change in fund balances</b>	<b>\$ 14,097</b>	<b>\$ 16,681</b>	<b>\$ 2,588</b>	<b>\$ (7,527)</b>	<b>\$ 15,572</b>
Debt service as a percentage of noncapital expenditures	4.0%	16.0%	10.1%	9.0%	8.0%

(1) Limited General Obligation Bonds 2013 were issued to refund the 2001 and 2004 LTGO Bonds.

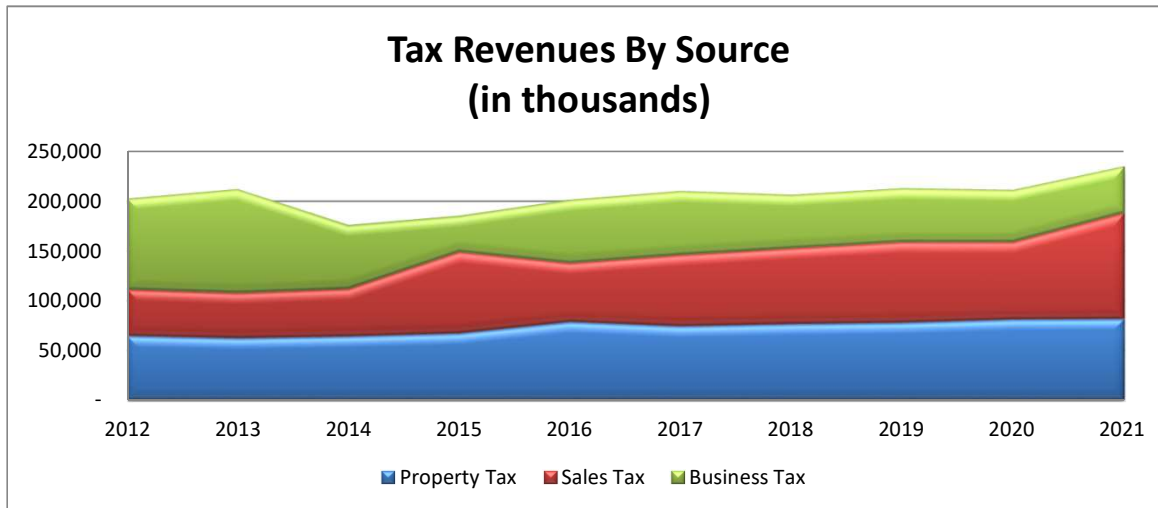
**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years**

**Table 4  
(modified accrual basis of accounting)  
(amounts expressed in thousands)  
Page 2 of 2**

<b>Revenues</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Taxes	\$ 209,970	\$ 221,697	\$ 229,023	\$ 225,562	\$ 259,939
Licenses and permits	11,207	11,520	11,025	10,330	3,286
Intergovernmental revenue	40,624	60,399	55,972	54,777	91,297
Charges for goods and services	20,623	22,131	21,298	21,445	27,517
Fines and forfeitures	6,931	5,616	6,868	7,018	6,455
Investment Earnings	1,677	3,789	6,741	3,617	(525)
Miscellaneous revenues	4,882	4,120	10,755	8,454	2,283
<b>Total revenues</b>	<b>295,914</b>	<b>329,272</b>	<b>341,682</b>	<b>331,203</b>	<b>390,252</b>
<b>Expenditures</b>					
General government	37,959	52,092	40,023	34,946	36,854
Public Safety	161,404	168,146	183,612	185,607	194,033
Physical environment	-	-	-	-	-
Transportation	40,182	47,614	44,697	41,146	35,783
Natural & Economic environment	24,132	25,528	24,836	28,875	19,704
Social Services	4,712	7,696	6,068	6,763	14,656
Culture and recreation	13,459	13,701	21,317	17,192	18,198
Capital outlay	22,509	44,654	24,389	22,888	35,340
Debt Service:					
Principal retirement	13,805	13,988	22,629	13,630	30,214
Interest and fiscal charges	8,837	8,874	8,806	8,109	6,763
<b>Total Expenditures</b>	<b>326,999</b>	<b>382,293</b>	<b>376,377</b>	<b>359,156</b>	<b>391,545</b>
Excess of revenues over (under) expenditures	(31,085)	(53,021)	(34,695)	(27,953)	(1,293)
<b>Other financing sources (uses)</b>					
Sale of capital asset	4,852	988	86	-	2,002
Transfers in	134,993	134,776	133,577	127,397	136,405
Transfers out	(87,303)	(90,933)	(89,671)	(69,769)	(87,417)
Insurance recoveries	60	71	34	278	161
Proceeds from bonds issues	-	-	-	-	-
Issuance of debt	27,512	2,209	6,219	2,349	19,762
Payment to escrow - refunded bonds	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Discount on issuance of debt	-	-	-	-	-
<b>Total other financing sources &amp; uses</b>	<b>80,114</b>	<b>47,111</b>	<b>50,245</b>	<b>60,255</b>	<b>70,913</b>
<b>Net change in fund balances</b>	<b>\$ 49,029</b>	<b>\$ (5,910)</b>	<b>\$ 15,550</b>	<b>\$ 32,302</b>	<b>\$ 69,620</b>
Debt service as a percentage of noncapital expenditures	7.4%	6.8%	8.9%	6.5%	10.4%

**Governmental Activities Tax Revenues By Source  
Last Ten Fiscal Years  
Table 5  
(accrual basis of accounting)  
(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Business Tax</u>	<u>Total</u>
2012	64,900	46,738	90,710	202,348
2013	62,487	45,743	103,631	211,861
2014	64,204	47,976	63,969 (1)	176,149
2015	67,313	81,772	36,325	185,410
2016	78,886	58,970	63,340	201,196
2017	74,479	71,634	63,924	210,037
2018	76,630	76,153	53,249	206,032
2019	77,970	81,132	53,563	212,665
2020	81,388	77,718	52,042	211,148
2021	81,783	106,635	46,381	234,799

