

# **2011 Comprehensive Annual Financial Report**

of the City of Tacoma, Washington  
for the Year Ending December 31, 2011

Prepared by Department of Finance  
Robert K. Biles, Finance Director



City of Tacoma, Washington  
Finance Department  
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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

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**City of Tacoma**  
Finance Department

May 31, 2012

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

The comprehensive annual financial report of the City of Tacoma, Washington (the City), for the year ended December 31, 2011, is hereby submitted in accordance with City Charter and state statutes. Both the City Charter and state statutes require that the City issue annually a report on its financial position and activity. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management based upon a comprehensive framework of internal control that it has established to provide 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.

Generally Accepted Accounting Principles (GAAP) in the United States of America requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). 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.

The City is required to undergo an independent, annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this independent, single audit, including a schedule of expenditures of federal awards, the State Auditor's Office reports on the internal control structure and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, if any, are included in a separately issued report.

## **CITY OF TACOMA PROFILE**

The City was incorporated on January 7, 1884. The City Charter, under which it 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 including police and fire protection, electrical generation and distribution, water distribution, wastewater and surface water services, solid waste services and many others.

The name Tacoma stems from the Indian name for Mt. Rainier, "Tacobet," 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. Its boundaries encompass approximately 50.1 square miles of land and 12.5 miles of waterfront. Lying between sea level and 440 feet above sea level, Tacoma averages 37 inches of rainfall each year with an average low temperature in January of 35.9 degrees Fahrenheit and an average high temperature in August of 75.6 degrees Fahrenheit. The 2010 population was 198,397, an increase of 2.5% since the 2000 census count of 193,556.

The Tacoma Community Redevelopment Authority, the Foss Waterway Development 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.

The Tacoma City Council adopts a biennial budget for all funds types.

The biennial budget process begins in June of even numbered years using the City Council's long-term strategic plan, goals, and priorities as a starting point. Revenue forecasts are prepared and city departments begin budget preparation. After a period of review and update, a preliminary budget is presented to the City Council. 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 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 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.

All budgets are controlled at the fund level, and the legal level of budgetary control is at the fund level.

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

### **Economic Overview**

Pierce County enjoys a diverse economy influenced by its ideal location in the central Puget Sound region. Important industry sectors include the military, education, healthcare, manufacturing (aerospace, plastics, machinery, food products, and electronics) and wholesale distribution.

Tacoma shares in this good fortune in that it has one of the few ports on the West Coast with a large inventory of waterfront land available for development. Created by Pierce County citizens in 1918, the Port of Tacoma (Port) has 2,400 acres that are used for shipping terminal activity and warehouse, distributing, and manufacturing. The Port is a leading North American seaport, handling more than \$28 billion in annual trade in 2010. The Port is the seventh largest container port in North America and is considered an "economic engine" for the region.

Government is the largest regional employment sector with the area's major U.S. Military installations (Joint Base Lewis-McChord and Madigan Army Medical Center) heavily contributing to the workforce. Other large government employers include local public schools, Washington State, Pierce County, and higher education institutions.

Another large regional employment sector is the healthcare industry. Two of the largest employers in the Tacoma area are Franciscan Health System and the Multicare Health System. Multicare Health System, which operates Tacoma General, Allenmore and Mary Bridge Children's Hospitals, is the county's largest private employer.

Although the diversity of the region's economic base has served it well in the past and is expected to help it recover from the effects of the current recession, the Puget Sound area is not immune from the impacts being felt by the rest of the nation. Taxable retail sales, as measured by sales tax receipts, are down 3.8% for the first



three months of 2012 compared to the same period in 2011. The average year-to-date unemployment rate for the Tacoma metropolitan area was 9.8% as of February 2012 compared to 10.7% and 11.7% for February 2011 and 2010, respectively.

### **Relevant Financial Policies**

Financial and Budget Policy Statements are presented on pages 23-28 of the 2011-12 Biennial Budget and can be found on the City's website at [www.cityoftacoma.org](http://www.cityoftacoma.org). The General Fund reserve Policy is:

- Unreserved fund balance should be maintained between 5% and 15% of projected annual expenditures. Ideally the City should have a total unencumbered reserve equal to 10% of projected annual expenditures. Any proposed use of the reserves below 5% of projected annual expenditures will require super-majority (majority plus one of voting members) approval by the City Council.
- 5% to 10% of reserves shall only be available to fund one-time emergencies, unanticipated expenditure requirements, or offset unanticipated revenue fluctuations occurring within a fiscal year.
- The next 10% to 15% of reserves is a counter cyclical reserve. This portion of the reserve is to either maintain General Fund current service level programs or transition expenditure growth to match slower revenue growth during the first 18 – 24 months of a recession.

In accordance with the Reserve Policies, the reserve is being used to mitigate the effects of the current economic downturn. The 2011-12 Biennial Budget was developed using the concept of Reserved and Unreserved Fund Balance for the General Fund and a separate Council Contingency Fund. The amounts in those categories were \$18,492,815, \$15,241,862, and \$1,116,557 as of December 31, 2011, which was the mid-biennium.

Long-term financial planning is discussed in several of the Policy Statements, including strategic planning, debt, rate projections, and budget and contingency policies.

### **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 growth. In no event may the annual levy exceed the \$3.60 per \$1,000 of assessed value rate limit. During 2011, the City levied at the statutory limitation of \$2.63 per \$1,000 of assessed value.

## **MAJOR INITIATIVES**

### **Cheney Stadium**

In 2009, the City sold \$28 million in bonds to help finance improvements to Cheney Stadium, home of the Triple-A Baseball Club, the Tacoma Rainiers. Renovations to the 50-year old stadium were completed in April 2011 and included replacing the grandstand, roof and concourse. New concession stands, seats, suites and restrooms were also added and the size of the dugouts and bullpens were increased. The City and the Rainiers have entered into a long-term agreement through September 2041.

### **LeMay America's Car Museum**

The LeMay America's Car Museum began construction in June 2010 and has planned their grand opening for June 2, 2012. The main focus of the nine-acre campus is a four-story, 165,000 sq foot museum which will include 15 galleries housing up to 500 cars, trucks and motorcycles from private owners, corporations and the LeMay collection. Besides showcasing vintage vehicles, the museum will also host vintage car events, rock concerts and drive-in movies. It is projected to attract 425,000 visitors and result in \$34 million impact for the local economy each year. The City contributed land and other consideration valued at over \$15 million towards the project, which is located at the Tacoma Dome.

### **Green River Water Filtration Plant**

In response to federal and state regulatory requirements, and following a substantial period of analysis and public outreach in 2009 and 2010, the Tacoma Public Utilities Board and City Council authorized implementing filtration for Tacoma Water's Green River Supply. This \$211 million project began construction in May 2012, and is expected to be in service in November 2014. In addition to satisfying regulatory requirements, the project will substantially improve the quality and reliability of Tacoma's primary supply, and that of Tacoma Water's Regional Water Supply System Partners, who are funding approximately one-third of the project costs.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Awards**

We are pleased that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tacoma for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. 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. This is the twenty-third year the City of Tacoma has received this award.

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.

### **Acknowledgements**

Thank you for your continuing interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. I also express my appreciation to the City employees for their assistance throughout the year and for providing information for this report. Special appreciation is extended to the employees of the Finance Department, whose dedicated service made this report and the year a success. While a list of the staff who contributed to making this year's CAFR a success can be found on page 6-36, I would like to specifically thank Linda Parks, Mary Mansperger, Su Yi, Min Soo Chun, Sam Benscoter, and Sandy Buchanan for their work in bringing the final document together.

In closing, I would like to welcome Councilmember Anders Ibsen, who was elected to office for a four year term beginning in January 2012 and T.C. Broadnax, who was appointed City Manager in February 2012.

Respectfully,



Jeff Litchfield  
Interim Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tacoma  
Washington

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



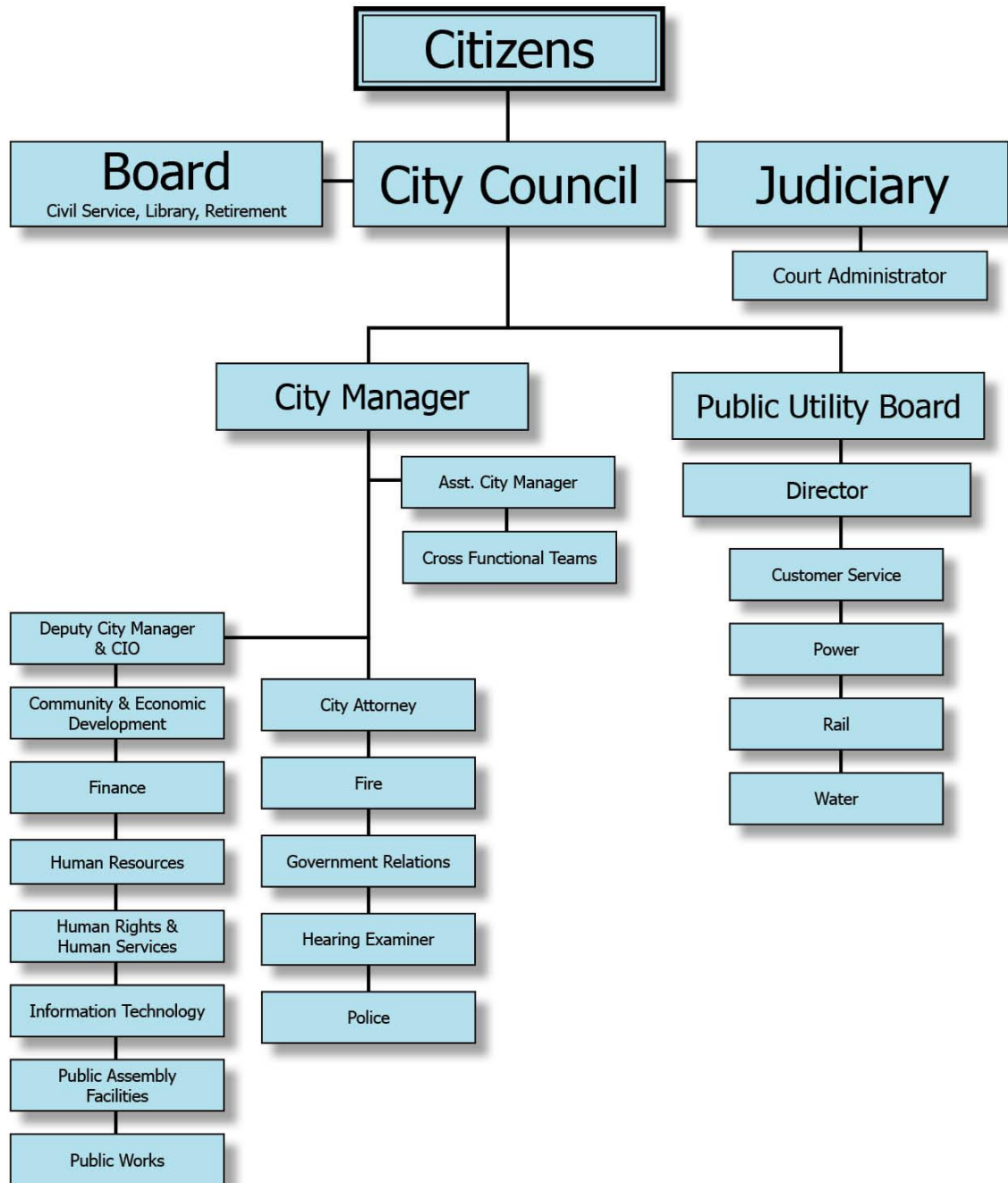
*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

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# 2011 Tacoma City Council



Mayor  
Marilyn Strickland



Deputy Mayor  
Lauren Walker



David  
Boe



Marty  
Campbell



Jake  
Fey



Joe  
Lonergan



Spiro  
Manthou



Ryan  
Mello



Victoria  
Woodards



Interim City Manager  
Rey Arellano

**Finance Department**  
747 Market Street, Room 132  
Tacoma, Washington 98402-3773  
[www.cityoftacoma.org/finance](http://www.cityoftacoma.org/finance)

**City Officials as of December 31, 2011****Council Members**

Marilyn Strickland  
 Lauren Walker  
 David Arthur Boe  
 Marty Campbell  
 Jake Fey  
 Joe Lonergan  
 Spiro Manthou  
 Ryan Mello  
 Victoria Woodards

Mayor  
 Deputy Mayor

**Expiration of Term**

December 31, 2013  
 December 31, 2011  
 December 31, 2011  
 December 31, 2013  
 December 31, 2013  
 December 31, 2013  
 December 31, 2011  
 December 31, 2011  
 December 31, 2013

Interim City Manager  
 Acting Deputy City Manager  
 Director of Finance  
 Interim City Treasurer  
 City Attorney  
 City Clerk  
 Director of Human Rights and Human Services  
 Police Chief  
 Interim Director of Public Assembly Facilities  
 Director of Tacoma Public Library  
 Director of Community and Economic Development Department  
 Hearing Examiner  
 Director of Information Technology  
 Municipal Court Administrator  
 Retirement Systems Director  
 Director of Human Resources  
 Fire Chief  
 Director of Public Works

Rey Arellano  
 Tansy Hayward  
 Robert K. Biles  
 Jerry Trujillo  
 Elizabeth Pauli  
 Doris Sorum  
 Linda Villegas Bremer  
 Don Ramsdell  
 Rob Henson  
 Susan Odencrantz  
 Ryan Petty  
 Rodney Kerslake  
 Michelle Louis-Hodges  
 Yvonne Pettus  
 Monica Butler  
 Joy St. Germain  
 Ron Stephens  
 Dick McKinley

Director of Utilities/CEO  
 Tacoma Power Superintendent  
 Tacoma Water Superintendent  
 Tacoma Rail Superintendent  
 Chief Deputy City Attorney

William A. Gaines  
 Theodore C. Coates  
 Linda McCrea  
 Dale King  
 William Fosbre

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## **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

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## **Washington State Auditor Brian Sonntag**

### **INDEPENDENT AUDITOR'S REPORT**

May 31, 2012

Mayor and City Council  
City of Tacoma  
Tacoma, Washington

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, Pierce County, Washington, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Power, Sewer, and Water funds, which are presented as major funds and represent 83 percent, 87 percent, and 74 percent, respectively, of all the assets, net assets and revenues of the business-type activities. We also did not audit the financial statements of the Solid Waste and Tacoma Rail funds which represent 5 percent, 2 percent and 11 percent, respectively, of the assets, net assets and revenues of the business-type activities, and 9 percent, 3 percent and 22 percent respectively, of the assets, net assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Power, Sewer, Water, Solid Waste, and Tacoma Rail funds is based solely on the reports of 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 of material misstatement. The financial statements of the Power, Sewer, Water, Solid Waste and Tacoma Rail funds were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the 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, Pierce County, Washington, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during the year ended December 31, 2011, the City has implemented the Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions.

In accordance with *Government Auditing Standards*, we will also issue our report dated May 31, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2-3 through 2-12, pension trust fund information on page 4-1 through page 4-2, budgetary comparison information on pages page 4-3 through 4-6 and information on postemployment benefits other than pensions on pages 4-2 through 4-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors 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 the 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.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 5-1 through 5-110 is presented for purposes of additional analysis and is 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.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag", written in a cursive style.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2011. 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 pages 1-1 to 1-4 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- Total assets exceeded the City's liabilities by \$2.5 billion. Of this amount, \$194.4 million were reported as unrestricted net assets; amounts which are available for use to meet the City's on-going obligations to citizens and creditors.
- The City's net assets decreased by \$2.1 million. This decrease is due to a decrease in current assets and an increase of liabilities for Governmental Activities.
- Tacoma Power reported a change in net assets of \$20.6 million, up \$11.5 million from 2010.
- Tacoma Water reported change in net assets of \$11.5 million, up \$6.4 million from 2010.

### 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.

#### **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), the Greater Tacoma Regional Convention Center Public Facilities District (GTRCCPF), and the Foss Waterway Development Authority (FWDA.)

The Statement of Net Assets includes information on all the assets and liabilities of the City of Tacoma's general government as well as its business-type activities. The difference between the assets and liabilities is reported as net assets. Over time, increases and decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

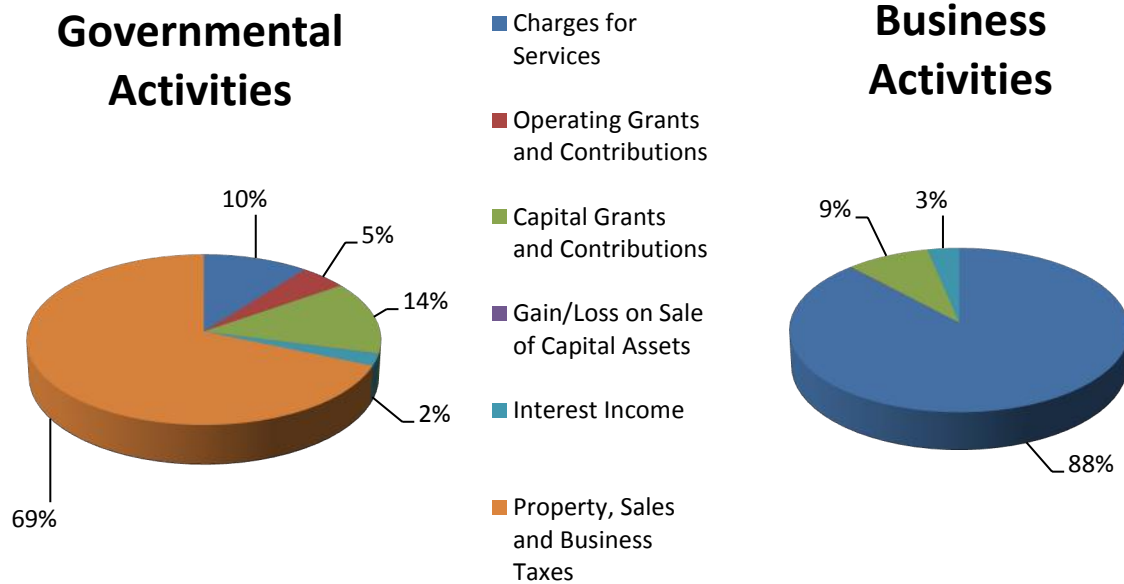


Figure 1. Comparison of Governmental and Business Activity Revenues

Both the Statement of Net Assets 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, public works, economic environment/development, and culture and recreation and 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.

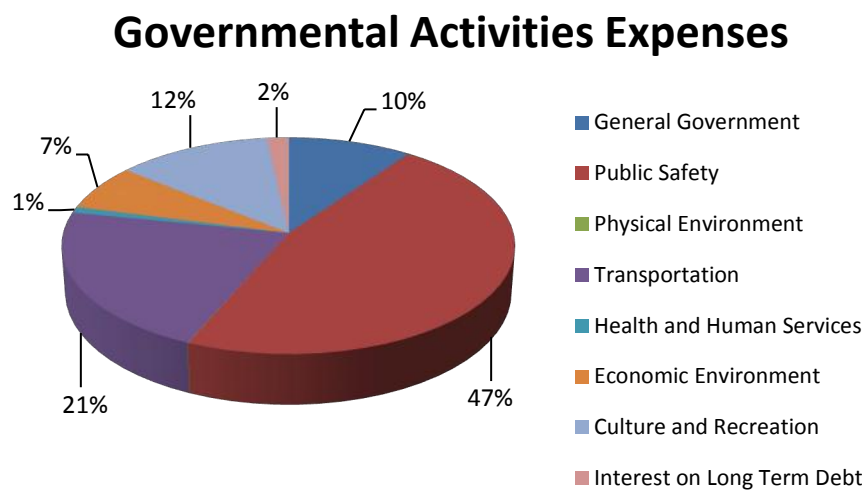


Figure 2. Governmental Activities Expenses

## Business Activities Expenses

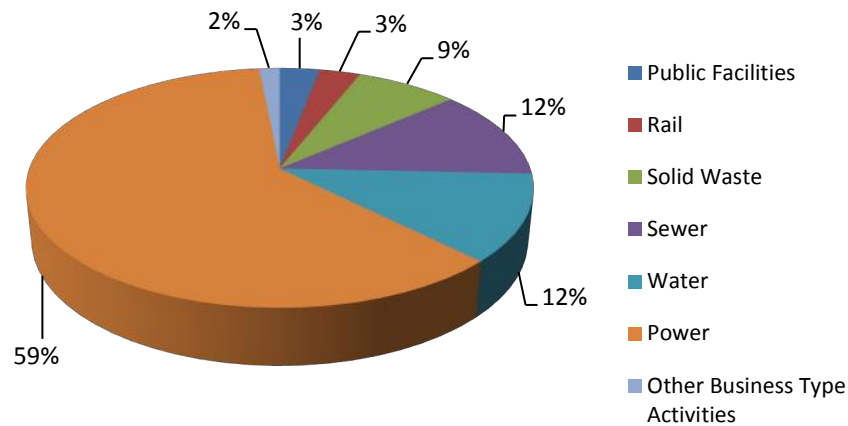


Figure 3. Business Activities Expenses

### 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, liabilities, 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.

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. Enterprise funds account for various utilities which provide services such as power, water, sewer, 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 3-24 to 3-80 of this report.

**Required Supplementary 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 4-6 of this report.

**Combining Statements – Non-Major funds**

The combining statements referred to earlier in connection with Non-Major governmental funds, internal service funds, and fiduciary funds can be found on pages 5-1 to 5-107 of this report.

**Statistical Section**

This 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 6-36 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve as a useful indicator of a government's financial position. The City's total assets exceeded liabilities by \$2.5 billion at December 31, 2011. 84% of the total net assets reflect the City's investment in capital, less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; thus, they do not represent resources available for future spending. 8% of the City's net assets are unrestricted, meaning they are available for meeting the City's ongoing obligations. The remaining 8% of the net assets are restricted for other purposes such as debt redemption and new capital construction. General government net assets represent 29.1% of the total and business-type net assets represent 70.9% of the total.



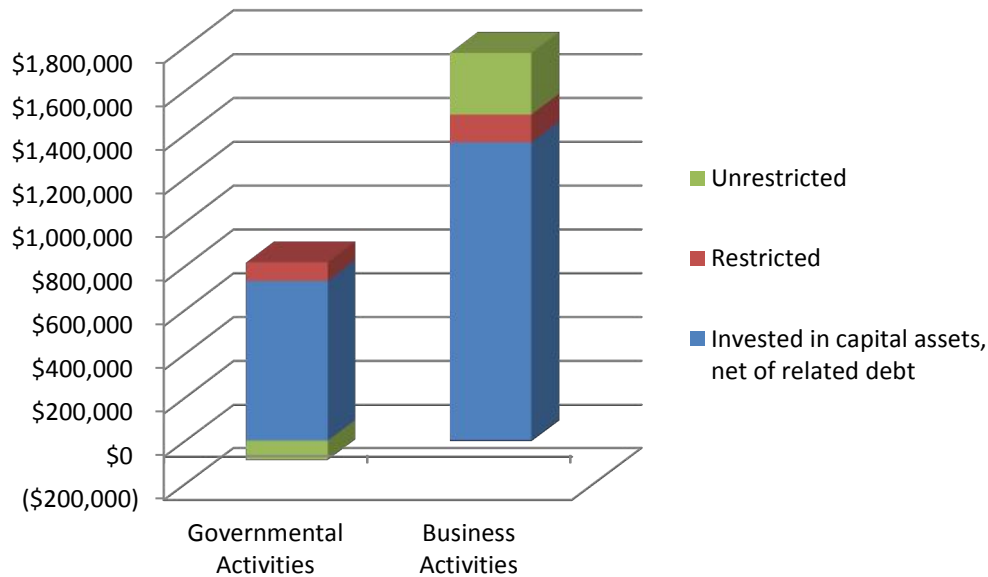


Figure 4. Comparison of Net Assets, By Activity Type (Amounts expressed in thousands)

**Statement of Net Assets**  
December 31, 2010 and 2011

(Amounts expressed in thousands)

	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 231,100	\$ 275,416	\$ 1,049,161	\$ 1,121,332	\$ 1,280,261	\$ 1,396,748
Capital assets	835,356	835,884	2,405,670	2,299,468	3,241,026	3,135,352
Total assets	1,066,456	1,111,300	3,454,831	3,420,800	4,521,287	4,532,100
Current and other liabilities	102,866	81,963	267,178	266,702	370,044	348,665
Long-term liabilities outstanding	234,232	218,111	1,413,289	1,459,519	1,647,521	1,677,630
Total liabilities	337,098	300,074	1,680,467	1,726,221	2,017,565	2,026,295
Net Assets:						
Invested in capital assets, net of related debt	732,174	729,601	1,365,324	1,355,118	2,097,498	2,084,719
Restricted	84,842	36,943	126,952	93,429	211,794	130,372
Unrestricted	(87,658)	44,682	282,088	246,032	194,430	290,714
Total net assets	\$ 729,358	\$ 811,226	\$ 1,774,364	\$ 1,694,579	\$ 2,503,722	\$ 2,505,805

Table 1. Summary Statement of Net Assets

The City's net assets decreased \$2.1 million. This decrease is due to a decrease in the current assets and an increase in liabilities for Governmental Activities.

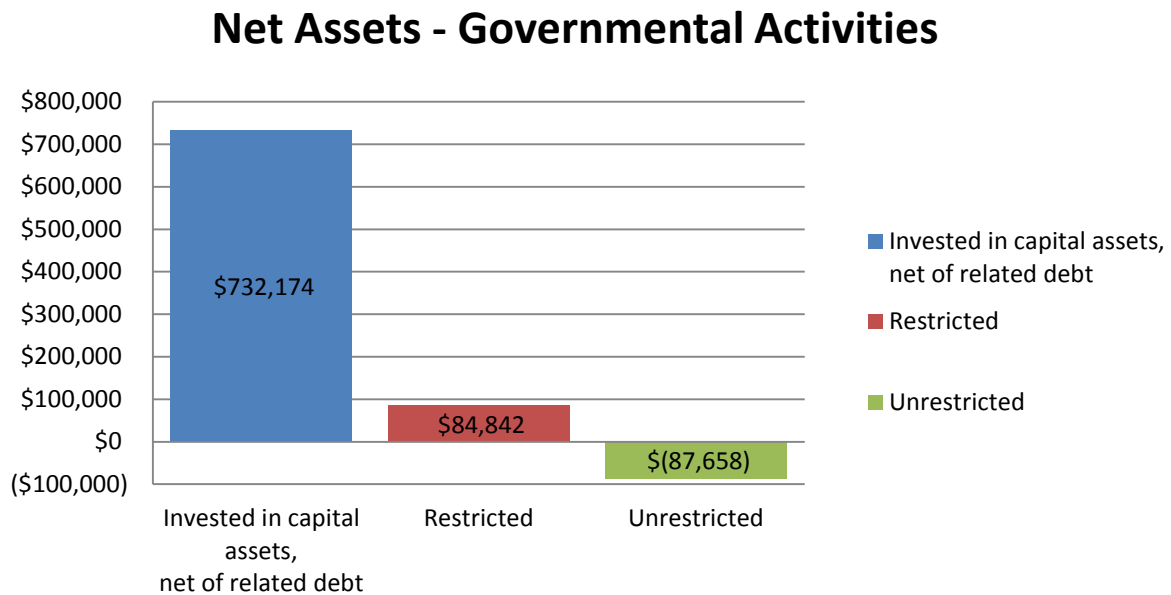


Figure 5. Composition of Net Assets--Governmental Activities (Amounts expressed in thousands)

**Changes in Net Assets**  
**For the years ended December 31, 2010 and 2011**

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues						
Charges for services	\$ 29,251	\$ 36,132	\$ 623,110	\$ 612,405	\$ 652,361	\$ 648,537
Operating grants and contributions	13,138	22,276	601	2,007	13,739	24,283
Capital grants and contributions	38,445	13,996	61,585	32,102	100,030	46,098
General revenues						
Property taxes	60,733	61,900	-	-	60,733	61,900
Other taxes	129,672	126,036	-	-	129,672	126,036
Other	5,949	2,259	23,324	13,837	29,273	16,096
Total revenue	277,188	262,599	708,620	660,351	985,808	922,950
Expenditures						
General government	34,732	28,806	-	-	34,732	28,806
Public safety	163,575	157,488	-	-	163,575	157,488
Physical environment	102	-	-	-	102	-
Transportation	75,692	19,609	-	-	75,692	19,609
Health and human services	3,129	2,513	-	-	3,129	2,513
Economic development	24,023	28,602	-	-	24,023	28,602
Culture and recreation	43,460	21,777	-	-	43,460	21,777
Interest on long-term debt	6,121	8,186	-	-	6,121	8,186
Public assembly facilities	-	-	17,966	18,764	17,966	18,764
Rail	-	-	22,089	19,162	22,089	19,162
Solid waste	-	-	54,518	47,746	54,518	47,746
Sewer	-	-	79,390	75,758	79,390	75,758
Water	-	-	76,161	73,866	76,161	73,866
Power	-	-	372,192	383,346	372,192	383,346
Other business-type funds	-	-	12,803	9,769	12,803	9,769
Total expenses	350,834	266,981	635,119	628,411	985,953	895,392
Increase/(Decrease) in net assets before transfers	(73,646)	(4,382)	73,501	31,940	(145)	27,558
Transfers	(6,320)	(6,021)	6,320	6,021	-	-
Increase/(Decrease) in net assets	(79,966)	(10,403)	79,821	37,961	(145)	27,558
Net assets--January 1	811,226	778,698	1,694,579	1,657,694	2,505,805	2,436,392
Prior Period Adjustments	(1,902)	30,082	(36)	(1,076)	(1,938)	29,006
Change in accounting principle	-	12,849	-	-	-	12,849
Net assets--January 1	809,324	821,629	1,694,543	1,656,618	2,503,867	2,465,398
Net assets--December 31	\$ 729,358	\$ 811,226	\$ 1,774,364	\$ 1,694,579	\$ 2,503,722	\$ 2,505,805

Table 2. Changes in Net Assets

The governmental activities net assets decreased by \$81.9 million in 2011 due to a decrease in assets of \$44.9 million and an increase of \$37.0 million in liabilities.

Business activities net assets increased by \$79.8 million in 2011, which is \$42.9 million higher than 2010. This is a result of an increase in assets of \$34.0 million and a decrease in liabilities of \$45.8 million.

Information on significant outstanding claims can be found in Note 9.

## Financial Analysis of the City's Fund Statements

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

### Governmental Fund Statements

Fund balance for the City's General Fund decreased by \$5.9 million in 2011. The fund balance for the Street fund, a new major fund in 2011, decreased by \$2.9 million in 2011. The fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, decreased by \$30.2 million. The General Fund's balance decreased due to movement of traffic revenues to a new Traffic Enforcement Special Revenue fund. The Street Fund's balance decreased due to an increase in liabilities. The Non-Major governmental funds fund balance decreased from a decrease in assets.

### Proprietary Fund Statements

The total net assets for enterprise funds' increased by \$78.8 million in 2011. The Power, Water, Solid Waste and Sewer utilities make up the majority of the proprietary funds. Activity in these utilities was the primary driver for the change in the net assets. The Water fund had a significant increase in their net assets due to bonds issued for a new water treatment plant.

The internal service funds' net assets decreased by \$22.9 million in 2011. This is the result of increased liabilities of \$17.9 million and a decrease of \$5.0 million in assets.

## General Fund Budgetary Highlights

In 2011, the City made budgetary adjustments as part of the 2011-2012 Mid-Biennium Budget Amendment. Budget revisions included \$401 thousand for 2009-2010 outstanding contract obligations. The City's budget is a two year biennium budget which begins every odd year.

## Capital Assets, Infrastructure, Bond Debt Administration

### Capital Assets

The City of Tacoma's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities as of December 31, 2011, is \$3.2 billion. This investment in capital assets includes land, construction in process, property, plant and equipment, infrastructure, works of art, as well as library materials. The vast majority of this amount represents assets held by the City's various utilities and infrastructure.

The following table summarizes the City's investment in capital assets.

#### City of Tacoma, Washington Schedule of Capital Assets

	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 28,656	\$ 26,081	\$ 141,475	\$ 140,582	\$ 170,131	\$ 166,663
Parks	85	85	-	-	85	85
Construction in progress	124,562	103,411	83,809	103,996	208,371	207,407
Property, plant and equipment	207,342	202,444	3,458,235	3,252,445	3,665,577	3,454,889
Infrastructure	1,190,680	1,179,444	-	-	1,190,680	1,179,444
Works of art	1,829	1,829	-	-	1,829	1,829
Library materials	19,325	19,215	-	-	19,325	19,215
Less accumulated depreciation	(737,127)	(696,625)	(1,277,849)	(1,197,555)	(2,014,976)	(1,894,180)
Other Non-Current Assets	-	-	-	-	-	-
	<u>\$ 835,352</u>	<u>\$ 835,884</u>	<u>\$ 2,405,670</u>	<u>\$ 2,299,468</u>	<u>\$ 3,241,022</u>	<u>\$ 3,135,352</u>

Table 3. Schedule of Capital Assets

Additional information on the City's capital assets can be found in Notes 1-D5 and 4-C of the Notes to the Financial Statements.

### **Outstanding Debt**

The City's debt at December 31, 2011 was \$1.7 billion. Approximately 84% of the bonded debt is related to utilities with repayment pledged by specific revenue sources generated by the utilities. Of the remaining 16% bonded debt, debt is either secured by voter approved special levies or general government resources. Additional information on the City of Tacoma's long-term debt can be found in Note 4-F and Note 12 of the Notes to the Financial Statements.

#### **City of Tacoma, Washington Schedule of Long Term Debt**

(Amounts expressed in thousands)

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Bonded debt and loans	\$ 186,903	\$ 176,845	\$ 1,373,939	\$ 1,419,737	\$ 1,560,842	\$ 1,596,582
Capital leases	1,251	1,876	36,576	37,287	37,827	39,163
Claims and judgments	51,502	31,241	1,950	1,511	53,452	32,752
Accrued landfill liability	-	-	29,412	31,368	29,412	31,368
Net Pension Obligation	160	(3,816)	-	-	160	(3,816)
Other Post Employment Benefits	27,408	19,885	8,987	6,479	36,395	26,364
Compensated absences	15,514	16,111	17,023	17,275	32,537	33,386
	<u>\$ 282,738</u>	<u>\$ 242,142</u>	<u>\$ 1,467,887</u>	<u>\$ 1,513,657</u>	<u>\$ 1,750,625</u>	<u>\$ 1,755,799</u>

Table 4. Schedule of Long Term Debt

The City's debt rating for 2011 is as follows:

	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
GO	As2	AA	AA+
LTGO	Aa3	AA	AA
Solid Waste	A2	AA	AA-
Sewer	Aa2	AA+	AA+
Water	Aa2	AA	--
RWSS	Aa2	AA	--
Power	Aa3	AA	AA-
Convention Center Revenue	A2	A	A+

## **Economic Factors**

From 2002 until the fourth quarter 2008, the City benefitted from modest positive job growth and home sales. In the fourth quarter of 2008, the recession began affecting the Puget Sound area. During the course of the 2009-10 biennium, the City reduced its revenue estimates by nearly 10%. At the end of the first quarter of 2010, sales tax and other economically sensitive revenues stopped falling and began to grow. Sales tax collections for 2010 exceeded 2009 collections by 3.4% with growth in the last six months exceeding the same time period for 2009 by over 6%. The 2011-12 budget revenue projections assume moderate growth in the local economy. Economic indicators and actual revenue collections will be reviewed each quarter of the biennium along with appropriate actions, if any, which may be needed to maintain a balanced 2011-12 budget.

## **Other Considerations**

In response to the slowing economy, the City has taken steps to reduce the discretionary spending, but revenue growth is limited by several citizen initiatives that limit the growth of property tax collections, and a significant decrease in the sales of homes and new vehicles.

## **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.

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STATEMENT OF NET ASSETS  
December 31, 2011  
(amounts expressed in thousands)  
Page 1 of 2

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 155,971	\$ 434,674	\$ 590,645
Investments at fair value	2,440	-	2,440
Receivables (net of allowance for uncollectibles)	48,302	83,606	131,908
Due from other governmental units	4,567	1,155	5,722
Internal balances	13,084	(13,084)	-
Inventories	3,615	11,255	14,870
Prepays	2,203	5,386	7,589
Other current assets	921	1,754	2,675
Temporarily restricted assets:			
Cash and cash equivalents	-	441,404	441,404
Investments at fair value	-	1,021	1,021
Notes and contracts receivable	-	1,531	1,531
Customer Deposits	-	54	54
Contracts, notes, non-current leases	-	39,739	39,739
Capital assets (not being depreciated):			
Land	28,656	141,475	170,131
Works of art	1,829	-	1,829
Construction in progress	124,562	83,809	208,371
Capital assets:			
Parks	85	-	85
Property, plant, and equipment	197,232	3,458,235	3,655,467
Infrastructure	1,190,680	-	1,190,680
Intangibles	10,110	-	10,110
Library materials	19,325	-	19,325
Accumulated depreciation	(737,127)	(1,277,849)	(2,014,976)
Non-current assets			
Other non-current assets	-	40,666	40,666
Total assets	<u>1,066,455</u>	<u>3,454,831</u>	<u>4,521,286</u>
<b>LIABILITIES</b>			
Accounts payable and			
other current liabilities	36,304	74,308	110,612
Deposits payable	58	680	738
Due to other governments	199	506	705
Unearned revenue	17,798	118,303	136,101
Payable from restricted assets			
current liabilities	-	3,923	3,923
Other liabilities	-	14,860	14,860
Non-current liabilities:			
Due within one year	48,506	54,598	103,104
Due in more than one year	234,232	1,413,289	1,647,521
Total liabilities	<u>337,097</u>	<u>1,680,467</u>	<u>2,017,564</u>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	732,174	1,365,324	2,097,498
Restricted for:			
Capital purposes	54,243	53,300	107,543
Debt service	1,460	37,264	38,724
Housing urban development	-	-	-
Water & assurance & system development	-	23,114	23,114
Other purposes	29,139	13,274	42,413
Unrestricted	(87,658)	282,088	194,430
Total net assets	<u>\$ 729,358</u>	<u>\$ 1,774,364</u>	<u>\$ 2,503,722</u>



Page 2 of 2

COMPONENT UNITS		
TCRA	GTRCC PFD	FWDA
\$ 2,301	\$ 384	\$ 801
-	-	-
688	-	271
1,995	206	56
-	-	-
-	-	-
12	-	35
-	-	-
-	-	-
-	-	-
46,822	-	-
-	-	-
-	-	-
434	-	8,408
-	-	-
-	-	768
-	-	1,445
2,723	-	16,598
-	-	80
7	-	-
-	-	-
-	-	(2,312)
-	-	-
<u>54,982</u>	<u>590</u>	<u>26,150</u>
1,393	-	58
-	-	30
-	590	74
-	-	26
-	-	-
-	-	5
423	-	47
<u>3,313</u>	<u>-</u>	<u>4,350</u>
<u>5,129</u>	<u>590</u>	<u>4,590</u>
3,164	-	20,598
-	-	-
-	-	-
46,689	-	-
-	-	-
-	-	-
-	-	962
<u>\$ 49,853</u>	<u>\$ -</u>	<u>\$ 21,560</u>

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2011  
(amounts expressed in thousands)  
Page 1 of 2

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANT & CONTRIBUTIONS
Primary government:				
Governmental activities:				
General government	\$ 34,732	\$ 8,780	\$ 290	\$ 669
Public safety	163,575	8,133	3,746	505
Physical environment	102	82	-	-
Transportation	75,692	8,959	465	37,237
Health and human services	3,129	761	-	-
Economic environment	24,023	1,111	5,733	34
Culture and recreation	43,460	415	2,904	-
Interest on long-term debt	6,121	1,010	-	-
Total governmental activities	<u>350,834</u>	<u>29,251</u>	<u>13,138</u>	<u>38,445</u>
Business-type activities:				
Airport	-	-	-	-
Permit Services	6,967	4,945	-	6
Mountain Rail	3,049	2,599	354	-
Parking Garage	5,831	4,918	-	1,664
Convention Center	10,159	4,782	-	-
Baseball Park	516	705	-	30,745
Tacoma Dome	6,146	4,865	-	512
Performing Arts	1,145	4	-	-
Solid Waste	54,518	57,781	247	-
Waste Water	79,390	78,318	-	3,940
Union Station	5	-	-	-
Tacoma Rail	19,040	20,565	-	3,171
Water	76,161	70,235	-	9,251
Power	371,829	373,962	-	10,443
Low income Assistance	-	(573)	-	-
Power - Conservation	363	4	-	1,853
Total business-type activities	<u>635,119</u>	<u>623,110</u>	<u>601</u>	<u>61,585</u>
Total primary government	<u>985,953</u>	<u>652,361</u>	<u>13,739</u>	<u>100,030</u>
Component units:				
TCRA	2,992	-	3,945	-
GRTCC PDF	2,587	-	-	-
FWDA	1,581	534	117	746
Total component units	<u>\$ 7,160</u>	<u>\$ 534</u>	<u>\$ 4,062</u>	<u>\$ 746</u>

General revenues:  
  Property taxes  
  Sales taxes  
  Business taxes  
Unrestricted investment earnings  
Gain on sale of capital assets  
Transfers  
Total general revenues and transfers  
Change in net assets  
Net assets beginning  
Prior period adjustment  
Net assets beginning (restated)  
Net assets ending

CHANGES IN NET ASSETS					
PRIMARY GOVERNMENT			COMPONENT UNITS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TCRA	GTRCC PFD	FWDA
\$ (24,993)	\$ -	\$ (24,993)	\$ -	\$ -	\$ -
(151,191)	-	(151,191)	-	-	-
(20)	-	(20)	-	-	-
(29,031)	-	(29,031)	-	-	-
(2,368)	-	(2,368)	-	-	-
(17,145)	-	(17,145)	-	-	-
(40,141)	-	(40,141)	-	-	-
(5,111)	-	(5,111)	-	-	-
(270,000)	-	(270,000)	-	-	-
	(2,016)	(2,016)	-	-	-
-	(96)	(96)	-	-	-
-	751	751	-	-	-
-	(5,377)	(5,377)	-	-	-
-	30,934	30,934	-	-	-
-	(769)	(769)	-	-	-
-	(1,141)	(1,141)	-	-	-
-	3,510	3,510	-	-	-
-	2,868	2,868	-	-	-
-	(5)	(5)	-	-	-
-	4,696	4,696	-	-	-
-	3,325	3,325	-	-	-
-	12,576	12,576	-	-	-
-	(573)	(573)	-	-	-
-	1,494	1,494	-	-	-
-	50,177	50,177	-	-	-
(270,000)	50,177	(219,823)	-	-	-
-	-	-	953	-	-
-	-	-	-	(2,587)	-
-	-	-	-	-	(184)
\$ -	\$ -	\$ -	\$ 953	\$ (2,587)	\$ (184)
\$ 60,733	\$ -	\$ 60,733	\$ -	\$ -	\$ -
42,643	-	42,643	-	2,571	-
87,029	-	87,029	-	-	-
6,133	23,408	29,541	29	16	9
(184)	(84)	(268)	-	-	-
(6,320)	6,320	-	-	-	-
190,034	29,644	219,678	29	2,587	9
(79,966)	79,821	(145)	982	-	(175)
811,226	1,694,579	2,505,805	48,672	-	21,526
(1,902)	(36)	(1,938)	199	-	209
809,324	1,694,543	2,503,867	48,871	-	21,735
\$ 729,358	\$ 1,774,364	\$ 2,503,722	\$ 49,853	\$ -	\$ 21,560