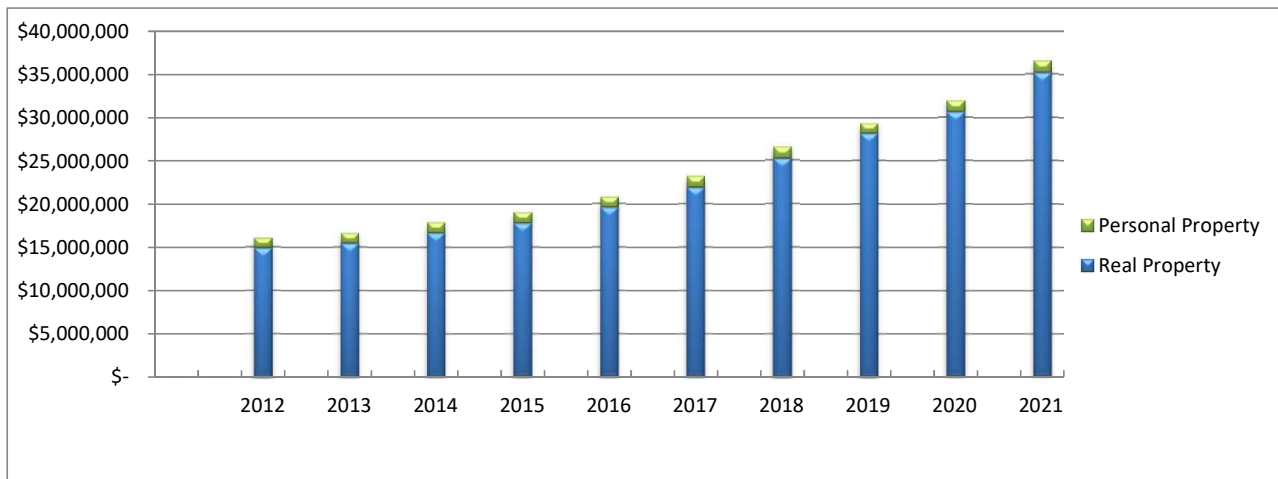


(1) In 2014 gross earnings taxes are classified as Transfers In, where in previous years they were classified as Business Taxes.



**Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
Table 6**

<b>Tax Year</b>	<b>Real Property Assessed Value/ Estimated Actual Value (\$ in Thousands)</b>	<b>Personal Property Assessed Value/ Estimated Actual Value (\$ in Thousands)</b>	<b>Total Assessed Value/ Estimated Actual Value (\$ in Thousands)</b>	<b>Total Direct Tax Rate</b>	<b>Growth Increase (Decrease) Dollars (\$ in Thousands)</b>	<b>Percent Increase (Decrease)</b>	<b>Assessed Value Per Capita</b>
2012	14,893,361	1,120,585	16,013,945	3.94	(1,383,057)	-7.27%	80,879
2013	15,420,785	1,172,721	16,593,505	3.90	(1,636,501)	3.62%	83,806
2014	16,647,219	1,239,951	17,887,170	3.71	579,561	7.80%	89,436
2015	17,752,477	1,263,026	19,015,504	3.79	1,293,665	6.31%	93,672
2016	19,549,115	1,217,185	20,766,301	3.59	1,128,333	9.21%	100,807
2017	21,876,770	1,302,320	23,179,090	3.31	2,412,789	11.62%	111,438
2018	25,193,756	1,357,368	26,551,125	2.98	3,372,035	14.55%	127,650
2019	28,119,264	1,195,429	29,314,693	2.74	2,763,568	10.41%	140,971
2020	30,599,224	1,324,626	31,923,850	2.58	2,609,157	8.90%	145,971
2021	35,137,511	1,415,484	36,552,995	2.26	4,629,145	14.50%	167,138



**Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years  
Table 7**

Fiscal Year End December 31	City of Tacoma	Tacoma School District #10	Pierce County	Port of Tacoma	Metro Park District	Washington State	Total
2012	3.94	7.93	1.53	0.18	1.15	2.69	17.42
2013	3.90	7.76	1.50	0.18	1.14	2.53	17.01
2014	3.71	7.69	1.43	0.18	1.80	2.39	17.20
2015	3.79	7.41	1.38	0.18	1.68	2.23	16.67
2016	3.59	6.95	1.28	0.18	1.61	2.07	15.68
2017	3.31	6.27	1.18	0.18	1.55	2.91	15.40
2018	2.99	4.41	1.09	0.18	1.36	2.62	12.65
2019	2.74	5.02	1.05	0.18	1.22	3.01	13.22
2020	2.58	4.66	0.98	0.17	0.91	2.93	12.23
2021	2.26	4.36	0.88	0.15	0.84	2.66	11.15

## "CITY" TAX RATE BREAKDOWN:

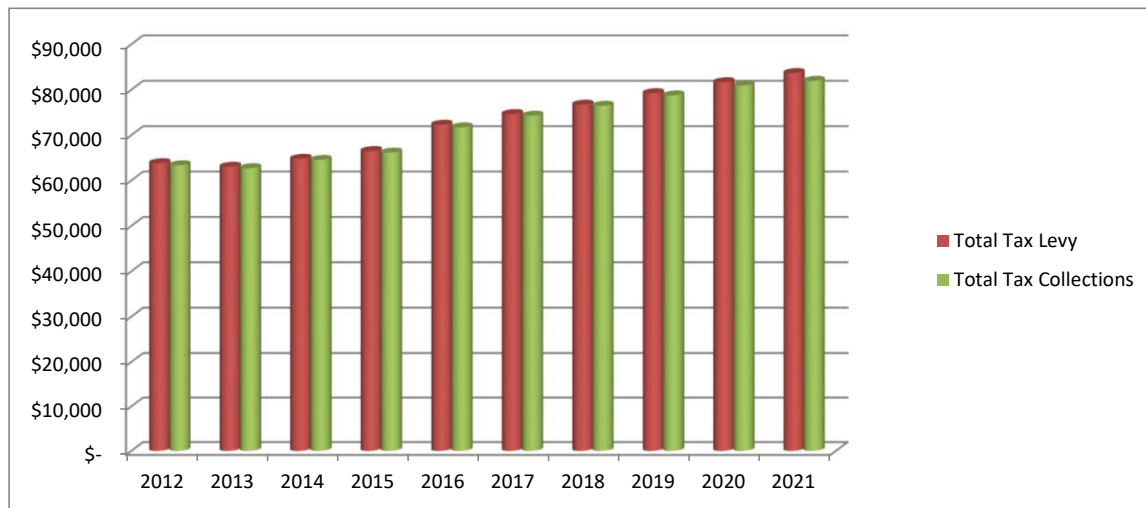
	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund	\$2.17	\$2.04	\$1.86
Councilmanic Nonvoted Bonds	0.09	0.09	0.04
EMS Levy	0.38	0.36	0.32
G.O. Bonds	0.1	0.09	0.04
TOTAL CITY	<u>\$2.74</u>	<u>\$2.58</u>	<u>\$2.26</u>

- Above schedule includes both regular and voted excess tax levies. Property is being assessed at 100% of true and fair market value.
- In the State of Washington property taxes, by statute, are assessed and collected by the counties for the various taxing districts with distribution of collections made in accordance with taxes levied.
- First half property tax payments must be paid on or before April 30, after which date, if unpaid, the total annual tax becomes delinquent. The second half payment is payable on or before October 31, becoming delinquent November 1.
- Each year listed represents the levy year (i.e., the year 2020 represents 2021 tax rates).

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
Table 8  
(amounts expressed in thousands)**

Fiscal Year End December 31	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Tax Levy Adjustment	Total Tax Collections	Total Tax Collected as a Percentage of Total Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Total Levy
2012	\$ 63,821	\$ 61,484	96.34%	\$ 1,863	\$ (471)	\$ 63,347	99.26%	\$ 1	0.00%
2013	\$ 63,031	\$ 60,795	96.45%	\$ 1,916	\$ (317)	\$ 62,711	99.49%	\$ 1	0.00%
2014	\$ 64,789	\$ 62,855	97.01%	\$ 1,678	\$ (254)	\$ 64,533	99.60%	\$ -	0.00%
2015	\$ 66,494	\$ 64,839	97.51%	\$ 1,307	\$ (348)	\$ 66,146	99.48%	\$ -	0.00%
2016	\$ 72,290	\$ 70,280	97.22%	\$ 1,429	\$ (571)	\$ 71,709	99.20%	\$ 10	0.01%
2017	\$ 74,638	\$ 72,855	97.61%	\$ 1,420	\$ (362)	\$ 74,275	99.51%	\$ 1	0.00%
2018	\$ 76,710	\$ 75,191	98.02%	\$ 1,283	\$ (217)	\$ 76,474	99.69%	\$ 19	0.02%
2019	\$ 79,244	\$ 77,522	97.83%	\$ 1,221	\$ (301)	\$ 78,743	99.37%	\$ 200	0.25%
2020	\$ 81,656	\$ 79,678	97.58%	\$ 1,259	\$ (309)	\$ 80,937	99.12%	\$ 410	0.50%
2021	\$ 83,683	\$ 81,972	97.96%	\$ -	\$ (117)	\$ 81,972	97.96%	\$ 1,594	1.90%

Source: Property Tax Collection Schedule prepared by the City Treasurer's Office.



**Principal Taxpayers  
Current Year and Nine Years Ago  
Table 9  
(dollar amounts expressed in thousands)  
Page 1 of 2**

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2020**

<u>TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
COMCAST CABLE COMMUNICATIONS MANAGE	Cable Telecommunications
HUSKY TERMINAL AND STEVEDORING LLC	Marine Cargo Handling
METROPOLITAN PARK DIST	Zoos and Botanical Gardens
MULTICARE HEALTH SYSTEM	General Medical and Surgical Hospitals
PUGET SOUND ENERGY INC	Electric Power Distribution
QWEST CORPORATION	Wired Telecommunications Carriers
RAINIER CONNECT NORTH LLC DBA CLICK CABLE TV	Cable Telecommunications
ST JOSEPH HOSPITAL	General Medical and Surgical Hospitals
US OIL & REFINING CO	Petroleum Refineries
WESTROCK CP LLC	Pulp Mill/Paper Manufacturer

2021 Aggregate B&O Tax of Top Ten Taxpayers (in thousands)      \$18,570

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2012**

<u>TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	Cellular
Comcast of Tacoma, Inc.	Telecommunications
Metropolitan Park District	Public Sector
Multicare Health System	Healthcare Services
Puget Sound Energy Inc.	Natural Gas
Qwest Corporation	Telecommunications
Sprint PCS	Cellular
T Mobile West Corporation	Cellular
US Oil Trading LLC	Petroleum Refinery
Verizon Wireless	Cellular

2012 Aggregate B&O Tax of Top Ten Taxpayers (in thousands)      \$14,109

- The City is legally prohibited from disclosing individual information regarding the amount of business taxes paid by specific taxpayers. This schedule presents the total aggregate B & O taxes paid by the City's ten largest taxpayers.

**Principal Taxpayers**  
**Current Year and Nine Years Ago**  
**Table 9**  
**(dollar amounts expressed in thousands)**  
**Page 2 of 2**

**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2021**

<u>TAXPAYERS</u>	RANK	2021 ASSESSED VALUE	PERCENTAGE TOTAL ASSESSED VALUE
Puget Sound Energy/Gas	1	\$ 317,484	19.0%
US Oil and Refining Co	2	256,880	15.4%
Tacoma Mall Partnership	3	226,539	13.6%
Rocktenn CP LLC	4	217,196	13.0%
Westbridges Apartments Property Owner LLC	5	128,005	7.7%
IPT Tacoma Logistics Center LLC	6	108,759	6.5%
DCT Blair Logistics Center LLC	7	107,648	6.5%
Prologis Targeted US Logistic Fund LP	8	102,819	6.2%
Point Ruston Rainier Building LLC	9	101,343	6.1%
Targa Sound Terminal LLC	10	100,109	6.0%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$ 1,666,782</u>	<u>100%</u>

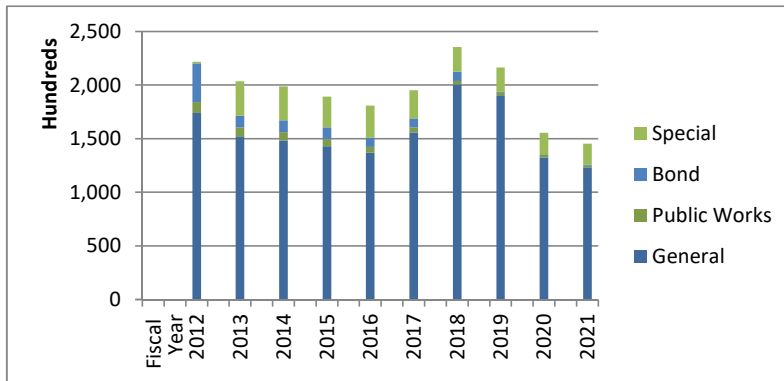
**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2012**