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011  
(amounts expressed in thousands)

	GENERAL FUND # 0010	STREET FUND # 1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,075	\$ 4,950	\$ 94,499	\$ 107,524
Investments at fair value	-	-	2,440	2,440
Accounts receivable (net of allowances)	24,488	7,787	7,207	39,482
Due from other funds	2,392	834	1,074	4,300
Due from other governmental units	4,240	-	76	4,316
Prepaid expenditures	316	351	-	667
Inventory	1,008	1,828	75	2,911
Other current assets	-	-	918	918
Advances to other funds	12,181	-	4,319	16,500
<b>TOTAL ASSETS</b>	<b>\$ 52,700</b>	<b>\$ 15,750</b>	<b>\$ 110,608</b>	<b>\$ 179,058</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	\$ 1,816	\$ 4,741	\$ 2,640	\$ 9,197
Accrued wages and benefits payable	4,803	749	493	6,045
Deposits payable	-	6	52	58
Accrued taxes payable	61	-	21	82
Due to other funds	1,354	410	2,692	4,456
Due to other governmental units	190	-	9	199
Deferred revenue	8,811	5,511	4,796	19,118
Advances from other funds	-	-	5,764	5,764
Other current liabilities	813	34	-	847
<b>Total liabilities</b>	<b>17,848</b>	<b>11,451</b>	<b>16,467</b>	<b>45,766</b>
<b>Fund balance</b>				
Nonspendable	17,361	1,828	92	19,281
Restricted	2	8,313	76,878	85,193
Committed	-	-	18,928	18,928
Committed - Council Contingencies	1,117	-	-	1,117
Assigned	2,133	30,448	5,813	38,394
Unassigned	14,239	(36,290)	(7,570)	(29,621)
<b>Total fund balance (deficits)</b>	<b>34,852</b>	<b>4,299</b>	<b>94,141</b>	<b>133,292</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 52,700</b>	<b>\$ 15,750</b>	<b>\$ 110,608</b>	<b>\$ 179,058</b>

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEETS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS  
December 31, 2011  
(amounts expressed in thousands)

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 133,292
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds balance sheet.	798,373
Internal service funds are used by management to charge the cost of various support services such as information systems, graphic services, communication, fleet and others activities to individual funds. The assets and liabilities of the Internal service funds are included in the government activities in the statement of net assets.	16,394
Certain taxes will be collected after year-end and will not be available to pay for current year expenditures and are reported as deferred revenue.	4,366
Long Term Liabilities are not reported in the governmental funds balance sheet.	(515)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.	(227,327)
Net Pension Obligation (NPO) is reported as a liability in the governmental activities and is not considered to represent a financial liability, therefore, it is not reported in the governmental funds balance sheet.	(160)
Street Fund audit adjustments not material to the government-wide statements.	<u>4,935</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 729,358</u>

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	GENERAL FUND #0010	STREET FUND #1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 172,989	\$ 17	\$ 17,356	\$ 190,362
Licenses and permits	3,242	151	146	3,539
Intergovernmental revenue	8,775	37,809	14,792	61,376
Charges for services	1,196	2,606	5,710	9,512
Fines and forfeitures	724	-	2,888	3,612
Investment earnings	1,079	171	3,407	4,657
Miscellaneous revenues	1,060	293	3,029	4,382
TOTAL REVENUES	<u>189,065</u>	<u>41,047</u>	<u>47,328</u>	<u>277,440</u>
EXPENDITURES				
Current:				
General government	21,645	-	3,471	25,116
Security of persons & property	128,370	-	16,579	144,949
Transportation	-	22,790	10,735	33,525
Economic environment	13,694	-	8,198	21,892
Mental and physical health	1,354	-	755	2,109
Culture and recreation	12,845	-	421	13,266
Capital outlay	2,033	49,048	20,779	71,860
Debt service:				
Principal retirement	-	-	5,924	5,924
Interest and fiscal charges	13	-	6,486	6,499
TOTAL EXPENDITURES	<u>179,954</u>	<u>71,838</u>	<u>73,348</u>	<u>325,140</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,111</u>	<u>(30,791)</u>	<u>(26,020)</u>	<u>(47,700)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	(91)	(91)
Transfer in	1,286	13,107	10,133	24,526
Transfer (out)	(16,373)	(247)	(15,799)	(32,419)
Issuance of debt	-	14,986	1,553	16,539
TOTAL OTHER FINANCE SOURCES(USES)	<u>(15,087)</u>	<u>27,846</u>	<u>(4,204)</u>	<u>8,555</u>
NET CHANGE IN FUND BALANCE	(5,976)	(2,945)	(30,224)	(39,145)
FUND BALANCE - JANUARY 1	41,146	10,194	124,097	175,437
Prior period adjustment	(318)	(2,950)	268	(3,000)
FUND BALANCE - JANUARY 1, RESTATED	<u>40,828</u>	<u>7,244</u>	<u>124,365</u>	<u>172,437</u>
FUND BALANCE - DECEMBER 31	<u>\$ 34,852</u>	<u>\$ 4,299</u>	<u>\$ 94,141</u>	<u>\$ 133,292</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2011  
(amounts expressed in thousands)

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (39,145)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures in the year purchased. The entity wide statement of activities reports capital outlay as depreciation expense over the life of the asset. This is the amount by which capital outlays exceeded depreciation in the current period.	3,802
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	41
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:	
Net OPEB obligation	(7,523)
Net pension obligation	(3,976)
Compensated absences	590
Reversal of PY courts accrual	(3,572)
Accrued Interest Expense	378
The net revenue of certain activities of internal service funds is reported with governmental activities:	
Profit Loss reallocation that decrease expenditure	(22,057)
Debt proceeds provide current financial resources to governmental funds but issuing debt increases non-current liabilities in the statement of net assets. Repayment of non-current debt is an expenditure in the governmental funds but on the statement of net assets it reduces the liability:	
Bond Issuance Cost/Discount Amortization	(16,413)
Principal repayment	5,924
Street Fund audit adjustments not material to the government-wide statements.	1,985
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>(79,966)</u>

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2011  
 (amounts expressed in thousands)  
 Page 1 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 95,742	\$ 18,958	\$ 251,780
Accounts receivable - net of allowance for uncollectibles	9,595	9,623	50,979
Due from other funds	126	68	1,055
Due from other governmental units	723	-	-
Inventory	1,025	2,504	6,671
Prepaid expenses	100	250	2,968
Other current assets	-	-	1,626
Restricted assets:			
Cash for construction	28,534	125,331	109,884
Cash for debt service	8,142	3,092	42,185
Cash for other special purposes	135	84,118	19,503
Investments for other special purposes	-	-	-
Notes, contracts, leases receivable --current	-	1,531	-
Customer deposits	-	-	-
Total restricted assets	<u>36,811</u>	<u>214,072</u>	<u>171,572</u>
Total current assets	<u>144,122</u>	<u>245,475</u>	<u>486,651</u>
Non-current assets:			
Notes, contracts, leases receivable --non-current	-	-	-
Advances to other funds	-	-	-
Other non-current assets	4,258	7,919	25,927
Capital assets:			
Land	10,116	20,703	71,119
Property, plant, and equipment	606,401	773,749	1,559,372
Less: accumulated depreciation	(181,243)	(149,178)	(734,811)
Construction work in progress	14,575	16,427	49,472
Total capital assets net of depreciation	<u>449,849</u>	<u>661,701</u>	<u>945,152</u>
Total non-current assets	<u>454,107</u>	<u>669,620</u>	<u>971,079</u>
<b>TOTAL ASSETS</b>	<u>\$ 598,229</u>	<u>\$ 915,095</u>	<u>\$ 1,457,730</u>



STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2011  
 (amounts expressed in thousands)  
 Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 4,288	\$ 3,802	\$ 13,721
Accrued wages and benefits payable	993	1,020	4,204
Accrued taxes payable	597	1,175	18,937
Accrued interest payable	301	1,838	14,592
Deposits payable	-	270	-
Environmental liability -- current	716	-	-
Notes, contracts & leases payable --current	4,027	2,631	-
Revenue bonds--current portion	2,338	6,620	27,290
Due to other funds	1,089	820	1,149
Due to the governmental units	506	-	-
Deferred revenue	22,668	46,132	40,576
Other current liabilities	-	-	-
Liabilities payable from restricted assets:			
Revenue bonds--current portion	212	-	-
Bond interest payable	412	-	-
Deposits payable	135	-	2,970
Total current liabilities	<u>38,282</u>	<u>64,308</u>	<u>123,439</u>
Non-current liabilities:			
Environmental liability -- non-current	900	-	-
Notes, contracts & leases payable --non-current	91,386	49,631	-
Revenue bonds--non-current portion	100,783	368,113	555,505
Accrued employee leave benefits	1,903	2,201	8,422
Advances from other funds	-	-	-
Incurred by not reported	-	-	-
Net OPEB obligation	1,353	1,654	4,978
Other --non-current liabilities	-	-	-
Liabilities payable from restricted assets:			
Accrued landfill liability	-	-	-
Total non-current liabilities	<u>196,325</u>	<u>421,599</u>	<u>568,905</u>
<b>TOTAL LIABILITIES</b>	<u>234,607</u>	<u>485,907</u>	<u>692,344</u>
<b>NET ASSETS</b>			
Investment in capital assets net of related debt	325,084	382,444	501,854
Restricted:			
Restricted for capital purchases	-	360	-
Restricted for debt	7,517	1,253	27,593
Restricted for waste assurance and systems development	-	23,114	-
Restricted for other purposes	-	-	2,446
Unrestricted	31,021	22,017	233,493
<b>TOTAL NET ASSETS</b>	<u>\$ 363,622</u>	<u>\$ 429,188</u>	<u>\$ 765,386</u>

## STATEMENT OF NET ASSETS

## PROPRIETARY FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 3 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 40,503	\$ 406,983	\$ 76,138
Accounts receivable - net of allowance for uncollectibles	13,349	83,546	616
Due from other funds	720	1,969	3,149
Due from other governmental units	421	1,144	251
Inventory	530	10,730	1,229
Prepaid expenses	2,068	5,386	1,887
Other current assets	128	1,754	-
Restricted assets:			
Cash for construction	9,385	273,134	-
Cash for debt service	2,938	56,357	-
Cash for other special purposes	8,157	111,913	-
Investments for other special purposes	1,021	1,021	-
Notes, contracts, leases receivable --current	-	1,531	-
Customer deposits	54	54	-
Total restricted assets	21,555	444,010	-
Total current assets	79,274	955,522	83,270
Non-current assets:			
Notes, contracts, leases receivable --non-current	39,739	39,739	-
Advances to other funds	-	-	1,219
Other non-current assets	2,562	40,666	-
Capital assets:			
Land	39,537	141,475	357
Property, plant, and equipment	464,854	3,404,376	155,576
Less: accumulated depreciation	(177,817)	(1,243,049)	(103,803)
Construction work in progress	2,763	83,237	4,484
Total capital assets net of depreciation	329,337	2,386,039	56,614
Total non-current assets	371,638	2,466,444	57,833
TOTAL ASSETS	\$ 450,912	\$ 3,421,966	\$ 141,103

## STATEMENT OF NET ASSETS

## PROPRIETARY FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 4 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 4,542	\$ 26,353	\$ 10,071
Accrued wages and benefits payable	1,628	7,845	995
Accrued taxes payable	904	21,613	92
Accrued interest payable	792	17,523	55
Deposits payable	410	680	-
Environmental liability -- current	334	1,050	-
Notes, contracts & leases payable --current	205	6,863	1,070
Revenue bonds--current portion	5,585	41,833	-
Due to other funds	1,337	4,395	556
Due to the governmental units	-	506	-
Deferred revenue	8,927	118,303	69
Other current liabilities	612	612	52,749
Liabilities payable from restricted assets:			
Revenue bonds--current portion	196	408	-
Bond interest payable	284	696	-
Deposits payable	122	3,227	-
Total current liabilities	<u>25,878</u>	<u>251,907</u>	<u>65,657</u>
Non-current liabilities:			
Environmental liability -- non-current	26,955	27,855	-
Notes, contracts & leases payable --non-current	8,877	149,894	969
Revenue bonds--non-current portion	187,118	1,211,519	-
Accrued employee leave benefits	2,370	14,896	1,653
Advances from other funds	10,593	10,593	1,362
Incurred by not reported	-	-	9,702
Net OPEB obligation	1,002	8,987	-
Other --non-current liabilities	14,860	14,860	-
Liabilities payable from restricted assets:			
Accrued landfill liability	2,457	2,457	-
Total non-current liabilities	<u>254,232</u>	<u>1,441,061</u>	<u>13,686</u>
<b>TOTAL LIABILITIES</b>	<u><b>280,110</b></u>	<u><b>1,692,968</b></u>	<u><b>79,343</b></u>
<b>NET ASSETS</b>			
Investment in capital assets net of related debt	136,310	1,345,692	56,615
Restricted:			
Restricted for capital purchases	28,641	29,001	24,299
Restricted for debt	901	37,264	-
Restricted for waste assurance and systems development	-	23,114	-
Restricted for other purposes	8,249	10,695	2,579
Unrestricted	(3,299)	283,232	(21,733)
<b>TOTAL NET ASSETS</b>	<u><b>\$ 170,802</b></u>	<u><b>\$ 1,728,998</b></u>	<u><b>\$ 61,760</b></u>

RECONCILIATION OF TOTAL ENTERPRISE NET ASSTS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
December 31, 2011  
(amounts expressed in thousands)

NET ASSETS - TOTAL ENTERPRISE FUNDS	\$ 1,728,998
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Amounts reported for business activities in the statement of net assets are different because:

Internal service fund 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 assets.

45,366

NET ASSETS OF BUSINESS ACTIVITIES	\$ <u>1,774,364</u>
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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

Page 1 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
OPERATING REVENUES			
Charges for services	\$ 75,879	\$ 65,404	\$ 364,324
Premiums/Contributions	-	-	-
Miscellaneous	621	-	-
TOTAL OPERATING REVENUES	<u>76,500</u>	<u>65,404</u>	<u>364,324</u>
OPERATING EXPENSES			
Personnel, salaries & wages	26,835	19,888	93,787
Supplies, services and charges	23,431	12,933	153,622
Health benefit payments	-	-	-
Depreciation	12,183	14,390	56,556
Taxes	7,720	8,039	40,675
TOTAL OPERATION EXPENSES	<u>70,169</u>	<u>55,250</u>	<u>344,640</u>
OPERATING INCOME (LOSS)	<u>6,331</u>	<u>10,154</u>	<u>19,684</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	4,017	8,119	8,445
Interest expense and fiscal charges	(8,176)	(19,998)	(22,053)
Amortization of bond discount & expense	(90)	2	(217)
Contribution to project need	-	-	(450)
Operating grant	-	-	-
Gain(loss) of disposition of property	-	-	-
Miscellaneous	884	3,994	5,181
NON OPERATING REVENUE NET OF EXPENSE	<u>(3,365)</u>	<u>(7,883)</u>	<u>(9,094)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>2,966</u>	<u>2,271</u>	<u>10,590</u>
Capital contributions	3,940	9,251	10,268
Transfer in	1,061	-	-
Transfer (out)	-	(29)	(208)
CHANGES IN NET ASSETS	<u>7,967</u>	<u>11,493</u>	<u>20,650</u>
NET ASSETS			
NET ASSETS - JANUARY 1	355,655	417,695	744,736
Prior period adjustments	-	-	-
NET ASSETS - JANUARY 1	<u>355,655</u>	<u>417,695</u>	<u>744,736</u>
NET ASSETS - DECEMBER 31	<u>\$ 363,622</u>	<u>\$ 429,188</u>	<u>\$ 765,386</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

Page 2 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING REVENUES			
Charges for services	\$ 94,065	\$ 599,672	\$ 50,867
Premiums/Contributions	-	-	82,629
Miscellaneous	938	1,559	350
TOTAL OPERATING REVENUES	<u>95,003</u>	<u>601,231</u>	<u>133,846</u>
OPERATING EXPENSES			
Personnel, salaries & wages	40,422	180,932	26,589
Supplies, services and charges	36,873	226,859	51,458
Health benefit payments	-	-	70,109
Depreciation	12,653	95,782	10,898
Taxes	7,918	64,352	-
TOTAL OPERATION EXPENSES	<u>97,866</u>	<u>567,925</u>	<u>159,054</u>
OPERATING INCOME (LOSS)	<u>(2,863)</u>	<u>33,306</u>	<u>(25,208)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	2,343	22,924	1,959
Interest expense and fiscal charges	(8,423)	(58,650)	(150)
Amortization of bond discount & expense	(153)	(458)	-
Contribution to project need	-	(450)	-
Operating grant	601	601	175
Gain(loss) of disposition of property	(335)	(335)	158
Miscellaneous	4,392	14,451	3
NON OPERATING REVENUE NET OF EXPENSE	<u>(1,575)</u>	<u>(21,917)</u>	<u>2,145</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>(4,438)</u>	<u>11,389</u>	<u>(23,063)</u>
Capital contributions	37,951	61,410	133
Transfer in	8,687	9,748	4,420
Transfer (out)	(3,442)	(3,679)	(2,596)
CHANGES IN NET ASSETS	<u>38,758</u>	<u>78,868</u>	<u>(21,106)</u>
NET ASSETS			
NET ASSETS - JANUARY 1	132,080	1,650,166	84,718
Prior period adjustments	(36)	(36)	(1,852)
Changes in accounting principle	-	-	-
NET ASSETS - JANUARY 1	<u>132,044</u>	<u>1,650,130</u>	<u>82,866</u>
NET ASSETS - DECEMBER 31	<u>\$ 170,802</u>	<u>\$ 1,728,998</u>	<u>\$ 61,760</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN NET ASSETS OF ENTERPRISE FUNDS  
TO THE STATEMENT OF ACTIVITIES -  
BUSINESS ACTIVITIES  
For the Year Ended December 31, 2011  
(amounts expressed in thousands)

NET CHANGES IN NET ASSETS - TOTAL ENTERPRISE FUNDS	\$ 78,868
Amounts reported for busnines activities in the statement of activities are different because:	
The net revenue of certain activities of internal service funds is reported with business activities:	
Profit Loss reallocation that decrease expenditure	953
CHANGES IN NET ASSETS OF BUSINESS ACTIVITIES	\$ <u>79,821</u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

Page 1 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 77,979	\$ 64,773	\$ 367,532
Receipts from interfund services provided	-	-	-
Contributions received - employee/employer	-	-	-
Payments to suppliers	(23,073)	(12,715)	(172,834)
Payments to employees	(26,196)	(19,863)	(95,491)
Payments to insurance carriers	-	-	-
Payments for taxes	(7,787)	(7,991)	(41,197)
Payments for interfund services used	-	-	-
Other operating revenues (expenses)	-	-	(19)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>20,923</u>	<u>24,204</u>	<u>57,991</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	(105)	(29)	(658)
Advances from (to) other funds	-	-	-
Grants received	135	-	-
Debt service related to environmental	(2,171)	-	-
Contributions and Donations	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(2,141)</u>	<u>(29)</u>	<u>(658)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	1,061	-	-
Acquisition and construction of capital assets	(23,009)	(32,856)	(60,598)
System development charges	-	7,023	-
Proceeds from capital debt	-	10,378	-
Proceeds from the sale of capital assets	-	-	-
Proceeds from leased property	-	-	-
Lease and leaseback	-	-	-
Principal paid on capital debt	(5,848)	(8,915)	(25,890)
Interest paid on capital debt	(4,450)	(22,055)	(29,080)
Premium and net refunding from capital debt	(291)	-	3,955
Capital lease obligation	(2,087)	-	-
Change in deferred credits	-	-	23,373
Contributions and donations	-	-	7,512
Grants received	-	165	2,756
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(34,624)</u>	<u>(46,260)</u>	<u>(77,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	4,017	3,141	8,445
Rental and other income	368	-	-
Investment long-term	-	-	-
Other net non-operating revenues and deductions	263	(12)	1,226
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>4,648</u>	<u>3,129</u>	<u>9,671</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(11,194)	(18,956)	(10,968)
CASH & CASH EQUIVALENTS, JANUARY 1	143,747	250,455	434,320
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	-	-	-
CASH , RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 132,553</u>	<u>\$ 231,499</u>	<u>\$ 423,352</u>



STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)  
 Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 6,331	\$ 10,154	\$ 19,684
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	12,183	14,390	56,556
(increase) decrease in accounts receivable	1,937	(892)	3,208
(Increase) decrease in intergovernmental receivables	29	272	(19)
(Increase) decrease in due from other funds	(8)	-	1,978
(Increase) decrease in inventories	(96)	105	58
(Increase) decrease in prepaid items	(15)	770	-
(Increase) decrease in other current assets	-	-	(8,628)
Increase (decrease) in deposits payable	(6)	-	-
Increase (decrease) in accounts payable	(115)	-	(13,808)
Increase (decrease) in accrued wages payable	43	(39)	(70)
Increase (decrease) in compensated absences	73	63	(343)
Increase (decrease) in deferred credits	-	11	(10)
Increase (decrease) in in intergovernmental payables	80	(532)	(615)
Increase (decrease) in due to other funds	193	-	-
Increase (decrease) in deferred revenues	(1)	262	-
Increase (decrease) in other current liabilities	(66)	47	-
Increase (decrease) in notes, contracts, and leases payable	2	(407)	-
Increase (decrease) in other long-term liabilities	450	-	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	(91)	-	-
Total adjustments	14,592	14,050	38,307
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 20,923	\$ 24,204	\$ 57,991
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Prior Period Adjustment	\$ -	\$ -	\$ -
Contributions of capital assets	3,942	1,117	10,268

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)  
 Page 3 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 93,976	\$ 604,260	\$ 49,089
Receipts from interfund services provided	(21,721)	(21,721)	2,740
Contributions received - employee/employer	(17,594)	(17,594)	82,636
Payments to suppliers	(19,946)	(228,568)	(108,024)
Payments to employees	(19,298)	(160,848)	(20,927)
Payments to insurance carriers	(56)	(56)	(1,010)
Payments for taxes	(7,686)	(64,661)	-
Payments for interfund services used	(216)	(216)	(8)
Other operating revenues (expenses)	-	(19)	(1,878)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>7,459</u>	<u>110,577</u>	<u>2,618</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	959	167	(744)
Advances from (to) other funds	535	535	-
Grants received	-	135	-
Debt service related to environmental	-	(2,171)	-
Contributions and Donations	63	63	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,557</u>	<u>(1,271)</u>	<u>(744)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	4,287	5,348	(961)
Acquisition and construction of capital assets	(34,813)	(151,276)	(8,393)
System development charges	-	7,023	-
Proceeds from capital debt	450	10,828	-
Proceeds from the sale of capital assets	139	139	513
Proceeds from leased property	6,406	6,406	-
Lease and leaseback	(648)	(648)	-
Principal paid on capital debt	(11,924)	(52,577)	(484)
Interest paid on capital debt	(8,024)	(63,609)	(150)
Premium and net refunding from capital debt	-	3,664	-
Capital Lease Obligation	-	(2,087)	-
Change in deferred credits	-	23,373	-
Contributions and donations	4,820	12,332	3,414
Grants received	-	2,921	175
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(39,307)</u>	<u>(198,163)</u>	<u>(5,886)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	2,329	17,932	1,663
Rental and other income	124	492	-
Investment long-term	(127)	(127)	-
Other net non-operating revenues and deductions	(18)	1,459	7
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2,308</u>	<u>19,756</u>	<u>1,670</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(27,983)	(69,101)	(2,342)
CASH & CASH EQUIVALENTS, JANUARY 1	89,020	917,542	78,480
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 61,037</u>	<u>\$ 848,441</u>	<u>\$ 76,138</u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)  
 Page 4 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,863)	\$ 33,306	\$ (25,208)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	12,653	95,782	10,898
(increase) decrease in accounts receivable	(70)	4,183	(760)
(Increase) decrease in intergovernmental receivables	(155)	127	(250)
(Increase) decrease in due from other funds	(324)	1,646	1,163
(Increase) decrease in inventories	262	329	(62)
(Increase) decrease in prepaid items	(327)	428	(1,783)
(Increase) decrease in other current assets	-	(8,628)	1
Increase (decrease) in deposits payable	(26)	(32)	1
Increase (decrease) in accounts payable	1,230	(12,693)	151
Increase (decrease) in accrued wages payable	227	161	113
Increase (decrease) in compensated absences	(116)	(323)	(93)
Increase (decrease) in deferred credits	(32)	(31)	-
Increase (decrease) in in intergovernmental payables	2	(1,065)	-
Increase (decrease) in due to other funds	(223)	(30)	(2,469)
Increase (decrease) in deferred revenues	(365)	(104)	86
Increase (decrease) in other current liabilities	(562)	(581)	21,333
Increase (decrease) in notes, contracts, and leases payable	(8)	(413)	87
Increase (decrease) in other long-term liabilities	(1,750)	(1,300)	-
Increase (decrease) in prior period adjustments	-	-	(5)
Miscellaneous non-operating revenues (expenditures)	(94)	(185)	(585)
Total adjustments	10,322	77,271	27,826
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 7,459	\$ 110,577	\$ 2,618
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Prior Period Adjustment	\$ 36	\$ 36	\$ -
Contributions of capital assets	32,924	48,251	-

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2011  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450	AGENCY FUNDS #6570 6790/6800
<b>ASSETS</b>		
Cash & cash equivalents	\$ 18,535	\$ 7,623
Investments at fair value:		
Equities	560,732	-
Fixed income	343,851	-
Other assets	339	-
Real estate	48,092	-
Venture capital and partnerships	120,458	-
Securities lending collateral	40,782	-
Receivables - net of uncollectible accounts		
Contributions and other receivables	1,549	-
Interest and dividends	3,622	-
Investment sales	2,159	-
Capital assets (net of accumulated depreciation)	16	-
<b>TOTAL ASSETS</b>	<u>1,140,135</u>	<u>7,623</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	5,135	105
Accrued wages and benefits payable	781	835
Due to other funds	11	-
Due to other governmental units	-	6,683
Investment purchase payable	9,627	-
Securities lending collateral	40,781	-
Other current liabilities	179	-
<b>Total current liabilities</b>	<u>56,514</u>	<u>7,623</u>
Non-current liabilities:		
Accrued employee leave benefits	44	-
<b>Total non-current liabilities</b>	<u>44</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>56,558</u>	<u>7,623</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	<u>\$ 1,083,577</u>	<u>\$ -</u>

FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET ASSETS  
For the Year Ended December 31, 2011  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS:	
Employer contributions	\$ 31,465
Member contributions	19,903
Other contributions	265
Total contributions	<u>51,633</u>
Investment Income:	
Net appreciation (depreciation) in FMV of investments	(6,104)
Interest and dividends	22,640
Securities lending gross income	180
Total investment income	<u>16,716</u>
Less Investment expenses::	
Investment management fees	3,174
Security lending - agent fees	60
Security lending - broker rebates	(19)
Total investment expense	<u>3,215</u>
Total investment income	<u>13,501</u>
TOTAL ADDITIONS	<u>65,134</u>
DEDUCTIONS:	
Wages and benefits payable	50,092
Health care benefit payments	10,585
Refunds of contributions	2,437
Administrative expenses	1,991
TOTAL DEDUCTIONS	<u>65,105</u>
NET INCREASE (DECREASE)	<u>29</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Net assets - beginning	1,083,548
Net assets - ending	<u>\$ 1,083,577</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**NOTES TO FINANCIAL STATEMENTS**

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NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**Note 1 Summary of significant accounting policies****A. The 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. These include police, fire, public works, planning and development, human relations, and general administrative and support services.

The accompanying financial statements present the City and its component units. Component units are separate legal entities for which the City is financially accountable. Exclusion of these entities would cause the City's financial statements to be misleading or incomplete.

*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. Separate financial statements for TCRA can be obtained from: TCRA, 747 Market Street, Room 1036, Tacoma, Washington 98402-3701.

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. The District entered into an interlocal agreement with the City of Tacoma to assist finance, and otherwise facilitate the construction and operation of a 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 on bonds issued by the City for the construction of the Convention Center. The District assigned the title to the Convention Center inclusive of real property, buildings, fixtures, furnishings, appurtenances and improvements to the City of Tacoma. 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 98402-3773.

The Foss Waterway Development Authority (FWDA or Authority), is a separate legal entity and presented as a discretely presented component unit in the City's financial statements. The Authority was created on October 1, 1996 by Resolution No. 33513. Under the terms of an agreement between the City and the Authority, the Authority manages the redevelopment of property within and along the Thea Foss Waterway. The Authority serves to improve the environment, and along with the City, is taking steps to enhance the Waterway. Separate financial statements for the Authority can be obtained from: Foss Waterway Development Authority, c/o the City of Tacoma Finance Department, 747 Market Street, Room 132, Tacoma, Washington 98402-3773.

*Joint Ventures:*

The City participates in two joint ventures: the Law Enforcement Support Agency (LESA) and the Tacoma-Pierce County Health Department.

The governing bodies of both LESA and the Tacoma-Pierce County Health Department are appointed jointly by the City of Tacoma and Pierce County Councils. The City is not financially accountable for these two entities and contributes substantially less than half of their operating revenues. Financial information for both entities is included in Note 8 Section G.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**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 Assets 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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The City has elected to follow subsequent private sector guidance for its utility funds.

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 #54. Encumbrances outstanding at the end of the biennium are reappropriated at the beginning of the next biennium. The amount of encumbrances needed to pay commitments related to purchase orders and contracts that remain unperformed at year-end are as follows:

General Fund	Street Fund	Non-major Funds
\$ 2,133	\$ 38,761	\$ 15,277

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 services 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



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

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 revenues represent 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 on page 6-15. 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 an Internal Service Fund 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.

The City reports the following major governmental funds:

- The General fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Street fund accounts for maintenance, engineering, and construction of city streets.

The City reports the following major proprietary funds:

- The Wastewater and Surface Water (Sewer) fund for the planning, design, construction, operation, and maintenance of the Wastewater and Surface water facilities owned by the City.
- The Water fund accounts for the activities of the City's water distribution system.
- The Power fund accounts for the activities of the City's electric production and distribution operations.

Additionally, the City reports the following fund types:

- Internal service funds account for Finance, Budget and Research, BSIP Project, Human Resources, Graphics Services, Fleet Services, Youth Build Tacoma, Equipment Rental, Asphalt Plant, Radio Communications, Third Party Liability Claims, Unemployment Compensation, Worker's Compensation, Facilities Management, Information Systems, Health Benefits, and Self Insurance Claims funds. These funds provide services to other departments on a cost reimbursement basis.
- The Pension trust fund accounts for the activities of the City's retirement system, which accumulates resources for pension benefit payments to qualified City employees. The police and fire relief and Pension trust funds account for the activities related to the police and fire LEOFF pension system. The employees benefit trust funds include deferred compensation and miscellaneous payroll deduction funds account for activities related to mandatory and optional payroll deductions.
- Agency funds are the Law Enforcement Support Agency and the Tacoma Urban Network. The City acts as an agent for these funds.

The City has no private purpose trust funds or permanent funds.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**D. Assets, liabilities and net assets 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 include in the nonspendable 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 uncollectibles. The uncollectible 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.

**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.

**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 4-G for further information.

**5. Capital Assets**

Capital assets; which include property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

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 is capitalized regardless of cost. Easements and rights of way are capitalized if their size is at least 750 square feet. Infrastructure capitalization threshold is \$50,000 or more. Building and infrastructure improvements are capitalized when the cost is greater than 25% of the asset's original value 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 estimated fair market 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 funds are:

Property, plant, and equipment	3-200 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 allowed 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 25% of the value of the sick leave at retirement or death or 10% of the value upon termination for any reason. Under the City's current policy, new employees earn Personal Time Off (PTO) without distinction between vacation and sick leave. Employees who worked for the City prior to the change could choose to stay with the original policy or opt to convert to the new policy. The amount of PTO 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.

In governmental funds, vacation pay, sick leave or PTO are recorded as expenditures when paid which occurs when used or upon employee termination. In the entity-wide statements and the proprietary fund statements, vacation pay and PTO are recorded as a liability and expense in the year earned. A liability and expense is recorded for the vested amount of sick leave.

The differences between the governmental fund statements and the entity-wide statements represent reconciling items between the fund level and government-wide financial statements. The reconciliations are included as part of the financial statements.

#### **7. 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 assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In governmental fund financial statements, bond premiums and discounts and bond issuance costs are treated as expenditures of the current period. The face amount of debt issued is reported as other financing sources while discounts and issuance costs are reported as debt service expenditures.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**8. Fund Equity****Fund Balance**

The City of Tacoma implemented Governmental Accounting Standards Board (GASB) Statement No. 54. 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:** Includes amounts that have been limited to specific purposes through the City Charter or formal City Council actions, such as adoption of ordinances, resolutions, or City Council policy. The commitments may be changed or lifted, but only by the same formal action that was used to impose the constraint originally.
4. **Assigned:** Includes amounts that have been allocated for specific purposes through City Council budgetary actions. For all governmental funds other than the General Fund, any funds that are not classified as nonspendable, restricted, or committed will be classified as assigned for the purpose of the fund.
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 of 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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**Net Assets**

Proprietary fund financial statements report reservations of net asset amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Restricted net assets are 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 Reconciliation of government-wide and fund financial statements****A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes reconciliation between *fund balances—total governmental funds* and *net assets—governmental activities* as reported in the government-wide statement of net assets. As explained in Note 1 C, this reconciliation is necessary because of the differences in accounting basis, most significantly the differences in accounting for capital assets and debt.

One element of the reconciliation explains:

“Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.”

The details of these dollar differences are as follows:  
(amounts expressed in thousands)

Bonds and leases payable	\$ (181,841)
Discount on bond issuance	83
Premium on bond issuance	(2,487)
Net other post employment benefits obligation	(27,408)
Net pension obligation	(160)
Compensated absences	<u>(15,514)</u>
Net adjustment to reduce fund balance for total governmental funds to arrive at net assets for governmental activities	<u>\$ (227,327)</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between *net changes in fund balances—total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities.

One element of the reconciliation explains:

“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.”

The details of these dollar differences are as follows:  
(amounts expressed in thousands)

Capital Outlay	\$ 71,860
Depreciation Expense	<u>(68,058)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,802</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

Another element of the reconciliation states:

"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,"

The details of this dollar differences are as follows:  
(amounts expressed in thousands)

OPEB	\$ (7,523)
Net pension obligation	(3,976)
Compensated absences	590
Reversal of prior year courts accrual	(3,572)
Accrued interest	378
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets	<u>\$ (14,103)</u>

### Note 3 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 proprietary funds and some selected trust funds. There were no material violations of expenditures or expenses exceeding appropriations.

The description of the budget process, any funds that exceeded appropriations (immaterial amounts), and the budget reconciliation schedule are included in the budget notes included 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 for the biennium.

#### B. Deficits in fund balances or net assets

The following governmental and proprietary funds had deficit net assets.

The Tacoma Fire Department and 2002 Police Facility funds have fund balance deficits due to a reclassification of reporting internal note proceeds as an interfund loan which was received in prior years. The Tacoma Fire Department had a positive net change in 2011 and reduced the prior year deficit by \$370 thousand. The 2002 Police Facilities fund net change increased over the prior year by \$83 thousand due to interest expense payments.

The Traffic Enforcement fund was established in 2011 and had a \$1,817 thousand fund balance deficit at the end of the first year. This fund is expected to be self supporting in the future.

The 1997 Bond Issue fund has a \$48 thousand deficit fund balance resulting from a transfer out of \$58 thousand in 2010 and capital outlay expenses of \$2 thousand in 2011.

The deficit in the Convention Center fund resulted from losses exceeding revenues which depleted the remaining net assets by \$2.316 million. Operating losses however were \$.682 less than the previous year. The general fund reduced its contribution by \$1.251 million during 2011 which also contributed to the overall deficit in net assets.

The deficit in the Power Conservation Project fund resulted from incurring bond debt in order to continue the conservation efforts of the City. The Bonneville Power Administration (BPA), under an agreement with the City, has committed to contributing the resources to liquidate this debt. The Power Conservation Project Fund had a positive net change in 2011 and reduced the prior year by \$1,500 thousand.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

The Graphic Services fund had deficit in net assets of \$395 thousand. Two factors contributed to this deficit. There was a buy-out of a copier lease and the liability was not recorded in the previous year resulting in a restatement of the beginning fund balance of \$342 thousand. There was an operating loss of \$.182 million for 2011, however charges for services have been increase in 2012 to reduce or eliminate this deficit.

The Third Party Liability Claims Fund has a net assets deficit, an increase of \$19,189 thousand over the prior year, due to an increase in claims.

The Worker's Compensation Fund has a net assets deficit due to insufficient contributions from the departments, and an excess of accrued and IBNR claims over total assets. The Worker's Compensation fund had a positive net change in 2011 which reduced the prior year by \$844 thousand.

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

**Net Deficit**  
(amounts expressed in thousands)

FUNDS	
Fire Department (#1090)	\$ (559)
Traffic Enforcement (#1650)	(1,817)
1997 Bond Issue Fund (#3209)	(48)
2002 Police Facility (#3216)	(4,187)
Convention Center (#4165)	(2,318)
Power Conservation Fund (#4850)	(4,783)
Graphic Services (#5042)	(395)
Third Party Liability Claims (#5550)	(40,107)
Worker's Compensation (#5570)	<u>(2,511)</u>
	<u>\$ (56,725)</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. No related party transactions have been identified.

**Note 4 Detailed notes on all funds**

**A. Deposits and Investments**

**1. Legal, contractual and administrative provisions**

**Certificates of Deposit (CDs):** 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

At year-end, the carrying amount of the City's deposits was \$31,560,890.

**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 authorized to enter into reverse repurchase agreements. The pension trust fund is authorized to invest under the "prudent person rule."

The City sustained no investment losses during 2011, there was no significant loss potential, and there were no significant or recurring violations of administrative, legal or contractual provisions.

**Security lending:** The City is authorized under State Law, primarily RCW 43.84.080, RCW 39.59.020 and by the City of Tacoma Investment Policy (Tacoma City Charter Section 7.4) to make security lending transactions. Securities lent are collateralized with cash or securities having 102 percent of market value. The City did participate in security lending transactions in 2011.

The City's custodian (Bank of New York) is authorized to lend available securities subject to receipt of acceptable collateral, which may be in the form of cash or U.S. Government Securities. Securities are loaned at 102% of market value of the securities plus any accrued interest. All securities loaned can be terminated on demand by either the lender or the borrower.

**City of Tacoma Securities Lent and Collateral**  
(In Thousands)

Type of Securities Lent	2011		2010	
	Fair Values of Securities Lent	Collateral	Fair Values of Securities Lent	Collateral
U.S. Government and Agencies	4,033	4,124	4,480	4,575
Total Securities Lent	4,033	4,124	4,480	4,575
<b>Collateral</b>				
	2011		2010	
U.S. Corporate Obligations		3,082		1,456
U.S. Treasury Strips		1,042		-
Asset Backed Securities		-		1,805
Repurchase Agreements/Money Mkt		-		1,314
Total Collateral		4,124		4,575

**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. **Bankers Acceptances:** City investment policy allows for purchases of bankers acceptances from the top 50 world banks as published by American Banker. Portfolio mix guidelines suggest a maximum of 40% of the total portfolio with no more than 10% of the total portfolio in any one bank.
2. **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.
3. **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.
4. **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 3% in any one issuer.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

5. Repurchase Agreements: Portfolio mix guidelines suggest repurchase agreements be limited to maximum of 15% 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.
6. Reverse Repurchase Agreements: The City did not participate in any reverse repurchase agreements in 2011.

## 2. Deposits and investments – December 31, 2011

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 in 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, 2011, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments  
December 31, 2011  
amounts expressed in thousands)

Investments (less Component Units)	\$ 2,151,737
Certificates of Deposit	7,164
Treasurer's Cash, net	24,090
Petty Cash Funds	307
Sub-total	<u>2,183,298</u>
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	989
TCRA - External Cash	1,319
Foss Waterway Development Authority (FWDA)	309
FWDA - External Cash	515
Public Facilities District (PFD)	384
Sub-total (Component Units)	<u>3,516</u>
Total	<u><u>\$ 2,186,814</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

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

Investments:	Fair Value @ 12/31/11
Financial Institutions	
WA State Local Government Investment Pool	\$ 51,005
US Treasury Securities	1,021
Government Agencies (various)	867,470
Bankers Acceptances	99,839
Electric System Revenue Bond Investments	8,762
Equity in Pool Transferred to Component Units	<u>(1,682)</u>
Total Investments with Financial Institutions	1,026,415
Component Units	
TCRA Equity in Investment Pool	989
FWDA Equity in Investment Pool	309
PFD Equity in Investment Pool	<u>384</u>
Total Component Unit Investments	1,682
Pension Trust	
Equities	560,732
Fixed Income	343,851
Real Estate	48,091
Venture Capital & Partnerships	120,457
Other Assets	339
Cash and Cash Equivalents	11,069
Securities Lending Collateral	<u>40,781</u>
Total Other Investments - Pension Trust	1,125,320
Total	<u>\$ 2,153,417</u>

### 3. GASB 40 - 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 to 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 \$51,005,145 with the State Treasurer's Local Government Investment Pool, \$7,164,408 in an interest bearing demand deposit account with a commercial bank and \$12,054,862 in the City's main demand deposit account with a commercial bank. The monies from these accounts are available immediately.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

Investment Type	Par	Maturing (in months)					
		Less than 12	13-24	25-36	37-48	49-60	
Main Bank Demand Deposits	\$ 12,054,862	\$ 12,054,862	\$ -	\$ -	\$ -	\$ -	
Bank Demand Deposits & State Pool	58,169,553	58,169,553	-	-	-	-	
Bankers Acceptance Notes	100,000,000	100,000,000	-	-	-	-	
Fixed Rate Non-Callable Municipal Securities	293,045,000	31,135,000	52,940,000	72,300,000	87,705,000	48,965,000	
Fixed Rate Non-Callable Agency Securities	204,440,000	31,811,000	62,429,000	73,005,000	27,195,000	10,000,000	
Fixed Rate Callable Agency Securities	355,450,000	-	43,000,000	57,450,000	-	255,000,000	
Totals	\$ 1,023,159,415	\$ 233,170,415	\$ 158,369,000	\$ 202,755,000	\$ 114,900,000	\$ 313,965,000	
Percent of Total	100.0%	22.8%	15.5%	19.8%	11.2%	30.7%	

#### 4. GASB 40 - 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 2011 for each type of investment. AAA is the highest rating for bonds. The Bank Certificates of Deposit (CD) and Demand Deposit Accounts (DDA) 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	\$ 70,224,415	FDIC & PDPC	\$ 70,224,415	\$ -	\$ -	\$ -
Bankers Acceptance Notes	100,000,000	AAA	-	100,000,000	-	-
Fixed Rate Non-Callable Municipal Securities	293,045,000	A	-	14,700,000	150,780,000	127,565,000
Fixed Rate Non-Callable Agency Securities	204,440,000	AAA	-	204,440,000	-	-
Fixed Rate Callable Agency Securities	355,450,000	AAA	-	355,450,000	-	-
Total	\$ 1,023,159,415		\$ 70,224,415	\$ 674,590,000	\$ 150,780,000	\$ 127,565,000

#### 5. GASB 40 - Concentration of Credit Risk

Concentration Risk disclosure is required for all investments in any one issuer that is 5% or more of the total of the City's investments. The following include Government Sponsored Agencies which have an AAA rating.

Issuer	Investment Type	Amount Reported	Percentage
Bank of America	Banker's Acceptances	100,000,000	10.5%
Federal Home Loan Bank	Agency Securities	\$ 95,000,000	10.0%
Federal Home Mortgage Corporation	Agency Securities	228,743,000	24.0%
Federal National Mortgage Association	Agency Securities	185,697,000	19.5%
Total		\$ 609,440,000	

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**6. Disclosure of Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counter party to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. City policy is all security transactions will be settled "delivery versus payment" by the City's safekeeping bank.

**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)	Non-Major				
	General Fund	Street Fund	Governmental Funds	Sewer Fund	Water Fund
Accounts Receivable (net short-term)	\$ 4,995	\$ 15,759	\$ 6,177	\$ 9,595	\$ 9,303
Interest Receivable (net short-term)	-	-	-	-	320
Taxes Receivable (net short-term)	19,493	291	1,030	-	-
Loans Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net short-term)	-	-	-	-	1,531
Notes and Contracts Receivable (net long-term)	-	-	918	-	-
<b>TOTAL</b>	<b>\$ 24,488</b>	<b>\$ 16,050</b>	<b>\$ 8,125</b>	<b>\$ 9,595</b>	<b>\$ 11,154</b>

Accounts Receivable (amounts expressed in thousands)	Non-Major				Internal Service Funds	Fiduciary Funds	Total
	Power Fund	Enterprise Funds	Enterprise Funds	Enterprise Funds			
Accounts Receivable (net short-term)	\$ 50,968	\$ 13,349	\$ 616	\$ 1,549	\$ 112,311		
Interest Receivable (net short-term)	-	-	-	3,622	3,942		
Taxes Receivable (net short-term)	-	-	-	-	20,814		
Loans Receivable (net short-term)	-	-	-	-	-		
Notes and Contracts Receivable (net short-term)	11	-	-	-	1,542		
Notes and Contracts Receivable (net long-term)	-	39,739	-	-	40,657		
<b>TOTAL</b>	<b>\$ 50,979</b>	<b>\$ 53,088</b>	<b>\$ 616</b>	<b>\$ 5,171</b>	<b>\$ 179,266</b>		

Reconciliation of accounts receivable non-governmental funds to financial statements:

Accounts Receivable Statement of Net Assets	<u>\$ 7,207</u>
Accounts Receivable Note 4B	\$ 6,177
Taxes Receivable Note 4B	<u>1,030</u>
	<u>\$ 7,207</u>
Recoverable deposits	\$ -
Assets held for resale	-
Notes and contracts receivable	<u>918</u>
Other Current Assets Statement of Net Assets	<u>\$ 918</u>
Notes and Contracts Receivable (net long-term) Note 4B	<u>\$ 918</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**C. Capital Assets**

Capital asset activity for the year-ended December 31, 2011 was as follows (amounts expressed in thousands):

Governmental Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets, not being depreciated:					
Land	\$ 26,081	\$ 2,575	\$ -	\$ -	\$ 28,656
Parks	-	-	-	-	-
Art	1,829	-	-	-	1,829
Intangibles	-	-	-	-	-
Construction work in progress	103,411	56,808	(35,657)	-	124,562
Total capital assets, not being depreciated	131,321	59,383	(35,657)	-	155,047
Capital assets, being depreciated:					
Property, plant, and equipment	192,430	10,482	(5,680)	-	197,232
Parks	85	-	-	-	85
Library materials	19,215	1,299	(1,189)	-	19,325
Intangibles	10,014	96	-	-	10,110
Infrastructure	1,179,444	11,236	-	-	1,190,680
Total capital assets, being depreciated	1,401,188	23,113	(6,869)	-	1,417,432
Less accumulated depreciation:					
Property, plant, and equipment	(110,931)	(10,228)	5,507	-	(115,652)
Parks	(8)	(10)	-	-	(18)
Library materials	(15,117)	(1,511)	1,189	-	(15,439)
Intangibles	(497)	(4,350)	-	-	(4,847)
Infrastructure	(570,072)	(31,099)	-	-	(601,171)
Total accumulated depreciation	(696,625)	(47,198)	6,696	-	(737,127)
Governmental activities capital assets (net of accumulated depreciation)	\$ 835,884	\$ 35,298	\$ (35,830)	\$ -	\$ 835,352
Business-type Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets, not being depreciated:					
Land	\$ 140,582	\$ 883	\$ (150)	\$ 160	\$ 141,475
Construction work in progress	103,996	154,071	(174,258)	-	83,809
Total capital assets, not being depreciated	244,578	154,954	(174,408)	160	225,284
Capital assets, being depreciated:					
Property, plant, and equipment	3,252,445	220,887	(15,666)	569	3,458,235
Total capital assets, being depreciated	3,252,445	220,887	(15,666)	569	3,458,235
Less accumulated depreciation:					
Property, plant, and equipment	(1,197,555)	(98,539)	15,210	3,035	(1,277,849)
Total accumulated depreciation	(1,197,555)	(98,539)	15,210	3,035	(1,277,849)
Business-type activities capital assets (net of accumulated depreciation)	\$ 2,299,468	\$ 277,302	\$ (174,864)	\$ 3,764	\$ 2,405,670

Prior period adjustments are the result of intangibles being reclassified from non-depreciable to depreciable.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

Prior period adjustments are the result of intangibles being reclassified from non-depreciable to depreciable.

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

Governmental Activities:

General Government	\$ 472
Public Safety	3,388
Transportation	31,387
Economic Environment	51
Culture and Recreation	2,254
Capital assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>9,646</u>
Total depreciation expense - governmental activities	<u>47,198</u>

Business-type activities:

Permit	-
Mountain Rail	765
Parking Garage	1,399
Convention Center	2,200
Baseball Park	369
Tacoma Dome	673
Performing Arts	506
TPU Fleet	2,757
Solid Waste	6,100
Waste Water	12,183
Tacoma Rail	641
Water	14,390
Power	<u>56,556</u>
Total depreciation expense - business-type activities	<u>\$ 98,539</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**D. Leases*****Capital leases***

The City leases certain equipment under various capital lease agreements. Capital lease balances at December 31, 2011:

(amounts expressed in thousands)

Governmental Activities

Information Systems Fund San Storage & CISCO Lease Purchase, \$ 1,251:

This capital lease for computer hardware is a 5 year lease. The value of the equipment acquired is \$ 3,401. There is no interest on the lease.

Year Ending December 31	Amount
2012	\$ 625
2013	626
Total lease payments	<u>\$ 1,251</u>

Business Activities

Tacoma Dome Energy Upgrades, \$104:

This capital lease for building improvements is an 11 year lease. The value of the building improvements is \$436,000. The interest rate on the lease is 4.94%.

Year Ending December 31	Amount
2012	\$ 48
2013	50
Principal payments	98
Plus interest amount	6
Total lease payments	<u>\$ 104</u>

TES/Urban Waters Capital Lease, \$36,477:

This capital lease for the Urban Waters building is a 29 year lease. The value of the building acquired is \$37,840. The interest rate ranges from 4.00% to 5.625% for an average of 5.1%.

Year Ending December 31	Amount
2012	\$ 697
2013	722
2014	752
2015	783
2016	813
2017-2021	4,618
2022-2026	5,855
2027-2031	7,620
2032-2036	10,002
2037-2040	4,615
Principal payments	36,477
Plus interest amount	33,777
Total lease payments	<u>\$ 70,254</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**E. Short-term debt**

Governmental activities: No short-term debt was issued or outstanding in 2011.

Business activities: No short term debt was issued or outstanding in 2011.

**F. 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 original amount of general obligation bonds outstanding issued in prior years was \$209.3 million. General obligation bonds were issued in 2010 in the amount of \$75.9 million. These issues carry variable interest rates adjusted quarterly equal to the composite interest rate earned on the investments of the City Treasury's pooled cash portfolio for the previous calendar quarter.

Annual debt service requirements to maturity, including principle and interest, for GO Bonds and Public Works Trust fund loans are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principle	Interest
2012	\$ 4,381	\$ 5,867	\$ -	\$ 3,046
2013	6,117	6,895	1,580	3,046
2014	5,884	6,759	1,640	2,967
2015	7,305	7,015	2,394	2,891
2016	7,409	6,906	2,471	2,793
2017-2021	44,904	25,793	13,004	12,245
2022-2026	29,490	22,136	13,146	9,198
2027-2031	28,067	33,164	16,170	5,761
2032-2036	23,311	14,235	13,710	1,560
2037-2041	1,915	292	-	-
Total	<u>\$ 158,783</u>	<u>\$ 129,062</u>	<u>\$ 64,115</u>	<u>\$ 43,507</u>

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: (amounts expressed in thousands)

	Interest Rates	Amount
Governmental Activities	1.74%-5.86%	\$ 147,584
Business Activities	2.80%-4.86%	\$ 64,115

**Special assessment bonds**

The City has issued special assessment bonds in prior years 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, 2011, the amount of LID Special Assessment delinquency equals \$61,776. The bond interest rates range from 3.93 to 4.18% and are payable over the next twenty years.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

Annual debt service requirements to maturity for special assessment debt outstanding at year-end are as follows:

Special Assessment Debt		
(amounts expressed in thousands)		
Governmental Activities		
	Principle	Interest
2012	\$ -	\$ 716
2013	13,039	755
2014	10,975	305
2015	-	65
2016	-	65
2017-2021	-	325
2022-2026	1,702	150
Total	\$ 25,717	\$ 2,381

**Revenue Bonds and Loans**

The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service. The original amount of outstanding revenue bonds, WA public works board loans and drinking water state revolving loans issued in prior years was \$1.3 billion. During the year \$41 million were issued for refunding, construction and capital improvements in the Sewer, Water, and Rail funds.

Revenue Bonds and Loans		
(amounts expressed in thousands)		
Business-type activities		
	Principle	Interest
2012	\$ 48,888	\$ 63,725
2013	53,507	61,644
2014	64,408	58,584
2015	67,239	55,966
2016	71,009	52,430
2017-2021	400,864	210,894
2022-2026	140,977	150,415
2027-2031	155,639	116,747
2032-2036	245,380	60,094
2037-2040	84,840	11,959
Total	\$ 1,332,750	\$ 842,459

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**Changes in long-term debt**

Governmental activities - long term  
(amounts expressed in thousands)

	Beginning			Ending	Due within
	Balance	Additions	Reductions	Balance	one year
General obligation Bonds	\$ 150,690	\$ -	\$ (3,106)	\$ 147,584	\$ 3,270
Less: Unamortized discount	(88)	-	5	(83)	(5)
Add: Unamortized premium	2,618	-	(131)	2,487	131
Public works trust fund loans	11,771	500	(1,072)	11,199	1,110
Bond anticipation notes	11,649	14,482	(2,117)	24,014	-
Special assessment debt	205	1,557	(60)	1,702	-
Capital leases	1,876	-	(625)	1,251	625
Claims and judgements	31,241	26,315	(6,054)	51,502	41,800
Other Post Employment Benefits	19,885	7,523	-	27,408	-
Net Pension Obligation	(3,816)	3,976	-	160	-
Accrued employee leave benefits	16,111	11,554	(12,151)	15,514	1,575
Governmental activities - long term liabilities	\$ 242,142	\$ 65,907	\$ (25,311)	\$ 282,738	\$ 48,506

Business activities - long-term

(amounts expressed in thousands)

	Beginning			Ending	Due within
	Balance	Additions	Reductions	Balance	one year
Revenue Bonds, water public works board, and drinking water state revolving loans	\$ 1,345,099	\$ 41,223	\$ (90,047)	\$ 1,296,275	\$ 48,191
Muckleshoot liability	8,876	-	(172)	8,704	168
General obligation bonds	64,115	-	-	64,115	-
Plus: Unamortized premium	17,652	4,009	(2,992)	18,669	-
Less: Unamortized discount	(593)	-	244	(349)	-
Less: Loss on refundings	(14,833)	(680)	2,469	(13,044)	-
Less: Loss on defeasance	(579)	-	148	(431)	-
Capital leases	37,287	-	(711)	36,576	743
Environmental liability	1,511	439	-	1,950	1,050
Landfill closure cost liability	31,368	-	(1,956)	29,412	2,457
Other Post Employment Benefits	6,479	2,508	-	8,987	-
Accrued employee leave benefits	17,275	10,116	(10,368)	17,023	1,989
Business activities - long-term liabilities	\$ 1,513,657	\$ 57,615	\$ (103,385)	\$ 1,467,887	\$ 54,598

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$1.5million of internal service funds compensated absences were included in the above amounts. Also the governmental activities, capital leases, claims and judgments, and employee benefits are generally liquidated by the Third Party Claims and Workers' Comp funds, IT and the Tacoma Dome funds, and the General fund respectively.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**Bonds Issued in 2011**

The Sewer department issued \$34.3 million Sewer Revenue Refunding Bonds in 2011 with varying series maturing between December 1, 2022 and 2031, callable on December 1, 2021. Interest is payable December 1, 2011 and semiannually thereafter on each June 1 and December 1 with bearing interest rates of either 4.0 or 5.0%. The purpose was to call the Sewer Revenue and Refunding Bonds, 2001 on December 1, 2011 for a net present value savings to the Division of \$4.9 million. The aggregate difference in debt service payments between the refunding debt and the refunded debt is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001 Bond	\$ 38,035,000.00	\$ 30,498,099.30	\$ 68,533,099.30
2011 Bond	<u>34,315,000.00</u>	<u>26,631,016.53</u>	<u>60,946,016.53</u>
Reduction	\$ (3,720,000.00)	\$ (3,867,082.77)	\$ (7,587,082.77)

Note 12 summarizes changes in long-term debt by bond issue.

**G. Restricted assets**

The balance of the restricted assets accounts in the enterprise funds are as follows:  
(amounts expressed in thousands)

Cash for Construction	\$ 273,134
Cash for debt service	56,357
Cash for other special purposes	111,913
Investments for other purposes	1,021
Notes and contracts receivable	1,531
Customer deposits	<u>54</u>
	\$ 444,010

**H. Related party transactions**

The City is not aware of any related party transactions.

**I. Federal Compliance Requirements for Municipal Securities Issuers.**

Internal Revenue Code Sections 103 and 148-150 and U. S. Treasury Regulation Sections 1.148-1.150 require that most tax-exempt bonds issued after August 31, 1986 are subject to the arbitrage rebate requirement and the tax-exempt proceeds subject to yield restrictions.

The City monitors the tax-exempt issues for compliance and rebates.

The Internal Revenue Service (IRS) does correspondence examinations periodically. In May 2004 the IRS began an examination on 6 tax-exempt bond issues of \$225 million in bonds for Tacoma Power, Tacoma Water, Environmental Service and Wastewater Management and General Government. In April 2005 the City received notification from the IRS that they had successfully completed the correspondence examination. There have been no other Federal Compliance issues since then.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**J. 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 see note 8 for fund balance descriptions.

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

	General Fund	Street Fund	Special Revenue	Debt Service	Capital Project	Total Funds
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Advances	\$ 16,037	\$ -	\$ -	\$ -	\$ -	\$ 16,037
Inventory	1,008	1,828	75	-	-	2,911
Prepays	316	-	-	-	-	316
Trust	-	-	17	-	-	17
<b>Total Nonspendable</b>	<b>17,361</b>	<b>1,828</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>19,281</b>
<b>Restricted:</b>						
Business Districts	-	-	-	-	458	458
Capital Purchases	-	-	518	-	3,587	4,105
Debt Service	-	-	618	991	-	1,609
Facilities	-	-	-	-	4,084	4,084
Local Improvement District	-	-	2,903	469	-	3,372
Neighborhoods	-	-	-	-	832	832
Other Capital	-	-	-	-	1,983	1,983
Parks, Theaters, Recreation	-	-	4,505	-	10,324	14,829
Permitting	2	-	-	-	-	2
Public Safety	-	-	8,987	-	6,292	15,279
Public Services	-	-	1,831	-	-	1,831
Road & Public Works Projects	-	8,313	1,813	-	26,683	36,809
<b>Total Restricted</b>	<b>2</b>	<b>8,313</b>	<b>21,175</b>	<b>1,460</b>	<b>54,243</b>	<b>85,193</b>
<b>Committed:</b>						
Council Contingency	1,117	-	-	-	-	1,117
Culture & Recreation	-	-	2,543	-	-	2,543
Economic Development Programs	-	-	11,380	-	-	11,380
Homeless Elimination Program	-	-	47	-	-	47
LEAP	-	-	273	-	-	273
Neighborhoods	-	-	-	-	82	82
Police Facilities	-	-	-	-	13	13
Property Management	-	-	4,266	-	-	4,266
Public Donations	-	-	108	-	-	108
Street Occupancy Permits	-	-	32	-	-	32
Street Vacation	-	-	184	-	-	184
<b>Total Committed</b>	<b>1,117</b>	<b>-</b>	<b>18,833</b>	<b>-</b>	<b>95</b>	<b>20,045</b>
<b>Assigned:</b>						
Advances	-	-	-	-	4,189	4,189
Chinese Recon Park	-	-	-	-	23	23
Historically Underutilized Business	-	-	121	-	-	121
Library	-	-	174	-	-	174
Municipal TV	-	-	872	-	-	872
Police - Special Programs	-	-	261	-	-	261
Sauro Parking Lot	-	-	-	-	49	49
Senior Center Programs	-	-	86	-	-	86
Tenant Relocation Program	-	-	38	-	-	38
Encumbrances	2,133	30,448	-	-	-	32,581
<b>Total Assigned</b>	<b>2,133</b>	<b>30,448</b>	<b>1,552</b>	<b>-</b>	<b>4,261</b>	<b>38,394</b>
<b>Unassigned:</b>	<b>14,239</b>	<b>(36,290)</b>	<b>(3,240)</b>	<b>-</b>	<b>(4,330)</b>	<b>(29,621)</b>
<b>Total Fund Balances:</b>	<b>\$ 34,852</b>	<b>\$ 4,299</b>	<b>\$ 38,412</b>	<b>\$ 1,460</b>	<b>\$ 54,269</b>	<b>\$ 133,292</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**K. Restricted Net Assets Governmental Activities**

In the government wide financial statements net assets are restricted when constraints placed on net asset 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.

Purpose	Capital	Debt	Other
Business Districts	\$ 458	\$ -	\$ -
Capital Purchases	3,587	-	518
Debt Service	-	991	618
Facilities	4,084	-	-
Local Improvement District	-	469	2,903
Neighborhoods	832	-	-
Other Capital	1,983	-	-
Parks, Theaters, Recreation	10,324	-	4,505
Permitting	-	-	2
Public Safety	6,292	-	8,987
Public Services	-	-	1,831
Road & Public Works Projects	26,683	-	9,775
	<u>\$ 54,243</u>	<u>\$ 1,460</u>	<u>\$ 29,139</u>

**Note 5 Pension plan(s) 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, 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) which is operated 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 fund.

**A. Tacoma Employees' Retirement System Fund (TERS)**

**1. Administration of the System:** The "Tacoma Employees' Retirement System" is a local single employer defined benefit pension retirement plan that provides retirement, disability, and death benefits to its members and is covering City of Tacoma and some Public Member agency employees. All employees of the City are members in the Plan, except police officers, firefighters and some employees due to the nature of their employment. The Board of Administration of the Tacoma Employees' Retirement System administers the plan and benefit provisions are established in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code. There are currently 1,950 retirees and beneficiaries receiving benefits, 395 vested terminated employees entitled to future benefits; and 3,038 active members of Tacoma Employees' Retirement System, as of December 31, 2011.

**2. Basis of Accounting:** The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed, and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

**3. Investments:** Equity securities, fixed income securities, private equity, real estate, and short-term investments

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

are all reported at fair market value. Fair market value for public market managers was determined by our custodian bank utilizing standard industry practices and verified by our performance consultant. Private equity investments are reported by the managers' subject to their "fair value" policies. No investment in any one corporation or organization exceeded 5% of net assets available for benefits.

**4. Contracts:** The system has no securities of the employer and related parties included in the plan assets. The system has not made any loans to the employer in the form of notes, bonds, or other instruments.

**5. Benefits:** The pension received upon 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) which is determined based on the member's age and years of service. Provided however, that the monthly retirement allowance for members retiring from City service on and after January 1, 1997 will not be less than the actuarial equivalent of 200 percent of the members' accumulated normal contributions. The system also provides death and disability benefits.

**6. Contribution Rates:** Covered employees are required by Chapter 1.30 of the Tacoma City Code to contribute based on the rates provided in the following table:

Applicable Period	City Rate	Member Rate	Total Rate
1/1/2001 to 02/01/2009	7.56%	6.44%	14.00%
2/2/2009 to 12/31/2009	8.64%	7.36%	16.00%
1/1/2010 to 12/31/2010	9.72%	8.28%	18.00%
1/1/2011 to 12/31/2011	10.26%	8.74%	19.00%
1/1/2012 to forward	10.80%	9.20%	20.00%

Contributions City-wide totaled \$42.4 million in 2011 (\$22.5 million employer contributions and \$19.9 million employee contributions) and totaled \$40.2 million in 2010 (\$21.3 million employer contributions and \$18.9 million employee contributions).

**7. GASB Statement 50:** The note disclosures above emphasize the employer disclosures with additional detailed information presented in an independent annual report issued by the Retirement System. Further detailed information regarding these disclosures can be found in that report which may be obtained by writing to Tacoma Employees' Retirement System, 3628 S 35<sup>th</sup> St, Tacoma, WA 98409.

**8. Funding Status and Progress:** Historical trend information about TERS is presented with supplementary information and can be found in the required supplementary information section of this report. This information is intended to help assess TERS funding status on a going-concern basis, and assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Percentage of Covered Payroll
1/1/2007	\$ 1,021.3	\$ 895.8	\$ (125.5)	114.0%	\$ 175.0	(71.7%)
1/1/2009	1,097.3	1,002.3	(95.0)	109.5%	197.4	(48.1%)
1/1/2011	1,074.8	1,132.9	58.1	94.9%	219.6	26.5%

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation may be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of Tacoma Employees' Retirement System funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids in analysis of Tacoma Employees' Retirement System progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller

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For the Year Ended December 31, 2011

this percentage, the stronger the system.

**9. Actuarial Methods and Significant Actuarial Assumptions:**

Valuation Date:	January 1, 2011
Actuarial Cost Method:	Entry Age
Amortization Method:	Level Percentage of the Systems Projected Payroll
Remaining Amortization Period:	30 years (Open), unless fixed rate amortized less than 30 years
Asset Valuation Method:	Assets are valued at market value, with a four year smoothing of all market value gains and losses

**Actuarial Assumptions:**

Investment Rate of Return	7.75%
Project Salary Increases	4.25%
Includes Inflation at	3.25%
Cost of Living Adjustments	2.125%

**Annual Pension Cost and Net Pension Obligation:**

The City's annual pension cost and net pension obligation to the Retirement System for 2010 were as follows:

	(amounts expressed in millions)
Annual Required Contributions (ARC):	\$ 17.1
Interest on Net Pension Obligation (NPO)	(0.3)
Adjustment to ARC:	<u>0.2</u>
Annual Pension Cost (ARC)	17.0
Employer Contribution:	<u>21.3</u>
Increase/(Decrease) in Pension Obligation:	(4.3)
Net Pension Obligation at beginning of year:	<u>(3.8)</u>
Net Pension Obligation at end of year:	<u><u>\$ (8.1)</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

Trend Information  
(dollars in millions)

Year Ending	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
12/31/2002	\$ 11.6	100%	\$ (0.4)
12/31/2003	11.6	100%	(0.4)
12/31/2004	13.1	100%	(0.4)
12/31/2005	13.1	100%	(0.4)
12/31/2006	13.2	100%	(0.4)
12/31/2007	13.6	100%	(0.4)
12/31/2008	14.3	104%	(1.0)
12/31/2009	15.2	118%	(3.8)
12/31/2010	17.1	125%	(8.1)

**B. Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plans 1 and 2**

**1. Administration of the System**

The City of Tacoma participates in the LEOFF system administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. 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 (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov). The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pension by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No 27*.

**2. Plan description:**

The Legislature established LEOFF in 1970. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50.



NOTES TO THE FINANCIAL STATEMENTS  
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The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Term of Service	Percent of Final Average Salary
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

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 10 years of service. A cost-of living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of two percent of the FAS per year of service. (FAS is based on the highest consecutive 60 months.) Plan 2 members who retire prior to age 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is two percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, and to reflect the choice of a survivor option. 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. A catastrophic disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF 2 members who are severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternately, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least ten percent of FAS and two percent per year of service beyond five years. The first ten percent of the FAS is not subject to federal income tax.

NOTES TO THE FINANCIAL STATEMENTS  
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LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of addition service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit.

LEOFF Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may purchase service credit on behalf of the deceased member.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington State Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans as of June 30, 2010:

Retirees and Beneficiaries Receiving Benefits	9,647
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	782
Active Plan Members Vested	13,420
Active Plan Members Nonvested	<u>3,656</u>
Total	27,505

### 3. Funding Policy

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, are as follows:

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

	LEOFF Plan 1	LEOFF Plan 2	
Employer*	0.16%	5.24%	**
Employee	0.00%	8.46%	
State	N/A	3.38%	

\* The employer rates include the employer administrative expense fee currently set at .16%.

\*\* The employee rate for ports and universities is 8.62%.

Both the City of Tacoma and the employees made the required contributions. The City of Tacoma required contributions for the years ended December 31 were as follows:

	(expressed in millions)		
	LEOFF Plan 1	LEOFF Plan 2	Total
2011	n/a	n/a	\$ 3.80
2010	n/a	n/a	\$ 3.80
2009	n/a	n/a	\$ 3.80

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

#### 1. Plan description:

The Police Relief and Pension Fund (PRP) and the Fire Relief and Pension Fund (FRP) are single-employer, defined benefit pension funds established and administered by the City in accordance with the requirements of the RCW. Since the effective date of the LEOFF on March 1, 1970, no payroll deductions for active employees have been taken under these pension plans.

These plans also provide post-employment healthcare benefits to members of the plans and certain excess pension benefits to LEOFF members hired prior to October 1, 1977.

No new employees have been covered by either of these plans since March 1, 1970. Pension obligations for all firefighters and law enforcement officers retired since March 1, 1970, whether hired before or since that same date, have been assumed by the State of Washington Law Enforcement Officers' and Firefighters' Retirement System (LEOFF), with the exception of certain minimal benefits in excess of the LEOFF benefits. There are 0 active Police Officer and 2 active Firefighters with prior rights covered under these plans as of December 31, 2011. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 176 for the PRP and 231 for the FRP as of December 31, 2011. There are no terminated employees under either plan who are entitled to benefits but not receiving them.

A member of the FRP is eligible for retirement after completion of service for a period of five years or more and attainment of age 50. A member is eligible for disability benefits if disabled for a minimum of six months. An individual becomes vested after five years of service. A member of the PRP is eligible for benefits after completing 25 years of service. An individual becomes vested after five years of service. Since there have been no new employees covered under these systems since 1970, all employees are fully vested.

The PRP and FRP make three types of payments: (1) pensions to eligible members retired prior to March 1, 1970, (2) amounts to certain eligible members retired after that date if the amount received from LEOFF does not equal or exceed the amount entitled from the appropriate prior pension fund, and (3) medical services for both active and retired firefighters and law enforcement officers, excluding those hired since October 1, 1977. The medical services are an obligation that may be paid directly from the City's General Fund if so desired. The pension benefits are tied to the current pay rates for the rank the members held at retirement and/or the cost of living index. Benefits are established in accordance with RCWs 41.16, 41.18, 41.20 and 41.26.

Benefits are calculated based on length of service (a percentage for each year of service) and on the final average salary (calculated over the last two years of credited service). There were no changes in benefit provisions in the

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

current year.

Each police officer or firefighter in service on March 1, 1970 receives the greater of benefit payable under the LEOFF system and the benefits available under the old law. Where benefits under the old law exceed those under LEOFF, the excess benefits are paid by the Pension fund of the City employing him/her on March 1, 1970.

Post-retirement medical benefits are available to firefighters and law enforcement officers hired before October 1, 1977 only. For retirees before June 8, 1961, only medical expenses that are directly related to their disability retirement are eligible for payment. Those who retired or will retire after June 8, 1961, have medical insurance paid by the City through the City's normal medical insurance carrier. The City will also pay any expense in excess of those covered by the medical insurance carrier. All benefits are funded on a pay-as-you-go basis. At December 31, 2011, there were 214 retired law enforcement officers and 267 retired firefighters who are eligible for medical coverage (this does not include active employees).

The post retirement medical benefits are accounted for in the PRP and FRP trust fund financial statements. Since these benefits are paid on a pay-as-you-go basis - the beginning fund balance is zero; contributions of \$2.7 million and \$2.6 million were made for PRP officers and FRP officers, respectively, which equaled benefits paid; and the ending fund balance is zero.

**2. Basis of Accounting:**

The financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which they are due and the City has made a formal commitment to provide the contributions. Expenses are recorded when the liabilities are recognized when due and payable in accordance with terms of the plan.

**3. Investments:**

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair market value.

**4. Contributions required and contributions made:**

The PRP is funded entirely from a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. The General Fund is responsible for ensuring that the fund has adequate cash to pay its obligations each year. Total contributions to the PRP were \$3.5 million in 2011.

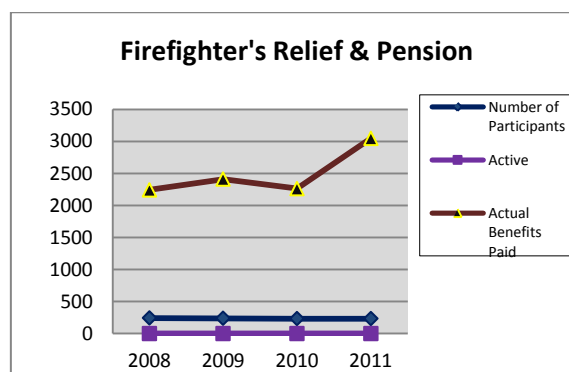
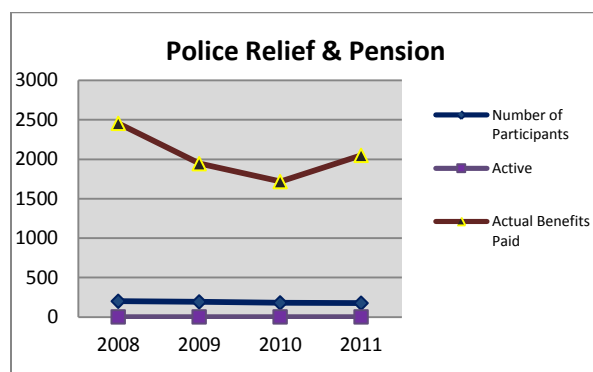
The FRP is funded from two sources: (1) 22-1/2 cents per \$1,000 of assessed valuation has been earmarked from property taxes as authorized by R.C.W. 41.16.060, and 25% of the tax on fire insurance premiums collected by the State is earmarked by State law for distribution to cities for this purpose. This amount was \$4.3 million in 2011; and (2) the balance of \$0.8 million is made up of a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. Total contributions to the FRP were \$5.1 million in 2011. There have been no required employee contributions to the police and firefighter's relief and pension plans since March 1, 1970.

The number of participants and actual benefits paid (in thousands) has been fairly constant over the years:

	Police Relief & Pension Number of Participants		Actual Benefits Paid		Firefighter's Relief & Pension Number of Participants		Actual Benefits Paid	
		Active		Year-end		Active		
Year-end	200	0	2,453	12/31/2008	244	2	2,243	
12/31/2009	193	0	1,944	12/31/2009	239	2	2,411	
12/31/2010	181	0	1,717	12/31/2010	233	2	2,264	
12/31/2011	173	0	2,050	12/31/2011	231	2	3,048	

(Tables amounts for Actual Benefits Paid expressed in thousands)

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011



**6. Annual Pension Cost and Net Pension Obligation:**

Three-year trend information (in thousands) for the Firefighter's and Police Relief and Pension Funds as of the January 1, 2010, actuarial valuation are:

Retirement System	Fiscal Year Ending December 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (NPO)
Firefighter's Relief & Pension	2009	2,477	99	7,703
	2010	2,372	77	8,243
	2011	2,332	77	8,774
Police Relief & Pension	2009	1,660	148	(5,203)
	2010	1,450	(139)	(1,763)
	2011	1,340	4.0	(473)

The funded status of the plans at the last valuation date is presented below (in thousands). The Required Supplementary Information section displays multiyear trend information as to the value of the plan assets decreasing or increasing over time relative to the AALs for benefits.

	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
Firefighter's Relief & Pension	\$ 1,066	\$ 35,515	\$ 34,449	3%	227	15176%
Police Relief and Pension	5,220	21,990	16,770	24%	0	N/A

The AAL as of December 31, 2009, based on the actuarial valuation as of January 1, 2010, was \$35.5 million for Firefighters' Relief and Pension and \$22.0 million for Police Relief and Pension. The AAL for the Firefighter's and Police Relief and Pension are funded on a pay-as-you-go basis. Annual requirements are funded through the City's adopted budgets, and any budget requirements exceeding the adopted budget are fully covered by supplemental appropriations.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**ANNUAL PENSION COST AND NET PENSION OBLIGATION  
FIREFIGHTER'S POICE RELIEF AND PENSION FUNDS**

**For the Year Ended December 31, 2011**

*(In Thousands)*

	<b>Firefighter's Relief and Pension</b>			<b>Police Relief and Pension</b>		
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Annual Required Contribution (ARC)						
Annual Normal Cost - Beginning of Year	5	5	5	-	-	-
Amortization of UAAL - Beginning of Year	2,522	2,522	2,546	1,228	1,228	1,469
Interest to End of Year	101	101	128	49	49	74
ARC at End of Year	2,628	2,628	2,679	1,277	1,277	1,543
Interest on NPO	330	308	384	(71)	(208)	(220)
Adjustment to ARC	(626)	(564)	(586)	134	381	337
Annual Pension Cost (APC)	2,332	2,372	2,477	1,340	1,450	1,660
Employer Contribution	1,801	1,832	2,448	50	(1,990)	2,459
Change in NPO	531	540	29	1,290	3,440	(799)
NPO at Beginning of Year	8,243	7,703	7,674	(1,763)	(5,203)	(4,404)
NPO at End of Year	8,774	8,243	7,703	(473)	(1,763)	(5,203)

The net pension obligation of the Firefighter's Relief and Pension Fund is \$ \$8.8 million net pension liability at December 31, 2011. The net pension obligation of the Police Relief and Pension Fund is \$0.5 million net pension asset at December 31, 2011.

**5. Actuarial Method and Assumptions:**

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<b>Firefighter Relief and Pension</b>	<b>Police Relief and Pension</b>
Valuation date	January 1, 2012	January 1, 2012
Actual cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Valuation of assets	Fair Market Value	Fair Market Value
Remaining amortization period	17 years	17 years
Amortization method	30-years, closed as of January 1999	30-years, closed as of January 1999
Actuarial assumptions		
Investment rate of return	4.00%	4.00%
Projected salary increase	3.50%	3.50%
Inflation	2.50%	2.50%
Cost-of-living Adjustment	Based upon salary increase assumption, for FRP benefits	Based upon salary increase assumption, for PRP benefits
Post retirement benefit increase	3.50%	3.50%

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

The financial statements of the PRP and FRP are included in the City's annual financial report in the Combining Fiduciary statement section. A separate audit report is not issued for these pension plans. Further detailed information regarding these pension plans may be obtained by writing to the City of Tacoma - Fire and Police Pension, 747 Market Street, Room 1540, Tacoma, WA 98402.

#### **D. Other Post Employment Benefits (OPEB) Than Pensions**

##### **1. Plan description:**

The City contributes to two single-employer defined benefit plans: Tacoma Employees' Retirement System Fund (TERS) and Law Enforcement Officers' and Firefighters' Retirement System Plan 2 (LEOFF Plan 2), one agent multi-employer plan: Law Enforcement Officers' and Firefighters' Retirement System Plan 1 (LEOFF Plan 1) and the Railroad Retirement System which is an independent agency in the executive branch of the U.S. Government which administers the Railroad Retirement Act. The benefits under the Railroad Retirement Act are not payments under a 'pension plan' but rather are grants under a Federal statute. Railroad benefit amounts are divided into a social security level benefit, staff-type benefits based on a railroad services, and in some instances a dual benefit component. Each plan provides medical benefits to eligible retired City employees and beneficiaries.

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 41.26. These statutes assign the authority to establish benefit provisions. For LEOFF Plan 1, these benefit provision are state statute by the State of Washington through the Department of Retirement Systems, per RCW 41.26. 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 Plan 1 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

##### **2. Funding Policy and Annual OPEB Cost:**

The City is financing the plans on a pay-as-you-go basis. The railroad retirement benefits are paid from the Railroad Retirement Account, maintained by the Department of the Treasury of the U.S. and is financed through taxes levied upon railroad employees and employers by the Railroad Retirement Tax Act (26 U.S.C. 3201 et seq.), which is administered by the Internal Revenue Service.

The Present Value of Benefits (PVB) is the present value of projected benefits discounted at the valuation interest rate. The valuation interest rate used is 4.00% based upon the expected return for the short-term fixed income securities. This rate is used, as the required contributions net of benefits paid, are not prefunded.

The Normal Cost is that portion of the City provided benefit attributable to employee service in the current year. The Actuarial Accrued Liability (AAL) is the portion of the present value of benefits attributed to past service only. The Annual Required Contribution (ARC) is the amount the City would be required to report as an expense for the year. The ARC is equal to the Normal Cost plus an amount to amortize the Unfunded Actuarial Accrued Liability (UAAL). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Each year the ARC, less current year benefit payments, will accumulate as a liability, Net OPEB Obligation, on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

Annual Required Contribution	TERS	LEOFF Plan 1	LEOFF Plan 2	Rail
Normal Cost at Year-end	\$ 3,620,985	\$ 269,060	\$ 1,544,549	\$ 124,757
Amortization of UAAL	1,525,241	11,923,763	655,021	70,664
Annual Required Contribution (ARC)	5,146,226	12,192,823	2,199,570	195,421
Net OPEB Obligation				
Annual Required Contribution (ARC)	5,146,226	12,192,823	2,199,570	195,421
Interest on prior year Net OPEB obligation	432,795	364,805	256,945	129
Less Adjustments to ARC	403,779	548,676	239,719	120
Annual OPEB Cost	5,175,242	12,008,952	2,216,796	195,430
Contributions made	1,586,833	7,625,508	248,747	108,560
Increase in Net OPEB Obligation	3,588,409	4,383,444	1,968,049	86,870
Net OPEB Obligation - Beginning of Year	10,819,863	9,120,137	6,423,622	3,226
Net OPEB Obligation - End of Year	\$ 14,408,272	\$ 13,503,581	\$ 8,391,671	\$ 90,096

The following table shows the City's GASB 45 liability broken down by the total value of the benefits provided, the member premiums and the City-paid benefits.

Value of Subsidy at 4% Interest Rate

	Total Value of Benefits	Member Paid Benefits	City-Paid Benefits
Present Value of Benefits	\$ 445,647,729	\$ 126,097,310	\$ 319,550,419
Actuarial Accrued Liability (AAL)	305,186,964	56,615,173	248,571,791
Normal Cost	10,741,744	5,182,394	5,559,350
Annual Benefit Payments	12,218,978	2,649,330	9,569,648

The City's annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and each of the two preceding years for each of the plans were as follows:

TERS		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 4,424,674	27.3%	\$ 7,925,279
12/31/2010	4,431,662	34.7%	10,819,864
12/31/2011	5,175,241	30.7%	14,408,271



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

<b>LEOFF Plan 1</b>		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2009	\$ 10,570,243	65.7%	\$6,059,518
12/31/2010	10,498,975	70.8%	9,102,137
12/31/2011	12,008,953	63%	13,503,582

<b>LEOFF Plan 2</b>		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2009	1,638,600	6.6%	4,952,248
12/31/2010	1,640,352	10.3%	6,423,662
12/31/2011	2,216,796	11.2%	8,391,671

<b>Rail</b>		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2009	128,716	43.6%	(64,313)
12/31/2010	129,196	47.7%	3,226
12/31/2011	195,430	55.5%	90,096

### 3. Funding Status and Funding Process:

The funded status of the plans as of December 31, 2011, were as follows:

	TERS		LEOFF 1		LEOFF 2		Rail
Annual City Benefit Payments	\$	1,586,833	\$	7,625,508	\$	248,747	\$ 108,560
Discount Rate		4.00%		4.00%		4.00%	4.00%
Present Value of Benefits		85,789,671		191,334,011		38,560,859	3,865,878
Actuarial Accrued Liability Assets		39,299,129		190,574,762		16,877,181	1,820,719
Plan Assets		-		-		-	-
Unfunded Actuarial Liability (UAAL)		39,299,129		190,574,762		16,877,181	1,820,719
Funded Ratio		0.0%		0.0%		0.0%	0.0%
Covered Payroll		1,586,833		7,625,508		248,747	108,560
UAAL as a % of covered payroll		2477%		2499%		6785%	1677%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as results are compared to previous expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides the first year OPEB information and future years will show whether the actuarial value of plan assets is changed over time (based on how OPEB is funded) relative to the actuarial accrued liability for benefits.

The City uses the same premiums for retirees under age 65 as for active employees. Therefore, the retiree premium

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

rates are being subsidized by the inclusion of active lives in the setting non-Medicare retiree rates. To account for the fact that per member health costs vary depending on age and number of dependents, the consulting actuary (Milliman) calculated equivalent Per Member Per Month (PMPM) costs that vary by age based on the age distribution of covered members and based on relative cost factors by age and gender. The relative age/gender cost factors were developed from Milliman's Health Cost Guidelines database. Based on the 2011 premium rates and relative age cost factors assumptions, Milliman developed the following age adjusted monthly PMPM health costs for 2011.