<u>TAXPAYERS</u>	RANK	2012 ASSESSED VALUE	PERCENTAGE TOTAL ASSESSED VALUE
Tacoma Mall Partnership	1	\$ 189,027	24.6%
Simpson Kraft Company	3	81,441	10.6%
CSC of Tacoma LLC	2	76,024	9.9%
US Oil and Refining Co	7	72,229	9.4%
AT&T Mobility LLC	4	70,646	9.2%
Qwest Corporation	6	65,750	8.6%
Puget Sound Energy/Gas	5	65,333	8.5%
Simpson Lumber Company LLC	8	58,389	7.6%
ERP Operating LP	9	44,565	5.8%
NGP Centennial Tacoma LLC	10	43,529	5.7%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$ 766,933</u>	<u>100%</u>

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Table 10  
(amounts expressed in thousands, except per capita amount)  
Page 1 of 2**

Governmental Activities						
Fiscal Year	General Obligation Bonds	Unamortized Premium/ Discounts	Public Works Trust Fund Loan	Bond Anticipation Notes	Special Assessment Bonds	Capital Leases
2012	173,979	2,278	10,087	36,252	1,647	626
2013	151,443	2,152	8,977	10,975	32,106 (4)	-
2014	148,226	1,825	7,865	10,975	31,773	-
2015	142,833	1,498	6,755	10,975	28,758	-
2016	136,781	1,171	5,645	8,572	29,937	-
2017	155,874	844	4,534	8,572	26,257	-
2018	200,511	517	3,422	8,572	22,938	-
2019	189,994	517	2,853	841	22,626	-
2020	132,485	190	2,282	841	20,035	-
2021	123,082	666	1,711	841	19,595	-

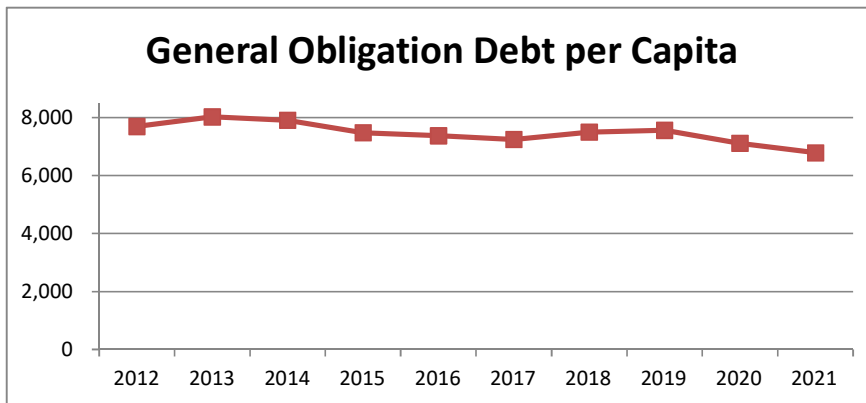
(4) A new special assessment bond for Point Ruston was issued for \$30,999



**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Table 10  
(amounts expressed in thousands, except per capita amount)  
Page 2 of 2**

Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	Revenue Bonds & Loans (1)	General Obligation Bonds	Unamortized Premium/ Discounts	Capital Leases			
2012	1,226,401	64,115	15,042	50	1,530,477	4.60%	7,695
2013	1,284,168	62,330 (5)	49,091	-	1,601,242	4.67%	8,022
2014	1,274,365	61,940	48,239	-	1,585,208	4.34%	7,910
2015	1,194,317	60,066	57,598	-	1,502,800	3.90%	7,480
2016	1,189,198	57,435	62,250	-	1,490,989	3.68%	7,370
2017	1,191,244	54,778	64,559	-	1,506,662	3.51%	7,240
2018	1,215,938	51,987	64,147	-	1,568,032	3.43%	7,499
2019	1,247,484	49,390	58,925	-	1,572,630	3.24%	7,563
2020	1,124,115	46,714	53,934	-	1,572,630	3.24%	7,108
2021	1,220,889	44,232	72,793	-	1,483,809	2.87%	6,785

(1) The Revenue Bonds do not include unamortized premiums or discounts.  
 (2) U.S. Department of Commerce, Bureau of Economic Analysis (Pierce county data). 2019 utilizes 2018 data  
 (3) See the Schedule of Demographic and Economic Statistics on Table 16 for personal income and population data.  
 (5) A new LTGO Bond was issued to refund the 2004 LTGO Convention Center bonds.



**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Table 11**  
(amounts expressed in thousands, except per capita amount)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund (1)</b>	<b>Total</b>	<b>% of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
2012	238,094	1,632	236,462	1.43%	1,189
2013	213,773	970	212,803	1.19%	1,066
2014	210,166	1,053	209,113	1.10%	1,043
2015	202,899	1,151	201,748	1.06%	1,004
2016	194,216	1,521	192,695	0.93%	953
2017	210,652	2,000	208,652	0.90%	1,003
2018	200,511	1,660	198,851	0.75%	899
2019	189,994	1,735	188,259	0.63%	900
2020	132,485	1,792	130,693	0.41%	628
2021	167,314	1,820	165,494	0.45%	757

Note: Details regarding the City's outstanding debt can be found in the notes to the financials.

(1) Debt service fund balance can be found in the Combining Statements - Non-Major Funds section.

(2) See Table 6 (Assessed and Estimated Actual Value of Taxable Property) for property tax value.

(3) See the Schedule of Demographic and Economic Statistics on Table 16 for population data.



**Computation of Direct and Overlapping Debt of Governmental Activities**  
**As of December 31**  
**Table 12**  
**(dollar amounts expressed in thousands)**

	Net Bonded Debt Outstanding (1)	Percentage Applicable To City (2)	City Residents Share of Debt
City of Tacoma	169,024	100%	169,024
<b><u>OVERLAPPING DEBT</u></b>			
Tacoma School District #10	939,360	94.1%	884,339
Metropolitan Park District	136,128	98.1%	133,584
Port of Tacoma	135,562	23.3%	31,603
Pierce County	118,905	23.3%	27,719
Franklin Pierce School District	127,845	0.5%	660
Fife School District	144,139	10.4%	15,021
Clover Park School District	107,405	1.9%	2,011
University Place School District	31,915	3.6%	1,139
<b>TOTAL OVERLAPPING DEBT</b>	<u>1,741,259</u>		<u>1,096,076</u>
<b>GRAND TOTAL</b>	<u><u>1,910,283</u></u>		<u><u>1,265,100</u></u>
Population			218,700
Direct and Overlapping Debt per Capita			5.78

(1) Net Bonded Debt Outstanding represents gross debt outstanding less available amounts in debt service funds less matured bonds and interest coupons.

(2) Applicable percentage is determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Tacoma.

Sources: Pierce County Assessor/Treasurer's Office, Port of Tacoma, and City of Tacoma Finance Department.

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**Table 13**  
**(amounts expressed in thousands)**  
**Page 1 of 2**

	2012	2013	2014	2015	2016
Assessed Value of Property	\$ 16,013,945	\$ 16,593,506	\$ 17,887,171	\$ 19,015,503	\$ 20,766,300
Debt Limit, 7.5% of Assessed Value	1,201,046	1,244,513	1,341,538	1,426,163	1,557,473
Total Net Debt Applicable to Limit	247,953	261,445	217,009	209,654	198,678
<b>Legal Debt Margin</b>	<b><u>\$ 953,093</u></b>	<b><u>\$ 983,068</u></b>	<b><u>\$ 1,124,529</u></b>	<b><u>\$ 1,216,509</u></b>	<b><u>\$ 1,358,795</u></b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.6%	21.0%	16.2%	14.7%	12.8%

**Legal Debt Margin Calculation for Fiscal Year 2020**  
**(amounts expressed in thousands)**

Assessed Value	\$ 37,098,458
Debt Limit (7.5% of assessed value)	2,782,384
Debt Applicable to Limit:	
General Obligation bonds and loans	169,024
Capital leases	-
Less: Assets available from Debt Svc Fund	419
Total Net Debt Applicable to Limit	<u>169,443</u>
Legal Debt Margin	<u>\$ 2,612,941</u>

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**Table 13**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

	2017	2018	2019	2020	2021
Assessed Value of Property	\$23,179,090	\$26,551,125	\$29,781,935	\$32,426,115	\$37,098,458
Debt Limit, 7.5% of Assessed Value	1,738,432	1,991,334	2,233,645	2,431,959	2,782,384
Total Net Debt Applicable to Limit	214,008	205,189	194,176	182,869	169,443
<b>Legal Debt Margin</b>	<b><u>\$ 1,524,424</u></b>	<b><u>\$ 1,786,145</u></b>	<b><u>\$ 2,039,469</u></b>	<b><u>\$ 2,249,089</u></b>	<b><u>\$ 2,612,941</u></b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.3%	10.3%	8.7%	7.5%	6.1%

CITY OF TACOMA, WASHINGTON  
TABLE 14  
COMPUTATION OF CONSTITUTIONAL LIMIT OF INDEBTEDNESS  
as of December 31, 2021

As provided in the Revised Code of Washington (RCW) Title 39 Chapter 36, the percentage limits for the various sections are layered cumulatively. The total General Purpose Indebtedness cannot exceed 2.5% of the Total Taxable Property Value (PV); General and Utility Purpose Indebtedness cannot exceed 5.0% PV; and General, Utility and Open Space and Parks Facilities Indebtedness cannot exceed 7.5% PV. Non-voted General Purpose Indebtedness may be up to 1.5% PV only if Voted General Purpose Indebtedness does not exceed 1% PV. The limits for General Purpose debt cannot exceed 2.5% PV. However, Utility and Open Space Indebtedness may exceed 2.5% PV for the section and reduce the General Purpose Indebtedness available by an equivalent amount. In addition to limitations in RCW, the City's Finance Policy requires the maintenance of a reserve in the amount of 10% of non-voted debt capacity.

Total Taxable Property Value (Assessed at 100%, for taxes payable in 2022) (PV)	\$ 37,098,457,923
<b>GENERAL PURPOSE INDEBTEDNESS</b>	
Non-Voted General Purpose Indebtedness and Capital Leases	
Legal Limit 1.5% of Total Taxable Property Value	\$ 556,476,869
Indebtedness (Liabilities)	
Non-Voted General Obligation Bonds	\$ 215,246,881
Capital Leases Payable	-
Less Assets Available	-
Indebtedness Incurred - Non-Voted General Purposes	\$ 215,246,881
Remaining Legally Available Non-Voted Debt Capacity - General Purposes	\$ 341,229,988
Less Required Reserve (10% of Non-Voted Debt Capacity)	\$ (55,647,687)
Available Non-Voted Debt Capacity - net of Required Reserve	\$ 285,582,301
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)	
Legal Limit 2.5% of Total Taxable Property Value	\$ 927,461,448
Less: Indebtedness Incurred - Non-Voted General Purposes	\$ (215,246,881)
	\$ 712,214,567
Indebtedness (Liabilities)	
Voted General Obligation Bonds	\$ 2,485,000
Less Assets Available	\$ (419,212)
Indebtedness Incurred - Voted General Purposes	\$ 2,065,788
Total Remaining Debt Capacity - General Purposes	\$ 710,148,779
<b>UTILITY PURPOSE INDEBTEDNESS</b>	
Indebtedness For Utility Purposes With 3/5 Vote of the People	
Legal Limit 2.5% of Total Taxable Property Value	\$ 927,461,448
Remaining Debt Capacity - Utility Purposes	\$ 927,461,448
<b>OPEN SPACES AND PARKS FACILITIES INDEBTEDNESS</b>	
Indebtedness For Open Space And Parks Facilities With 3/5 Vote of the People	
Legal Limit 2.5% of Total Taxable Property Value	\$ 927,461,448
Remaining Debt Capacity - Open Spaces and Parks Facilities	\$ 927,461,448
<b>SUMMARY</b>	
Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value \$ 2,782,384,344
Less: Indebtedness Incurred - General Purposes	0.5858% \$ 217,312,669
Less: Indebtedness Incurred - Utility Purposes	\$ -
Less: Indebtedness Incurred - Open Space And Parks Facilities	\$ -
Remaining Debt Capacity	6.9142% \$ 2,565,071,676



**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**Table 15**  
**(amounts expressed in thousands)**  
**Page 1 of 2**