**Monthly Medical Claims Costs at Sample Ages (excluding LEOFF 1)**

Age	Retiree		Spouse	
	Male	Female	Male	Female
45	\$ 1,108.37	\$ 1,124.58	\$ 641.54	\$ 773.04
50	988.61	1,021.54	720.80	838.86
55	1,054.10	1,035.91	862.11	941.05
60	1,279.98	1,202.67	1,058.33	1,084.05
64	1,589.11	1,451.62	1,292.74	1,279.66

No retiree contributes toward the cost of retiree medical benefits for Leoff 1. Based on the City's historical retiree medical cost experience from 2008 and 2009, the relative age cost factors assumptions, Milliman developed age adjusted monthly PMPM health costs for 2010 as follows:

**Monthly Medical Claims Costs at Sample Ages LEOFF 1**

Age	Police		Fire	
	Male	Female	Male	Female
45	\$ 408.04	\$ 503.25	\$ 396.08	\$ 527.30
50	537.00	627.64	523.88	612.31
55	712.99	749.22	695.58	730.92
60	930.30	894.15	907.57	872.31
64	1,169.80	1,075.12	1,141.23	1,048.86
65	854.83	859.08	643.21	646.40
70	960.66	955.00	722.83	718.58
75	1,061.83	1,043.80	798.96	785.39
80	1,136.02	1,106.45	854.78	832.53
85	1,176.73	1,135.88	885.41	854.67

**4. Actuarial Methods and Assumptions:**

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

	TERS/LEOFF Plan 2/Rail	LEOFF Plan 1
Valuation Date	January 1, 2011	January 1, 2010
Census Date	January 1, 2011	January 1, 2010
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level percentage of expected salary	Level percentage of earnings between entry and exit age
Remaining Amortization Period	26 year, closed	19 year, closed
Demographic Assumptions	Demographic assumptions regarding retirement, disability, and turnover are based upon pension valuations for the various pension plans.	
Actuarial Assumptions:		
Discount Rate	4%	4%
Health Cost Trend	year, 7.3% in the second, 6.6% in the third, 6.5% from 2014-2019, 6.4% for 2020-2027 and grading down to an ultimate of 5.2% in 2082 and beyond.	year, 7.8% in the second, 6.6% in the third, 6.1% from 2013 to 2015, 6.0% from 2016-2020, 5.9% from 2021-2025 and grading down to an ultimate
Projected Payroll Increases	4.25%	3.50%

#### Note 6 Deferred compensation

The City offers its employees a deferred compensation plan the plan, through a third party. The plan was 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 until future years. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable emergency, but the plan does offer a loan provision. An employee may defer 100% of their salary net of employee pension contributions and any Section 125 deductions. The 2011 contribution limits are \$16,500 for regular deferral, \$33,000 for pre-retirement and \$22,000 for age 50 provision deferrals. The City has agreed through contract negotiation with the Police union and the Fire union to match contributions made by all Police Officers and Fire Officers up to a maximum of \$192 per pay period.

Benefit Plan	Third Party Administrator	Employer Contributions	Employee Contributions	Total by Plan
457 deferred compensation	ICMA	\$ 1,759,531.57	\$ 10,596,337.08	\$ 12,355,868.65
457 deferred compensation	Nationwide	781,009.58	1,294,801.17	2,075,810.75
Total		<u>\$ 2,540,541.15</u>	<u>\$ 11,891,138.25</u>	<u>\$ 14,431,679.40</u>

#### Note 7 Interfund activity

Interfund activity is composed of three types of transactions. 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. Advances to and from other funds are loans between funds for capital or cash flow purposes. Due to and due from other funds represent internal charges for services except for billings for utility services which are considered "external" in nature. 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

The composition of interfund balances (amounts expressed in thousands) at December 31, 2011 is as follows:

Interfund balances result when transactions are recorded in the accounting system and payments are made between funds after December 31, 2011.

	Due From									
	General	Street	Sewer	Water	Power	Internal	Non-major	Non-major	Pension	
Due To	Fund	Fund	Fund	Fund	Fund	Service	Governmental	Enterprise	and Trust	Total
	Funds					Funds	Funds	Funds	Funds	
General Fund	\$ -	\$ 222	\$ 173	\$ 139	\$ 368	\$ 255	\$ 844	\$ 391	\$ -	\$ 2,392
Street Fund	4	-	276	-	-	5	425	124	-	\$ 834
Sewer Fund	-	56	-	-	-	6	6	58	-	\$ 126
Water Fund	-	-	-	-	22	30	16	-	-	\$ 68
Power Fund	28	1	282	443	-	73	30	198	-	\$ 1,055
Internal Service Funds	462	122	297	203	727	171	868	299	-	\$ 3,149
Non-major Governmental Funds	774	8	1	8	11	7	9	256	-	\$ 1,074
Non-major Enterprise Funds	86	1	60	27	21	9	494	22	-	\$ 720
Pension and Trust Funds	-	-	-	-	-	-	-	(11)	11	\$ -
Total	\$ 1,354	\$ 410	\$ 1,089	\$ 820	\$ 1,149	\$ 556	\$ 2,692	\$ 1,337	\$ 11	\$ 9,418

Advance Owed From	Advances Owed To			
	Major Governmental	Non-major Governmental	Internal Service Funds	Total
Non-major Governmental	\$ 4,300	\$ 1,464		\$ 5,764
Non-major Enterprise	6,785	2,589	1,219	10,593
Internal Service Funds	1,096	266		1,362
Total	\$ 12,181	\$ 4,319	\$ 1,219	\$ 17,719

The below information provides detail of the interfund payable transactions:

\$535,000 was authorized from the General Fund (#0010) to the Performing Arts Fund (#4190) to finance construction of improvements to the Pantages Theater.

\$751,728.11 was authorized from the General Fund (#0010) to the Facilities Management Fund (#5700) for acquisition and rehabilitation of a building and for cost associated with a bond refunding.

\$ 344,124.42 was authorized from the General Fund (#0010) to the Facilities Management Fund (#5700) for acquisition and rehabilitation of a building and for cost associated with a bond refunding.

\$4,200,000.00 was authorized from the General Fund (#0010) to the Police Facility Fund (#3216) for a property acquisition for a police sub-station.

\$6,250,000 was authorized from the General Fund (#0010) to Tacoma Rail Mountain Division Fund (#4120) for cash flow purposes.

\$23,400.00 was authorized from the General Fund (#0010) to the Consolidated LID Fund (#2-7999) to establish LID #62.

\$ 77,000.00 was authorized from the General Fund (#0010) to the Consolidated LID Fund (#2-7999) to establish LID #61.

\$130,000.00 was authorized from the Economic Development Fund to 1997 Bond Issue Fund (#3209) as an interfund loan secured by a land parcel.

\$133,332.43 was authorized from the Capital Projects Fund (#3211) to the BSIP Project Fund (#5027) to acquire business system improvements.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

\$133,333.27 was authorized from the Capital Projects Fund (#3211) to the BSIP Project Fund (#5027) to acquire business system improvements.

\$2,589,182.81 was authorized from the Capital Projects Fund (#3211) to the Tacoma Dome (#4180) to finance various Tacoma Dome projects.

\$1,333,330.00 was authorized from the Capital Projects Fund (#3211) to the Fire Department Fund (#1090) to refit and renovate a fireboat.

\$278,500.00 was authorized from the Payroll Fund (#5007) to the Performing Arts Fund for cash flow purposes.

\$278,500.00 was authorized from the Payroll Fund (#5007) to the Performing Arts Fund for cash flow purposes.

\$303,416.74 was authorized from the Information Services Fund (#5800) to the Tacoma Rail Mountain Division Fund (#4120) for cash flow purposes.

\$27,853.26 was authorized from the Information Services Fund (#5800) to the Tacoma Rail Mountain Division Fund (#4120) for cash flow purposes.

\$331,000.00 was authorized from the Information Services Fund (#5800) to the Tacoma Rail Mountain Division Fund (#4120) for cash flow purposes.

(amounts expressed in thousands)

(amounts expressed in thousands)	Transfer In								
	General	Street	Sewer	Water	Power	Internal	Non-major	Non-major	
Transfer Out	Fund	Fund	Fund	Fund	Fund	Service	Governmental	Enterprise	Total
General Fund	\$ -	\$ 11,506	\$ -	\$ -	\$ -	\$ -	\$ 4,086	\$ 781	\$ 16,373
Street Fund	-	-	-	-	-	-	247	-	247
Sewer Fund	-	-	-	-	-	-	-	-	-
Water Fund	-	-	-	-	-	29	-	-	29
Power Fund	-	-	-	-	-	208	-	-	208
Internal Service Funds	1,136	-	961	-	-	474	25	-	2,596
Non-major Governmental Funds	150	1,601	100	-	-	1,775	4,267	7,906	15,799
Non-major Enterprise Funds	-	-	-	-	-	1,934	1,508	-	3,442
Total	\$ 1,286	\$ 13,107	\$ 1,061	\$ -	\$ -	\$ 4,420	\$ 10,133	\$ 8,687	\$ 38,694

\$1,136,000 was transferred from Internal Service funds to the General fund for capital projects funded by bonds and to transfer back surplus funds.

\$150,000 was transferred from Non-Major Governmental funds to the General fund to fund Emergency Medical Services.

\$11,506,000 was transferred from the General fund to the Street fund to record the 2011 Street contributions.

\$1,601,000 was transferred from Non-Major Governmental funds to the Street fund for capital road projects.

\$961,000 was transferred from Internal Service funds to the Sewer fund to record Fleet asset transfers.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

\$100,000 was transferred from Non-Major Governmental funds to the Sewer fund for services required by Cheyenne Street improvements.

\$29,000 was transferred from the Water Fund to Internal Service funds to record the 2011 Fleet Services contribution.

\$208,000 was transferred from the Power Fund to Internal Service funds to record the 2011 Fleet Services contribution.

\$474,000 was transferred from Internal Service funds to Internal Service funds to support an enterprise software system upgrade.

\$1,775,000 was transferred from Non-Major Governmental funds to Internal Service funds for Fleet capital purchases.

\$1,934,000 was transferred from Non-Major Enterprise funds to Internal Service funds to record 2011 Fleet Services contributions, support an enterprise software system upgrade, and to record donated vehicles.

\$4,086,000 was transferred from the General Fund to Non-Major Governmental funds to record Traffic contributions and debt service payments.

\$247,000 was transferred from the Street fund to Non-Major Governmental funds for road capital projects and debt service payments.

\$25,000 was transferred from Internal Service funds to Non-Major Governmental funds for Facilities capital improvements.

\$4,267,000 was transferred from Non-Major Governmental funds to Non-Major Governmental funds for various capital projects and debt service payments.

\$1,508,000 was transferred from Non-Major Enterprise funds to Non-Major Governmental funds for debt service payments.

\$781,000 was transferred from the General fund to Non-Major Enterprise funds to assist the theaters (BCPA) throughout the year and for Cheney Stadium debt service payments.

\$7,906,000 was transferred from Non-Major Governmental funds to Non-Major Enterprise funds to transfer funds for debt service payments, and Theater fund capital projects.

#### **Note 8 Other information**

##### **A. Accounting changes**

There was one new fund created and two funds eliminated in 2011.

- The Traffic Enforcement Engineering & Education Fund (Fund 1650) - This fund was created to account for traffic related activities.
- The Legal Fund (Fund 1400) - This fund was eliminated and previously was used to account for grant expenditures.
- The Airport (Fund 4100) - This fund was eliminated as the City of Tacoma no longer provides this service.

##### **B. Risk management**

The City is self-insured for general 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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

Departments' projections and is adjusted annually. The IBNR for the self-insured employee's benefits is based on an average of 2-months claims from the reporting year. The General IBNR liabilities are calculated by a periodic actuarial study. The handling and paying of all general liability claims for which the City is found legally liable is accounted for in either the Self-Insurance Claim Fund or the TPU Self Insurance Claim Fund. Monies 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 the Revised Code of Washington in RCW 35.21.085 (2). The City carries a supplemental general liability policy with a \$20 million limit and a \$3 million deductible, renewable on August 13 of each year. This policy is provided to supplement the City's current self-insurance risk for settlements in excess of \$3 million.

The City also has a policy to cover extraordinary worker's compensation claims with a statutory liability limit and a \$1 million retention. This policy renews January 1<sup>st</sup> of each year.

The City carries property coverage with a maximum single occurrence limit of \$500,000,000 with \$100,000 deductible per occurrence, with exceptions. Earthquake coverage has a 5% or \$250,000, whichever is greater per building deductible. This policy renews July 1<sup>st</sup> 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 Rail became a participant in 1985. Total assets in this fund are \$3.9 million. Settlement payments were within amounts available for coverage for the last three years—2011, 2010 and 2009.

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	
	2011	2010	2011	2010	2011	2010
Balance 01/01/11	\$ 27,001	\$ 47,431	\$ 4,240	\$ 3,282	\$ 2,487	\$ 1,363
New Claims	3,880	8,105	2,755	2,911	354	1,873
Adjustments to Claims	17,607	(27,218)	1,596	3,087	327	(521)
Claims Payment	(1,226)	(1,317)	(4,352)	(5,040)	(1,010)	(228)
Balance 12/31/11	\$ 47,262	\$ 27,001	\$ 4,239	\$ 4,240	\$ 2,158	\$ 2,487

### C. Prior-Period Adjustments and Accounting Changes

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, 2010 financial statements, prior period adjustments were made.

(amounts expressed in thousands)

#### Governmental Funds

Fund Name	Amount	Description
General Fund #0010	\$ (318)	Write-off alarm monitoring revenue & reduced red light camera expenses related to prior year
Street Fund #1060	\$ (2,950)	Eliminated revenue accruals related to prior years
Fire Department #1090	89	Eliminated encumbrances related to prior year
Library #1200	179	Write-off liability account related to prior year
Total	<u>\$ (3,000)</u>	

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

## Enterprise Funds

Fund Name	Amount	Description
Convention Center #4165	\$ (36)	Adjustment for BIA Assessments and unrecorded salary and wage expenses related to the prior year
Total	<u>\$ (36)</u>	

## Internal Service Funds

Fund Name	Amount	Description
Finance Fund #5007	\$ (5)	Adjust prior year ending fund balance for transfer to the General Fund
Graphic Services #5042	(342)	Record liability for buy-out of lease agreement from the prior year
Information Services Fund #5800	(1,505)	Adjustment for depreciation expense not recorded in prior year for SAP asset
Total	<u>\$ (1,852)</u>	

## Government-wide Statements

Activity	Amount	Description
Governmental	\$ (1,902)	General Fund, Fire, Library, Finance, Graphics, and Information Service Fund. Detail described above.
Business	(36)	Convention Center Fund. Detail described above.
Total	<u>\$ (1,938)</u>	



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**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 ASSETS

	Convention Center & Bicentennial Pavillion Fund	Solid Waste Fund	(Belt line) Tacoma Rail	Total
Assets:				
Current assets	\$ 413	\$ 36,102	\$ 8,836	\$ 45,351
Due from other funds	1	117	32	150
Restricted assets	502	14,225	400	15,127
Capital assets (net)	71,814	89,072	13,958	174,844
Other non-current assets	807	1,177	5	1,989
Total assets	73,537	140,693	23,231	237,461
Liabilities:				
Current liabilities	618	12,138	1,821	14,577
Due to other funds	43	723	128	894
Current liabilities payable from restricted assets	-	534	68	602
Non-current liabilities	75,194	103,520	3,062	181,776
Total liabilities	75,855	116,915	5,079	197,849
Net assets;				
Investment in capital assets, net of related debt	(3,336)	28,641	11,412	36,717
Restricted	501	1,850	400	2,751
Unrestricted	517	(6,713)	6,340	144
Total Net Assets	\$ (2,318)	\$ 23,778	\$ 18,152	\$ 39,612

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

CONDENSED STATEMENT OF REVENUES  
EXPENSES, AND CHANGES IN NET ASSETS

	Convention Center & Bicentennial Pavillion Fund	Solid Waste Fund	(Belt line) Tacoma Rail	Total
Operating revenues	\$ 2,316	\$ 57,102	\$ 19,404	\$ 78,822
Depreciation expense	(2,200)	(6,100)	(641)	(8,941)
Other operating expenses	(4,517)	(44,024)	(18,089)	(66,630)
Operating income	(4,401)	6,978	674	3,251
Nonoperating revenues (expenses)				
Interest revenue	20	1,698	132	1,850
Interest expense	(3,346)	(3,604)	(81)	(7,031)
Other nonoperating revenues(expenses)	2,435	103	660	3,198
Capital contributions	-	-	-	-
Transfers	2,871	-	3,158	6,029
Change in net assets	(2,421)	5,175	4,543	7,297
Beginning net assets	139	18,603	13,609	32,351
Prior period adjustments	(36)	-	-	(36)
Ending net assets	\$ (2,318)	\$ 23,778	\$ 18,152	\$ 39,612

CONDENSED STATEMENT OF CASH FLOWS

	Convention Center & Bicentennial Pavillion Fund	Solid Waste Fund	Tacoma Rail	Total
Net cash provided (used) by:				
Operating activities	\$ (2,288)	\$ 11,847	\$ 1,198	\$ 10,757
Noncapital financing activities	2,871	-	625	3,496
Capital and related financing activities	(940)	(40,574)	(2,149)	(43,663)
Investing activities	20	1,784	132	1,936
Net increase (decrease)	(337)	(26,943)	(194)	(27,474)
Beginning cash and cash equivalents	1,063	70,942	5,108	77,113
Ending cash and cash equivalents	\$ 726	\$ 43,999	\$ 4,914	\$ 49,639

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**E. The Performing Arts Center**

As a result of subsequent transactions, the City entered into an Operating Agreement for possession and use of the building for a term of 35 years with two automatic renewal options of 10 years and 20 years. The future minimum annual lease payments paid by the Performing Arts Center Fund calculated at an implicit interest rate of 8 percent are as follows (amounts expressed in thousands):

2011	\$	321
2012		297
2013		275
2014		254
2015		236
2016-2020		881
2021-2025		402
2026-2028		177

In addition, the future annual minimum sublease payments received by the Performing Arts Center Fund calculated at an implicit interest rate of 8 percent are as follows (amounts expressed in thousands):

2011	\$	288
2012		266
2013		247
2014		228
2015		211
2016-2020		725
2021-2025		99
2026-2028		44

**F. 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 6.0% 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, 6%; Cable TV, 8.0%; Electricity, 6%; Solid Waste Collection, 8% and Telephone, 6.0%.

**G. 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 two joint ventures with Pierce County: the Law Enforcement Support Agency (LESA) and the Tacoma-Pierce County Health Department. The City and Pierce County are jointly responsible for approving the organizations budgets, financing their deficits, receiving entitlement to their surpluses, and funding their operations (approximately 50% each). 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. The City is the fiscal agent for LESA.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2011

**Joint Venture**

(amounts expressed in thousands)

	LESA	HEALTH DEPARTMENT
	12/31/2010	12/31/2010
Balance Sheet Date		
Total Assets	\$ 7,194	\$ 9,359
Total Liabilities	1,875	3,549
Total Net Assets	5,319	5,810
Non-current Liabilities	855	450
Capital Assets (net of accumulated depreciation)	1,147	1,689
 Total Revenues	 19,864	 31,563
Total Expenditures/Expenses	17,173	31,218
Other Non-operating Revenues/Expenditures	-	-
Transfers	-	-
Net Increase/(Decrease) in Net Assets	799	(1,215)

Additional information about each entity can be obtained from separately published financial statements by each entity by contacting LESA, 955 Tacoma Avenue South #102, Tacoma, WA 98402 and the Tacoma/Pierce County Health Department, 3629 South D Street, Tacoma, WA 98418-6813.

**Note 9 Claims and Judgments****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 statements of the appropriate fund in the year when such a determination is made. See Note 8 B for risk management information.

The City has entered into interlocal agreements with the Pierce County Health Department and the Law Enforcement Support Agency. If, in fact, any of these entities were to suffer a catastrophic disaster and their self insurance funds and resources were to be depleted, the City and other participating jurisdictions would 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 8 B for risk management information.

**B. Construction Commitments**

The City has various construction projects as of December 31, 2011. 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)

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

Project	Authorized	Spent-to-date	Remaining Commitment
2012 January Storm Event Tree and Debris Removal - Tucci	\$ 200	\$ -	\$ 200
2012 January Storm Event Tree and Debris Removal - Woodland	200	-	200
Hylebos Bridge Rehabilitation	16,974	15,999	975
LID 8644 (1-5) Permanent Alley, Storm and Sewer Improvements	919	812	107
City of Tacoma Stormwater Pipe Retrofit Project	846	588	258
Construction and Installation of ADA Compliance Upgrades	1,647	1,676	(29)
On-Call Environmental Contractor Services for Tacoma Landfill	157	50	107
Cured In Place Pipe (CIPP) Rehab	1,364	605	759
Solid Waste Management Recovery and Transfer Center	16,045	15,540	505
Landfill Administration and Shop Building Remodel	6,403	6,295	108
Sanitary Sewer Cured-In-Place-Pipe Rehabilitation North End	921	129	792
Eductor Decant Facility	2,760	2,029	731
Titlow Beach Seawall Repair	200	80	120
Commerce Street Station	444	429	15
13th and A Street Vaulted Sidewalk Repair	200	166	34
Salmon Beach Pump Station AN1304 Rehabilitation	1,649	659	990
Blakeslee Junction Track Realignment	1,293	702	591
2011 Wastewater Sewer Main Replacement and Extensions	624	498	126
Wastewater Sewer Reroute Sound Transit S 66th to S 72nd	582	554	28
Arterial Street Improvement - Alaska from S 56th to S 72nd	4,280	1,126	3,154
Tacoma Landfill Stage 3 Closure - Central Area Phase I	3,569	3,207	362
Puget Gulch - Wastewater Sewer Rehabilitation and Replacement	1,655	1,413	242
2011 (A) Sanitary Sewer Spot Repair Project	221	163	58
On-Call Wastewater Sewer & Side Sewer Connection Repair	260	28	232
Cheney Stadium Stormwater	1,399	841	558
Marine View Drive Pump Station AN4103 Upgrade	233	72	161
Arterial Street Repairs - S Tacoma Way & S Mildred	1,648	-	1,648
S 9th Pedestrian Improvements - Market to Commerce	571	384	187
Wastewater Sewer Main - Stevens from N 21st to N 27th	980	651	329
739 BLID Structural Sidewalk Replacement	282	149	133
Tacoma Landfill Probe Station Abandonment	115	100	15
Central Wastewater Treatment HPOGS Improvements	1,911	-	1,911
303 East D Street Site Improvement	136	-	136
2011 (B) Sanitary Sewer Spot Repair Project	227	125	102
Tacoma Top 4 Bikeways - Phase I	49	-	49
S 15th & Fawcett Utilities Improvement	1,100	-	1,100
2011 On-Call Citywide Guardrail Installation	39	-	39
Foss Waterway Seaport North Wall	1,101	30	1,071
Wastewater Sewer Assessment - Video Inspection #2	39	39	-
Wastewater Sewer Assessment - Video Inspection #3	34	31	3
Wastewater Sewer Assessment - Video Inspection #4	8	-	8
Wastewater Sewer Assessment - Video Inspection #1	15	-	15
House Demo at 7202 S Lawrence	8	-	8
Central Treatment Plant Clarifier Safety Platforms	148	-	148
House Demo at 1402 S 11th	11	-	11
Tacoma Rail Maintenance Facility Improvements	996	813	183
	<u>74,463</u>	<u>55,983</u>	<u>18,480</u>

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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

**1C. Solid waste utility—landfill closure and post closure liabilities**

The Solid Waste Utility 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 with the United States Environmental Protection Agency ("EPA") and the Washington State Department of Ecology ("DOE"), reference *United States et al v. City of Tacoma*, US District Court Cause 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 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 Tacoma Landfill Cleanup Consent Decree. The City also has an obligation 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. Due to the success of the City's groundwater pump and treat system, on February 11, 2009 EPA and DOE granted the City's request to shut down 14 of the Landfill's 19 groundwater extraction wells.

On December 21, 2009, EPA and DOE conditionally approved the City's request for an extension of the Landfill closure date until 2014. One of the conditions is for the City to fill the Landfill's remaining open cell and place a permanent cap over it by December 2014. The City began placing solid waste and fill in the open cell in 2010. Although future closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the Solid Waste Utility began reporting a portion of these future closure and post-closure care costs as an operating expense in 1994 based on landfill capacity used as of the balance sheet date.

The \$29,412,162 reported as landfill closure and post closure liability at December 31, 2011 represents an estimated closure and post-closure liability based on 99% use of total capacity of the landfill. This compares to \$31,367,832 at December 31, 2010 based on 97% of capacity. Based on 100% of capacity, the liability yet to be recognized is \$179,067 as of December 31, 2011 compared to \$874,988 as of December 31, 2010. Actual cost may be higher or lower due to inflation, changes in technology, or changes in regulations. The City will be responsible for the costs of additional work if migration of pollutant from the site is not completely controlled by current remedial actions. The City satisfies the requirements of 40 CFR Part 258(f) - "Local government financial test." To meet previous requirements of State and Federal laws and regulations, annual contributions were made to a reserve for financing closure and post closure care. As of December 31, 2011, \$2,780,404 compared to \$2,771,660 in 2010 is held for these purposes, and is reported as a restricted asset on the balance sheet.

**D. Potential environmental contamination or utility claims or suits**

The City is identified as a responsible party in various environmental cleanup projects under the federal superfund statute. The City is involved in lawsuits to recover a portion of the cleanup costs from other parties and recovery from insurance policies. The City has also received grant funding to defray some of these costs. Other disclosures have been included for possible events of financial significance.

**Port of Tacoma Lincoln Avenue Grade Separation Project Claim**

On October 2, 2009, the Port of Tacoma ("Port") presented a claim against the City for recovery of a portion of the additional environmental costs to the Port incurred to handle, remove and dispose of contaminated soil and refuse during the construction of its Lincoln Avenue Grade Separation project ("Project"). The project includes surface street and utility improvements. In its claim, the Port alleged that the additional costs it incurred was a direct result of the City's prior operation of a solid waste landfill in the area where the project site is located. The City did use a portion of the project site to dispose of municipal solid waste in the 1940's and 1950's. The City settled the Port's claim in December 2009, by agreeing to pay \$498,973 toward the Port's additional environmental costs for Phases 1-4 of the Project. This payment represents forty percent of the Port's additional environmental costs. The Port completed the final phase of the project in 2011 and the City paid a settlement of \$122,100 in February 2012.

**EPA Clean Air Act Penalty Action** - During January 2009, the Department of Justice ("DOJ") and Environmental Protection Agency ("EPA") notified the City that the Tacoma Landfill had allegedly violated the federal clean air act and its implementing regulation by failing to properly recover ozone-depleting substances between October 2004 and August 2008 from refrigerant-containing appliances which were processed by Landfill staff for disposal. The City resolved any liability it may have had for the alleged violations by entering a Consent Decree settlement with

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

DOJ and EPA in August 2010. Under the terms of the settlement, the City paid the federal government a civil penalty in the amount of \$224,684, and agreed to complete three supplemental environmental projects ("SEPs"). These SEPs include purchasing a hydraulic launch garbage truck and a hybrid electric "yard mule" vehicle and using both for five years and retrofitting ten long-haul trucks with diesel reduction equipment and operating them for five years, or until the end of their useful life, whichever occurs first. The City has one vehicle purchase remaining under the SEP with an estimated cost of \$211,937.

**Tacoma Rail, Department of Public Works, Mountain Division** – Public Works own approximately 113 miles of track, called Mountain Division, which connects to Tacoma Rail tracks. Tacoma Rail is under contract with Public Works to perform as its operator through 2016. The agreement states that Public Works would fund Tacoma Rail for Mountain Rail operations. As of December 31, 2011, Mountain Rail has incurred a deficit of over \$1 million and is projected to be funded in 2012.

**Coal Gasification Site**

In 1993, Ecology designated the City as one of six Potentially Liable Persons ("PLP") for the release and threatened release of hazardous substances at the Coal Gasification Site. Ecology named the City a PLP because public rights-of-way traverse the Site, and because hazardous substances present at the Site migrated into the City municipal storm drain system, for eventual discharge to the Thea Foss Waterway. At this time, it is unclear whether Ecology will require the City to pay for any additional cleanup work at the site. The City spent \$674,383 on the site from 1993 through 2003, the majority of which was spent in the earlier years. Ecology has indicated in the past that it has plans to initiate Consent Decree negotiations with the City and other PLP's, to address additional remedial actions that must be performed to complete the clean-up of the Coal Gasification Site. To date, Ecology has not commenced Consent Decree negotiations.

**Commencement Bay Natural Resource Damage (NRD)**

The City has resolved federal, state, and tribal natural resource damage claims associated with municipal stormwater discharges in Commencement Bay through a Consent Decree that became effective on December 30, 1997. The stated value of the City's settlement is approximately \$7,700,000. Under the Consent Decree ("the NRDA Consent Decree"), the City agreed to undertake five restoration projects within the Commencement Bay watershed and make certain cash payments. Four projects have been completed. The City is expected to complete the fifth project in late 2011. Ongoing monitoring and maintenance of the various projects will continue through 2013. Included in the financial statements for 2011 and 2010 are liabilities of \$310,000 and \$445,962, respectively. Although the City resolved its NRDA liability, 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 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. A Thea Foss Waterway NRDA settlement between non-City parties and the Commencement Bay Natural Resource Trustees could be reached in 2012.

**Hylebos Waterway Consent Decree** - In 2003 the City of Tacoma – General Government entered a Consent Decree settlement with EPA to resolve any liability it may have had for sediment contamination in the Hylebos Waterway. The majority of the City's potential liability was attributed to municipal stormwater discharges. Under the terms of its settlement, the City paid \$459,663 to "cash-out" its liability. This amount included a 50 percent premium, which obligated the City to pay a small percentage (i.e., 0.4397%) of any cost overruns if the remedial action work exceeded the project estimate of \$56,056,407 to complete such work. On January 11, 2011 the City was notified by the Hylebos Performing Party Group that the cost of the Hylebos Waterway remedial action project totaled \$110,991,511. This number has since been adjusted downward setting the City's share of cost overruns at \$233,029. The City expects to pay this amount to the Hylebos performing Party Group in early 2012. The City also anticipates making an additional payment of \$63,317 to fully resolve the City's liability for any post-2011 cost overruns. The City reported an expense and liability of \$306,346 as of December 31, 2011.

**Foss Consent Decree**- The City has an obligation under the Foss Consent Decree for continued monitoring until at least 2016. The results of this monitoring may result in additional cleanup efforts in the future. Obligations for future monitoring costs of one million dollars have been recognized in the financial statements as environmental liabilities.

**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)

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

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 will resolve 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 has been implementing this agreement.

**Tacoma v. Bonney Lake, et al.** – Tacoma Water filed a Complaint for Declaratory Judgment in June 2009 against local governments that refused to pay for hydrant services provided by Tacoma Water. The local governments claimed the indemnification clauses in the franchise agreements required Tacoma Water to pay all costs associated with the hydrant services. On May 14, 2010, King County Superior Court ruled in favor of local governments and Tacoma Water appealed the decision to the Washington State Supreme Court, who affirmed this outcome on January 23, 2012. Water will now collect these costs through charges to the ratepayers in these jurisdictions (where there is a franchise agreement) both prospectively and retrospectively, and it will refund any funds received from local governments for these services.

**Cushman Federal Energy Regulatory Commission License.** - In 1974, Tacoma Power petitioned the Federal Energy Regulatory Commission (FERC) to relicense its Cushman Dam Project located on the Skokomish River near Hoodport, Washington. The Skokomish Tribe, along with others, contested significant portions of Tacoma Power's proposal before FERC. FERC issued a license in 1998 for the Cushman Project, but the proposed conditions significantly increased the cost of operating the project.

Tacoma Power appealed the license conditions to the U.S. Court of Appeals for the D.C. Circuit. The D.C. Circuit remanded the license back to FERC for consultation under the Endangered Species Act (ESA) after several salmon species, including Fall Chinook, Summer Chum and Bull Trout, were listed as threatened under the ESA in 1999. FERC issued a license order in June 2004 that incorporated conditions from ESA biological opinions issued by USFWS and NOAA Fisheries in March 2004. At the same time, FERC lifted a stay of interim conditions, thus requiring Tacoma Power to install a valve in Cushman No. 2, increase the amount of spill from the project to 240 cfs and construct a bridge on the Reichert ranch. On February 14, 2005, FERC denied rehearing and affirmed the License Order. Tacoma filed a petition for judicial review of the license in the D.C. Circuit and obtained a stay of the "interim conditions." The D.C. Circuit issued an opinion on August 22, 2006, remanding the license to FERC and lifting the stay on the interim conditions.

Tacoma Power, the Skokomish Tribe and the various federal and state agencies charged with giving input on the licensing articles agreed to a settlement on January 12, 2009. The settlement agreement, along with the proposed amended licensing articles, has been submitted to FERC for review and approval. On July 15, 2010, FERC issued its Order amending the project license pursuant to the terms of the settlement. Numerous property owners attempted to intervene and filed over a dozen objections to the license. FERC denied their motion to intervene as untimely; however, property owner Gerald Richert, who previously received intervention status, alleged numerous deficiencies in the licensing process related to the articles requiring increased flows in the North Fork of the Skokomish River, and requested rehearing. On May 19, 2011, FERC dismissed all of Mr. Richert's claims and his request for rehearing was denied. Mr. Richert appealed FERC's order to the Ninth Circuit Court of Appeals. At FERC's request, briefing in the case has been delayed until spring 2012, with oral argument to be held sometime during the summer of 2012. The law firm of Van Ness Feldman is representing Tacoma Power in this matter.

**Federal Energy Regulatory Commission Refund Proceedings.** This case involves Tacoma's pursuit of refunds from the 2000-2001 West Coast Energy Crisis through the Federal Energy Regulatory Commission (FERC) complaint process. In 2003, FERC ruled there was no market manipulation so refunds were unnecessary. FERC's ruling did not specifically consider the Enron-type evidence that was presented late in the case. FERC's decision was appealed, and the Ninth Circuit Court of Appeals in 2009 ordered FERC to consider the Enron-type evidence but left to FERC how it should consider the evidence and whether refunds were needed. On October 3, 2011, FERC issued its Order on remand requiring that an evidentiary type hearing be conducted and allowing the parties the right to enter evidence regarding individual sellers' unlawful market activities. Tacoma and the other net purchasers have filed requests for rehearing, disputing numerous aspects of the Order. As part of its October 3, 2011, Order, FERC stayed the evidentiary hearing, and ordered the parties to attend a settlement conference. Settlement negotiations between the purchasers and sellers are on-going.

**Richert, et al. v. Tacoma** - Mr. Richert and 20 other individuals filed suit in Mason County Superior Court on October 27, 2010, against Power and the City of Tacoma, asserting they suffer ongoing damages from the increased water flows from Tacoma Power's Cushman Hydroelectric Project into the North Fork of the Skokomish River. Plaintiffs have not provided a specific dollar amount of damages in the suit. Tacoma has denied the claims. The case



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2011

has now been transferred to retired Judge Ron Castleberry from Skokomish County, who has agreed to hear the case to its conclusion. Summary judgment motions were filed on Friday, February 24, 2012, and oral argument is scheduled for late April 2012.

**Baskin, et al. v. Tacoma** - On May 9, 2011, the same attorney (Karen Willie) in the Richert, et al. suit above, filed a lawsuit in Mason County Superior Court on behalf of Russell Baskin "and class members," alleging the same damages as in the Richert, et al. matter. Ms. Willie has attached to her Complaint the parcel numbers for most (if not all) of the remaining properties in the Skokomish Valley. Tacoma denies the claims. As referenced above in the Richert, et al. matter, retired Judge Castelberry, from Skokomish County Superior Court, will be presiding in this case, too. Litigation is on-going.

**Theresa Steiner v. Tacoma** - Ms. Steiner filed a Claim for Damages with the City on June 16, 2011, alleging, among other things, disability discrimination under RCW 49.60.180. On October 17, 2011, Ms. Steiner filed her Complaint in Pierce County Superior Court Cause No. 11-2-14769-5. The City filed its Notice of Appearance and will be represented by outside counsel Karen Kruse, from the firm of Jackson Lewis in Seattle (appointed by our insurance carrier). The case is in the early stages of discovery.

**People of the State of California** - A \$1.7 million claim was filed in January 2006, seeking damages for overpayments for wholesale power sold by Tacoma Power. After the Ninth Circuit ruled that refunds were not available against municipalities in the California Refund case (on grounds that FERC did not have jurisdiction over said entities), California filed this claim to preserve a claim for refunds under a contract theory. Tacoma Power has denied the claim, and it has not been named in the suit filed in California state court.

**William Dickson** - On February 15, 2012, a \$1.2 million claim was filed alleging that the remediation efforts by the Tacoma Public Utilities, Tacoma Water, and the City of Tacoma to treat contaminated soils on old Time Oil properties that William Dickson purchased were ineffective. Mr. Dickson claims the efforts reduced the value of his property and resulted in nuisance and trespass by EPA and city entities. Tacoma is currently investigating the claims.

#### **Note 10 Contingent liabilities**

##### **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 11 Subsequent events**

There are no subsequent events.