<b>Sewer Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Sewer Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
2012	80,202	52,637	27,565	6,765	3,245	2.75
2013	85,740	54,574	31,166	720	6,266	4.46
2014	90,232	59,284	30,948	750	6,237	4.43
2015	97,810	60,945	36,865	780	8,031	4.18
2016	104,280	67,210	37,070	4,390	8,069	2.98
2017	110,041	67,359	42,682	4,830	7,859	3.36
2018	115,817	62,052	53,765	5,025	7,538	4.28
2019	116,919	65,861	51,058	6,625	10,223	3.03
2020	127,334	77,142	50,192	6,955	9,911	2.98
2021	123,712	76,031	47,681	9,588	7,275	2.83

<b>Power Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Power Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
2012	400,235	284,952	115,283	28,785	27,747	2.04
2013	418,841	296,121	122,720	28,295	24,113	2.34
2014	447,016	314,017	132,999	32,115	26,626	2.26
2015	413,681	319,195	94,486	14,735	22,420	2.54
2016	418,614	388,220	30,394	12,730	19,026	0.96
2017	450,724	345,978	104,746	11,575	18,949	3.43
2018	464,467	335,372	129,095	10,095	20,143	4.27
2019	473,776	410,865	62,911	9,365	19,688	2.17
2020	476,791	359,613	117,178	7,470	19,220	4.39
2021	472,122	376,437	95,685	7,215	21,556	3.33

<b>Solid Waste Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Solid Waste Charges and Other</b>	<b>Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
2012	56,808	40,920	15,888	2,350	3,403	2.76
2013	56,022	43,697	12,325	2,605	3,262	2.10
2014	56,751	42,425	14,326	3,085	3,119	2.31
2015	59,494	43,617	15,877	4,585	3,610	1.94
2016	63,568	47,196	16,372	4,830	3,167	2.05
2017 *	67,894	49,616	18,278	4,645	2,915	2.16
2018	69,111	48,743	20,368	2,060	2,662	4.31
2019	75,357	54,917	20,440	2,160	2,559	4.53
2020	77,324	55,791	21,533	2,270	2,451	4.56
2021	83,491	58,161	25,330	2,315	2,406	5.37

\*Beginning 2017: Total Charges and Other are exclusive of bond amortization and disposal of capital assets.

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Water Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
2012	88,716	36,088	52,628	6,669	19,342	2.02
2013	100,840	39,825	61,015	8,486	19,562	2.18
2014	106,000	41,773	64,227	6,896	19,829	2.40
2015	92,203	48,438	43,765	4,874	13,913	2.33
2016	94,688	52,762	41,926	5,140	13,156	2.29
2017	98,305	54,977	43,328	5,216	13,447	2.32
2018	113,090	52,489	60,601	5,414	13,291	3.24
2019	111,676	57,194	54,482	5,639	13,073	2.91
2020	111,195	58,971	52,224	6,280	12,503	2.78
2021	113,860	63,706	50,154	6,172	12,101	2.74

Note: Total Operating Expenses exclusive of depreciation, bond interest and municipal gross earning tax.

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**Table 15**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

Tacoma Rail Bond Anticipation Notes						
Fiscal Year	Rail Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2012	24,089	19,366	4,723	201	60	18.10
2013	27,923	22,785	5,138	212	49	19.69
2014	30,482	25,493	4,989	223	37	19.73
2015	30,249	24,585	5,663	236	25	21.75
2016	32,261	27,135	5,126	249	12	19.64
2017	31,175	27,884	3,291	N/A	N/A	N/A
2018	34,379	28,048	6,331	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A

Note: Total Operating Expenses exclusive of depreciation, bond interest and municipal gross earning tax.

(1) In 2007 the 2003 Tacoma Rail Bond Anticipation Notes were excluded; they are now reported as interfund loans.

Convention Center and Parking Revenue Bonds					
Fiscal Year	Net Parking Revenues	District Contribution	Total Pledged Revenues	Total Bond Debt Service	Coverage
2012	2,593	2,939	5,532	1,317	4.20
2013	3,339	2,928	6,267	2,817	2.22
2014	4,283	3,063	7,346	2,817	2.61
2015	4,591	3,310	7,901	3,129	2.53
2016	4,740	3,524	8,264	2,922	2.83
2017	5,201	3,818	9,019	2,928	3.08
2018	4,531	4,162	8,693	2,925	2.97
2019	4,324	4,363	8,687	2,924	2.97
2020	1,503	4,582	6,085	2,922	2.08
2021	885	5,415	6,300	2,923	2.16

Note: Contains a Rate Covenant for the portion of the Bonds that relate to the financing of the A Street Garage.

Parking System Rate Covenant			
Fiscal Year	Net Parking Revenues	District Contribution	Coverage
2012	3,339	146	17.97
2013	3,339	311	10.74
2014	4,300	311	13.83
2015	4,591	346	13.27
2016	4,740	323	14.67
2017	5,201	323	14.68
2018	4,531	323	16.09
2019	4,324	323	14.01
2020	1,503	323	4.65
2021	885	323	2.74

Note: Net Parking Revenues represent Parking Operating Revenues less Parking Expenses plus Gross Enforcement Revenues. The rate covenant is a coverage of at least 1.5 times.

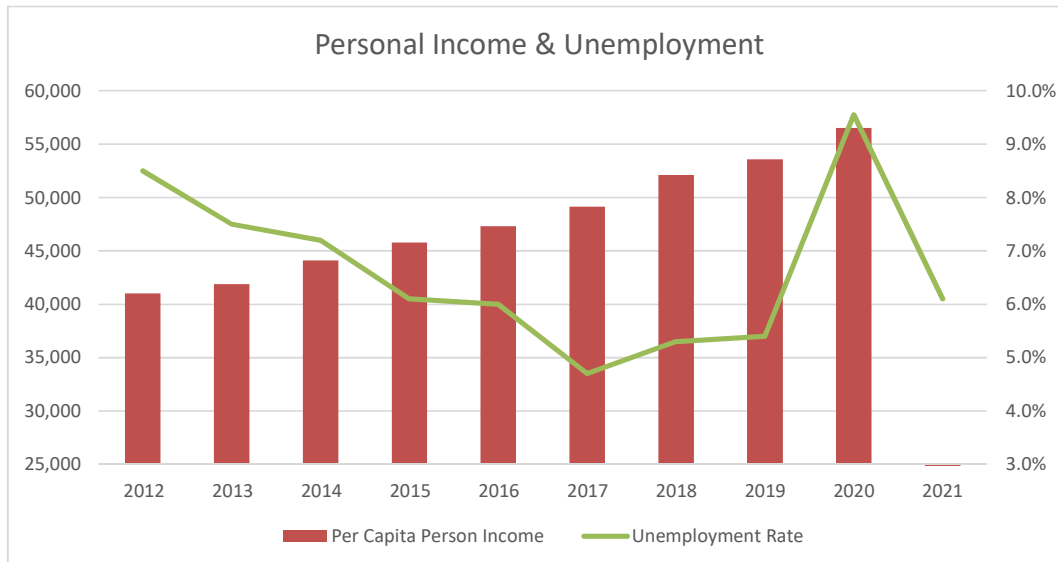
**Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Table 16**