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**CITY OF TACOMA, WASHINGTON**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR DECEMBER 31, 2011

NOTE 12  
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 01-01-11	ISSUED 2011	REDEEMED 2011	AMOUNT O/S 12/31/11
<b>GENERAL OBLIGATION BONDS, LOANS, &amp; NOTES</b>									
Unlimited General Obligation Bonds									
Genl Obl Bonds 2002	Police HQ & Substations	06/01/02	2003-2022	34,300	4.8448	3,220		1,575	1,645
Genl Obl Bonds 2010	Refunding 2002 Bonds	11/10/10	2011-2022	21,870	2.6323	21,870		15	21,855
Subtotal Unlimited (Voted)						<b>25,090</b>	<b>0</b>	<b>1,590</b>	<b>23,500</b>
Limited General Obligation Bonds									
Ltd. Genl Obl Bonds 1997 Ser B	Capital Improvements	08/05/97	2008-2018	16,100	5.4554	5,119			5,119
Ltd. Genl Obl Bonds 2001	Cap Imp & Ref '92 & '94 LTGO	07/15/01	2003-2014	17,390	4.4598	1,105			1,105
Ltd. Genl Obl Bonds 2004 Conv Ctr	Construction	08/05/04	2004-2034	51,900	4.8573	44,525			44,525
Ltd Genl Obl Bonds 2006A Conv Ctr	Improvements	09/10/06	2008-2036	16,475	4.4537	14,865			14,865
Ltd. Genl Obl Bonds 2006B	Refund 1997A LTGO	10/09/06	2004-2014	12,885	4.3942	12,885			12,885
Ltd. Genl Obl Bonds 2007 Parking Structure	Retrofit Parking Structure	12/21/07	2008-2027	9,610	5.6328	8,050			8,050
Ltd. Genl Obl Note 2009 ECMS	Software Purchase	07/13/09	2009-2013	1,739	2.6500	1,219		431	788
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011-2035	15,380	5.8600	15,380		85	15,295
Ltd. Genl Obl Bonds 2009B Dock & Shalisahan	Capital Improvements	12/17/09	2035	3,320	3.5400	3,320			3,320
Ltd. Genl Obl Bonds 2009C Cheney	Capital Improvements	12/17/09	2034	4,975	4.8800	4,975			4,975
Ltd. Genl Obl Bonds 2009D Cheney	Capital Improvements	12/17/09	2010-2014	5,000	1.7400	4,000		1,000	3,000
Ltd. Genl Obl Bonds 2009E Multiple Projects	Capital Improvements	12/17/09	2026-2035	13,526	5.7500	13,526			13,526
Ltd. Genl Obl Bonds 2009F Cheney & Env Remed	Capital Improvements	12/17/09	2023-2026	6,681	7.2020	6,681			6,681
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 1997B, 2001, 2004, 20	11/10/10	2015-2022	7,355	2.7966	7,355			7,355
Ltd. Genl Obl Bonds 2010C Refunding Bonds	Refund 2001, 2007, 2009 LTGO	11/10/10	2015-2022	7,355	3.8076	7,355			7,355
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015-2033	30,225	5.0399	30,225			30,225
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015-2040	9,130	5.7155	9,130			9,130
Subtotal Limited (Councilmanic)						<b>189,715</b>	<b>0</b>	<b>1,516</b>	<b>188,199</b>
Washington State Public Works Trust Fund Loan									
CTED PWTF No. 98-791-065	Capital Improvements	08/17/98	1999-2018	9,000	1.0000	4,323		540	3,783
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004-2024	4,500	0.5000	7,448	500	532	7,416
Subtotal Washington State Loan (Councilmanic)						<b>11,771</b>	<b>500</b>	<b>1,072</b>	<b>11,199</b>
Lease Purchases									
TAC0610-0001 Series F	Capital Improvements	12/01/01	2002-2013	436	4.9425	142		44	98
San Storage & Cisco	Equip Purchase	12/31/08	2009-2013	3401	0.0000	1,876		625	1,251
Subtotal Lease Purchase (Councilmanic)						<b>2,018</b>	<b>0</b>	<b>669</b>	<b>1,349</b>
Total General Obligation Bonds, Loans, & Notes						<b>228,594</b>	<b>500</b>	<b>4,847</b>	<b>224,247</b>

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-11	ISSUED 2011	REDEEMED 2011	AMOUNT O/S 12/31/11
<b>ENTERPRISE REVENUE BONDS, LOANS, &amp; NOTES</b>									
Greater Tacoma Convention Center									
Tac CC & Parking Rev Bonds, Series 2004	Construction	08/19/04	2005-2024	32,975	4.4307	23,050			23,050
Tac CC & Parking Rev/Ref Bonds, Series 2010	Refunding 2004 Bonds	11/10/10	2015-2024	5,015	3.7656	5,015			5,015
Subtotal Convention Center						<b>28,065</b>	<b>0</b>	<b>0</b>	<b>28,065</b>
Wastewater Utility									
Sewer Revenue Bonds 2001A	Improvements/Refunding	10/15/01	2016 - 2031	53,200	5.1269	38,035		38,035	0
Sewer Refunding Bonds 2002	Refunding	03/01/02	2002 - 2015	28,990	4.4240	13,415		2,450	10,965
State Revolving Fund (SRF) Loan	Treatment Plant Upgrade	09/19/03	2008 - 2027	72,000	1.5000	69,155		3,389	65,766
Sewer Rev & Ref Bonds 2006	Improvements/Refunding	06/29/06	2006 - 2036	55,000	4.8852	54,950			54,950
Sewer TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	16,558	5.2172	15,972		287	15,685
Sewer Rev & Ref Bonds 2011	Refunding	10/12/11	2022 - 2031	34,315	3.8768		34,315		34,315
Subtotal Sewer						<b>191,527</b>	<b>34,315</b>	<b>44,161</b>	<b>181,681</b>
Surface Water Utility									
Surface Water TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	14,248	5.2172	13,744		247	13,497
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000		474	9	465
Subtotal Surface Water						<b>13,744</b>	<b>474</b>	<b>256</b>	<b>13,962</b>
Solid Waste Utility									
Refuse Utility Bonds 1997 B	Refunding	04/01/97	2000-2019	60,370	5.8725	4,565		2,215	2,350
Solid Waste Rev & Ref Bonds, 2001	Additions/Refunding	10/15/01	2008-2021	32,915	5.0504	6,090		6,090	0
Solid Waste Revenue Bonds, 2006A	Capital Improvements	07/12/06	2013-2026	29,385		29,385			29,385
Solid Waste Rev/Ref Bonds, 2006B	Refunding	09/27/06	2014-2021	22,315		22,315			22,315
Solid Waste Rev/Ref Bonds, 2008	Refunding	09/05/08	2013-2017	12,055	3.8577	12,055			12,055
Solid Waste TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010-2038	7,702	5.2172	7,429		133	7,296
Subtotal Refuse						<b>81,839</b>	<b>0</b>	<b>8,438</b>	<b>73,401</b>
Electric System									
Electric System 1999 Revenue Bonds	Capital Improvements	08/01/99	2013	36,045	5.4900	13,500			13,500
Electric System 2001B Rev & Ref Bonds	Capital Improvements	10/03/01	2006-2012	101,860	4.7307	32,065		17,415	14,650
Electric System 2004A Revenue Bonds	Capital Improvements	06/08/04	2005-2017	82,655	4.6376	60,450		3,545	56,905
Electric System 2005A Revenue Bonds	Capital Improvements	10/04/05	2010-2021	93,480	4.2200	93,380		100	93,280
Electric System 2005B Revenue Bonds	Capital Improvements	10/04/05	2006-2021	156,425	4.2900	152,635		975	151,660
Electric System 2007 Rev & Ref Bonds	Refunding	03/13/07	2008-2015	81,130	3.7949	73,330		3,855	69,475
Electric System 2010A Revenue Bonds	Capital Improvements	07/27/10	2014-2015	16,000	1.8644	16,000			16,000
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
Subtotal Electric System						<b>612,615</b>	<b>0</b>	<b>25,890</b>	<b>586,725</b>
Water System									
Water Sys Ref. Rev Bonds 2001	Construction	12/01/01	2002-2011	32,900	4.9731	430		430	0
PW-DWSRF-00-65120-031	Construction	10/07/02	2003-2021	3,060	2.5000	1,772		161	1,611
PW -00-691-PRE-115	Construction	04/11/01	2003-2021	1,000	0.5000	579		53	526
PW-01-691-061	Construction	08/27/01	2003-2021	10,000	0.5000	5,867		534	5,333
PW -01-691-PRE-127	Construction	02/15/02	2003-2021	1,000	0.5000	596		54	542

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-11	ISSUED 2011	REDEEMED 2011	AMOUNT O/S 12/31/11
PW-02-691-056	Construction	04/15/02	2004-2022	10,000	0.5000	6,375		531	5,844
Water Sys Rev Bonds 2002 (RWSS)	Construction Regional Supply	12/15/02	2005-2032	82,700	4.8820	77,550		800	76,750
Water Sys Ref & Rev Bonds 2003	Construction & Refinance	09/01/03	2004-2023	51,380	4.2340	31,815		3,185	28,630
PW-04-691-PRE-101	Construction	03/19/04	2006-2024	1,000	0.5000	747		53	694
Water Sys Ref & Rev Bonds 2005	Construction & Refinance	10/11/05	2006-2025	46,550	4.6390	39,285		1,865	37,420
PW-06-962-043	Construction	07/18/06	2008-2026	7,000	0.5000	5,929		370	5,559
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	9,263		514	8,749
DM07-952-015	Construction	03/31/10	2010-2028	4,040	1.5000	3,448		191	3,257
PW-DWSRF 09-952-074	Construction	04/09/10	2013-2032	6,579	1.0000	5,460	524		5,984
Water Sys Rev & Ref Bonds 2010A	Refunding	08/24/10	2012-2023	29,100	3.2789	29,100			29,100
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	3,595			3,595
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	0	5,460		5,460
Subtotal Water System						<b>417,816</b>	<b>5,984</b>	<b>8,741</b>	<b>415,059</b>
Tacoma Rail									
Rail Revenue Bond 2006 (BofA)	Capital Improvements	12/21/06	2007-2017	2,000	5.3900	1,374		190	1,184
WA State Rail Loan RR00407 2009	Capital Improvements	08/04/09	2010-2024	26	0.0000	25		2	23
WA State Rail Loan RR00408 2009	Capital Improvements	08/04/09	2011-2025	249	0.0000	249		16	233
WA State Rail Loan RRB-1007	Capital Improvements	12/06/11	2013-2022	450	0.0000	0	450		450
Subtotal Tacoma Rail						<b>1,648</b>	<b>450</b>	<b>208</b>	<b>1,890</b>
Lease Revenue									
Lease Revenue Bonds 1990	Construction	03/15/90	1992-2022	36,250	9.3476	25,190		1,300	23,890
Lease Revenue Bonds 1992	Construction	12/15/92	1993-2022	4,695	7.4769	3,125		165	2,960
Subtotal Lease Revenue						<b>28,315</b>	<b>0</b>	<b>1,465</b>	<b>26,850</b>
Conservation Revenue Bonds, guaranteed by BPA									
Conservation System 2003 Bonds	Conservation Project	06/02/03	2003-2014	17,065	4.1957	6,675		1,555	5,120
Total Conservation Bonds`						<b>6,675</b>	<b>0</b>	<b>1,555</b>	<b>5,120</b>
Total Revenue Bonds						<b>\$1,382,244</b>	<b>\$41,223</b>	<b>\$90,714</b>	<b>\$1,332,753</b>

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-11	ISSUED 2011	REDEEMED 2011	AMOUNT O/S 12/31/11
Total General Obligation & Revenue Bonds						<b>\$1,610,838</b>	<b>\$41,723</b>	<b>\$95,561</b>	<b>\$1,557,000</b>
<b>SPECIAL ASSESSMENT BONDS</b>									
Local Improvement District Bonds									
District #60 Bonds	Construction	04/01/04	2026	1,036	3.9290	205		60	145
District #63 Bonds	Construction	09/29/11	2023	1,557	4.1800		1,557		1,557
Subtotal LID Bonds/Notes						<b>205</b>	<b>1,557</b>	<b>60</b>	<b>1,702</b>
Bond Anticipation Notes									
Revolving Line of Credit	LID Construction	06/30/00	At CLID Issue	\$13mm Max	Floating	11,649	1,443	2,117	10,975
Revolving Line of Credit - Point Ruston	LID Construction	08/29/11	2/28/2013	\$28mm Max	3.4500		13,039		13,039
Subtotal Bond Anticipation Notes						<b>11,649</b>	<b>14,482</b>	<b>2,117</b>	<b>24,014</b>
Total Special Assessment Bonds						<b>\$11,854</b>	<b>\$16,039</b>	<b>\$2,177</b>	<b>\$25,716</b>
<b>Total All Bonds</b>						<b>\$1,622,692</b>	<b>\$57,762</b>	<b>\$97,738</b>	<b>\$1,582,716</b>
						<b>\$1,582,716</b>			

Notes related to debt increases:

- 1. CTED PWTF No. 04-691-068 final loan draw
- 2. Sewer Rev & Ref Bonds 2011 - Refunding of 2001A Sewer Revenue Bonds
- 3. PW-DWSRF 09-952-074 - additional loan draw
- 4. PW-DWSRF 10-952-026 - new loan for McMillin Reservoir Replacement Project
- 5. District #63 Bonds - Long-term financing for Consolidated Local Improvement District #63
- 6. Ltd. Genl Obl Bonds 2010D (BABS) - Financing for Capital Improvements.
- 7. Revolving Line of Credit - Point Ruston - Short Term Financing for Point Ruston LIDs
- 13. Water System WA State Loan Draw for Loan # PWTPC08-951-047: Financing for Construction Projects
- 14. Water System WA State Loan Draw for Loan # DM07-952-015: Financing for Construction Projects
- 15. Water System WA State Loan Draw for Loan # PW-DWSRF 09-952-074: Financing for Construction Projects
- 16. Water System Revenue Refunding Bonds 2010A - Refunding of 2001 Water System Revenue Bonds
- 17. Water System Revenue Bonds 2010B (BABS) - Financing for Construction Projects
- 18. Water RWSS Revenue Bonds 2010A - Financing for Construction Projects
- 19. Water RWSS Revenue Bonds 2010B (BABS) - Financing for Construction Projects
- 20. Rail - WA State Rail Loan RR00407 2009 - Financing for Capital Improvements.
- 21. Rail - WA State Rail Loan RR00408 2009 - Financing for Capital Improvements.

**Required Supplementary Information****Tacoma Employee's Retirement System Fund (TERS)**

## SCHEDULE OF FUNDING PROGRESS: (\$ in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (1) (b)	Unfunded AAL (UAAL) (2) (b-a)	Funded Ratio	Covered Payroll (3) (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/1995	\$ 367.1	\$ 394.50	\$ 27.4	93.1%	\$ 106.1	25.8%
1/1/1997	482.7	477.9	(4.8)	101.0%	116.3	-4.1%
1/1/1998	523.8	515.7	(8.1)	101.6%	116.1	-7.0%
(4) 1/1/1999	570.7	536.9	(33.8)	106.3%	122.3	-27.6%
(5) 1/1/1999	570.7	537.6	(33.1)	106.2%	122.3	-27.1%
(6) 1/1/2001	700.7	605.7	(95.0)	115.7%	133.4	-71.2%
1/1/2003	740.1	686.8	(53.3)	107.8%	154.2	-34.6%
1/1/2005	807.3	754.3	(53.0)	107.0%	172.5	-30.7%
1/1/2007	1,021.3	895.8	(125.5)	114.0%	175.0	-71.7%
1/1/2009	1,097.3	1,002.3	(95.0)	109.5%	197.4	-48.1%
1/1/2010	1,074.8	1,132.9	58.1	94.9%	219.6	26.5%

(1) Actuarial present value of benefits less actuarial present value of future normal costs based on Entry Age Actuarial Cost Method.

(2) Actuarial accrued liabilities less actuarial value of assets.

(3) Covered payroll includes compensation paid to all active employees on which contributions were made in the year preceding the valuation date. Covered Payroll differs from Active Member Valuation payroll

(4) A special actuarial valuation was performed as of January 1, 1998. Ordinarily, actuarial valuations are only performed biennially.

(5) Results as of January 1, 2009 Actuarial Valuation

(6) January 1, 1999 results adjusted for inclusion of benefit percentage in portability, removal of overtime contributions and removal of overtime contributions and removal of 90 day waiting period.

**Firefighters and Police Pension Fund**

## SCHEDULE OF FUNDING PROGRESS: (\$ in millions)

## Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAAL (UAAL) (b)-(a)	Funded Ratio	Covered Payroll (c)	UAAL as Percentage of Covered Payroll (b-a/c)
1/1/2004	\$ 0	\$ 39	\$ 39	1%	\$ 0	10933%
1/1/2006	1	38	37	2%	0	12867%
1/1/2008	1	35	34	2%	0	16481%
1/1/2010	1	36	34	3%	0	15176%

## Police Relief and Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2004	\$ 1	\$ 26	\$ 25	4.0%	\$ 0	31390%
1/1/2006	3	25	22	10.6%	-	N/A
1/1/2008	3	23	20	13.4%	-	N/A
1/1/2010	5	22	17	23.7%	-	N/A

## Other Post Employment Benefit Plan (OPEB)

## SCHEDULE OF FUNDING PROGRESS: (\$ in millions)

## Tacoma Employee's Retirement System Fund (TERS)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2008	\$ -	\$ 33.21	\$ 33.21	0.0%	\$ 1.87	2887%
1/1/2009	-	34.93	34.93	0.0%	1.21	2895%
1/1/2010	-	34.93	34.93	0.0%	1.54	2272%
1/1/2011	-	39.30	39.30	0.0%	1.60	2477%

## Law Enforcement Officers and Fire Fighters Retirement System Plan 1 (LEOFF Plan 1)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2008	\$ -	\$ 130.99	\$ 130.99	0.0%	\$ 7.24	1809%
1/1/2009	-	156.69	156.69	0.0%	6.95	2255%
1/1/2010	-	156.69	156.69	0.0%	7.44	2107%
1/1/2011	-	190.57	190.57	0.0%	7.63	2499%

## Law Enforcement Officers and Fire Fighters Retirement System Plan 2 (LEOFF Plan 2)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2008	\$ -	\$ 13.22	\$ 13.22	0.0%	\$ 0.05	26440%
1/1/2009	-	12.39	12.39	0.0%	0.11	11371%
1/1/2010	-	12.39	12.39	0.0%	0.17	7330%
1/1/2011	-	16.88	16.88	0.0%	0.25	6785%



## Rail

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2008	\$ -	\$ 0.71	\$ 0.71	0.0%	\$ 0.10	682%
1/1/2009	-	1.16	1.16	0.0%	0.06	2070%
1/1/2010	-	1.16	1.16	0.0%	0.06	1883%
1/1/2011	-	1.82	1.82	0.0%	0.10	1677%

**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 CAFR.

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, Foss Waterway Development Authority (FWDA), 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 reappropriated 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 and Street Fund's budgetary information is located in the Required Supplementary Information section on page 4-5 and 4-6. All Non-Major governmental funds budgetary information are located in the Combining Statements Non-Major Funds section on pages 5-19 to 5-50.

**Note 2 Combining statements**

The Non-Major Governmental, Proprietary funds and Internal Service funds are displayed in aggregated columns in the City's fund statements. This section of the report contains combining statements that display the financial information for these funds. There are separate combining statements for Non-Major Governmental funds, Non-Major Enterprise funds and the Internal Service funds.

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
<b>REVENUES</b>				
Taxes	\$ 354,972	\$ 354,972	\$ 172,989	\$ (181,983)
Licenses and permits	7,002	7,002	3,242	(3,760)
Intergovernmental revenue	19,952	19,932	8,775	(11,157)
Charges for services	4,712	4,732	1,196	(3,536)
Fines and forfeitures	2,261	2,261	724	(1,537)
Investment earnings	2,832	2,832	1,046	(1,786)
Miscellaneous revenues	2,819	2,820	1,060	(1,760)
<b>TOTAL REVENUES</b>	<u>394,550</u>	<u>394,551</u>	<u>189,032</u>	<u>(205,519)</u>
<b>EXPENDITURES</b>				
Current:				
General government	53,929	52,501	21,578	(30,923)
Security of persons & property	244,646	245,674	128,370	(117,304)
Economic environment	31,392	32,193	13,694	(18,499)
Mental and physical health	24,259	2,511	1,354	(1,157)
Culture and recreation	5,674	27,110	12,845	(14,265)
Capital outlay	2,788	3,100	2,033	(1,067)
Debt service:				
Principal retirement	6,030	6,030	-	(6,030)
Interest and fiscal charges	-	-	13	13
<b>TOTAL EXPENDITURES</b>	<u>368,718</u>	<u>369,119</u>	<u>179,887</u>	<u>(189,232)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>25,832</u>	<u>25,432</u>	<u>9,145</u>	<u>(16,287)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	419	419	-	(419)
Transfer in	3,603	3,602	1,286	(2,316)
Transfer (out)	(29,854)	(29,854)	(16,373)	13,481
<b>TOTAL OTHER FINANCE SOURCES(USES)</b>	<u>(25,832)</u>	<u>(25,833)</u>	<u>(15,087)</u>	<u>10,746</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(401)	(5,942)	(5,541)
<b>FUND BALANCE - JANUARY 1</b>	39,995	39,995	39,995	-
Prior period adjustment	-	-	(318)	(318)
<b>FUND BALANCE - JANUARY 1, RESTATED</b>	<u>39,995</u>	<u>39,995</u>	<u>39,677</u>	<u>(318)</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u>\$ 39,995</u>	<u>\$ 39,594</u>	<u>\$ 33,735</u>	<u>\$ (5,859)</u>

**Perspective Difference Reconciliation:**

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

\$ 33,735

The following funds were budgeted as special revenue  
 funds but do not meet the definition of a special  
 revenue fund under GASB Statement 54 and therefore  
 are account for within the General Fund:

Contingency Fund #1030

1,117

Unclaimed Property Fund#(1)6330

-

**TOTAL FUND BALANCE - GENERAL FUND BALANCE  
 SHEET FOR GOVERNMENTAL FUNDS**

\$ 34,852

STREET FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ -	\$ 17	\$ 17
Licenses and permits	443	443	151	(292)
Intergovernmental revenue	77,475	89,975	37,809	(52,166)
Charges for services	4,418	4,418	2,606	(1,812)
Investment earnings	-	-	171	171
Miscellaneous revenues	7,850	7,850	293	(7,557)
TOTAL REVENUES	<u>90,186</u>	<u>102,686</u>	<u>41,047</u>	<u>(61,639)</u>
EXPENDITURES				
Current:				
Transportation	146,785	182,610	22,790	(159,820)
Capital outlay	-	142	49,048	48,906
TOTAL EXPENDITURES	<u>146,785</u>	<u>182,752</u>	<u>71,838</u>	<u>(110,914)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(56,599)</u>	<u>(80,066)</u>	<u>(30,791)</u>	<u>49,275</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	40,917	40,917	13,107	(27,810)
Transfer (out)	(850)	(850)	(247)	603
Issuance of debt	11,530	32,710	14,986	(17,724)
TOTAL OTHER FINANCE SOURCES(USES)	<u>51,597</u>	<u>72,777</u>	<u>27,846</u>	<u>(44,931)</u>
NET CHANGE IN FUND BALANCE	(5,002)	(7,289)	(2,945)	4,344
FUND BALANCE - JANUARY 1	10,194	10,194	10,194	-
Prior period adjustment	-	-	(2,950)	(2,950)
FUND BALANCE - JANUARY 1, RESTATED	<u>10,194</u>	<u>10,194</u>	<u>7,244</u>	<u>(2,950)</u>
FUND BALANCE - DECEMBER 31	<u>\$ 5,192</u>	<u>\$ 2,905</u>	<u>\$ 4,299</u>	<u>\$ 1,394</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011  
(amounts expressed in thousands)  
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	SPECIAL REVENUE FUNDS		
	COURTS	FIRE	PW FACILITIES
	FUND #1020	DEPARTMENT FUND #1090	ROW STREETS FUND #1100
ASSETS			
Cash and cash equivalents	\$ 60	\$ 500	\$ 663
Investments at fair value	-	-	-
Accounts receivable (net of allowances)	5	507	1
Due from other funds	-	270	-
Due from other governmental units	-	-	-
Inventory	-	-	-
Other current assets	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>\$ 65</u>	<u>\$ 1,277</u>	<u>\$ 664</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ -	\$ 46	\$ -
Accrued wages and benefits payable	4	23	-
Deposits payable	-	-	-
Accrued taxes payable	-	-	1
Due to other funds	-	267	2
Due to other governmental units	-	-	-
Deferred revenue	27	167	1
Advances from other funds	-	1,333	-
Total liabilities	<u>31</u>	<u>1,836</u>	<u>4</u>
Fund balance			
Nonspendable	-	-	-
Restricted	34	572	-
Committed	-	-	660
Assigned	-	-	-
Unassigned	-	(1,131)	-
Total fund balance (deficits)	<u>34</u>	<u>(559)</u>	<u>660</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 65</u>	<u>\$ 1,277</u>	<u>\$ 664</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011  
(amounts expressed in thousands)  
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	SPECIAL REVENUE FUNDS		
	LID GUARANTEE FUND #1110	PATHS AND TRAILS FUND #1140	BUILDING AND LAND USE FUND #1145
ASSETS			
Cash and cash equivalents	\$ 471	\$ 469	\$ 2,049
Investments at fair value	2,440	-	-
Accounts receivable (net of allowances)	-	1	534
Due from other funds	-	1	7
Due from other governmental units	-	-	-
Inventory	-	-	-
Other current assets	-	-	-
TOTAL ASSETS	<u>\$ 2,911</u>	<u>\$ 471</u>	<u>\$ 2,590</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ -	\$ -	\$ 29
Accrued wages and benefits payable	5	-	-
Deposits payable	-	-	-
Accrued taxes payable	-	-	5
Due to other funds	3	2	2
Due to other governmental units	-	-	-
Deferred revenue	-	-	2
Advances from other funds	-	-	-
Total liabilities	<u>8</u>	<u>2</u>	<u>38</u>
Fund balance			
Nonspendable	-	-	-
Restricted	2,903	469	-
Committed	-	-	2,552
Assigned	-	-	-
Unassigned	-	-	-
Total fund balance (deficits)	<u>2,903</u>	<u>469</u>	<u>2,552</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,911</u>	<u>\$ 471</u>	<u>\$ 2,590</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011  
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	SPECIAL REVENUE FUNDS			
	FIRE EMS FUND #1155	TOURISM AND CONVENTIONS FUND #1180	HR & HS FUND #1185	ECONOMIC DEVELOPMENT FUND #1195
ASSETS				
Cash and cash equivalents	\$ 8,545	\$ 449	\$ 1,557	\$ 11,432
Investments at fair value	-	-	-	-
Accounts receivable (net of allowances)	588	170	128	2,889
Due from other funds	-	-	47	2
Due from other governmental units	-	-	-	-
Inventory	75	-	-	-
Other current assets	-	-	-	918
Advances to other funds	-	-	-	130
TOTAL ASSETS	<u>\$ 9,208</u>	<u>\$ 619</u>	<u>\$ 1,732</u>	<u>\$ 15,371</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 25	\$ -	\$ 70	\$ 677
Accrued wages and benefits payable	289	-	2	-
Deposits payable	-	-	-	-
Accrued taxes payable	-	-	-	7
Due to other funds	76	1	4	7
Due to other governmental units	-	-	-	-
Deferred revenue	817	-	901	473
Advances from other funds	-	-	-	-
Total liabilities	<u>1,207</u>	<u>1</u>	<u>977</u>	<u>1,164</u>
Fund balance				
Nonspendable	75	-	-	-
Restricted	7,926	618	584	1,426
Committed	-	-	47	12,781
Assigned	-	-	124	-
Unassigned	-	-	-	-
Total fund balance (deficits)	<u>8,001</u>	<u>618</u>	<u>755</u>	<u>14,207</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,208</u>	<u>\$ 619</u>	<u>\$ 1,732</u>	<u>\$ 15,371</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011  
(amounts expressed in thousands)  
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	SPECIAL REVENUE FUNDS		
	LIBRARY FUND #1200	HUB FUND #1236	POLICE FUND #1267
ASSETS			
Cash and cash equivalents	\$ 5,963	\$ 111	\$ 1,069
Investments at fair value	-	-	-
Accounts receivable (net of allowances)	-	-	248
Due from other funds	-	13	2
Due from other governmental units	-	-	-
Inventory	-	-	-
Other current assets	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>\$ 5,963</u>	<u>\$ 124</u>	<u>\$ 1,319</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 2	\$ -	\$ 49
Accrued wages and benefits payable	-	2	20
Deposits payable	-	-	2
Accrued taxes payable	5	-	-
Due to other funds	1	1	17
Due to other governmental units	-	-	-
Deferred revenue	-	-	577
Advances from other funds	-	-	-
Total liabilities	<u>8</u>	<u>3</u>	<u>665</u>
Fund balance			
Nonspendable	17	-	-
Restricted	4,423	-	561
Committed	1,341	-	108
Assigned	174	121	261
Unassigned	-	-	(276)
Total fund balance (deficits)	<u>5,955</u>	<u>121</u>	<u>654</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,963</u>	<u>\$ 124</u>	<u>\$ 1,319</u>



COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011  
(amounts expressed in thousands)  
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	SPECIAL REVENUE FUNDS			
	CABLE TV FUND #1431	HUMAN RESOURCES FUND #1500	CITY MANAGER FUND #1600	TRAFFIC ENFORCEMENT FUND #1650
ASSETS				
Cash and cash equivalents	\$ 3,723	\$ 309	\$ (1)	\$ (1,634)
Investments at fair value	-	-	-	-
Accounts receivable (net of allowances)	1	33	36	-
Due from other funds	6	-	1	718
Due from other governmental units	-	-	-	-
Inventory	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>\$ 3,730</u>	<u>\$ 342</u>	<u>\$ 36</u>	<u>\$ (916)</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 2	\$ 16	\$ 26	\$ 71
Accrued wages and benefits payable	43	7	-	98
Deposits payable	50	-	-	-
Accrued taxes payable	-	-	-	-
Due to other funds	32	62	10	732
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>127</u>	<u>85</u>	<u>36</u>	<u>901</u>
Fund balance				
Nonspendable	-	-	-	-
Restricted	1,660	-	-	-
Committed	1,071	273	-	-
Assigned	872	-	-	-
Unassigned	-	(16)	-	(1,817)
Total fund balance (deficits)	<u>3,603</u>	<u>257</u>	<u>-</u>	<u>(1,817)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,730</u>	<u>\$ 342</u>	<u>\$ 36</u>	<u>\$ (916)</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011  
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	DEBT SERVICE FUNDS			
	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	CTED PUTF LOANS FUND #2038	2001 LTGO REFUNDING FUND #2039
ASSETS				
Cash and cash equivalents	\$ 969	\$ -	\$ -	\$ -
Investments at fair value	-	-	-	-
Accounts receivable (net of allowances)	144	-	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Inventory	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>\$ 1,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Accrued taxes payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	144	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>144</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance				
Nonspendable	-	-	-	-
Restricted	969	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balance (deficits)	<u>969</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
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(amounts expressed in thousands)  
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	DEBT SERVICE FUNDS		
	2009		CONSOLIDATED
	LTGO BONDS	2010	LID BOND
	SERIES A-F	LTGO BONDS	REDEMPTION
	FUND #2040	FUND #2041	FUND # (2)7999
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14	\$ 7	\$ 344
Investments at fair value	-	-	-
Accounts receivable (net of allowances)	-	-	1,774
Due from other funds	-	-	-
Due from other governmental units	-	-	-
Inventory	-	-	-
Other current assets	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>\$ 14</u>	<u>\$ 7</u>	<u>\$ 2,118</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-
Deposits payable	-	-	-
Accrued taxes payable	-	-	-
Due to other funds	-	-	-
Due to other governmental units	-	-	-
Deferred revenue	-	-	1,647
Advances from other funds	-	-	101
Total liabilities	<u>-</u>	<u>-</u>	<u>1,748</u>
<b>Fund balance</b>			
Nonspendable	-	-	-
Restricted	14	7	370
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balance (deficits)	<u>14</u>	<u>7</u>	<u>370</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14</u>	<u>\$ 7</u>	<u>\$ 2,118</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
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	CAPITAL PROJECT FUNDS			
	1997 BOND ISSUE FUND #3209	CAPITAL PROJECTS FUND #3211	2002 POLICE FACILITY FUND #3216	PARKING GARAGE FUND #3217
ASSETS				
Cash and cash equivalents	\$ 82	\$ 9,389	\$ 13	\$ 249
Investments at fair value	-	-	-	-
Accounts receivable (net of allowances)	-	148	-	-
Due from other funds	-	7	-	-
Due from other governmental units	-	74	-	-
Inventory	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	4,189	-	-
TOTAL ASSETS	<u>\$ 82</u>	<u>\$ 13,807</u>	<u>\$ 13</u>	<u>\$ 249</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ -	\$ 197	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Accrued taxes payable	-	3	-	-
Due to other funds	-	297	-	-
Due to other governmental units	-	9	-	-
Deferred revenue	-	7	-	-
Advances from other funds	130	-	4,200	-
Total liabilities	<u>130</u>	<u>513</u>	<u>4,200</u>	<u>-</u>
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	9,033	-	249
Committed	82	-	13	-
Assigned	-	4,261	-	-
Unassigned	(130)	-	(4,200)	-
Total fund balance (deficits)	<u>(48)</u>	<u>13,294</u>	<u>(4,187)</u>	<u>249</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 82</u>	<u>\$ 13,807</u>	<u>\$ 13</u>	<u>\$ 249</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
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	CAPITAL PROJECT FUNDS			
	2009	2010		TOTAL
	LTGO CAPITAL	LTGO CAPITAL	LID INTERIM	NON-MAJOR
	PROJECTS	PROJECTS	FINANCING	GOVERNMENTAL
	FUND # 3218	FUND # 3220	FUND # (3)7070	FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,370	\$ 31,228	\$ 99	\$ 94,499
Investments at fair value	-	-	-	2,440
Accounts receivable (net of allowances)	-	-	-	7,207
Due from other funds	-	-	-	1,074
Due from other governmental units	2	-	-	76
Inventory	-	-	-	75
Other current assets	-	-	-	918
Advances to other funds	-	-	-	4,319
TOTAL ASSETS	<u>\$ 16,372</u>	<u>\$ 31,228</u>	<u>\$ 99</u>	<u>\$ 110,608</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	\$ 1,278	\$ 152	\$ -	\$ 2,640
Accrued wages and benefits payable	-	-	-	493
Deposits payable	-	-	-	52
Accrued taxes payable	-	-	-	21
Due to other funds	-	1,176	-	2,692
Due to other governmental units	-	-	-	9
Deferred revenue	-	33	-	4,796
Advances from other funds	-	-	-	5,764
Total liabilities	<u>1,278</u>	<u>1,361</u>	<u>-</u>	<u>16,467</u>
<b>Fund balance</b>				
Nonspendable	-	-	-	92
Restricted	15,094	29,867	99	76,878
Committed	-	-	-	18,928
Assigned	-	-	-	5,813
Unassigned	-	-	-	(7,570)
Total fund balance (deficits)	<u>15,094</u>	<u>29,867</u>	<u>99</u>	<u>94,141</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,372</u>	<u>\$ 31,228</u>	<u>\$ 99</u>	<u>\$ 110,608</u>

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS		
	COURTS FUND #1020	FIRE DEPARTMENT FUND #1090	PW FACILITIES ROW STREETS FUND #1100
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	88
Intergovernmental revenue	130	1,826	-
Charges for services	-	-	-
Fines and forfeitures	5	-	-
Investment earnings	-	23	18
Miscellaneous revenues	-	280	160
TOTAL REVENUES	<u>135</u>	<u>2,129</u>	<u>266</u>
EXPENDITURES			
Current:			
General government	-	287	1
Security of persons & property	136	1,095	-
Transportation	-	-	47
Economic environment	-	-	27
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	509	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	30	-
TOTAL EXPENDITURES	<u>136</u>	<u>1,921</u>	<u>75</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1)</u>	<u>208</u>	<u>191</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	8	-
Transfer in	-	154	-
Transfer (out)	-	(89)	-
Issuance of debt	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>73</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1)	281	191
FUND BALANCE - JANUARY 1	35	(929)	469
Prior period adjustment	-	89	-
FUND BALANCE - JANUARY 1, RESTATED	<u>35</u>	<u>(840)</u>	<u>469</u>
FUND BALANCE - DECEMBER 31	<u>\$ 34</u>	<u>\$ (559)</u>	<u>\$ 660</u>

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS		
	LID GUARANTEE FUND #1110	PATHS AND TRAILS FUND #1140	BUILDING AND LAND USE FUND #1145
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	58
Intergovernmental revenue	-	86	-
Charges for services	-	-	159
Fines and forfeitures	-	-	151
Investment earnings	250	14	65
Miscellaneous revenues	-	-	-
TOTAL REVENUES	<u>250</u>	<u>100</u>	<u>433</u>
EXPENDITURES			
Current:			
General government	142	-	-
Security of persons & property	-	-	-
Transportation	-	9	310
Economic environment	-	-	-
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	143	304
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
TOTAL EXPENDITURES	<u>142</u>	<u>152</u>	<u>614</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>108</u>	<u>(52)</u>	<u>(181)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfer in	9	17	50
Transfer (out)	-	(7)	(4,285)
Issuance of debt	-	-	-
Issuance of debt refunding bonds	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>9</u>	<u>10</u>	<u>(4,235)</u>
NET CHANGE IN FUND BALANCE	117	(42)	(4,416)
FUND BALANCE - JANUARY 1	2,786	511	6,968
Prior period adjustment	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>2,786</u>	<u>511</u>	<u>6,968</u>
FUND BALANCE - DECEMBER 31	<u>\$ 2,903</u>	<u>\$ 469</u>	<u>\$ 2,552</u>

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	FIRE EMS FUND #1155	TOURISM AND CONVENTIONS FUND #1180	HR & HS FUND #1185	ECONOMIC DEVELOPMENT FUND #1195
REVENUES				
Taxes	\$ 9,393	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	26	2,781	1,105	5,652
Charges for services	2,627	-	643	821
Fines and forfeitures	-	-	-	-
Investment earnings	243	20	34	414
Miscellaneous revenues	21	-	166	294
TOTAL REVENUES	<u>12,310</u>	<u>2,801</u>	<u>1,948</u>	<u>7,181</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons & property	12,363	-	1,044	12
Transportation	-	-	-	24
Economic environment	-	-	345	6,927
Mental and physical health	-	-	735	20
Culture and recreation	-	11	-	252
Capital outlay	856	-	-	50
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
TOTAL EXPENDITURES	<u>13,219</u>	<u>11</u>	<u>2,124</u>	<u>7,285</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(909)</u>	<u>2,790</u>	<u>(176)</u>	<u>(104)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	1
Transfer in	-	-	127	-
Transfer (out)	(195)	(3,058)	-	(357)
Issuance of debt	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(195)</u>	<u>(3,058)</u>	<u>127</u>	<u>(356)</u>
NET CHANGE IN FUND BALANCE	(1,104)	(268)	(49)	(460)
FUND BALANCE - JANUARY 1	9,105	886	804	14,667
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	<u>9,105</u>	<u>886</u>	<u>804</u>	<u>14,667</u>
FUND BALANCE - DECEMBER 31	<u>\$ 8,001</u>	<u>\$ 618</u>	<u>\$ 755</u>	<u>\$ 14,207</u>



## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS		
	LIBRARY FUND #1200	HUB FUND #1236	POLICE FUND #1267
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	64	-	1,144
Charges for services	43	-	88
Fines and forfeitures	-	-	89
Investment earnings	171	-	37
Miscellaneous revenues	53	1	469
TOTAL REVENUES	<u>331</u>	<u>1</u>	<u>1,827</u>
EXPENDITURES			
Current:			
General government	-	-	-
Security of persons & property	-	-	1,929
Transportation	-	-	-
Economic environment	-	-	-
Mental and physical health	-	-	-
Culture and recreation	158	-	-
Capital outlay	13	-	288
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
TOTAL EXPENDITURES	<u>171</u>	<u>-</u>	<u>2,217</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>160</u>	<u>1</u>	<u>(390)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfer in	-	-	8
Transfer (out)	-	(1)	-
Issuance of debt	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(1)</u>	<u>8</u>
NET CHANGE IN FUND BALANCE	160	-	(382)
FUND BALANCE - JANUARY 1	5,616	121	1,036
Prior period adjustment	179	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>5,795</u>	<u>121</u>	<u>1,036</u>
FUND BALANCE - DECEMBER 31	<u>\$ 5,955</u>	<u>\$ 121</u>	<u>\$ 654</u>

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	CABLE TV FUND #1431	HUMAN RESOURCES FUND #1500	CITY MANAGER FUND #1600	TRAFFIC ENFORCEMENT FUND #1650
REVENUES				
Taxes	\$ 2,894	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	139	845	-
Charges for services	236	2	-	-
Fines and forfeitures	-	-	-	2,643
Investment earnings	93	11	-	-
Miscellaneous revenues	67	-	-	-
TOTAL REVENUES	<u>3,290</u>	<u>152</u>	<u>845</u>	<u>2,643</u>
EXPENDITURES				
Current:				
General government	2,092	142	807	-
Security of persons & property	-	-	-	-
Transportation	-	-	-	4,766
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	91	-	45	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	24
TOTAL EXPENDITURES	<u>2,183</u>	<u>142</u>	<u>852</u>	<u>4,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,107</u>	<u>10</u>	<u>(7)</u>	<u>(2,147)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfer in	-	-	7	330
Transfer (out)	(4)	-	-	-
Issuance of debt	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(4)</u>	<u>-</u>	<u>7</u>	<u>330</u>
NET CHANGE IN FUND BALANCE	1,103	10	-	(1,817)
FUND BALANCE - JANUARY 1	2,500	247	-	-
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>2,500</u>	<u>247</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 3,603</u>	<u>\$ 257</u>	<u>\$ -</u>	<u>\$ (1,817)</u>

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	DEBT SERVICE FUNDS			
	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	CTED PWTF LOANS FUND #2038	2001 LTGO REFUNDING FUND #2039
REVENUES				
Taxes	\$ 2,154	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>2,154</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons & property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,590	-	1,072	-
Interest and fiscal charges	1,117	594	81	52
TOTAL EXPENDITURES	<u>2,707</u>	<u>594</u>	<u>1,153</u>	<u>52</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(553)</u>	<u>(594)</u>	<u>(1,153)</u>	<u>(52)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfer in	-	594	1,153	52
Transfer (out)	-	-	-	-
Issuance of debt	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>594</u>	<u>1,153</u>	<u>52</u>
NET CHANGE IN FUND BALANCE	(553)	-	-	-
FUND BALANCE - JANUARY 1	1,522	-	-	-
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>1,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	DEBT SERVICE FUNDS		
	2009 LTGO BONDS SERIES A-F FUND #2040	2010 LTGO BONDS FUND #2041	CONSOLIDATED LID BOND REDEMPTION FUND # (2)7999
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	8	-	6
Miscellaneous revenues	1,010	-	413
TOTAL REVENUES	1,018	-	419
EXPENDITURES			
Current:			
General government	-	-	-
Security of persons & property	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	1,085	-	60
Interest and fiscal charges	1,439	2,599	19
TOTAL EXPENDITURES	2,524	2,599	79
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,506)	(2,599)	340
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfer in	1,410	2,599	-
Transfer (out)	-	(16)	(9)
Issuance of debt	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	1,410	2,583	(9)
NET CHANGE IN FUND BALANCE	(96)	(16)	331
FUND BALANCE - JANUARY 1	110	23	39
Prior period adjustment	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	110	23	39
FUND BALANCE - DECEMBER 31	\$ 14	\$ 7	\$ 370

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	CAPITAL PROJECT FUNDS			
	1997 BOND ISSUE FUND #3209	CAPITAL PROJECTS FUND #3211	2002 POLICE FACILITY FUND #3216	PARKING GARAGE FUND #3217
REVENUES				
Taxes	\$ -	\$ 2,915	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	994	-	-
Charges for services	-	953	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	2	365	2	7
Miscellaneous revenues	-	84	-	-
TOTAL REVENUES	<u>2</u>	<u>5,311</u>	<u>2</u>	<u>7</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons & property	-	-	-	-
Transportation	-	1,144	-	1
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	2,032	-	5
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	85	443
TOTAL EXPENDITURES	<u>-</u>	<u>3,176</u>	<u>85</u>	<u>449</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2</u>	<u>2,135</u>	<u>(83)</u>	<u>(442)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	(100)	-	-
Transfer in	-	839	-	743
Transfer (out)	-	(3,236)	-	(114)
Issuance of debt	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(2,497)</u>	<u>-</u>	<u>629</u>
NET CHANGE IN FUND BALANCE	2	(362)	(83)	187
FUND BALANCE - JANUARY 1	(50)	13,656	(4,104)	62
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>(50)</u>	<u>13,656</u>	<u>(4,104)</u>	<u>62</u>
FUND BALANCE - DECEMBER 31	<u>\$ (48)</u>	<u>\$ 13,294</u>	<u>\$ (4,187)</u>	<u>\$ 249</u>

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

Page 9 of 9

	CAPITAL PROJECT FUNDS			TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	2009 LTGO CAPITAL PROJECTS FUND #3218	2010 LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND # (3)7070	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 17,356
Licenses and permits	-	-	-	146
Intergovernmental revenue	-	-	-	14,792
Charges for services	138	-	-	5,710
Fines and forfeitures	-	-	-	2,888
Investment earnings	605	1,019	-	3,407
Miscellaneous revenues	11	-	-	3,029
TOTAL REVENUES	<u>754</u>	<u>1,019</u>	<u>-</u>	<u>47,328</u>
EXPENDITURES				
Current:				
General government	-	-	-	3,471
Security of persons & property	-	-	-	16,579
Transportation	-	4,434	-	10,735
Economic environment	899	-	-	8,198
Mental and physical health	-	-	-	755
Culture and recreation	-	-	-	421
Capital outlay	14,788	1,655	-	20,779
Debt service:				
Principal retirement	-	-	2,117	5,924
Interest and fiscal charges	3	-	-	6,486
TOTAL EXPENDITURES	<u>15,690</u>	<u>6,089</u>	<u>2,117</u>	<u>73,348</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,936)</u>	<u>(5,070)</u>	<u>(2,117)</u>	<u>(26,020)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	(91)
Transfer in	2,025	16	-	10,133
Transfer (out)	(485)	(3,943)	-	(15,799)
Issuance of debt	-	-	1,553	1,553
TOTAL OTHER FINANCE SOURCES(USES)	<u>1,540</u>	<u>(3,927)</u>	<u>1,553</u>	<u>(4,204)</u>
NET CHANGE IN FUND BALANCE	(13,396)	(8,997)	(564)	(30,224)
FUND BALANCE - JANUARY 1	28,490	38,864	663	124,097
Prior period adjustment	-	-	-	268
FUND BALANCE - JANUARY 1. RESTATED	<u>28,490</u>	<u>38,864</u>	<u>663</u>	<u>124,365</u>
FUND BALANCE - DECEMBER 31	\$ <u><u>15,094</u></u>	\$ <u><u>29,867</u></u>	\$ <u><u>99</u></u>	\$ <u><u>94,141</u></u>

## SPECIAL REVENUE FUND - COURTS (1020)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 135	\$ 135	\$ 130	\$ (5)
Fines and forfeitures	-	-	5	5
TOTAL REVENUES	<u>135</u>	<u>135</u>	<u>135</u>	<u>-</u>
EXPENDITURES				
Current:				
Security of persons & property	250	250	136	(114)
TOTAL EXPENDITURES	<u>250</u>	<u>250</u>	<u>136</u>	<u>(114)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(115)</u>	<u>(115)</u>	<u>(1)</u>	<u>114</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(115)	(115)	(1)	114
FUND BALANCE - JANUARY 1	35	35	35	-
FUND BALANCE - DECEMBER 31	<u>\$ (80)</u>	<u>\$ (80)</u>	<u>\$ 34</u>	<u>\$ 114</u>