<b>Fiscal Year Ended December 31</b>	<b>Tacoma Population (1)</b>	<b>County Personal Income (2) (Thousands)</b>	<b>Tacoma Per Capita Personal Income (3)</b>	<b>Tacoma School Enrollment (4)</b>	<b>Tacoma Unemployment % Rate (5)</b>
2012	198,900	33,258,186	41,008	27,806	8.5%
2013	199,600	34,302,498	41,890	27,562	7.5%
2014	200,400	36,548,565	44,106	27,531	7.2%
2015	200,900	38,492,409	45,774	28,011	6.1%
2016	202,300	40,552,080	47,310	28,323	6.0%
2017	208,100	42,955,131	49,137	28,307	4.7%
2018	209,100	45,753,481	52,114	28,355	5.3%
2019	207,948	48,481,266	53,572	27,888	5.4%
2020	221,259	51,664,015	56,532	29,168	9.6%
2021	218,700	Unavailable	Unavailable	28,778	6.1%

**SOURCES:**

- (1) Washington State Office of Financial Management
- (2) Calculated with Pierce County per Capita and Tacoma population
- (3) U.S. Department of Commerce, Bureau of Economic Analysis, Pierce County (currently updated only through 202
- (4) Tacoma School District No. 10; total headcount of students including alternative schools as of October 1 each year
- (5) Washington State Employment Security Department (monthly rates averaged).





**Principal Employers**  
**Current Year and Ten Years Ago**  
**Table 17**

**TOP TEN EMPLOYERS FOR 2020 (PIERCE COUNTY) - DATA NOT AVAILABLE FOR 2021 AT TIME OF PRINTING**

	EMPLOYEES	PERCENTAGE OF	TYPE OF BUSINESS
		TOTAL COUNTY POPULATION	
Joint Base Lewis McChord	54,000	5.8%	Military
Multicare Health System	8,264	0.9%	Health Care
State of Washington	7,859	0.8%	Government
CHI Franciscan Health	5,682	0.6%	Health Care
Tacoma Public Schools	3,649	0.4%	Education
City of Tacoma	3,623	0.4%	Government
Pierce County Government	3,304	0.4%	Government
Puyallup School District	2,711	0.3%	Education
Bethel School District	2,689	0.3%	Education
Safeway & Albertsons	2,153	0.2%	Retail
Total	93,934	10.1%	

2021 Pierce County Population 927,428

**TOP TEN EMPLOYERS FOR 2012 (PIERCE COUNTY)**

EMPLOYEERS	EMPLOYEES	PERCENTAGE OF	TYPE OF BUSINESS
		TOTAL COUNTY POPULATION	
Joint Base Lewis McChord	56,624	7.0%	Military
Local Public School Districts (K-12)	13,352	1.7%	Education
MultiCare Health System	6,547	0.8%	Health Care
Washington State Employees	6,488	0.8%	Government
Franciscan Health System	5,709	0.7%	Health Care
City of Tacoma	3,620	0.4%	Government
Pierce County Government	2,872	0.4%	Government
Washington State Higher Education	2,632	0.3%	Education
Emerald Queen Casino	2,200	0.3%	Gaming
Walmart	1,785	0.2%	Retail
Total	101,829	12.6%	

2012 Pierce County Population 808,200

**Note:**

Employment data is voluntarily submitted to the City by businesses. As such, internal records of employment are incomplete.

EDB-for Tacoma-Pierce County data is presented instead as it represents a more complete data set.

CAFR-2010 numbers were used for top employers since this table was not used in 2009

**Sources:**

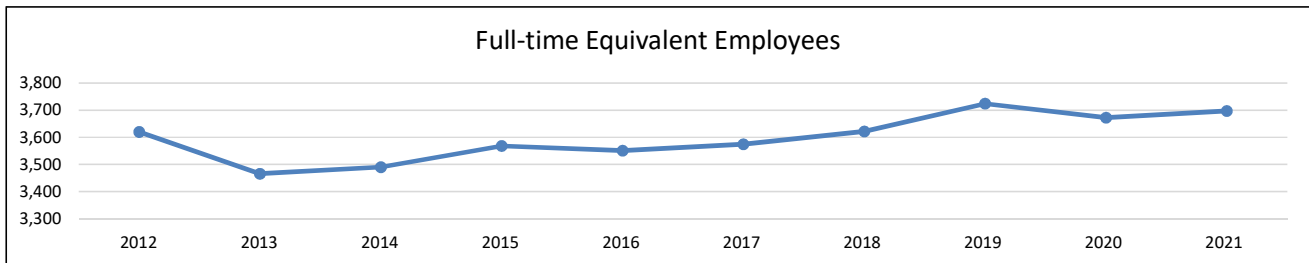
Economic Development Board for Tacoma-Pierce County

**Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years  
Table 18**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General government</b>	260	265	268	285	286	286	290	311	288	293
Police	389	370	361	370	369	376	383	400	391	358
Fire	401	376	389	406	401	398	396	417	453	476
Law Enforcement Support Agency	160	N/A	(2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Economic Environment</b>										
Community & Economic Development	77	26	(1)	26	26	27	30	22	26	25
Planning and Development Services	N/A	51		59	60	29	59	62	84	96
Hearing Examiner	3	3		3	3	3	3	3	3	3
Human Rights Human Services	31	54		48	41	41	37	31	30	26
<b>Culture and Recreation</b>	179	159		158	171	166	178	188	178	165
<b>Transportation</b>										
Public Works	691	707		713	718	732	735	754	750	746
<b>Information Systems</b>	112	109		109	116	111	117	123	117	121
<b>Retirement</b>	10	10		10	10	9	9	9	8	9
<b>Tacoma Public Utilities</b>										
Administration	10	10		10	11	12	13	17	17	19
Customer Service	153	140		143	148	150	158	164	163	161
Rail	99	107		115	116	113	115	118	115	112
Power	805	839		839	851	860	837	830	792	809
Water	240	240		239	236	237	247	250	260	278
<b>Total</b>	<b>3,620</b>	<b>3,466</b>	<b>3,490</b>	<b>3,568</b>	<b>3,551</b>	<b>3,575</b>	<b>3,622</b>	<b>3,724</b>	<b>3,673</b>	<b>3,697</b>

(1) Community & Economic Development was reorganized and employees were moved to Planning and Development Services  
 (2) Law Enforcement Support Agency became South Sound 911 at the end of 2012. The City does not provide any services for the new entity.