SPECIAL REVENUE FUND - CONTINGENCY (1030)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 33	\$ 33
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
EXPENDITURES				
Current:				
General government	<u>1,500</u>	<u>1,500</u>	<u>67</u>	<u>(1,433)</u>
TOTAL EXPENDITURES	<u>1,500</u>	<u>1,500</u>	<u>67</u>	<u>(1,433)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,500)</u>	<u>(1,500)</u>	<u>(34)</u>	<u>1,466</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
NET CHANGE IN FUND BALANCE	-	-	(34)	(34)
FUND BALANCE - JANUARY 1	<u>1,151</u>	<u>1,151</u>	<u>1,151</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,151</u>	<u>\$ 1,151</u>	<u>\$ 1,117</u>	<u>\$ (34)</u>

**Perspective Difference Reconciliation:**

LESS:

The following amounts budgeted as special revenue funds but do not meet the definition of a special revenue fund under GASB Statement 54 and therefore are account for within the General Fund:

Amount reported as Special Revenue Fund

\$	1,117
<u>\$</u>	<u>-</u>



## SPECIAL REVENUE FUND - FIRE DEPARTMENT (1090)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 2,460	\$ 6,676	\$ 1,826	\$ (4,850)
Charges for services	10	10	-	(10)
Investment earnings	25	25	23	(2)
Miscellaneous revenues	10	10	280	270
TOTAL REVENUES	<u>2,505</u>	<u>6,721</u>	<u>2,129</u>	<u>(4,592)</u>
EXPENDITURES				
Current:				
General government	144	144	287	143
Security of persons & property	1,548	3,305	1,095	(2,210)
Capital outlay	491	3,145	509	(2,636)
Debt service:				
Principal retirement	267	266	-	(266)
Interest and fiscal charges	100	100	30	(70)
TOTAL EXPENDITURES	<u>2,550</u>	<u>6,960</u>	<u>1,921</u>	<u>(5,039)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(45)</u>	<u>(239)</u>	<u>208</u>	<u>447</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	8	8
Transfer in	-	180	154	(26)
Transfer (out)	-	-	(89)	(89)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>180</u>	<u>73</u>	<u>(107)</u>
NET CHANGE IN FUND BALANCE	(45)	(59)	281	340
FUND BALANCE - JANUARY 1	(929)	(929)	(929)	-
Prior period adjustment	-	-	89	89
FUND BALANCE - JANUARY 1, RESTATED	<u>(929)</u>	<u>(929)</u>	<u>(840)</u>	<u>89</u>
FUND BALANCE - DECEMBER 31	<u>\$ (974)</u>	<u>\$ (988)</u>	<u>\$ (559)</u>	<u>\$ 429</u>

## SRF - PW FACILITIES ROW STREETS (1100)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 67	\$ 67	\$ 88	\$ 21
Investment earnings	-	-	18	18
Miscellaneous revenues	55	55	160	105
TOTAL REVENUES	<u>122</u>	<u>122</u>	<u>266</u>	<u>144</u>
EXPENDITURES				
Current:				
General government	-	-	1	1
Transportation	150	180	47	(133)
Economic environment	55	55	27	(28)
TOTAL EXPENDITURES	<u>205</u>	<u>235</u>	<u>75</u>	<u>(160)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(83)</u>	<u>(113)</u>	<u>191</u>	<u>304</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(83)	(113)	191	304
FUND BALANCE - JANUARY 1	469	469	469	-
FUND BALANCE - DECEMBER 31	<u>\$ 386</u>	<u>\$ 356</u>	<u>\$ 660</u>	<u>\$ 304</u>

## SPECIAL REVENUE FUND - LID GUARANTEE (1110)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 250	\$ 250
Miscellaneous revenues	<u>337</u>	<u>337</u>	<u>-</u>	<u>(337)</u>
TOTAL REVENUES	<u>337</u>	<u>337</u>	<u>250</u>	<u>(87)</u>
EXPENDITURES				
Current:				
General government	<u>337</u>	<u>337</u>	<u>142</u>	<u>(195)</u>
TOTAL EXPENDITURES	<u>337</u>	<u>337</u>	<u>142</u>	<u>(195)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>108</u>	<u>108</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
NET CHANGE IN FUND BALANCE	-	-	117	117
FUND BALANCE - JANUARY 1	<u>2,786</u>	<u>2,786</u>	<u>2,786</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 2,786</u>	<u>\$ 2,786</u>	<u>\$ 2,903</u>	<u>\$ 117</u>

SPECIAL REVENUE FUND - PATHS AND TRAILS (1140)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 1,230	\$ 1,695	\$ 86	\$ (1,609)
Investment earnings	-	-	14	14
TOTAL REVENUES	<u>1,230</u>	<u>1,695</u>	<u>100</u>	<u>(1,595)</u>
EXPENDITURES				
Current:				
Transportation	7	7	9	2
Capital outlay	<u>2,100</u>	<u>2,565</u>	<u>143</u>	<u>(2,422)</u>
TOTAL EXPENDITURES	<u>2,107</u>	<u>2,572</u>	<u>152</u>	<u>(2,420)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(877)</u>	<u>(877)</u>	<u>(52)</u>	<u>825</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	800	800	17	(783)
Transfer (out)	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(7)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>800</u>	<u>800</u>	<u>10</u>	<u>(790)</u>
NET CHANGE IN FUND BALANCE	(77)	(77)	(42)	35
FUND BALANCE - JANUARY 1	511	511	511	-
FUND BALANCE - DECEMBER 31	<u>\$ 434</u>	<u>\$ 434</u>	<u>\$ 469</u>	<u>\$ 35</u>

SPECIAL REVENUE FUND - BUILDING & LAND USE (1145)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 58	\$ 58
Charges for services	30	30	159	129
Fines and forfeitures	(204)	(204)	151	355
Investment earnings	10	10	65	55
Miscellaneous revenues	30	30	-	(30)
TOTAL REVENUES	<u>(134)</u>	<u>(134)</u>	<u>433</u>	<u>567</u>
EXPENDITURES				
Current:				
Transportation	1,901	1,901	310	(1,591)
Capital outlay	-	-	304	304
TOTAL EXPENDITURES	<u>1,901</u>	<u>1,901</u>	<u>614</u>	<u>(1,287)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,035)</u>	<u>(2,035)</u>	<u>(181)</u>	<u>1,854</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	50	50
Transfer (out)	(200)	(4,471)	(4,285)	186
TOTAL OTHER FINANCE SOURCES(USES)	<u>(200)</u>	<u>(4,471)</u>	<u>(4,235)</u>	<u>236</u>
NET CHANGE IN FUND BALANCE	(2,235)	(6,506)	(4,416)	2,090
FUND BALANCE - JANUARY 1	6,968	6,968	6,968	-
FUND BALANCE - DECEMBER 31	<u>\$ 4,733</u>	<u>\$ 462</u>	<u>\$ 2,552</u>	<u>\$ 2,090</u>

## SPECIAL REVENUE FUND - FIRE EMS (1155)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 18,737	\$ 18,737	\$ 9,393	\$ (9,344)
Intergovernmental revenue	52	52	26	(26)
Charges for services	5,063	5,063	2,627	(2,436)
Investment earnings	426	-	243	243
Miscellaneous revenues	50	476	21	(455)
TOTAL REVENUES	<u>24,328</u>	<u>24,328</u>	<u>12,310</u>	<u>(12,018)</u>
EXPENDITURES				
Current:				
Security of persons & property	26,112	26,283	12,363	(13,920)
Capital outlay	964	1,581	856	(725)
TOTAL EXPENDITURES	<u>27,076</u>	<u>27,864</u>	<u>13,219</u>	<u>(14,645)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,748)</u>	<u>(3,536)</u>	<u>(909)</u>	<u>2,627</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	(265)	(265)	(195)	70
TOTAL OTHER FINANCE SOURCES(USES)	<u>(265)</u>	<u>(265)</u>	<u>(195)</u>	<u>70</u>
NET CHANGE IN FUND BALANCE	(3,013)	(3,801)	(1,104)	2,697
FUND BALANCE - JANUARY 1	9,105	9,105	9,105	-
FUND BALANCE - DECEMBER 31	<u>\$ 6,092</u>	<u>\$ 5,304</u>	<u>\$ 8,001</u>	<u>\$ 2,697</u>

SPECIAL REVENUE FUND - TOURISM & CONVENTIONS (1180)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,725	\$ 6,725	\$ -	\$ (6,725)
Intergovernmental revenue	-	-	2,781	2,781
Investment earnings	-	-	20	20
TOTAL REVENUES	<u>6,725</u>	<u>6,725</u>	<u>2,801</u>	<u>(3,924)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>23</u>	<u>23</u>	<u>11</u>	<u>(12)</u>
TOTAL EXPENDITURES	<u>23</u>	<u>23</u>	<u>11</u>	<u>(12)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,702</u>	<u>6,702</u>	<u>2,790</u>	<u>(3,912)</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	<u>(6,728)</u>	<u>(6,728)</u>	<u>(3,058)</u>	<u>3,670</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>(6,728)</u>	<u>(6,728)</u>	<u>(3,058)</u>	<u>3,670</u>
NET CHANGE IN FUND BALANCE	(26)	(26)	(268)	(242)
FUND BALANCE - JANUARY 1	<u>886</u>	<u>886</u>	<u>886</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 860</u>	<u>\$ 860</u>	<u>\$ 618</u>	<u>\$ (242)</u>

## SPECIAL REVENUE FUND - HR &amp; HS (1185)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 2,039	\$ 2,039	\$ 1,105	\$ (934)
Charges for services	36	36	643	607
Investment earnings	15	15	34	19
Miscellaneous revenues	1,169	1,219	166	(1,053)
TOTAL REVENUES	<u>3,259</u>	<u>3,309</u>	<u>1,948</u>	<u>(1,361)</u>
EXPENDITURES				
Current:				
Security of persons & property	2,263	2,263	1,044	(1,219)
Economic environment	1,051	1,051	345	(706)
Mental and physical health	1,902	1,952	735	(1,217)
TOTAL EXPENDITURES	<u>5,216</u>	<u>5,266</u>	<u>2,124</u>	<u>(3,142)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,957)</u>	<u>(1,957)</u>	<u>(176)</u>	<u>1,781</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	765	765	127	(638)
TOTAL OTHER FINANCE SOURCES(USES)	<u>765</u>	<u>765</u>	<u>127</u>	<u>(638)</u>
NET CHANGE IN FUND BALANCE	(1,192)	(1,192)	(49)	1,143
FUND BALANCE - JANUARY 1	804	804	804	-
FUND BALANCE - DECEMBER 31	<u>\$ (388)</u>	<u>\$ (388)</u>	<u>\$ 755</u>	<u>\$ 1,143</u>



SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT (1195)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 27,125	\$ 28,089	\$ 5,652	\$ (22,437)
Charges for services	1,876	2,384	821	(1,563)
Investment earnings	449	449	414	(35)
Miscellaneous revenues	382	382	294	(88)
TOTAL REVENUES	<u>29,832</u>	<u>31,304</u>	<u>7,181</u>	<u>(24,123)</u>
EXPENDITURES				
Current:				
Security of persons & property	60	60	12	(48)
Transportation	2,693	2,693	24	(2,669)
Economic environment	38,728	39,457	6,927	(32,530)
Mental and physical health	60	60	20	(40)
Culture and recreation	1,139	1,374	252	(1,122)
Capital outlay	300	300	50	(250)
TOTAL EXPENDITURES	<u>42,980</u>	<u>43,944</u>	<u>7,285</u>	<u>(36,659)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(13,148)</u>	<u>(12,640)</u>	<u>(104)</u>	<u>12,536</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	1	1
Transfer in	508	-	-	-
Transfer (out)	-	-	(357)	(357)
TOTAL OTHER FINANCE SOURCES(USES)	<u>508</u>	<u>-</u>	<u>(356)</u>	<u>(356)</u>
NET CHANGE IN FUND BALANCE	(12,640)	(12,640)	(460)	12,180
FUND BALANCE - JANUARY 1	14,667	14,667	14,667	-
FUND BALANCE - DECEMBER 31	<u>\$ 2,027</u>	<u>\$ 2,027</u>	<u>\$ 14,207</u>	<u>\$ 12,180</u>

## SPECIAL REVENUE FUND - LIBRARY (1200)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 127	\$ 64	\$ (63)
Charges for services	-	28	43	15
Investment earnings	-	259	171	(88)
Miscellaneous revenues	-	1,460	53	(1,407)
TOTAL REVENUES	-	1,874	331	(1,543)
EXPENDITURES				
Current:				
Culture and recreation	4	1,114	158	(956)
Capital outlay	-	1,079	13	(1,066)
TOTAL EXPENDITURES	4	2,193	171	(2,022)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4)	(319)	160	479
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	(4)	(319)	160	479
FUND BALANCE - JANUARY 1	5,616	5,616	5,616	-
Prior period adjustment	-	-	179	179
FUND BALANCE - JANUARY 1. RESTATED	5,616	5,616	5,795	179
FUND BALANCE - DECEMBER 31	\$ 5,612	\$ 5,297	\$ 5,955	\$ 658

## SPECIAL REVENUE FUND - HUB (1236)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 472	\$ 472	\$ -	\$ (472)
Miscellaneous revenues	-	-	1	1
TOTAL REVENUES	<u>472</u>	<u>472</u>	<u>1</u>	<u>(471)</u>
EXPENDITURES				
Current:				
General government	<u>471</u>	<u>471</u>	-	(471)
TOTAL EXPENDITURES	<u>471</u>	<u>471</u>	<u>-</u>	<u>(471)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	<u>121</u>	<u>121</u>	<u>121</u>	-
FUND BALANCE - JANUARY 1. RESTATED	<u>121</u>	<u>121</u>	<u>121</u>	-
FUND BALANCE - DECEMBER 31	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ -</u>

## SPECIAL REVENUE FUND - POLICE (1267)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 1,732	\$ 1,763	\$ 1,144	\$ (619)
Charges for services	120	150	88	(62)
Fines and forfeitures	173	194	89	(105)
Investment earnings	61	61	37	(24)
Miscellaneous revenues	44	44	469	425
TOTAL REVENUES	<u>2,130</u>	<u>2,212</u>	<u>1,827</u>	<u>(385)</u>
EXPENDITURES				
Current:				
Security of persons & property	3,327	3,505	1,929	(1,576)
Capital outlay	-	-	288	288
TOTAL EXPENDITURES	<u>3,327</u>	<u>3,505</u>	<u>2,217</u>	<u>(1,288)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,197)</u>	<u>(1,293)</u>	<u>(390)</u>	<u>903</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	16	8	(8)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>16</u>	<u>8</u>	<u>(8)</u>
NET CHANGE IN FUND BALANCE	(1,197)	(1,277)	(382)	895
FUND BALANCE - JANUARY 1	1,036	1,036	1,036	-
FUND BALANCE - DECEMBER 31	<u>\$ (161)</u>	<u>\$ (241)</u>	<u>\$ 654</u>	<u>\$ 895</u>

SPECIAL REVENUE FUND - CABLE TV (1431)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,921	\$ 4,957	\$ 2,894	\$ (2,063)
Charges for services	-	-	236	236
Investment earnings	-	-	93	93
Miscellaneous revenues	477	2,085	67	(2,018)
TOTAL REVENUES	<u>6,398</u>	<u>7,042</u>	<u>3,290</u>	<u>(3,752)</u>
EXPENDITURES				
Current:				
General government	5,429	5,429	2,092	(3,337)
Capital outlay	1,613	1,613	91	(1,522)
TOTAL EXPENDITURES	<u>7,042</u>	<u>7,042</u>	<u>2,183</u>	<u>(4,859)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(644)</u>	<u>-</u>	<u>1,107</u>	<u>1,107</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	(4)	(4)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(4)</u>
NET CHANGE IN FUND BALANCE	(644)	-	1,103	1,103
FUND BALANCE - JANUARY 1	2,500	2,500	2,500	-
FUND BALANCE - DECEMBER 31	<u>\$ 1,856</u>	<u>\$ 2,500</u>	<u>\$ 3,603</u>	<u>\$ 1,103</u>

SPECIAL REVENUE FUND - HUMAN RESOURCES (1500)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 300	\$ 139	\$ (161)
Charges for services	-	452	2	(450)
Investment earnings	-	-	11	11
TOTAL REVENUES	<u>-</u>	<u>752</u>	<u>152</u>	<u>(600)</u>
EXPENDITURES				
Current:				
General government	-	1,130	142	(988)
TOTAL EXPENDITURES	<u>-</u>	<u>1,130</u>	<u>142</u>	<u>(988)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(378)</u>	<u>10</u>	<u>388</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(378)	10	388
FUND BALANCE - JANUARY 1	247	247	247	-
FUND BALANCE - DECEMBER 31	<u>\$ 247</u>	<u>\$ (131)</u>	<u>\$ 257</u>	<u>\$ 388</u>

## SPECIAL REVENUE FUND - CITY MANAGER (1600)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 1,133	\$ 845	\$ (288)
TOTAL REVENUES	<u>-</u>	<u>1,133</u>	<u>845</u>	<u>(288)</u>
EXPENDITURES				
Current:				
General government	-	1,133	807	(326)
Capital outlay	-	-	45	45
TOTAL EXPENDITURES	<u>-</u>	<u>1,133</u>	<u>852</u>	<u>(281)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(7)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	7	7
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REVENUE FUND - TRAFFIC ENFORCEMENT (1650)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Fines and forfeitures	\$ 8,782	\$ 8,782	\$ 2,643	\$ (6,139)
TOTAL REVENUES	<u>8,782</u>	<u>8,782</u>	<u>2,643</u>	<u>(6,139)</u>
EXPENDITURES				
Current:				
Security of persons & property	9,436	9,436	-	(9,436)
Transportation	-	-	4,766	4,766
Capital outlay	6	6	-	(6)
Debt service:				
Interest and fiscal charges	-	-	24	24
TOTAL EXPENDITURES	<u>9,442</u>	<u>9,442</u>	<u>4,790</u>	<u>(4,652)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(660)</u>	<u>(660)</u>	<u>(2,147)</u>	<u>(1,487)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	660	660	330	(330)
TOTAL OTHER FINANCE SOURCES(USES)	<u>660</u>	<u>660</u>	<u>330</u>	<u>(330)</u>
NET CHANGE IN FUND BALANCE	-	-	(1,817)	(1,817)
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,817)</u>	<u>\$ (1,817)</u>



## DEBT SERVICE FUND - VOTED BONDS (2010)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,410	\$ 5,410	\$ 2,154	\$ (3,256)
TOTAL REVENUES	<u>5,410</u>	<u>5,410</u>	<u>2,154</u>	<u>(3,256)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal retirement	3,565	3,565	1,590	(1,975)
Interest and fiscal charges	<u>1,845</u>	<u>1,845</u>	<u>1,117</u>	<u>(728)</u>
TOTAL EXPENDITURES	<u>5,410</u>	<u>5,410</u>	<u>2,707</u>	<u>(2,703)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(553)</u>	<u>(553)</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(553)	(553)
FUND BALANCE - JANUARY 1	<u>1,522</u>	<u>1,522</u>	<u>1,522</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,522</u>	<u>\$ 1,522</u>	<u>\$ 969</u>	<u>\$ (553)</u>

DEBT SERVICE FUND - NON-VOTED BONDS (2035)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Interest and fiscal charges	<u>1,568</u>	<u>1,568</u>	<u>594</u>	<u>(974)</u>
TOTAL EXPENDITURES	<u>1,568</u>	<u>1,568</u>	<u>594</u>	<u>(974)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,568)</u>	<u>(1,568)</u>	<u>(594)</u>	<u>974</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>1,568</u>	<u>1,568</u>	<u>594</u>	<u>(974)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>1,568</u>	<u>1,568</u>	<u>594</u>	<u>(974)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

DEBT SERVICE FUND - CTED PWTF LOANS (2038)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Debt service:				
Principal retirement	2,145	2,145	1,072	(1,073)
Interest and fiscal charges	<u>153</u>	<u>153</u>	<u>81</u>	<u>(72)</u>
TOTAL EXPENDITURES	<u>2,298</u>	<u>2,298</u>	<u>1,153</u>	<u>(1,145)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,298)</u>	<u>(2,298)</u>	<u>(1,153)</u>	<u>1,145</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>2,298</u>	<u>2,298</u>	<u>1,153</u>	<u>(1,145)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,298</u>	<u>2,298</u>	<u>1,153</u>	<u>(1,145)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

DEBT SERVICE FUND - 2001 LTGO REFUNDING (2039)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Interest and fiscal charges	<u>104</u>	<u>104</u>	<u>52</u>	<u>(52)</u>
TOTAL EXPENDITURES	<u>104</u>	<u>104</u>	<u>52</u>	<u>(52)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(104)</u>	<u>(104)</u>	<u>(52)</u>	<u>52</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>104</u>	<u>104</u>	<u>52</u>	<u>(52)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>104</u>	<u>104</u>	<u>52</u>	<u>(52)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

DEBT SERVICE FUND - 2009 LTGO BONDS (SERIES A-F) (2040)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 8	\$ 8
Miscellaneous revenues	-	-	1,010	1,010
TOTAL REVENUES	-	-	1,018	1,018
EXPENDITURES				
Current:				
Debt service:				
Principal retirement	2,195	2,195	1,085	(1,110)
Interest and fiscal charges	2,846	2,846	1,439	(1,407)
TOTAL EXPENDITURES	5,041	5,041	2,524	(2,517)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,041)	(5,041)	(1,506)	3,535
OTHER FINANCING SOURCES (USES)				
Transfer in	5,041	5,041	1,410	(3,631)
TOTAL OTHER FINANCE SOURCES(USES)	5,041	5,041	1,410	(3,631)
NET CHANGE IN FUND BALANCE	-	-	(96)	(96)
FUND BALANCE - JANUARY 1	110	110	110	-
FUND BALANCE - DECEMBER 31	\$ 110	\$ 110	\$ 14	\$ (96)

DEBT SERVICE FUND - 2010 LTGO BONDS (SERIES A-F) (2041)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>2,599</u>	<u>2,599</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>2,599</u>	<u>2,599</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(2,599)</u>	<u>(2,599)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>5,070</u>	<u>2,599</u>	<u>(2,471)</u>
Transfer (out)	<u>-</u>	<u>(5,070)</u>	<u>(16)</u>	<u>5,054</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>2,583</u>	<u>2,583</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(16)</u>	<u>(16)</u>
FUND BALANCE - JANUARY 1	<u>23</u>	<u>23</u>	<u>23</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	\$ <u><u>23</u></u>	\$ <u><u>23</u></u>	\$ <u><u>7</u></u>	\$ <u><u>(16)</u></u>

DEBT SERVICE FUND - CONSOLIDATED LID BOND REDEMPTION (2-7999)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
Miscellaneous revenues	-	-	413	413
TOTAL REVENUES	-	-	419	419
EXPENDITURES				
Current:				
Debt service:				
Principal retirement	-	-	60	60
Interest and fiscal charges	-	-	19	19
TOTAL EXPENDITURES	-	-	79	79
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	340	340
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	(9)	(9)
TOTAL OTHER FINANCE SOURCES(USES)	-	-	(9)	(9)
NET CHANGE IN FUND BALANCE	-	-	331	331
FUND BALANCE - JANUARY 1	39	39	39	-
FUND BALANCE - DECEMBER 31	<u>\$ 39</u>	<u>\$ 39</u>	<u>\$ 370</u>	<u>\$ 331</u>

CAPITAL PROJECT FUND - 1997 BOND ISSUE (3209)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 2	\$ 2
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	2	2
FUND BALANCE - JANUARY 1	(50)	(50)	(50)	-
FUND BALANCE - DECEMBER 31	<u><u>\$(50)</u></u>	<u><u>\$(50)</u></u>	<u><u>\$(48)</u></u>	<u><u>2</u></u>



CAPITAL PROJECT FUND - CAPITAL PROJECTS (3211)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,530	\$ 6,530	\$ 2,915	\$ (3,615)
Intergovernmental revenue	-	953	994	41
Charges for services	3,109	3,109	953	(2,156)
Fines and forfeitures	-	-	-	-
Investment earnings	105	105	365	260
Miscellaneous revenues	166	268	84	(184)
TOTAL REVENUES	<u>9,910</u>	<u>10,965</u>	<u>5,311</u>	<u>(5,654)</u>
EXPENDITURES				
Current:				
Transportation	2,193	25,879	1,144	(24,735)
Capital outlay	7,310	9,504	2,032	(7,472)
TOTAL EXPENDITURES	<u>9,503</u>	<u>35,383</u>	<u>3,176</u>	<u>(32,207)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>407</u>	<u>(24,418)</u>	<u>2,135</u>	<u>26,553</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	(100)	(100)
Transfer in	16,300	16,435	839	(15,596)
Transfer (out)	(19,776)	-	(3,236)	(3,236)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(3,476)</u>	<u>16,435</u>	<u>(2,497)</u>	<u>(18,932)</u>
NET CHANGE IN FUND BALANCE	(3,069)	(7,983)	(362)	7,621
FUND BALANCE - JANUARY 1	13,656	13,656	13,656	-
FUND BALANCE - DECEMBER 31	<u>\$ 10,587</u>	<u>\$ 5,673</u>	<u>\$ 13,294</u>	<u>\$ 7,621</u>

CAPITAL PROJECT FUND - 2002 POLICE FACILITY (3216)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 2	\$ 2
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES				
Current:				
Debt service:				
Interest and fiscal charges	242	242	85	(157)
TOTAL EXPENDITURES	<u>242</u>	<u>242</u>	<u>85</u>	<u>(157)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(242)</u>	<u>(242)</u>	<u>(83)</u>	<u>159</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	93	93	-	(93)
TOTAL OTHER FINANCE SOURCES(USES)	<u>93</u>	<u>93</u>	<u>-</u>	<u>(93)</u>
NET CHANGE IN FUND BALANCE	(149)	(149)	(83)	66
FUND BALANCE - JANUARY 1	(4,104)	(4,104)	(4,104)	-
FUND BALANCE - DECEMBER 31	<u>\$ (4,253)</u>	<u>\$ (4,253)</u>	<u>\$ (4,187)</u>	<u>\$ 66</u>

## CAPITAL PROJECT FUND - PARKING GARAGE (3217)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 7	\$ 7
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
EXPENDITURES				
Current:				
Transportation	1	252	1	(251)
Capital outlay	-	-	5	5
Debt service:				
Principal retirement	343	343	-	(343)
Interest and fiscal charges	181	765	443	(322)
TOTAL EXPENDITURES	<u>525</u>	<u>1,360</u>	<u>449</u>	<u>(911)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(525)</u>	<u>(1,360)</u>	<u>(442)</u>	<u>918</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	524	1,294	743	(551)
Transfer (out)	-	-	(114)	(114)
TOTAL OTHER FINANCE SOURCES(USES)	<u>524</u>	<u>1,294</u>	<u>629</u>	<u>(665)</u>
NET CHANGE IN FUND BALANCE	(1)	(66)	187	253
FUND BALANCE - JANUARY 1	62	62	62	-
FUND BALANCE - DECEMBER 31	<u>\$ 61</u>	<u>\$ (4)</u>	<u>\$ 249</u>	<u>\$ 253</u>

## CAPITAL PROJECT FUND - 2009 LTGO - CAPITAL PROJECTS (3218)

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2011

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for services	\$ -	\$ -	\$ 138	\$ 138
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	605	605
Miscellaneous revenues	-	-	11	11
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>754</u>	<u>754</u>
EXPENDITURES				
Current:				
Transportation	6,000	35,700	-	(35,700)
Economic environment	-	-	899	899
Capital outlay	-	-	14,788	14,788
Debt service:				
Interest and fiscal charges	-	-	3	3
TOTAL EXPENDITURES	<u>6,000</u>	<u>35,700</u>	<u>15,690</u>	<u>(20,010)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,000)</u>	<u>(35,700)</u>	<u>(14,936)</u>	<u>20,764</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	2,025	2,025
Transfer (out)	-	-	(485)	(485)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>1,540</u>	<u>1,540</u>
NET CHANGE IN FUND BALANCE	(6,000)	(35,700)	(13,396)	22,304
FUND BALANCE - JANUARY 1	28,490	28,490	28,490	-
FUND BALANCE - DECEMBER 31	<u>\$ 22,490</u>	<u>\$ (7,210)</u>	<u>\$ 15,094</u>	<u>\$ 22,304</u>

CAPITAL PROJECT FUND - DEBT SERVICE FUND - 2010 LTGO (SERIES B-E) (3220)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,019	\$ 1,019
Miscellaneous revenues	39,400	30,400	-	(30,400)
TOTAL REVENUES	39,400	30,400	1,019	(29,381)
EXPENDITURES				
Current:				
Transportation	21,945	21,945	4,434	(17,511)
Capital outlay	17,455	17,455	1,655	(15,800)
TOTAL EXPENDITURES	39,400	39,400	6,089	(33,311)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(9,000)	(5,070)	3,930
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	16	16
Transfer (out)	-	-	(3,943)	(3,943)
TOTAL OTHER FINANCE SOURCES(USES)	-	-	(3,927)	(3,927)
NET CHANGE IN FUND BALANCE	-	(9,000)	(8,997)	3
FUND BALANCE - JANUARY 1	38,864	38,864	38,864	-
FUND BALANCE - DECEMBER 31	\$ 38,864	\$ 29,864	\$ 29,867	\$ 3

CAPITAL PROJECT FUND - LID INTERIM FINANCING (3-7070)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2011	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>2,117</u>	<u>2,117</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(2,117)</u>	<u>(2,117)</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>1,553</u>	<u>1,553</u>
NET CHANGE IN FUND BALANCE	-	-	(564)	(564)
FUND BALANCE - JANUARY 1	663	663	663	-
FUND BALANCE - DECEMBER 31	<u>\$ 663</u>	<u>\$ 663</u>	<u>\$ 99</u>	<u>\$ (564)</u>

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## COMBINING STATEMENT OF NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 1 of 8

	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 2,752	\$ (1,210)	\$ 2,451
Accounts receivable - net of allowance for uncollectibles	24	1,023	33
Due from other funds	-	263	-
Due from other governmental units	-	-	-
Inventory	-	-	-
Prepaid expenses	-	68	30
Other current assets	-	-	-
<b>Restricted assets:</b>			
Cash for construction	-	-	-
Cash for debt service	-	30	-
Cash for other special purposes	-	-	-
Investments for other special purposes	-	-	-
Customer deposits	-	-	-
Total restricted assets	-	30	-
Total current assets	2,776	174	2,514
<b>Non-current assets:</b>			
Notes, contracts, leases receivable --non-current	-	-	-
Other non-current assets	-	-	245
<b>Capital assets:</b>			
Land	-	1,361	11,806
Property, plant, and equipment	75	25,839	51,183
Less: accumulated depreciation	(69)	(4,742)	(8,128)
Construction work in progress	-	29	-
Total capital assets net of depreciation	6	22,487	54,861
Total non-current assets	6	22,487	55,106
<b>TOTAL ASSETS</b>	<b>\$ 2,782</b>	<b>\$ 22,661</b>	<b>\$ 57,620</b>



## COMBINING STATEMENT OF NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 2 of 8

	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 24	\$ 110	\$ 264
Accrued wages and benefits payable	175	-	71
Accrued taxes payable	-	8	9
Accrued interest payable	-	30	-
Deposits payable	-	47	-
Environmental liability -- current	-	-	-
Notes, contracts & leases payable --current	-	-	-
Revenue bonds--current portion	-	-	-
Due to other funds	88	297	16
Deferred revenue	-	-	20
Other current liabilities	-	-	-
Liabilities payable from restricted assets:			
Revenue bonds--current portion	-	-	-
Bond interest payable	-	-	-
Deposits payable	-	-	-
Total current liabilities	<u>287</u>	<u>492</u>	<u>380</u>
Non-current liabilities:			
Environmental liability -- non-current	-	-	-
Notes, contracts & leases payable --non-current	-	-	-
Revenue bonds--non-current portion	-	-	18,412
Accrued employee leave benefits	348	-	32
Advances from other funds	-	6,250	-
Net OPEB obligation	-	-	-
Other --non-current liabilities	-	-	-
Liabilities payable from restricted assets:			
Accrued landfill liability	-	-	-
Total non-current liabilities	<u>348</u>	<u>6,250</u>	<u>18,444</u>
<b>TOTAL LIABILITIES</b>	<u>635</u>	<u>6,742</u>	<u>18,824</u>
<b>NET ASSETS</b>			
Investment in capital assets net of related debt	6	16,237	36,450
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	-	-	-
Restricted for other purposes	-	-	-
Unrestricted	<u>2,141</u>	<u>(318)</u>	<u>2,346</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 2,147</u>	<u>\$ 15,919</u>	<u>\$ 38,796</u>

COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR ENTERPRISE FUNDS  
 December 31, 2011  
 (amounts expressed in thousands)  
 Page 3 of 8

	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 224	\$ 476	\$ 676	\$ 184
Accounts receivable - net of allowance for uncollectibles	162	-	82	-
Due from other funds	1	81	-	226
Due from other governmental units	-	-	-	279
Inventory	-	-	-	-
Prepaid expenses	27	16	34	16
Other current assets	-	-	-	-
Restricted assets:				
Cash for construction	-	-	-	-
Cash for debt service	502	-	-	-
Cash for other special purposes	-	-	-	3,481
Investments for other special purposes	-	-	-	1,021
Customer deposits	-	-	-	-
Total restricted assets	<u>502</u>	<u>-</u>	<u>-</u>	<u>4,502</u>
Total current assets	<u>916</u>	<u>573</u>	<u>792</u>	<u>5,207</u>
Non-current assets:				
Notes, contracts, leases receivable --non-current	-	-	-	-
Other non-current assets	807	-	-	278
Capital assets:				
Land	15,298	76	6,428	1,500
Property, plant, and equipment	73,782	38,695	51,517	18,647
Less: accumulated depreciation	(17,266)	(2,555)	(31,663)	(5,506)
Construction work in progress	-	-	-	-
Total capital assets net of depreciation	<u>71,814</u>	<u>36,216</u>	<u>26,282</u>	<u>14,641</u>
Total non-current assets	<u>72,621</u>	<u>36,216</u>	<u>26,282</u>	<u>14,919</u>
TOTAL ASSETS	<u>\$ 73,537</u>	<u>\$ 36,789</u>	<u>\$ 27,074</u>	<u>\$ 20,126</u>

COMBINING STATEMENT OF NET ASSETS  
 NON-MAJOR ENTERPRISE FUNDS  
 December 31, 2011  
 (amounts expressed in thousands)  
 Page 4 of 8

	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 104	\$ 16	\$ 229	\$ 59
Accrued wages and benefits payable	173	-	143	-
Accrued taxes payable	6	-	11	-
Accrued interest payable	-	-	-	-
Deposits payable	324	-	18	-
Environmental liability -- current	-	-	-	-
Notes, contracts & leases payable --current	-	-	48	-
Revenue bonds--current portion	-	-	-	-
Due to other funds	43	-	35	7
Deferred revenue	7	-	1,128	558
Other current liabilities	4	-	5	-
Liabilities payable from restricted assets:				
Revenue bonds--current portion	-	-	-	-
Bond interest payable	-	-	-	-
Deposits payable	-	-	-	-
Total current liabilities	<u>661</u>	<u>16</u>	<u>1,617</u>	<u>624</u>
Non-current liabilities:				
Environmental liability -- non-current	-	-	-	-
Notes, contracts & leases payable --non-current	-	-	50	-
Revenue bonds--non-current portion	75,150	-	-	-
Accrued employee leave benefits	44	-	219	-
Advances from other funds	-	-	2,589	1,092
Net OPEB obligation	-	-	-	-
Other --non-current liabilities	-	-	-	-
Liabilities payable from restricted assets:				
Accrued landfill liability	-	-	-	-
Total non-current liabilities	<u>75,194</u>	<u>-</u>	<u>2,858</u>	<u>1,092</u>
<b>TOTAL LIABILITIES</b>	<u>75,855</u>	<u>16</u>	<u>4,475</u>	<u>1,716</u>
<b>NET ASSETS</b>				
Investment in capital assets net of related debt	(3,336)	36,216	26,282	14,084
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for debt	501	-	-	-
Restricted for other purposes	-	-	-	4,503
Unrestricted	<u>517</u>	<u>557</u>	<u>(3,683)</u>	<u>(177)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ (2,318)</u>	<u>\$ 36,773</u>	<u>\$ 22,599</u>	<u>\$ 18,410</u>

## COMBINING STATEMENT OF NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 5 of 8

	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 29,774	\$ 97	\$ 4,514	\$ 394
Accounts receivable - net of allowance for uncollectibles	6,186	4,052	1,787	-
Due from other funds	117	-	32	-
Due from other governmental units	142	-	-	-
Inventory	-	-	530	-
Prepaid expenses	-	-	1,877	-
Other current assets	-	-	128	-
Restricted assets:				
Cash for construction	9,385	-	-	-
Cash for debt service	2,006	-	400	-
Cash for other special purposes	2,780	1,896	-	-
Investments for other special purposes	-	-	-	-
Customer deposits	54	-	-	-
Total restricted assets	14,225	1,896	400	-
Total current assets	50,444	6,045	9,268	394
Non-current assets:				
Notes, contracts, leases receivable --non-current	-	39,739	-	-
Other non-current assets	1,177	-	5	-
Capital assets:				
Land	2,908	-	160	-
Property, plant, and equipment	178,166	-	26,950	-
Less: accumulated depreciation	(93,612)	-	(14,276)	-
Construction work in progress	1,610	-	1,124	-
Total capital assets net of depreciation	89,072	-	13,958	-
Total non-current assets	90,249	39,739	13,963	-
<b>TOTAL ASSETS</b>	<b>\$ 140,693</b>	<b>\$ 45,784</b>	<b>\$ 23,231</b>	<b>\$ 394</b>

## COMBINING STATEMENT OF NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 6 of 8

	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 3,252	\$ 1	\$ 483	\$ -
Accrued wages and benefits payable	742	-	324	-
Accrued taxes payable	680	-	190	-
Accrued interest payable	-	723	19	-
Deposits payable	21	-	-	-
Environmental liability -- current	334	-	-	-
Notes, contracts & leases payable --current	139	-	18	-
Revenue bonds--current portion	2,154	1,605	201	-
Due to other funds	723	-	128	-
Deferred revenue	4,816	2,398	-	-
Other current liabilities	-	-	586	17
Liabilities payable from restricted assets:				
Revenue bonds--current portion	196	-	-	-
Bond interest payable	284	-	-	-
Deposits payable	54	-	68	-
Total current liabilities	<u>13,395</u>	<u>4,727</u>	<u>2,017</u>	<u>17</u>
Non-current liabilities:				
Environmental liability -- non-current	26,955	-	-	-
Notes, contracts & leases payable --non-current	7,156	-	1,671	-
Revenue bonds--non-current portion	64,952	25,245	-	-
Accrued employee leave benefits	1,088	-	639	-
Advances from other funds	-	-	662	-
Net OPEB obligation	912	-	90	-
Other --non-current liabilities	-	14,860	-	-
Liabilities payable from restricted assets:				
Accrued landfill liability	2,457	-	-	-
Total non-current liabilities	<u>103,520</u>	<u>40,105</u>	<u>3,062</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>116,915</u>	<u>44,832</u>	<u>5,079</u>	<u>17</u>
<b>NET ASSETS</b>				
Investment in capital assets net of related debt	-	(1,041)	11,412	-
Restricted:				
Restricted for capital purchases	28,641	-	-	-
Restricted for debt	-	-	400	-
Restricted for other purposes	1,850	1,896	-	-
Unrestricted	(6,713)	97	6,340	377
<b>TOTAL NET ASSETS</b>	<u>\$ 23,778</u>	<u>\$ 952</u>	<u>\$ 18,152</u>	<u>\$ 377</u>

## COMBINING STATEMENT OF NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 7 of 8

	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 171	\$ 40,503
Accounts receivable - net of allowance for uncollectibles	-	13,349
Due from other funds	-	720
Due from other governmental units	-	421
Inventory	-	530
Prepaid expenses	-	2,068
Other current assets	-	128
Restricted assets:		
Cash for construction	-	9,385
Cash for debt service	-	2,938
Cash for other special purposes	-	8,157
Investments for other special purposes	-	1,021
Customer deposits	-	54
Total restricted assets	-	21,555
Total current assets	171	79,274
Non-current assets:		
Notes, contracts, leases receivable --non-current	-	39,739
Other non-current assets	50	2,562
Capital assets:		
Land	-	39,537
Property, plant, and equipment	-	464,854
Less: accumulated depreciation	-	(177,817)
Construction work in progress	-	2,763
Total capital assets net of depreciation	-	329,337
Total non-current assets	50	371,638
<b>TOTAL ASSETS</b>	<b>\$ 221</b>	<b>\$ 450,912</b>

## COMBINING STATEMENT OF NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 4,542
Accrued wages and benefits payable	-	1,628
Accrued taxes payable	-	904
Accrued interest payable	20	792
Deposits payable	-	410
Environmental liability -- current	-	334
Notes, contracts & leases payable --current	-	205
Revenue bonds--current portion	1,625	5,585
Due to other funds	-	1,337
Deferred revenue	-	8,927
Other current liabilities	-	612
Liabilities payable from restricted assets:		
Revenue bonds--current portion	-	196
Bond interest payable	-	284
Deposits payable	-	122
Total current liabilities	<u>1,645</u>	<u>25,878</u>
Non-current liabilities:		
Environmental liability -- non-current	-	26,955
Notes, contracts & leases payable --non-current	-	8,877
Revenue bonds--non-current portion	3,359	187,118
Accrued employee leave benefits	-	2,370
Advances from other funds	-	10,593
Net OPEB obligation	-	1,002
Other --non-current liabilities	-	14,860
Liabilities payable from restricted assets:		
Accrued landfill liability	-	2,457
Total non-current liabilities	<u>3,359</u>	<u>254,232</u>
<b>TOTAL LIABILITIES</b>	<u>5,004</u>	<u>280,110</u>
<b>NET ASSETS</b>		
Investment in capital assets net of related debt	-	136,310
Restricted:		
Restricted for capital purchases	-	28,641
Restricted for debt	-	901
Restricted for other purposes	-	8,249
Unrestricted	<u>(4,783)</u>	<u>(3,299)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ (4,783)</u>	<u>\$ 170,802</u>

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
OPERATING REVENUES			
Charges for services	\$ 4,767	\$ 1,044	\$ 4,839
Miscellaneous	8	-	20
TOTAL OPERATING REVENUES	<u>4,775</u>	<u>1,044</u>	<u>4,859</u>
OPERATING EXPENSES			
Personnel, salaries & wages	5,150	437	1,312
Supplies, services and charges	1,712	1,639	2,111
Depreciation	-	765	1,399
Taxes	-	24	95
TOTAL OPERATION EXPENSES	<u>6,862</u>	<u>2,865</u>	<u>4,917</u>
OPERATING INCOME (LOSS)	<u>(2,087)</u>	<u>(1,821)</u>	<u>(58)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	116	(2)	75
Interest expense and fiscal charges	(21)	(147)	(863)
Amortization of bond discount & expense	-	-	19
Operating grant	-	354	-
Gain(loss) of disposition of property	-	-	-
Miscellaneous	111	1,524	-
NON OPERATING REVENUE NET OF EXPENSE	<u>206</u>	<u>1,729</u>	<u>(769)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(1,881)</u>	<u>(92)</u>	<u>(827)</u>
Capital contributions	6	-	1,664
Transfer in	4,455	-	-
Transfer (out)	(3)	(2)	(558)
CHANGES IN NET ASSETS	<u>2,577</u>	<u>(94)</u>	<u>279</u>
NET ASSETS - JANUARY 1	(430)	16,013	38,517
Prior period adjustments	-	-	-
NET ASSETS - JANUARY 1 RESTATED	<u>(430)</u>	<u>16,013</u>	<u>38,517</u>
NET ASSETS - DECEMBER 31	<u>\$ 2,147</u>	<u>\$ 15,919</u>	<u>\$ 38,796</u>



## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
OPERATING REVENUES				
Charges for services	\$ 2,316	\$ 196	\$ 4,807	\$ -
Miscellaneous	-	500	-	-
TOTAL OPERATING REVENUES	<u>2,316</u>	<u>696</u>	<u>4,807</u>	<u>-</u>
OPERATING EXPENSES				
Personnel, salaries & wages	2,447	7	2,884	-
Supplies, services and charges	2,015	68	2,390	619
Depreciation	2,200	369	673	506
Taxes	55	64	66	-
TOTAL OPERATION EXPENSES	<u>6,717</u>	<u>508</u>	<u>6,013</u>	<u>1,125</u>
OPERATING INCOME (LOSS)	<u>(4,401)</u>	<u>188</u>	<u>(1,206)</u>	<u>(1,125)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	20	37	32	235
Interest expense and fiscal charges	(3,346)	(2)	(59)	(6)
Amortization of bond discount & expense	26	-	-	-
Operating grant	-	-	-	-
Gain(loss) of disposition of property	-	(82)	2	-
Miscellaneous	2,409	-	-	4
NON OPERATING REVENUE NET OF EXPENSE	<u>(891)</u>	<u>(47)</u>	<u>(25)</u>	<u>233</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(5,292)</u>	<u>141</u>	<u>(1,231)</u>	<u>(892)</u>
Capital contributions	-	30,745	512	-
Transfer in	3,056	81	-	1,095
Transfer (out)	(185)	(2,673)	(7)	(1)
CHANGES IN NET ASSETS	<u>(2,421)</u>	<u>28,294</u>	<u>(726)</u>	<u>202</u>
NET ASSETS - JANUARY 1	139	8,479	23,325	18,208
Prior period adjustments	<u>(36)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS - JANUARY 1 RESTATED	<u>103</u>	<u>8,479</u>	<u>23,325</u>	<u>18,208</u>
NET ASSETS - DECEMBER 31	<u>\$ (2,318)</u>	<u>\$ 36,773</u>	<u>\$ 22,599</u>	<u>\$ 18,410</u>

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
OPERATING REVENUES				
Charges for services	\$ 56,692	\$ -	\$ 19,404	\$ -
Miscellaneous	410	-	-	-
TOTAL OPERATING REVENUES	<u>57,102</u>	<u>-</u>	<u>19,404</u>	<u>-</u>
OPERATING EXPENSES				
Personnel, salaries & wages	17,847	-	10,338	-
Supplies, services and charges	20,535	5	5,779	-
Depreciation	6,100	-	641	-
Taxes	5,642	-	1,972	-
TOTAL OPERATION EXPENSES	<u>50,124</u>	<u>5</u>	<u>18,730</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>6,978</u>	<u>(5)</u>	<u>674</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	1,698	-	132	-
Interest expense and fiscal charges	(3,604)	-	(81)	-
Amortization of bond discount & expense	(134)	-	-	-
Operating grant	247	-	-	-
Gain(loss) of disposition of property	-	-	(255)	-
Miscellaneous	(10)	-	915	(566)
NON OPERATING REVENUE NET OF EXPENSE	<u>(1,803)</u>	<u>-</u>	<u>711</u>	<u>(566)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>5,175</u>	<u>(5)</u>	<u>1,385</u>	<u>(566)</u>
Capital contributions				
Transfer in	-	-	3,171	-
Transfer (out)	-	-	(13)	-
CHANGES IN NET ASSETS	<u>5,175</u>	<u>(5)</u>	<u>4,543</u>	<u>(566)</u>
NET ASSETS - JANUARY 1	18,603	957	13,609	943
Prior period adjustments	-	-	-	-
NET ASSETS - JANUARY 1 RESTATED	<u>18,603</u>	<u>957</u>	<u>13,609</u>	<u>943</u>
NET ASSETS - DECEMBER 31	<u>\$ 23,778</u>	<u>\$ 952</u>	<u>\$ 18,152</u>	<u>\$ 377</u>

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
OPERATING REVENUES		
Charges for services	\$ -	\$ 94,065
Miscellaneous	-	938
TOTAL OPERATING REVENUES	-	95,003
OPERATING EXPENSES		
Personnel, salaries & wages	-	40,422
Supplies, services and charges	-	36,873
Depreciation	-	12,653
Taxes	-	7,918
TOTAL OPERATION EXPENSES	-	97,866
OPERATING INCOME (LOSS)	-	(2,863)
NON-OPERATING REVENUES (EXPENSES)		
Interest revenue	-	2,343
Interest expense and fiscal charges	(294)	(8,423)
Amortization of bond discount & expense	(64)	(153)
Operating grant	-	601
Gain(loss) of disposition of property	-	(335)
Miscellaneous	5	4,392
NON OPERATING REVENUE NET OF EXPENSE	(353)	(1,575)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(353)	(4,438)
Capital contributions	1,853	37,951
Transfer in	-	8,687
Transfer (out)	-	(3,442)
CHANGES IN NET ASSETS	1,500	38,758
NET ASSETS - JANUARY 1	(6,283)	132,080
Prior period adjustments	-	(36)
NET ASSETS - JANUARY 1 RESTATED	(6,283)	132,044
NET ASSETS - DECEMBER 31	\$ (4,783)	\$ 170,802

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2011  
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 4,731	\$ 696	\$ 4,749
Receipts from interfund services provided	-	-	87
Contributions received - employee/employer	-	-	-
Payments to suppliers	(1,629)	(1,667)	(1,946)
Payments to employees	(5,231)	(437)	(1,254)
Payments to insurance carriers	-	-	(56)
Payments for taxes	-	(61)	(62)
Payments for interfund services used	-	-	(218)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,129)</u>	<u>(1,469)</u>	<u>1,300</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	-	-	-
Advances from (to) other funds	-	-	-
Contributions and Donations	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	4,452	(2)	(558)
Acquisition and construction of capital assets	111	(339)	-
Proceeds from capital debt	-	-	-
Proceeds from the sale of capital assets	-	-	-
Proceeds from leased property	-	1,439	-
Lease and leaseback	-	-	-
Principal paid on capital debt	-	-	-
Interest paid on capital debt	(21)	(149)	(863)
Contributions and donations	-	448	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>4,542</u>	<u>1,397</u>	<u>(1,421)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	116	(2)	75
Rental and other income	-	-	-
Investments long-term	-	-	-
Other net non-operating revenues and deductions	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>116</u>	<u>(2)</u>	<u>75</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	2,529	(74)	(46)
CASH & CASH EQUIVALENTS, JANUARY 1	223	(1,106)	2,497
CASH , RESTRICTED CASH & CASH EQUIVALENTS,	<u>\$ 2,752</u>	<u>\$ (1,180)</u>	<u>\$ 2,451</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For the Year Ended December 31, 2011  
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,087)	\$ (1,821)	\$ (58)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	765	1,399
(increase) decrease in accounts receivable	(8)	(349)	59
(Increase) decrease in intergovernmental receivables	-	-	-
(Increase) decrease in due from other funds	5	-	5
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	(9)	(5)
Increase (decrease) in deposits payable	-	-	-
Increase (decrease) in accounts payable	13	(55)	(152)
Increase (decrease) in accrued wages payable	-	-	58
Increase (decrease) in compensated absences	(14)	-	(13)
Increase (decrease) in deferred credits	(67)	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	29	-	5
Increase (decrease) in deferred revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	2
Increase (decrease) in notes, contracts, and leases payable	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-
Total adjustments	(42)	352	1,358
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(2,129)</u>	\$ <u>(1,469)</u>	\$ <u>1,300</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Prior Period Adjustment	\$ -	\$ -	\$ -
Contributions of capital assets	6	-	1,664

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2011  
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	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,218	\$ 696	\$ 4,982	\$ -
Receipts from interfund services provided	2	(81)	9	-
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(2,520)	(122)	(2,160)	(1,369)
Payments to employees	(1,992)	(14)	(2,934)	-
Payments to insurance carriers	-	-	-	-
Payments for taxes	-	-	-	-
Payments for interfund services used	4	-	(2)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,288)</u>	<u>479</u>	<u>(105)</u>	<u>(1,369)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	2,871	(2,592)	(7)	700
Advances from (to) other funds	-	-	-	535
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>2,871</u>	<u>(2,592)</u>	<u>(7)</u>	<u>1,235</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	-	-	-	395
Acquisition and construction of capital assets	-	-	(60)	(309)
Proceeds from capital debt	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Proceeds from leased property	-	-	-	-
Lease and leaseback	-	-	(43)	(83)
Principal paid on capital debt	-	-	(59)	-
Interest paid on capital debt	(940)	(2)	-	(8)
Contributions and donations	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(940)</u>	<u>(2)</u>	<u>(162)</u>	<u>(5)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	-	38	32	235
Rental and other income	-	-	-	-
Investments long-term	-	-	-	(127)
Other net non-operating revenues and deductions	20	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>20</u>	<u>38</u>	<u>32</u>	<u>108</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(337)	(2,077)	(242)	(31)
CASH & CASH EQUIVALENTS, JANUARY 1	1,063	2,553	918	3,696
CASH , RESTRICTED CASH & CASH EQUIVALENTS,	\$ <u><u>726</u></u>	\$ <u><u>476</u></u>	\$ <u><u>676</u></u>	\$ <u><u>3,665</u></u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For the Year Ended December 31, 2011  
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	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ <u>(4,401)</u>	\$ <u>188</u>	\$ <u>(1,206)</u>	\$ <u>(1,125)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	2,200	369	673	506
(increase) decrease in accounts receivable	-	-	175	-
(Increase) decrease in intergovernmental receivables	(105)	-	-	-
(Increase) decrease in due from other funds	2	(81)	9	(194)
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	14	(2)	(4)	(2)
Increase (decrease) in deposits payable	(44)	-	18	-
Increase (decrease) in accounts payable	18	12	60	6
Increase (decrease) in accrued wages payable	90	(7)	39	(1)
Increase (decrease) in compensated absences	(67)	-	(89)	-
Increase (decrease) in deferred credits	7	-	-	-
Increase (decrease) in in intergovernmental payables	-	-	2	-
Increase (decrease) in due to other funds	4	-	(2)	(2)
Increase (decrease) in deferred revenues	-	-	220	(557)
Increase (decrease) in other current liabilities	2	-	-	-
Increase (decrease) in notes, contracts, and leases payable	(8)	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total adjustments	2,113	291	1,101	(244)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>(2,288)</u></u>	\$ <u><u>479</u></u>	\$ <u><u>(105)</u></u>	\$ <u><u>(1,369)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior Period Adjustment	\$ 36	\$ -	\$ -	\$ -
Contributions of capital assets	-	30,742	512	-

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For the Year Ended December 31, 2011  
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	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 56,810	\$ -	\$ 19,094	\$ -
Receipts from interfund services provided	(21,738)	-	-	-
Contributions received - employee/employer	(17,594)	-	-	-
Payments to suppliers		(5)	(8,528)	-
Payments to employees		-	(7,436)	-
Payments to insurance carriers		-	-	-
Payments for taxes	(5,631)	-	(1,932)	-
Payments for interfund services used	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>11,847</u>	<u>(5)</u>	<u>1,198</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				-
Transfers from (to) other funds	-	-	(13)	-
Advances from (to) other funds	-	-	-	-
Contributions and Donations	-	-	638	(575)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>625</u>	<u>(575)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	-	-	-	-
Acquisition and construction of capital assets	(28,686)	-	(5,530)	-
Proceeds from capital debt	-	-	450	-
Proceeds from the sale of capital assets	17	-	122	-
Proceeds from leased property	-	4,052	915	-
Lease and leaseback	(522)	-	-	-
Principal paid on capital debt	(8,305)	(1,465)	(540)	-
Interest paid on capital debt	(3,078)	(2,580)	(85)	-
Contributions and donations	-	-	2,519	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(40,574)</u>	<u>7</u>	<u>(2,149)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	1,698	-	132	-
Rental and other income	124	-	-	-
Investments long-term	-	-	-	-
Other net non-operating revenues and deductions	(38)	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,784</u>	<u>-</u>	<u>132</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(26,943)	2	(194)	(575)
CASH & CASH EQUIVALENTS, JANUARY 1	70,942	1,991	5,108	969
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1				
CASH, RESTRICTED CASH & CASH EQUIVALENTS,	\$ <u><u>43,999</u></u>	\$ <u><u>1,993</u></u>	\$ <u><u>4,914</u></u>	\$ <u><u>394</u></u>



COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For the Year Ended December 31, 2011  
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	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 6,978	\$ (5)	\$ 674	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	6,100	-	641	-
(increase) decrease in accounts receivable	390	-	(337)	-
(Increase) decrease in intergovernmental receivables	(50)	-	-	-
(Increase) decrease in due from other funds	(104)	-	34	-
(Increase) decrease in inventories	-	-	262	-
(Increase) decrease in prepaid items	-	-	(319)	-
Increase (decrease) in deposits payable	7	-	(7)	-
Increase (decrease) in accounts payable	1,204	-	124	-
Increase (decrease) in accrued wages payable	40	-	8	-
Increase (decrease) in compensated absences	-	-	67	-
Increase (decrease) in deferred credits	-	-	28	-
Increase (decrease) in in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	(241)	-	(16)	-
Increase (decrease) in deferred revenues	(28)	-	-	-
Increase (decrease) in other current liabilities	(605)	-	39	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in other long-term liabilities	(1,750)	-	-	-
Miscellaneous non-operating revenues (expenditures)	(94)	-	-	-
Total adjustments	4,869	-	524	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 11,847</u>	<u>\$ (5)</u>	<u>\$ 1,198</u>	<u>\$ -</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -
Contributions of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)  
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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ -	\$ 93,976
Receipts from interfund services provided	-	(21,721)
Contributions received - employee/employer	-	(17,594)
Payments to suppliers	-	(19,946)
Payments to employees	-	(19,298)
Payments to insurance carriers	-	(56)
Payments for taxes	-	(7,686)
Payments for interfund services used	-	(216)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>7,459</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from (to) other funds	-	959
Advances from (to) other funds	-	535
Contributions and Donations	-	63
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>1,557</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from (to) other funds	-	4,287
Acquisition and construction of capital assets	-	(34,813)
Proceeds from capital debt	-	450
Proceeds from the sale of capital assets	-	139
Proceeds from leased property	-	6,406
Lease and leaseback	-	(648)
Principal paid on capital debt	(1,555)	(11,924)
Interest paid on capital debt	(298)	(8,024)
Contributions and donations	1,853	4,820
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(39,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	5	2,329
Rental and other income	-	124
Investments long-term	-	(127)
Other net non-operating revenues and deductions	-	(18)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>5</u>	<u>2,308</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	5	(27,983)
CASH & CASH EQUIVALENTS, JANUARY 1	166	89,020
CASH , RESTRICTED CASH & CASH EQUIVALENTS,	<u>\$ 171</u>	<u>\$ 61,037</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)  
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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH PROVIDED (USED)		
BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ -	\$ (2,863)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	-	12,653
(increase) decrease in accounts receivable	-	(70)
(Increase) decrease in intergovernmental receivables	-	(155)
(Increase) decrease in due from other funds	-	(324)
(Increase) decrease in inventories	-	262
(Increase) decrease in prepaid items	-	(327)
Increase (decrease) in deposits payable	-	(26)
Increase (decrease) in accounts payable	-	1,230
Increase (decrease) in accrued wages payable	-	227
Increase (decrease) in compensated absences	-	(116)
Increase (decrease) in deferred credits	-	(32)
Increase (decrease) in intergovernmental payables	-	2
Increase (decrease) in due to other funds	-	(223)
Increase (decrease) in deferred revenues	-	(365)
Increase (decrease) in other current liabilities	-	(562)
Increase (decrease) in notes, contracts, and leases payable	-	(8)
Increase (decrease) in other long-term liabilities	-	(1,750)
Miscellaneous non-operating revenues (expenditures)	-	(94)
Total adjustments	-	10,322
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ 7,459
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Prior Period Adjustment	\$ -	\$ 36
Contributions of capital assets	-	32,924

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 1 of 10

	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,027	\$ 962	\$ 273
Accounts receivable - net of allowance for uncollectibles	24	-	133
Due from other funds	161	67	-
Due from other governmental units	251	-	-
Inventory	-	-	-
Prepaid expenses	-	-	-
Total current assets	<u>1,463</u>	<u>1,029</u>	<u>406</u>
Non-current assets:			
Advances to other funds	557	-	-
Capital assets:			
Land	-	-	-
Property, plant, and equipment	5	54	-
Less: accumulated depreciation	(3)	(5)	-
Construction work in progress	-	-	-
Total capital assets net of depreciation	<u>2</u>	<u>49</u>	<u>-</u>
Total non-current assets	<u>559</u>	<u>49</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,022</u>	<u>\$ 1,078</u>	<u>\$ 406</u>

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 1	\$ -	\$ -
Accrued wages and benefits payable	27	17	-
Accrued taxes payable	87	-	-
Accrued interest payable	-	-	55
Notes, contracts & leases payable --current	-	-	-
Due to other funds	4	82	-
Deferred revenue	-	-	-
Other current liabilities	-	-	-
Total current liabilities	<u>119</u>	<u>99</u>	<u>55</u>
Non-current liabilities:			
Notes, contracts & leases payable --non-current	-	-	-
Accrued employee leave benefits	106	-	-
Advances from other funds	-	-	266
Incurred by not reported	-	-	-
Total non-current liabilities	<u>106</u>	<u>-</u>	<u>266</u>
<b>TOTAL LIABILITIES</b>	<u>225</u>	<u>99</u>	<u>321</u>
<b>NET ASSETS</b>			
Investment in capital assets net of related debt	2	49	-
Restricted:	-	-	-
Restricted for capital purchases	-	-	-
Restricted for other purposes	-	-	-
Unrestricted	1,795	930	85
<b>TOTAL NET ASSETS</b>	<u>\$ 1,797</u>	<u>\$ 979</u>	<u>\$ 85</u>

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	GRAPHIC SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
ASSETS				
Current assets:				
Cash and cash equivalents	\$ (29)	\$ 23,757	\$ 213	\$ 3,787
Accounts receivable - net of allowance for uncollectibles	1	60	-	55
Due from other funds	-	84	328	840
Due from other governmental units	-	-	-	-
Inventory	134	525	-	439
Prepaid expenses	4	-	-	21
Total current assets	<u>110</u>	<u>24,426</u>	<u>541</u>	<u>5,142</u>
Non-current assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Land	-	-	-	-
Property, plant, and equipment	-	53,857	-	46,114
Less: accumulated depreciation	-	(34,798)	-	(27,992)
Construction work in progress	-	572	-	1,423
Total capital assets net of depreciation	<u>-</u>	<u>19,631</u>	<u>-</u>	<u>19,545</u>
Total non-current assets	<u>-</u>	<u>19,631</u>	<u>-</u>	<u>19,545</u>
TOTAL ASSETS	<u>\$ 110</u>	<u>\$ 44,057</u>	<u>\$ 541</u>	<u>\$ 24,687</u>

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 4 of 10

	GRAPHIC SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 110	\$ 65	\$ 327	\$ 369
Accrued wages and benefits payable	36	102	-	155
Accrued taxes payable	-	-	-	4
Accrued interest payable	-	-	-	-
Notes, contracts & leases payable --current	-	-	-	-
Due to other funds	24	127	-	77
Deferred revenue	-	-	-	-
Other current liabilities	303	-	-	-
Total current liabilities	<u>473</u>	<u>294</u>	<u>327</u>	<u>605</u>
Non-current liabilities:				
Notes, contracts & leases payable --non-current	-	-	-	-
Accrued employee leave benefits	32	138	-	235
Advances from other funds	-	-	-	-
Incurred by not reported	-	-	-	-
Total non-current liabilities	<u>32</u>	<u>138</u>	<u>-</u>	<u>235</u>
TOTAL LIABILITIES	<u>505</u>	<u>432</u>	<u>327</u>	<u>840</u>
NET ASSETS				
Investment in capital assets net of related debt	-	19,632	-	19,545
Restricted:	-	-	-	-
Restricted for capital purchases	-	24,299	-	-
Restricted for other purposes	-	-	-	-
Unrestricted	(395)	(306)	214	4,302
TOTAL NET ASSETS	<u>\$ (395)</u>	<u>43,625</u>	<u>214</u>	<u>23,847</u>

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 332	\$ 2,945	\$ 7,294	\$ 347
Accounts receivable - net of allowance for uncollectibles	1	44	-	-
Due from other funds	10	-	-	-
Due from other governmental units	-	-	-	-
Inventory	103	-	-	-
Prepaid expenses	-	-	-	-
Total current assets	<u>446</u>	<u>2,989</u>	<u>7,294</u>	<u>347</u>
Non-current assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Land	11	-	-	-
Property, plant, and equipment	259	3,029	14	-
Less: accumulated depreciation	(255)	(2,818)	(14)	-
Construction work in progress	-	259	-	-
Total capital assets net of depreciation	<u>15</u>	<u>470</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>15</u>	<u>470</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 461</u>	<u>\$ 3,459</u>	<u>\$ 7,294</u>	<u>\$ 347</u>



COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 52	\$ 17	\$ 52	\$ 135
Accrued wages and benefits payable	11	26	1	-
Accrued taxes payable	-	-	-	-
Accrued interest payable	-	-	-	-
Notes, contracts & leases payable --current	-	-	-	-
Due to other funds	11	7	86	2
Deferred revenue	-	67	-	-
Other current liabilities	-	121	37,560	-
Total current liabilities	<u>74</u>	<u>238</u>	<u>37,699</u>	<u>137</u>
Non-current liabilities:				
Notes, contracts & leases payable --non-current	-	-	-	-
Accrued employee leave benefits	65	60	-	-
Advances from other funds	-	-	-	-
Incurred by not reported	-	-	9,702	-
Total non-current liabilities	<u>65</u>	<u>60</u>	<u>9,702</u>	<u>-</u>
TOTAL LIABILITIES	<u>139</u>	<u>298</u>	<u>47,401</u>	<u>137</u>
NET ASSETS				
Investment in capital assets net of related debt	15	470	-	-
Restricted:	-	-	-	-
Restricted for capital purchases	-	-	-	-
Restricted for other purposes	-	-	-	-
Unrestricted	307	2,691	(40,107)	210
TOTAL NET ASSETS	<u>322</u>	<u>3,161</u>	<u>(40,107)</u>	<u>210</u>

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SYSTEMS FUND # 5800	HEALTH BENEFITS FUND #64XX
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,066	\$ 3,328	\$ 646	\$ 25,256
Accounts receivable - net of allowance for uncollectibles	-	1	5	292
Due from other funds	-	6	1,643	10
Due from other governmental units	-	-	-	-
Inventory	-	28	-	-
Prepaid expenses	-	26	1,836	-
Total current assets	<u>2,066</u>	<u>3,389</u>	<u>4,130</u>	<u>25,558</u>
Non-current assets:				
Advances to other funds	-	-	662	-
Capital assets:				
Land	-	346	-	-
Property, plant, and equipment	15	19,235	32,994	-
Less: accumulated depreciation	(15)	(13,011)	(24,892)	-
Construction work in progress	-	1,462	768	-
Total capital assets net of depreciation	<u>-</u>	<u>8,032</u>	<u>8,870</u>	<u>-</u>
Total non-current assets	<u>-</u>	<u>8,032</u>	<u>9,532</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,066</u>	<u>\$ 11,421</u>	<u>\$ 13,662</u>	<u>\$ 25,558</u>

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64XX
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 295	\$ 361	\$ 576	\$ 5,529
Accrued wages and benefits payable	32	66	517	5
Accrued taxes payable	-	1	-	-
Accrued interest payable	-	-	-	-
Notes, contracts & leases payable --current	-	-	1,070	-
Due to other funds	11	45	48	21
Deferred revenue	-	1	-	1
Other current liabilities	4,239	-	-	10,526
Total current liabilities	<u>4,577</u>	<u>474</u>	<u>2,211</u>	<u>16,082</u>
Non-current liabilities:				
Notes, contracts & leases payable --non-current	-	-	969	-
Accrued employee leave benefits	-	104	913	-
Advances from other funds	-	1,096	-	-
Incurred by not reported	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>1,200</u>	<u>1,882</u>	<u>-</u>
TOTAL LIABILITIES	<u>4,577</u>	<u>1,674</u>	<u>4,093</u>	<u>16,082</u>
NET ASSETS				
Investment in capital assets net of related debt	-	8,032	8,870	-
Restricted:	-	-	-	-
Restricted for capital purchases	-	-	-	-
Restricted for other purposes	-	-	-	-
Unrestricted	(2,511)	1,715	699	9,476
TOTAL NET ASSETS	<u>(2,511)</u>	<u>9,747</u>	<u>9,569</u>	<u>9,476</u>

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	SELF INSURANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,934	\$ 76,138
Accounts receivable - net of allowance for uncollectibles	-	616
Due from other funds	-	3,149
Due from other governmental units	-	251
Inventory	-	1,229
Prepaid expenses	-	1,887
Total current assets	<u>3,934</u>	<u>83,270</u>
Non-current assets:		
Advances to other funds	-	1,219
Capital assets:		
Land	-	357
Property, plant, and equipment	-	155,576
Less: accumulated depreciation	-	(103,803)
Construction work in progress	-	4,484
Total capital assets net of depreciation	<u>-</u>	<u>56,614</u>
Total non-current assets	<u>-</u>	<u>57,833</u>
TOTAL ASSETS	<u>\$ 3,934</u>	<u>\$ 141,103</u>

COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR INTERNAL SERVICE FUNDS

December 31, 2011

(amounts expressed in thousands)

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	SELF INSURANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 2,182	\$ 10,071
Accrued wages and benefits payable	-	995
Accrued taxes payable	-	92
Accrued interest payable	-	55
Notes, contracts & leases payable --current	-	1,070
Due to other funds	11	556
Deferred revenue	-	69
Other current liabilities	-	52,749
Total current liabilities	<u>2,193</u>	<u>65,657</u>
Non-current liabilities:		
Notes, contracts & leases payable --non-current	-	969
Accrued employee leave benefits	-	1,653
Advances from other funds	-	1,362
Incurred by not reported	-	9,702
Total non-current liabilities	<u>-</u>	<u>13,686</u>
<b>TOTAL LIABILITIES</b>	<u>2,193</u>	<u>79,343</u>
<b>NET ASSETS</b>		
Investment in capital assets net of related debt	-	56,615
Restricted:	-	
Restricted for capital purchases	-	24,299
Restricted for other purposes	2,579	2,579
Unrestricted	(838)	(21,733)
<b>TOTAL NET ASSETS</b>	<u>\$ 1,741</u>	<u>\$ 61,760</u>

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## NON-MAJOR INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

Page 1 of 5

	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
OPERATING REVENUES			
Charges for services	\$ 2,050	\$ 678	\$ -
Premiums/Contributions	-	-	-
Miscellaneous	10	-	-
TOTAL OPERATING REVENUES	<u>2,060</u>	<u>678</u>	<u>-</u>
OPERATING EXPENSES			
Personnel, salaries & wages	764	529	-
Supplies, services and charges	1,176	146	-
Health benefit payments	-	-	-
Depreciation	3	5	-
TOTAL OPERATION EXPENSES	<u>1,943</u>	<u>680</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>117</u>	<u>(2)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	34	34	7
Interest expense and fiscal charges	-	-	-
Operating grant	-	-	-
Gain(loss) of disposition of property	-	-	-
Miscellaneous	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>34</u>	<u>34</u>	<u>7</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>151</u>	<u>32</u>	<u>7</u>
Capital contributions	-	-	-
Transfer in	-	-	-
Transfer (out)	(123)	(455)	-
CHANGES IN NET ASSETS	<u>28</u>	<u>(423)</u>	<u>7</u>
NET ASSETS - JANUARY 1	1,774	1,402	78
Prior period adjustments	(5)	-	-
NET ASSETS - JANUARY 1 RESTATED	<u>1,769</u>	<u>1,402</u>	<u>78</u>
NET ASSETS - DECEMBER 31	<u>\$ 1,797</u>	<u>\$ 979</u>	<u>\$ 85</u>

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## NON-MAJOR INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

Page 2 of 5

	GRAPHIC SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
OPERATING REVENUES				
Charges for services	\$ 2,506	\$ 6,682	\$ 343	\$ 7,632
Premiums/Contributions	-	-	-	-
Miscellaneous	13	-	-	-
TOTAL OPERATING REVENUES	<u>2,519</u>	<u>6,682</u>	<u>343</u>	<u>7,632</u>
OPERATING EXPENSES				
Personnel, salaries & wages	683	2,847	-	4,503
Supplies, services and charges	2,018	963	343	2,260
Health benefit payments	-	-	-	-
Depreciation	-	2,757	-	2,679
TOTAL OPERATION EXPENSES	<u>2,701</u>	<u>6,567</u>	<u>343</u>	<u>9,442</u>
OPERATING INCOME (LOSS)	<u>(182)</u>	<u>115</u>	<u>-</u>	<u>(1,810)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	-	361	5	117
Interest expense and fiscal charges	(44)	-	-	-
Operating grant	-	175	-	-
Gain(loss) of disposition of property	-	251	-	258
Miscellaneous	-	2	-	(1)
NON OPERATING REVENUE NET OF EXPENSE	<u>(44)</u>	<u>789</u>	<u>5</u>	<u>374</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(226)</u>	<u>904</u>	<u>5</u>	<u>(1,436)</u>
Capital contributions	-	-	-	133
Transfer in	-	251	-	3,287
Transfer (out)	(2)	-	-	(967)
CHANGES IN NET ASSETS	<u>(228)</u>	<u>1,155</u>	<u>5</u>	<u>1,017</u>
NET ASSETS - JANUARY 1	175	42,470	209	22,830
Prior period adjustments	(342)	-	-	-
NET ASSETS - JANUARY 1 RESTATED	<u>(167)</u>	<u>42,470</u>	<u>209</u>	<u>22,830</u>
NET ASSETS - DECEMBER 31	<u>\$ (395)</u>	<u>\$ 43,625</u>	<u>\$ 214</u>	<u>\$ 23,847</u>

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## NON-MAJOR INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
OPERATING REVENUES				
Charges for services	\$ 1,467	\$ 2,775	\$ -	\$ -
Premiums/Contributions	-	-	3,604	333
Miscellaneous	-	94	-	-
TOTAL OPERATING REVENUES	<u>1,467</u>	<u>2,869</u>	<u>3,604</u>	<u>333</u>
OPERATING EXPENSES				
Personnel, salaries & wages	318	603	44	-
Supplies, services and charges	1,077	2,014	22,946	791
Health benefit payments	-	-	-	-
Depreciation	1	576	-	-
TOTAL OPERATION EXPENSES	<u>1,396</u>	<u>3,193</u>	<u>22,990</u>	<u>791</u>
OPERATING INCOME (LOSS)	<u>71</u>	<u>(324)</u>	<u>(19,386)</u>	<u>(458)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	7	80	197	16
Interest expense and fiscal charges	-	-	-	-
Operating grant	-	-	-	-
Gain(loss) of disposition of property	-	-	-	-
Miscellaneous	-	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>7</u>	<u>80</u>	<u>197</u>	<u>16</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>78</u>	<u>(244)</u>	<u>(19,189)</u>	<u>(442)</u>
Capital contributions	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	(1)	(2)	-	-
CHANGES IN NET ASSETS	<u>77</u>	<u>(246)</u>	<u>(19,189)</u>	<u>(442)</u>
NET ASSETS - JANUARY 1	245	3,407	(20,918)	652
Prior period adjustments	-	-	-	-
NET ASSETS - JANUARY 1 RESTATED	<u>245</u>	<u>3,407</u>	<u>(20,918)</u>	<u>652</u>
NET ASSETS - DECEMBER 31	<u>\$ 322</u>	<u>\$ 3,161</u>	<u>\$ (40,107)</u>	<u>\$ 210</u>



## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

## NON-MAJOR INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2011

(amounts expressed in thousands)

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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64XX
OPERATING REVENUES				
Charges for services	\$ 7	\$ 5,860	\$ 20,867	\$ -
Premiums/Contributions	8,027	-	-	69,921
Miscellaneous	-	7	226	-
TOTAL OPERATING REVENUES	<u>8,034</u>	<u>5,867</u>	<u>21,093</u>	<u>69,921</u>
OPERATING EXPENSES				
Personnel, salaries & wages	982	2,248	13,068	-
Supplies, services and charges	6,255	2,634	7,414	352
Health benefit payments	-	-	-	70,109
Depreciation	-	899	3,978	-
TOTAL OPERATION EXPENSES	<u>7,237</u>	<u>5,781</u>	<u>24,460</u>	<u>70,461</u>
OPERATING INCOME (LOSS)	<u>797</u>	<u>86</u>	<u>(3,367)</u>	<u>(540)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	48	102	52	776
Interest expense and fiscal charges	-	(72)	(34)	-
Operating grant	-	-	-	-
Gain(loss) of disposition of property	-	(351)	-	-
Miscellaneous	-	-	2	-
NON OPERATING REVENUE NET OF EXPENSE	<u>48</u>	<u>(321)</u>	<u>20</u>	<u>776</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>845</u>	<u>(235)</u>	<u>(3,347)</u>	<u>236</u>
Capital contributions	-	-	-	-
Transfer in	-	337	545	-
Transfer (out)	(1)	(1,045)	-	-
CHANGES IN NET ASSETS	<u>844</u>	<u>(943)</u>	<u>(2,802)</u>	<u>236</u>
NET ASSETS - JANUARY 1	(3,355)	10,690	13,876	9,240
Prior period adjustments	-	-	(1,505)	-
NET ASSETS - JANUARY 1 RESTATED	<u>(3,355)</u>	<u>10,690</u>	<u>12,371</u>	<u>9,240</u>
NET ASSETS - DECEMBER 31	<u>\$ (2,511)</u>	<u>\$ 9,747</u>	<u>\$ 9,569</u>	<u>\$ 9,476</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NON-MAJOR INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

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	SELF INSURANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
OPERATING REVENUES		
Charges for services	\$ -	\$ 50,867
Premiums/Contributions	744	82,629
Miscellaneous	-	350
TOTAL OPERATING REVENUES	<u>744</u>	<u>133,846</u>
OPERATING EXPENSES		
Personnel, salaries & wages	-	26,589
Supplies, services and charges	1,069	51,458
Health benefit payments	-	70,109
Depreciation	-	10,898
TOTAL OPERATION EXPENSES	<u>1,069</u>	<u>159,054</u>
OPERATING INCOME (LOSS)	<u>(325)</u>	<u>(25,208)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest revenue	123	1,959
Interest expense and fiscal charges	-	(150)
Operating grant	-	175
Gain(loss) of disposition of property	-	158
Miscellaneous	-	3
NON OPERATING REVENUE NET OF EXPENSE	<u>123</u>	<u>2,145</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(202)</u>	<u>(23,063)</u>
Capital contributions	-	133
Transfer in	-	4,420
Transfer (out)	-	(2,596)
CHANGES IN NET ASSETS	<u>(202)</u>	<u>(21,106)</u>
NET ASSETS - JANUARY 1	1,943	84,718
Prior period adjustments	-	(1,852)
NET ASSETS - JANUARY 1 RESTATED	<u>1,943</u>	<u>82,866</u>
NET ASSETS - DECEMBER 31	<u>\$ 1,741</u>	<u>\$ 61,760</u>

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COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 2,061	\$ -	\$ 552
Receipts from interfund services provided	(288)	690	36
Contributions received - employee/employer	-	-	-
Payments to suppliers	(1,116)	(152)	-
Payments to employees	(735)	(525)	-
Payments to insurance carriers	-	-	-
Payments for interfund services used	-	-	-
Other operating revenues (expenses)	(22)	78	(840)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(100)</u>	<u>91</u>	<u>(252)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	(123)	(455)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(123)</u>	<u>(455)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	-	-	-
Acquisition and construction of capital assets	1	-	-
Proceeds from the sale of capital assets	-	-	-
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Contributions and donations	-	-	-
Grants received	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>1</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	34	34	-
Other net non-operating revenues and deductions	-	-	7
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>34</u>	<u>34</u>	<u>7</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(188)	(330)	(245)
CASH & CASH EQUIVALENTS, JANUARY 1	1,215	1,292	518
CASH , RESTRICTED CASH & CASH EQUIVALENTS,	<u>\$ 1,027</u>	<u>\$ 962</u>	<u>\$ 273</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
RECONCILIATION OF OPERATING INCOME			
(LOSS) TO NET CASH PROVIDED (USED)			
BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 117	\$ (2)	\$ -
Adjustments to reconcile operating income			
(loss) to net cash provided (used)			
by operating activities:			
Depreciation expense	3	5	-
(increase) decrease in accounts receivable	1	-	(552)
(Increase) decrease in intergovernmental receivables	(250)	-	-
(Increase) decrease in due from other funds	(38)	12	588
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in deposits payable	-	-	-
Increase (decrease) in accounts payable	(27)	(6)	-
Increase (decrease) in accrued wages payable	(1)	4	-
Increase (decrease) in compensated absences	30	-	-
Increase (decrease) in due to other funds	(17)	78	(286)
Increase (decrease) in deferred revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	(2)
Increase (decrease) in notes, contracts, and leases payable	87	-	-
Increase (decrease) in prior period adjustments	(5)	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-
Total adjustments	(217)	93	(252)
NET CASH PROVIDED (USED) BY			
OPERATING ACTIVITIES	\$ (100)	\$ 91	\$ (252)

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2011  
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	GRAPHIC FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,517	\$ 7,338	\$ -	\$ 6,800
Receipts from interfund services provided	64	-	171	-
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(2,005)	(3,309)	(95)	(2,040)
Payments to employees	(667)	(2,873)	-	(4,475)
Payments to insurance carriers	-	-	-	-
Payments for interfund services used	-	-	-	-
Other operating revenues (expenses)	2	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(89)</u>	<u>1,156</u>	<u>76</u>	<u>285</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	-	-	-	(961)
Acquisition and construction of capital assets	-	(2,726)	-	(4,005)
Proceeds from the sale of capital assets	-	254	-	259
Principal paid on capital debt	(53)	-	-	-
Interest paid on capital debt	(44)	-	-	-
Contributions and donations	-	-	-	3,414
Grants received	-	175	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(97)</u>	<u>(2,297)</u>	<u>-</u>	<u>(1,293)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	-	114	5	117
Other net non-operating revenues and deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>114</u>	<u>5</u>	<u>117</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(188)	(1,027)	81	(891)
CASH & CASH EQUIVALENTS, JANUARY 1	159	24,784	132	4,678
CASH , RESTRICTED CASH & CASH EQUIVALENTS,	<u>\$ (29)</u>	<u>\$ 23,757</u>	<u>\$ 213</u>	<u>\$ 3,787</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2011  
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	GRAPHIC FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ <u>(182)</u>	\$ <u>115</u>	\$ <u>-</u>	\$ <u>(1,810)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	2,757	-	2,679
(increase) decrease in accounts receivable	7	(56)	-	(24)
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	64	712	(172)	(809)
(Increase) decrease in inventories	-	(76)	-	5
(Increase) decrease in prepaid items	-	-	-	(2)
(Increase) decrease in other current assets	-	1	-	-
Increase (decrease) in deposits payable	-	-	-	1
Increase (decrease) in accounts payable	28	(419)	248	227
Increase (decrease) in accrued wages payable	15	22	-	27
Increase (decrease) in compensated absences	1	(18)	-	-
Increase (decrease) in due to other funds	(11)	(1,882)	-	(9)
Increase (decrease) in deferred revenues	-	-	-	-
Increase (decrease) in other current liabilities	(11)	-	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	-
Total adjustments	<u>93</u>	<u>1,041</u>	<u>76</u>	<u>2,095</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>(89)</u></u>	\$ <u><u>1,156</u></u>	\$ <u><u>76</u></u>	\$ <u><u>285</u></u>

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2011  
(amounts expressed in thousands)

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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ -	\$ 2,862	\$ -	\$ -
Receipts from interfund services provided	1,464	(1)	-	-
Contributions received - employee/employer	-	-	3,604	333
Payments to suppliers	(1,027)	(1,959)	(2,652)	(829)
Payments to employees	(293)	(589)	(44)	-
Payments to insurance carriers	-	-	-	-
Payments for interfund services used	-	-	-	-
Other operating revenues (expenses)	(2)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>142</u>	<u>313</u>	<u>908</u>	<u>(496)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	<u>(1)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(1)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	-	-	-	-
Acquisition and construction of capital assets	(1)	(155)	-	-
Proceeds from the sale of capital assets	-	-	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Contributions and donations	-	-	-	-
Grants received	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(1)</u>	<u>(155)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	7	80	197	16
Other net non-operating revenues and deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>7</u>	<u>80</u>	<u>197</u>	<u>16</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	147	236	1,105	(480)
CASH & CASH EQUIVALENTS, JANUARY 1	185	2,709	6,189	827
CASH , RESTRICTED CASH & CASH EQUIVALENTS,	<u>\$ 332</u>	<u>\$ 2,945</u>	<u>\$ 7,294</u>	<u>\$ 347</u>



COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR INTERNAL SERVICE FUNDS  
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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 71	\$ (324)	\$ (19,386)	\$ (458)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1	576	-	-
(increase) decrease in accounts receivable	(1)	(7)	-	-
(Increase) decrease in intergovernmental receivables		-		
(Increase) decrease in due from other funds	(8)	-	-	-
(Increase) decrease in inventories	9	-	-	-
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other current assets	-			-
Increase (decrease) in deposits payable	-			-
Increase (decrease) in accounts payable	41	(11)	9	(38)
Increase (decrease) in accrued wages payable	6	2	-	-
Increase (decrease) in compensated absences	-	12	-	-
Increase (decrease) in due to other funds	6	(1)	24	-
Increase (decrease) in deferred revenues	19	67		-
Increase (decrease) in other current liabilities	(2)	(1)	20,261	-
Increase (decrease) in notes, contracts, and leases payable	-	-		-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)			-	-
Total adjustments	71	637	20,294	(38)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 142	\$ 313	\$ 908	\$ (496)