Data per 12/31/21 payroll





**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**Table 19**  
**Page 1 of 2**

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Public Safety</b>					
<i>Police</i>					
Crimes Against Person	4,623	4,379	4,319	4,376	4,443
Crimes Against Property	21,961	21,534	20,573	20,531	21,229
<i>Fire</i>					
Incidents	39,810	39,244	41,094	45,266	46,783
<i>Utilities</i>					
Power customers	169,112	171,506	172,531	174,562	176,784
Power service units - MWH	7,885,213	7,050,749	7,602,630	6,510,290	7,302,235
Water customers	96,333	97,854	98,608	99,943	100,731
Water service units	23,201,613	23,886,864	24,553,529	26,087,248	24,610,996
Wastewater customers	60,591	60,758	61,348	75,732 (1)	76,268
Surface Water customers	70,479	70,459	70,512	70,611	70,703
Solid Waste customers	58,517	58,265	59,308	60,262	60,646
<i>Rail</i>					
Miles of track	57.5	57.5	57.5	57.5	48.5
Number of cars switched	92,117	138,410	108,137	102,173	124,467
<i>Parking Garages</i>					
Number of parking stalls - garages	2,362	2,362	2,362	2,282	2,282
Number of parking stalls - surface lots	108	108	98	98	98
Number of on-street metered spaces	1403	1,403	1,800	1,800	1,800

(1) 2015 Wastewater customers were adjusted in 2016 CAFR

Data supplied by named departments

**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**Table 19**  
**Page 2 of 2**

	2017	2018	2019	2020	2021
<b>Function</b>					
<b>Public Safety</b>					
<i>Police</i>					
Crimes Against Person	4,569	4,345	4,718	4,429	5,280
Crimes Against Property	22,881	19,976	21,248	21,386	24,784
<i>Fire</i>					
Incidents	47,510	48,263	49,596	46,411	53,222
<i>Utilities</i>					
Power customers	177,153	177,723	182,000	183,000	184,000
Power service units - MWH	7,588,005	6,774,459	6,103,954	6,937,268	6,501,588
Water customers	101,871	103,116	105,663	107,871	108,165
Water service units	24,097,864	24,764,924	24,354,862	24,981,235	26,122,668
Wastewater customers	76,859	76,790	77,398	79,297	79,297
Surface Water customers	70,834	71,057	71,193	71,235	71,318
Solid Waste customers	60,971	61,242	61,534	61,908	62,332
<i>Rail</i>					
Miles of track	48.5	48.5	48.5	48.5	48.5
Number of cars switched	107,130	108,719	114,036	95,964	97,029
<i>Parking Garages</i>					
Number of parking stalls - garages	2,122	2,122	2,128	2,248	2,248
Number of parking stalls - surface lots	98	98	104	284	302
Number of on-street metered spaces	1,800	1,800	1,800	1,800	1,800

**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**Table 20**  
**Page 1 of 2**

Function	2012	2013	2014	2015	2016
<b>Public Safety</b>					
<i>Police</i>					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	269	290	282	265	265
Unmarked Cars-(includes seized vehicles)	101	125	106	110	112
Motorcycles	16	16	16	15	10
<i>Fire</i>					
Number of Stations	15	15	15	15	15
Pumpers	13	13	13	13	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	2	2	2	3	3
Squad Vehicles	1.5	1.5	1.5	1.5	1.5
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
<b>Transportation</b>					
<i>Streets</i>					
Miles of Paved Streets	642.52	642.52	642.52	642.52	746.6 (1)
Miles of Unpaved Streets	208.10	208.10	208.10	208.10	10.80 (1)
<b>Total</b>	<b>850.62</b>	<b>850.62</b>	<b>850.62</b>	<b>850.62</b>	<b>850.62</b>

(1)The 2016 change in miles of Paved and Unpaved Streets is due to a condition survey performed in 2015 and the data was received in 2016.

Data supplied by named departments

**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**Table 20**  
**Page 2 of 2**

<b>Function</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Public Safety</b>					
<i>Police</i>					
Number of Stations	6	6	6	5	5
Vehicles:					
Marked Cars	267	260	254	161	234
Unmarked Cars-(includes seized vehicles)	115	112	153	109	118
Motorcycles	14	14	18	15	15
<i>Fire</i>					
Number of Stations	16	16	16	16	16
Pumpers	15.5	15.5	16	16	16
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	3	3	3	3	2
Squad Vehicles	1.5	0	0	0	0
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
<b>Transportation</b>					
<i>Streets</i>					
Miles of Paved Streets	746.6	746.1	746.1	746.1	746.1
Miles of Unpaved Streets	10.80	11.3	11.3	11.3	11.3
<b>Total</b>	<b>757.4</b>	<b>757.4</b>	<b>757.4</b>	<b>757.4</b>	<b>757.4</b>

**Contributing Staff  
Table 21**

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The following individuals contributed to the successful completion of the City of Tacoma's 2021 Comprehensive Annual Financial Report:

**COORDINATING AND SUPERVISORY STAFF**

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Susan Calderon, CPA, Assistant Finance Director  
Kristy Magyar, Senior Financial Manager  
Michael San Soucie, CPA, Financial Manager  
Diana Kerin-Tate, Financial Manager  
Polly Wainaina, CPA, Financial Manager  
Su Yi, Financial Manager

**STATISTICAL SECTION**

Sarah Salter, Accountant

**DESIGN, LAYOUT and PRINTING**

Donna Ruby, Financial Assistant  
Print NW

**IMAGES**

Cover photograph courtesy of City of Tacoma, Media & Communications

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Mary Mansperger  
Imelda Marquez  
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Elizabeth San Juan  
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Sarah Salter  
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