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2011  
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	WORKERS COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATIONS SERVICES FUND #5800	HEALTH BENEFITS FUND #64XX
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ -	\$ 5,866	\$ 21,093	\$ -
Receipts from interfund services provided	-	67	537	-
Contributions received - employee/employer	8,034	-	-	69,921
Payments to suppliers	(6,313)	(2,426)	(14,919)	(69,182)
Payments to employees	(983)	(2,254)	(7,489)	-
Payments to insurance carriers	-	-	-	-
Payments for interfund services used	-	-	(8)	-
Other operating revenues (expenses)	-	(315)	(626)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>738</u>	<u>938</u>	<u>(1,412)</u>	<u>739</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	-	(708)	547	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(708)</u>	<u>547</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	-	-	-	-
Acquisition and construction of capital assets	-	(749)	(758)	-
Proceeds from the sale of capital assets	-	-	-	-
Principal paid on capital debt	-	-	(431)	-
Interest paid on capital debt	-	(72)	(34)	-
Contributions and donations	-	-	-	-
Grants received	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(821)</u>	<u>(1,223)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	47	102	52	776
Other net non-operating revenues and deductions	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>47</u>	<u>102</u>	<u>52</u>	<u>776</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	785	(489)	(2,036)	1,515
CASH & CASH EQUIVALENTS, JANUARY 1	1,281	3,817	2,682	23,741
CASH , RESTRICTED CASH & CASH EQUIVALENTS,	<u>\$ 2,066</u>	<u>\$ 3,328</u>	<u>\$ 646</u>	<u>\$ 25,256</u>

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2011  
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	WORKERS COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATIONS SERVICES FUND #5800	HEALTH BENEFITS FUND #64XX
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 797	\$ 86	\$ (3,367)	\$ (540)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	899	3,978	-
(increase) decrease in accounts receivable	-	(1)	(4)	(123)
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	-	67	541	(6)
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	-	(11)	(1,770)	-
(Increase) decrease in other current assets	-	-	-	-
Increase (decrease) in deposits payable	-	-	-	-
Increase (decrease) in accounts payable	(28)	220	(80)	332
Increase (decrease) in accrued wages payable	1	6	31	-
Increase (decrease) in compensated absences	-	(12)	(106)	-
Increase (decrease) in due to other funds	(32)	(315)	(8)	(14)
Increase (decrease) in deferred revenues	-	-	-	-
Increase (decrease) in other current liabilities	-	(1)	(1)	1,090
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	(626)	-
Total adjustments	(59)	852	1,955	1,279
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 738	\$ 938	\$ (1,412)	\$ 739

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2011  
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	SELF INSUANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ -	\$ 49,089
Receipts from interfund services provided	-	2,740
Contributions received - employee/employer	744	82,636
Payments to suppliers	-	(108,024)
Payments to employees	-	(20,927)
Payments to insurance carriers	(1,010)	(1,010)
Payments for interfund services used	-	(8)
Other operating revenues (expenses)	(153)	(1,878)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(419)</u>	<u>2,618</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from (to) other funds	-	(744)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(744)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from (to) other funds	-	(961)
Acquisition and construction of capital assets	-	(8,393)
Proceeds from the sale of capital assets	-	513
Principal paid on capital debt	-	(484)
Interest paid on capital debt	-	(150)
Contributions and donations	-	3,414
Grants received	-	175
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(5,886)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	82	1,663
Other net non-operating revenues and deductions	-	7
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>82</u>	<u>1,670</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(337)	(2,342)
CASH & CASH EQUIVALENTS, JANUARY 1	4,271	78,480
CASH , RESTRICTED CASH & CASH EQUIVALENTS,	<u>\$ 3,934</u>	<u>\$ 76,138</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

Page 10 of 10

	SELF INSURANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH PROVIDED (USED)		
BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (325)	\$ (25,208)
Adjustments to reconcile operating income		
(loss) to net cash provided (used)		
by operating activities:		
Depreciation expense	-	10,898
(increase) decrease in accounts receivable	-	(760)
(Increase) decrease in intergovernmental receivables	-	(250)
(Increase) decrease in due from other funds	212	1,163
(Increase) decrease in inventories	-	(62)
(Increase) decrease in prepaid items	-	(1,783)
(Increase) decrease in other current assets	-	1
Increase (decrease) in deposits payable	-	1
Increase (decrease) in accounts payable	(345)	151
Increase (decrease) in accrued wages payable	-	113
Increase (decrease) in compensated absences	-	(93)
Increase (decrease) in due to other funds	(2)	(2,469)
Increase (decrease) in deferred revenues	-	86
Increase (decrease) in other current liabilities	-	21,333
Increase (decrease) in notes, contracts, and leases payable	-	87
Increase (decrease) in prior period adjustments	-	(5)
Miscellaneous non-operating revenues (expenditures)	41	(585)
Total adjustments	(94)	27,826
NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES	\$ (419)	\$ 2,618

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2011  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6	AGENCY FUNDS #6570 6790/6800
ASSETS		
Cash & cash equivalents	\$ 18,535	\$ 7,623
Investments at fair value:		
Equities	560,732	-
Fixed income	343,851	-
Other assets	339	-
Real estate	48,092	-
Venture capital and partnerships	120,458	-
Securities lending collateral	40,782	-
Accounts receivable: net of uncollectible accounts		
Contributions and other receivables	1,549	-
Interest and dividends	3,622	-
Investment sales	2,159	-
Capital assets (net of accumulated depreciation)	16	-
TOTAL ASSETS	<u>1,140,135</u>	<u>7,623</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 5,135	\$ 105
Accrued wages and benefits payable	781	835
Due to other funds	11	-
Due to other governmental units	-	6,683
Investment purchase payable	9,627	-
Securities lending collateral	40,781	-
Other current liabilities	179	-
Total current liabilities	<u>56,514</u>	<u>7,623</u>
Non-current liabilities:		
Accrued employee leave benefits	44	-
Total non-current liabilities	<u>44</u>	<u>-</u>
TOTAL LIABILITIES	<u>56,558</u>	<u>7,623</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 1,083,577</u>	<u>\$ -</u>

FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET ASSETS  
For the Year Ended December 31, 2011  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS:	
Employer contributions	\$ 31,465
Member contributions	19,903
Other contributions	265
Total contributions	<u>51,633</u>
Investment Income:	
Net appreciation (depreciation) in FMV of investments	(6,104)
Interest and dividends	22,640
Securities lending gross income	180
Total investment income	<u>16,716</u>
Less Investment expenses::	
Investment management fees	3,174
Security lending - agent fees	60
Security lending - broker rebates	(19)
Total investment expense	<u>3,215</u>
Total investment income	<u>13,501</u>
TOTAL ADDITIONS	<u>65,134</u>
DEDUCTIONS:	
Wages and benefits payable	50,092
Health care benefit payments	10,585
Refunds of contributions	2,437
Administrative expenses	1,991
TOTAL DEDUCTIONS	<u>65,105</u>
NET INCREASE (DECREASE)	<u>29</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Net assets - beginning	1,083,548
Net assets - ending	<u>\$ 1,083,577</u>

## COMBINING STATEMENT OF NET ASSETS

## TRUST FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND #6120
ASSETS			
Cash & cash equivalents	\$ 332	\$ 16,825	\$ 332
Investments at fair value:			
Equities	-	560,732	-
Fixed income	-	343,851	-
Other assets	-	339	-
Real estate	-	48,092	-
Venture capital and partnerships	-	120,458	-
Securities lending collateral	-	40,782	-
Accounts receivable: net of uncollectible accounts			
Contributions and other receivables	-	1,549	-
Interest and dividends	-	3,622	-
Investment sales	-	2,159	-
Capital assets (net of accumulated depreciation)	-	16	-
TOTAL ASSETS	<u>332</u>	<u>1,138,425</u>	<u>332</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	4,293	151
Accrued wages and benefits payable	3	774	2
Due to other funds	1	-	5
Investment purchase payable	-	9,627	-
Securities lending collateral	-	40,781	-
Other current liabilities	-	-	66
Total current liabilities	<u>4</u>	<u>55,475</u>	<u>224</u>
Non-current liabilities:			
Accrued employee leave benefits	-	44	-
Total non-current liabilities	<u>-</u>	<u>44</u>	<u>-</u>
TOTAL LIABILITIES	<u>4</u>	<u>55,519</u>	<u>224</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$ 328</u>	<u>\$ 1,082,906</u>	<u>\$ 108</u>



## COMBINING STATEMENT OF NET ASSETS

## TRUST FUNDS

December 31, 2011

(amounts expressed in thousands)

Page 2 of 2

	RELIEF & PENSION FIREFIGHTERS FUND #6150	PAYROLL CLEARING FUND #6450	TOTAL FUNDS #6050-6150, 6450
ASSETS			
Cash & cash equivalents	\$ 500	\$ 546	\$ 18,535
Investments at fair value:			
Equities	-	-	560,732
Fixed income	-	-	343,851
Other assets	-	-	339
Real estate	-	-	48,092
Venture capital and partnerships	-	-	120,458
Securities lending collateral	-	-	40,782
Accounts receivable: net of uncollectible accounts			
Contributions and other receivables	-	-	1,549
Interest and dividends	-	-	3,622
Investment sales	-	-	2,159
Capital assets (net of accumulated depreciation)	-	-	16
TOTAL ASSETS	<u>500</u>	<u>546</u>	<u>1,140,135</u>
LIABILITIES			
Current liabilities:			
Accounts payable	145	546	5,135
Accrued wages and benefits payable	2	-	781
Due to other funds	5	-	11
Investment purchase payable	-	-	9,627
Securities lending collateral	-	-	40,781
Other current liabilities	113	-	179
Total current liabilities	<u>265</u>	<u>546</u>	<u>56,514</u>
Non-current liabilities:			
Accrued employee leave benefits	-	-	44
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>44</u>
TOTAL LIABILITIES	<u>265</u>	<u>546</u>	<u>56,558</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 1,083,577</u>

FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN NET ASSETS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND \$6120
ADDITIONS:			
Employer contributions	\$ -	\$ 22,511	\$ 3,510
Member contributions	-	19,903	-
Other contributions	265	-	-
Total contributions	<u>265</u>	<u>42,414</u>	<u>3,510</u>
Investment Income:			
Net appreciation (depreciation) in FMV of investments	-	(6,104)	-
Interest and dividends	9	22,602	18
Securities lending gross income	-	180	-
Total investment income	<u>9</u>	<u>16,678</u>	<u>18</u>
Less Investment expenses::			
Investment management fees	-	3,174	-
Security lending - agent fees	-	60	-
Security lending - broker rebates	-	(19)	-
Total investment expense	<u>-</u>	<u>3,215</u>	<u>-</u>
Total investment income	<u>9</u>	<u>13,463</u>	<u>18</u>
TOTAL ADDITIONS	<u>274</u>	<u>55,877</u>	<u>3,528</u>
DEDUCTIONS:			
Wages and benefits payable	97	49,836	79
Health care benefit payments	-	-	4,860
Refunds of contributions	-	2,437	-
Administrative expenses	114	1,755	59
TOTAL DEDUCTIONS	<u>211</u>	<u>54,028</u>	<u>4,998</u>
NET INCREASE (DECREASE)	<u>63</u>	<u>1,849</u>	<u>(1,470)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Net assets - beginning	265	1,081,057	1,578
Net assets - ending	<u>\$ 328</u>	<u>\$ 1,082,906</u>	<u>\$ 108</u>

FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN NET ASSETS  
 For the Year Ended December 31, 2011  
 (amounts expressed in thousands)  
 Page 2 of 2

	RELIEF & PENSION FIREFIGHTERS FUND #6150	PAYROLL CLEARING FUND #6450	TOTAL FUNDS #6050-6150, 6450
ADDITIONS:			
Employer contributions	\$ 5,444	\$ -	\$ 31,465
Member contributions	-	-	19,903
Other contributions	-	-	265
Total contributions	<u>5,444</u>	<u>-</u>	<u>51,633</u>
Investment Income:			
Net appreciation (depreciation) in FMV of investments	-	-	(6,104)
Interest and dividends	11	-	22,640
Securities lending gross income	-	-	180
Total investment income	<u>11</u>	<u>-</u>	<u>16,716</u>
Less Investment expenses::			
Investment management fees	-	-	3,174
Security lending - agent fees	-	-	60
Security lending - broker rebates	-	-	(19)
Total investment expense	<u>-</u>	<u>-</u>	<u>3,215</u>
Total investment income	<u>11</u>	<u>-</u>	<u>13,501</u>
TOTAL ADDITIONS	<u>5,455</u>	<u>-</u>	<u>65,134</u>
DEDUCTIONS:			
Wages and benefits payable	80	-	50,092
Health care benefit payments	5,725	-	10,585
Refunds of contributions	-	-	2,437
Administrative expenses	63	-	1,991
TOTAL DEDUCTIONS	<u>5,868</u>	<u>-</u>	<u>65,105</u>
NET INCREASE (DECREASE)	<u>(413)</u>	<u>-</u>	<u>29</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Net assets - beginning	648	-	1,083,548
Net assets - ending	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 1,083,577</u>

COMBINING STATEMENT OF NET ASSETS  
 AGENCY FUNDS  
 December 31, 2011  
 (amounts expressed in thousands)

	LAW ENFORCEMENT SUPPORT AGENCY FUND #6570	TACOMA URBAN NETWORK FUND #6790	TOTAL:
ASSETS			
Cash & cash equivalents	\$ 7,606	\$ 17	\$ 7,623
TOTAL ASSETS	<u>7,606</u>	<u>17</u>	<u>7,623</u>
LIABILITIES			
Current liabilities:			
Accounts payable	105	-	105
Accrued wages and benefits payable	835	-	835
Due to other governmental units	<u>6,666</u>	<u>17</u>	<u>6,683</u>
Total current liabilities	<u>7,606</u>	<u>17</u>	<u>7,623</u>
TOTAL LIABILITIES	<u>7,606</u>	<u>17</u>	<u>7,623</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 December 31, 2011  
 (amounts expressed in thousands)

LAW ENFORCEMENT SUPPORT AGENCY (FUND 6570)				
	BALANCE 12/31/2010	INCREASES	DECREASES	BALANCE 12/31/2011
ASSETS				
Cash & cash equivalents	\$ 5,129	\$ 22,203	\$ 19,726	\$ 7,606
Accounts receivable: net of uncollectible accounts	16	-	16	-
TOTAL ASSETS	<u>5,145</u>	<u>22,203</u>	<u>19,742</u>	<u>7,606</u>
LIABILITIES				
Current liabilities:				
Accounts payable	73	4,865	4,833	105
Accrued wages and benefits payable	605	49,114	48,884	835
Due to other governmental units	4,467	27,506	25,307	6,666
TOTAL LIABILITIES	<u>\$ 5,145</u>	<u>\$ 81,485</u>	<u>\$ 79,024</u>	<u>\$ 7,606</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 December 31, 2011  
 (amounts expressed in thousands)

TACOMA URBAN NETWORK (FUND #6790)				
	BALANCE 12/31/2010	INCREASES	DECREASES	BALANCE 12/31/2011
ASSETS				
Cash & cash equivalents	\$ 3	\$ 39	\$ 25	\$ 17
Due from other governmental units	-	17	17	-
TOTAL ASSETS	<u>3</u>	<u>56</u>	<u>42</u>	<u>17</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	5	5	-
Due to other governmental units	3	20	6	17
TOTAL LIABILITIES	<u>3</u>	<u>25</u>	<u>11</u>	<u>17</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 December 31, 2011  
 (amounts expressed in thousands)

	TOTAL			
	BALANCE 12/31/2010	INCREASES	DECREASES	BALANCE 12/31/2011
ASSETS				
Cash & cash equivalents	\$ 5,132	\$ 22,242	\$ 19,751	\$ 7,623
Accounts receivable: net of uncollectible accounts	16	-	16	-
Due from other governmental units	-	17	17	-
TOTAL ASSETS	<u>5,148</u>	<u>22,259</u>	<u>19,784</u>	<u>7,623</u>
LIABILITIES				
Current liabilities:				
Accounts payable	73	4,870	4,838	105
Accrued wages and benefits payable	605	49,114	48,884	835
Due to other governmental units	4,470	27,526	25,313	6,683
TOTAL LIABILITIES	<u>\$ 5,148</u>	<u>\$ 81,510</u>	<u>\$ 79,035</u>	<u>\$ 7,623</u>

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**Schedule of Capital Assets Used in the Operation of Governmental Funds****TABLE 1**  
(amounts expressed in thousands)

<b>Governmental Funds Capital Assets:</b>	<b>2011</b>	<b>2010</b>
Land	\$ 28,299	\$ 25,724
Parks	85	85
Buildings	63,659	63,267
Improvements other than Buildings	11,181	8,386
Machinery and Equipment	30,182	29,132
Intangible Assets	719	705
Library Materials	19,325	19,215
Works of Art	1,829	1,829
Infrastructure	1,190,561	1,179,444
Work in Progress	120,651	98,611
Total Governmental Funds Capital Assets	<u>\$ 1,466,491</u>	<u>\$ 1,426,398</u>

(This schedule does not include the affects of accumulated depreciation at the functional level.)

**Schedule of Capital Assets Used in the Operation of Internal Service Funds****TABLE 2**  
(amounts expressed in thousands)

<b>Internal Service Funds Capital Assets:</b>	<b>2011</b>	<b>2010</b>
Land	\$ 357	\$ 357
Parks	-	-
Buildings	20,652	20,064
Improvements other than Buildings	275	275
Machinery and Equipment	71,283	71,306
Intangible Assets	9,391	9,309
Library Materials	-	-
Works of Art	-	-
Infrastructure	119	-
Work in Progress	3,911	4,800
Total Governmental Funds Capital Assets	<u>\$ 105,988</u>	<u>\$ 106,111</u>

(This schedule does not include the affects of accumulated depreciation at the functional level.)

**Schedule of Capital Assets Used in the Operation of Governmental and Internal Service Funds****TABLE 3**  
(amounts expressed in thousands)

<b>Total Capital Assets:</b>	<b>2011</b>	<b>2010</b>
Land	\$ 28,656	\$ 26,081
Parks	85	85
Buildings	84,311	83,331
Improvements other than Buildings	11,456	8,661
Machinery and Equipment	101,465	100,438
Intangible Assets	10,110	10,014
Library Materials	19,325	19,215
Works of Art	1,829	1,829
Infrastructure	1,190,680	1,179,444
Work in Progress	124,562	103,411
Total Governmental Funds Capital Assets	<u>\$ 1,572,479</u>	<u>\$ 1,532,509</u>

(This schedule does not include the affects of accumulated depreciation at the functional level.)

**Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds****TABLE 4**  
**(amounts expressed in thousands)**

	Capital Assets 1/1/2011	Increases	Decreases	Prior Year Adjustments	Prior Year Reclass	Capital Assets 12/31/2011
General Government	\$ 12,894	\$ 1,210	\$ -	\$ -	\$ -	\$ 14,104
Public Safety	71,504	658	-	-	-	72,162
Transportation	1,183,369	14,311	-	-	-	1,197,680
Culture and Recreation	56,099	3,076	(1,189)	-	-	57,986
Economic Environment	3,921	5	(18)	-	-	3,908
Work In Progress	98,611	54,623	(32,582)	-	-	120,651
Total Capital Assets	<u>\$ 1,426,398</u>	<u>\$ 73,883</u>	<u>\$ (33,789)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,466,491</u>

(This schedule does not include the affects of accumulated depreciation at the functional level.)

**Schedule of Capital Assets Used in the Operation of Governmental Funds by Function and Activity****TABLE 5**  
**(amounts expressed in thousands)**

Governmental Funds Capital Assets:	General Government	Public Safety	Transportation	Culture and Recreation	Economic Environment	Total Capital Assets
Land	\$ 7,903	\$ 4,701	\$ 815	\$ 13,620	\$ 1,260	\$ 28,299
Parks	-	-	-	85	-	85
Buildings	1,860	42,723	991	16,693	1,392	63,659
Improvements other than Buildings	-	1,106	2,538	7,537	-	11,181
Machinery and Equipment	4,032	22,833	2,775	332	210	30,182
Intangible Assets	259	460	-	-	-	719
Library Materials	-	-	-	19,325	-	19,325
Works of Art	50	339	-	394	1,046	1,829
Infrastructure	-	-	1,190,561	-	-	1,190,561
Work In Progress	976	2,739	110,244	4,116	2,576	120,651
Total Governmental Funds Capital Assets	<u>\$ 15,080</u>	<u>\$ 74,901</u>	<u>\$ 1,307,924</u>	<u>\$ 62,102</u>	<u>\$ 6,484</u>	<u>\$ 1,466,491</u>

(This schedule does not include the affects of accumulated depreciation at the functional level.)

# 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 ASSETS BY COMPONENTS
2. CHANGES IN NET ASSETS
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 Assets by Component**  
**Last Ten Fiscal Years**  
**Table 1**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 1 of 2**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
Invested in capital assets, net of related	\$61,001	\$61,151	\$90,360 (2)	\$104,725 (3)	\$722,581 (5)
Restricted	29,419	22,931	37,491	30,321	26,101
Unrestricted	104,476	126,169	79,407	98,602	148,214
Total governmental activities net assets	<u>194,896</u>	<u>210,251</u>	<u>207,258</u>	<u>233,648</u>	<u>896,896</u>
Business-type activities					
Invested in capital assets, net of related	431,714	664,764	831,187 (1)	924,107 (4)	958,079 (4)
Restricted	359,094	40,581	86,922	82,341	202,206
Unrestricted	139,574	284,492	175,822	156,933	117,707
Total business-type activities net assets	<u>930,382</u>	<u>989,837</u>	<u>1,093,931</u>	<u>1,163,381</u>	<u>1,277,992</u>
Primary government					
Invested in capital assets, net of related	492,715	725,915	921,547	1,028,832	1,680,660
Restricted	388,513	63,512	124,413	112,662	228,307
Unrestricted	244,050	410,661	255,229	255,535	265,921
Total primary government net assets	<u>\$1,125,278</u>	<u>\$1,200,088</u>	<u>\$1,301,189</u>	<u>\$1,397,029</u>	<u>\$2,174,888</u>

(1) The Greater Tacoma Convention and Trade Center was being constructed, and was opened in November 2004.

(2) Construction began in 2004 for the new Police Station Headquarters building and substations.

(3) The City purchased the MLK building.

(4) The Water and Power Fund received capital asset donations from private contract customers and capital contributions from customers and system development charges. Additionally, some utility rates increased for the year.

(5) The City reported the remaining infrastructure for the GASB 34 requirements.

(6) The City reported an outstanding claim for a legal challenge against the City's billboard regulations.

(7) The City received \$16.8 million less in grant revenue compared to 2007. Labor expenses increased for Police and Fire by \$7.0 million and General Government by \$3.5 million over 2007.

**Net Assets by Component**  
**Last Ten Fiscal Years**  
**Table 1**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities					
Invested in capital assets, net of related	\$715,358 (6)	\$716,586	\$697,653	\$729,601	\$732,174
Restricted	22,297	23,144	48,852	36,943	84,842
Unrestricted	146,240	120,151 (7)	32,193	44,682	(87,658)
Total governmental activities net assets	<u>883,895</u>	<u>859,881</u>	<u>778,698</u>	<u>811,226</u>	<u>729,358</u>
Business-type activities					
Invested in capital assets, net of related	1,117,908 (4)	1,202,761	1,286,616	1,355,118	1,365,324
Restricted	61,950	54,137	94,139	93,429	126,952
Unrestricted	228,300	269,378	276,939	246,032	282,088
Total business-type activities net assets	<u>1,408,158</u>	<u>1,526,276</u>	<u>1,657,694</u>	<u>1,694,579</u>	<u>1,774,364</u>
Primary government					
Invested in capital assets, net of related	1,833,266	1,919,347	1,984,269	2,084,719	2,097,498
Restricted	84,247	77,281	142,991	130,372	211,794
Unrestricted	374,540	389,529	309,132	290,714	194,430
Total primary government net assets	<u>\$2,292,053</u>	<u>\$2,386,157</u>	<u>\$2,436,392</u>	<u>\$2,505,805</u>	<u>\$2,503,722</u>

**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**Table 2**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 1 of 4**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 24,791	\$ 27,284	\$ 32,177	\$ 21,087	\$ 20,100
Public Safety	102,361	112,942	134,733 (2)	129,447	115,572
Physical Environment	-	-	- (1)	491	465
Transportation	-	-	- (1)	18,871	44,744
Health and Human Services	-	-	- (1)	1,686	20,968 (6)
Public Works	10,495	17,898	18,765 (1)	-	-
Economic Environment/Development	15,624	21,729	23,774	23,281	1,816 (6)
Culture and Recreation	19,091	19,058	16,867	13,046	13,409
Interest on long-term debt	3,177	5,235	3,984	3,432	4,005
Total governmental activities expense	<u>175,539</u>	<u>204,146</u>	<u>230,300</u>	<u>211,341</u>	<u>221,079</u>
Business-type activities:					
Public Assembly Facilities	-	-	- (1)	17,049	17,640
Rail	-	-	- (1)	17,142	18,507
Solid Waste	-	-	- (1)	48,311	44,594
Sewer	53,250	91,082 (3)	54,623	41,607	46,930
Water	34,740	39,480	43,260	46,016	54,695
Power	313,958	321,042	292,608	302,482	323,555
Other business-type funds	69,586	73,774	76,294	7,581	7,254
Total business-type activities	<u>471,534</u>	<u>525,378</u>	<u>466,785</u>	<u>480,188</u>	<u>513,175</u>
Total primary government expenses	<u>\$ 647,073</u>	<u>\$ 729,524</u>	<u>\$ 697,085</u>	<u>\$ 691,529</u>	<u>\$ 734,254</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 10,326	\$ 19,933	\$ 12,903	\$ 3,019	\$ 5,651
Public Safety	3,353	5,444	5,981	8,192	5,331
Physical Environment	-	-	-	-	-
Transportation	-	-	-	5,226	4,036
Health and Human Services	-	-	-	40	280
Public Works	5,800	2,384	5,968	-	-
Economic Environment/Development	4,032	660	908	6,337	7,729
Culture and Recreation	690	502	2,506	452	422
Interest on long-term debt	54	1,514	1,352	1,493	657
Operating grants and contributions:	27,132	19,428	14,320	20,137	35,142 (4)
Capital grants and contributions	1,756	4,633	5,393	8,139	11,430
Total governmental activities program revenues	<u>53,143</u>	<u>54,498</u>	<u>49,331</u>	<u>53,035</u>	<u>70,678</u>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	-	-	-	6,165	7,528
Rail	-	-	-	17,609	17,559
Solid Waste	-	-	-	48,938	51,337
Sewer	54,108	53,784	54,891	57,600	62,989
Water	34,665	39,117	41,035	45,892	53,232
Power	290,432	325,058 (7)	329,574	344,450	399,716
Other business-type funds	66,814	66,626	71,815	3,604	3,591
Operating grants and contributions:	1,857	382	2,285	631	1,113
Capital grants and contributions	42,606	44,447	42,430	54,870	45,430
Total business-type activities program revenues	<u>490,482</u>	<u>529,414</u>	<u>542,030</u>	<u>579,759</u>	<u>642,495</u>
Total primary government program revenues	<u>\$ 543,625</u>	<u>\$ 583,912</u>	<u>\$ 591,361</u>	<u>\$ 632,794</u>	<u>\$ 713,173</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (122,396)	\$ (149,648)	\$ (180,969)	\$ (158,306)	\$ (150,401)
Business-type activities	18,948	4,036	75,245	99,571	129,320
Total primary government net expense	<u>\$ (103,448)</u>	<u>\$ (145,612)</u>	<u>\$ (105,724)</u>	<u>\$ (58,735)</u>	<u>\$ (21,081)</u>

Note: The City of Tacoma implemented GASB 34 in 2002.

(1) In 2005 the functional expenditures and business-type activities were more defined.

(2) Construction began in 2004 for the new Police Station Headquarters building and substations.

(3) In 2003 a \$40 million accrual was recorded in the Sewer Fund for the Thea Foss Waterway clean-up project.

(4) The City received grant funds from the Department of Transportation for the D Street overpass bridge construction.

(5) The City increased their contributions for the fire and police pensions.

(6) In 2006 the functional expenses for Health and Human Services and Economic Environment were switched in error when formatting changes were made to the statement.

(7) In 2003 Power operating revenues increased mainly due to higher spot market prices in the wholesale market compared to the prior year.

(8) Business-type operating grants and contributions increased in 2008 primarily due to Airport Fund construction grant revenues.

Changes in Net Assets  
Last Ten Fiscal Years  
Table 2  
(accrual basis of accounting)  
(amounts expressed in thousands)  
Page 2 of 4

	2007	2008	2009	2010	2011
<b>Expenses</b>					
Governmental activities:					
General government	\$ 19,992	\$ 24,504	\$ 27,788	\$ 28,806	\$ 34,732
Public Safety	146,328 (5)	143,922	168,059	157,488	163,575
Physical Environment	653	622	-	-	102
Transportation	52,706	53,007	37,608	19,609	75,692
Health and Human Services	2,121	2,051	2,369	2,513	3,129
Public Works	-	-	-	-	-
Economic Environment/Development	29,253	26,947	30,332	28,602	24,023
Culture and Recreation	17,643	22,815	30,052	21,777	43,460
Interest on long-term debt	3,157	3,905	3,777	8,186	6,121
Total governmental activities expense	271,853	277,773	299,985	266,981	350,834
Business-type activities:					
Public Assembly Facilities	18,465	18,562	19,051	18,764	23,797
Rail	18,992	20,286	16,986	19,162	22,089
Solid Waste	51,250	52,530	51,563	47,746	54,518
Sewer	54,008	55,121	61,681	75,758	79,390
Water	55,310	58,685	61,769	73,866	76,161
Power	319,777	334,180	317,481	383,424	371,829
Other business-type funds	7,427	6,922	3,017	9,691	7,335
Total business-type activities	525,229	546,286	531,548	628,411	635,119
Total primary government expenses	\$ 797,082	\$ 824,059	\$ 831,533	\$ 895,392	\$ 985,953
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 8,396	\$ 12,482	\$ 11,747	\$ 13,861	\$ 8,780
Public Safety	3,917	8,202	12,409	9,201	8,133
Physical Environment	75	82	-	-	82
Transportation	4,050	9,426	7,820	7,968	8,959
Health and Human Services	426	744	815	235	761
Public Works	-	-	-	-	-
Economic Environment/Development	7,208	5,899	5,372	4,477	1,111
Culture and Recreation	447	447	411	390	415
Interest on long-term debt	606	-	-	-	1,010
Operating grants and contributions:	32,655	12,516	24,245	22,276	13,138
Capital grants and contributions	15,602	8,244	5,058	13,996	38,445
Total governmental activities program revenues	73,382	58,042	67,877	72,404	80,834
Business-type activities:					
Charges for services:					
Public Assembly Facilities	9,749	14,410	9,864	9,966	15,274
Rail	21,396	20,612	17,579	18,940	23,164
Solid Waste	57,498	56,076	55,928	56,812	57,781
Sewer	66,145	67,850	75,098	77,988	78,318
Water	54,494	57,086	65,622	66,247	70,235
Power	401,899	407,664	361,699	375,688	373,962
Other business-type funds	4,031	3,995	3,509	6,764	4,376
Operating grants and contributions:	1,412	11,252 (8)	3,821	2,007	601
Capital grants and contributions	34,724	35,600	43,784	32,102	61,585
Total business-type activities program revenues	651,348	674,545	636,904	646,514	685,296
Total primary government program revenues	\$ 724,730	\$ 732,587	\$ 704,781	\$ 718,918	\$ 766,130
 Net (expense)/revenue					
Governmental activities	\$ (198,471)	\$ (219,731)	\$ (232,108)	\$ (194,577)	\$ (270,000)
Business-type activities	126,119	128,259	105,356	18,103	50,177
Total primary government net expense	\$ (72,352)	\$ (91,472)	\$ (126,752)	\$ (176,474)	\$ (219,823)

**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**Table 2**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 3 of 4**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 46,338	\$ 47,967	\$ 50,388	\$ 54,593	\$ 53,177
Sales taxes	33,915	43,528	43,842	49,272	54,071
Business taxes	74,691	70,248	43,580	46,166	46,161
Unrestricted investment earnings	12,725	5,984	5,028	3,193	6,869
Gain on sale of capital assets	840	-	-	2,402	1,567
Transfers	(887)	1,648	28,435	31,584	35,673
Total governmental activities	<u>167,622</u>	<u>169,375</u>	<u>171,273</u>	<u>187,210</u>	<u>197,518</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	-
Sales taxes	883	396	457	376	458
Business taxes	-	-	-	-	-
Unrestricted investment earnings	20,559	11,720	12,078	12,514	27,309
Gain on sale of capital assets	2,816	2,863	(75)	4,889	55
Transfers	887	(1,648)	(28,435)	(31,584)	(35,673)
Total business-type activities	<u>25,145</u>	<u>13,331</u>	<u>(15,975)</u>	<u>(13,805)</u>	<u>(7,851)</u>
Total primary government	<u>\$ 192,767</u>	<u>\$ 182,706</u>	<u>\$ 155,298</u>	<u>\$ 173,405</u>	<u>\$ 189,667</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 45,226	\$ 19,727	\$ (9,696)	\$ 28,904	\$ 47,117
Business-type activities	44,093	17,367	59,270	85,766	121,469
Total primary government	<u>\$ 89,319</u>	<u>\$ 37,094</u>	<u>\$ 49,574</u>	<u>\$ 114,670</u>	<u>\$ 168,586</u>

(10) In 2008 the loss on sale of capital assets resulted from the sale of the airport.

(11) In 2008 the change in net assets decrease for governmental activities was primarily due to reduced grant revenues in the Public Works Streets, Capital Projects, and Community and Economic Development funds compared to 2007, as well as increased labor costs in Police, Fire and other General Government departments.

(12) In 2010 gross excise taxes are included in "Business Taxes." In previous years they were classified as Transfers In.

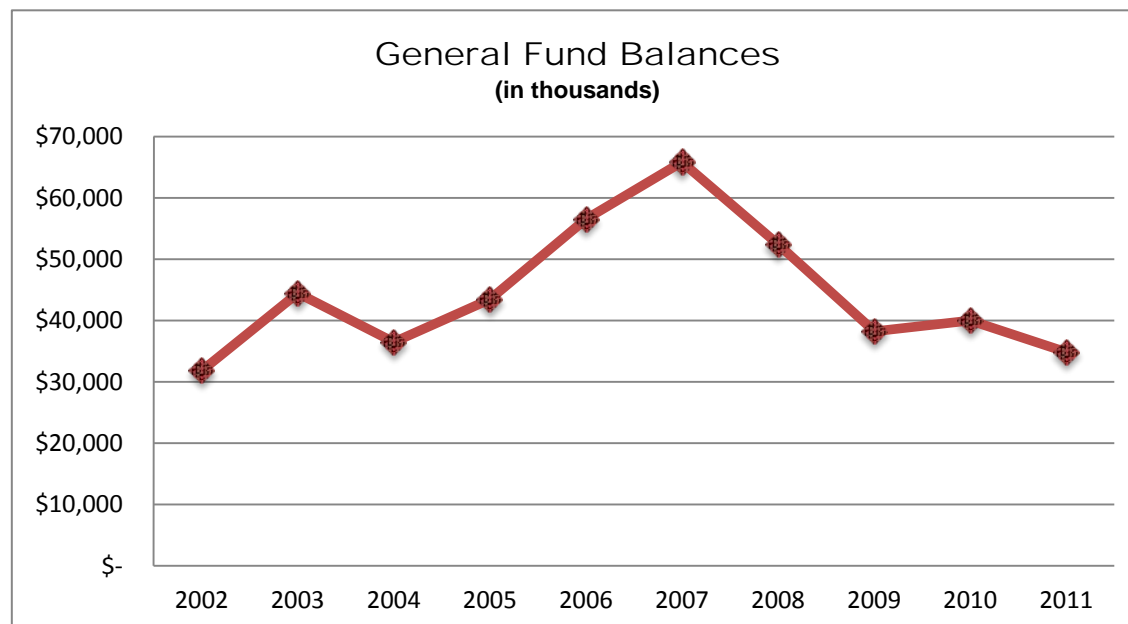


Changes in Net Assets  
Last Ten Fiscal Years  
Table 2  
(accrual basis of accounting)  
(amounts expressed in thousands)  
Page 4 of 4

	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 57,410	\$ 58,498	\$ 62,564	\$ 61,900	\$ 60,733
Sales taxes	54,508	47,681	42,256	41,942	42,643
Business taxes	46,955	49,039	43,052	84,094 (12)	87,029
Unrestricted investment earnings	8,976	6,566	5,699	3,907	6,133
Gain on sale of capital assets	43	2,705	344	(1,648)	(184)
Transfers	38,600	35,212	34,383	(6,021)	(6,320)
Total governmental activities	206,492	199,701	188,298	184,174	190,034
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	-
Sales taxes	605	1,715	-	-	-
Business taxes	-	-	-	-	-
Unrestricted investment earnings	36,090	30,674	18,427	15,059	23,408
Gain on sale of capital assets	5,667	(8,099) (10)	133 (10)	(1,222)	(84)
Transfers	(38,600)	(35,212)	(34,383)	6,021	6,320
Total business-type activities	3,762	(10,922)	(15,823)	19,858	29,644
Total primary government	\$ 210,254	\$ 188,779	\$ 172,475	\$ 204,032	\$ 219,678
<b>Change in Net Assets</b>					
Governmental activities	\$ 8,021	\$ (20,030) (11)	\$ (43,810) (11)	\$ (10,403)	\$ (79,966)
Business-type activities	129,881	117,337	89,533	37,961	79,821
Total primary government	\$ 137,902	\$ 97,307	\$ 45,723	\$ 27,558	\$ (145)

**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Table 3**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 1 of 2**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Reserved	\$ 10,291	\$ 10,263	\$ 8,118	\$ 6,855	\$ 9,553
Unreserved	21,531	34,210	28,374	36,572	46,955
Nonspendable					
Restricted					
Committed					
Committed - Council Contingencies					
Assigned					
Unassigned					
Total General Fund	<u>\$ 31,822</u>	<u>\$ 44,473</u>	<u>\$ 36,492</u>	<u>\$ 43,427</u>	<u>\$ 56,508</u>
All other governmental funds					
Reserved	\$ 25,989	\$ 15,742	\$ 19,976	\$ 29,055	\$ 17,307
Unreserved					
Nonspendable					
Restricted					
Committed					
Committed - Council Contingencies					
Assigned					
Unassigned					
Total all other governmental funds	<u>\$ 25,989</u>	<u>\$ 15,742</u>	<u>\$ 19,976</u>	<u>\$ 29,055</u>	<u>\$ 17,307</u>



**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Table 3**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

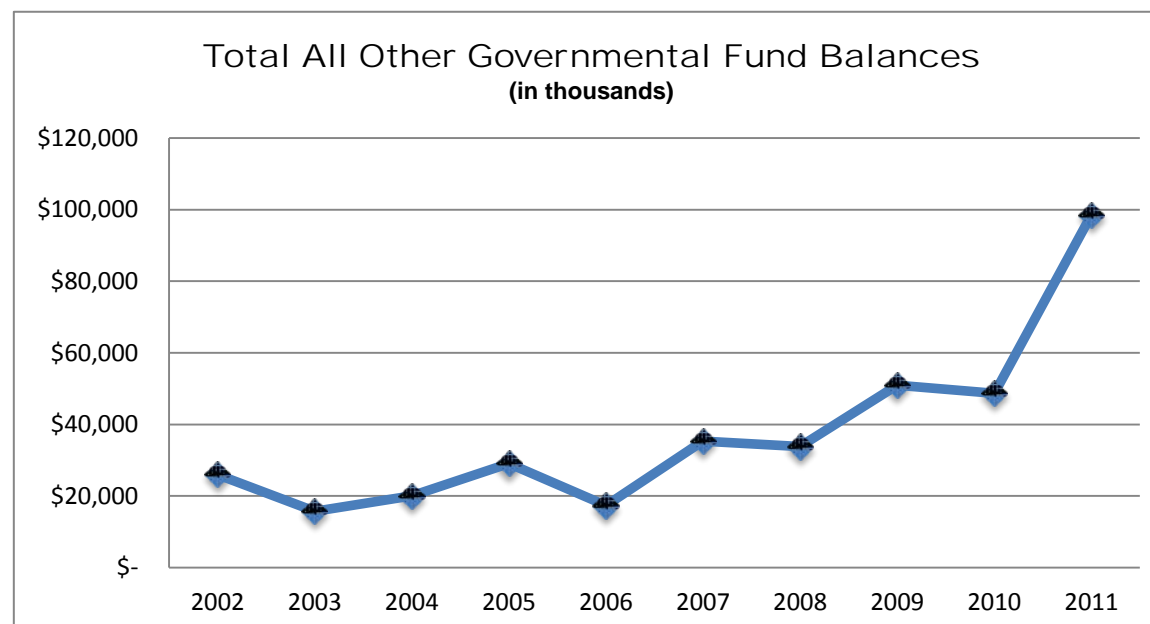
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u> (4)
General Fund					
Reserved	\$ 19,526 (1)	\$ 24,871	\$ 24,517	\$ 20,947	\$ -
Unreserved	46,308	27,534 (2)	13,744	19,048	-
Nonspendable					17,361
Restricted					2
Committed					-
Committed - Council Contingencies					1,117
Assigned					2,133
Unassigned					14,239
Total General Fund	<u>\$ 65,834</u>	<u>\$ 52,405</u>	<u>\$ 38,261</u>	<u>\$ 39,995</u>	<u>\$ 34,852</u>
All other governmental funds					
Reserved	\$ 35,286 (1)	\$ 33,763	\$ 50,960	\$ 48,665	\$ -
Unreserved					-
Nonspendable					1,920
Restricted					85,191
Committed					18,928
Committed - Council Contingencies					-
Assigned					36,261
Unassigned					(43,860)
Total all other governmental funds	<u>\$ 35,286</u>	<u>\$ 33,763</u>	<u>\$ 50,960</u>	<u>\$ 48,665</u>	<u>\$ 98,440</u>

(1) In 2007 the increase in reserved fund balances is due to a change in accounting for reporting internal notes as interfund loans.

(2) In 2008 the unreserved fund balance decreased primarily due to increased labor costs in Police, Fire and General Government.

(3) In 2009 the increase in reserved fund balance is primarily from proceeds of a new LTGO Capital Project Bond.

(4) In 2011 the City implemented GASB 54.



**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**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Revenues</b>					
Taxes	\$ 152,530	\$ 161,562	\$ 138,146 (1)	\$ 150,370	\$ 153,477
Licenses and permits	3,604	4,918	5,072	3,572 (4)	9,558
Intergovernmental revenue	28,888	27,346	28,043	28,276	46,510 (7)
Charges for services	9,400	15,261	9,568	13,749 (3)	8,984 (8)
Fines and forfeitures	3,583	3,035	2,793	4,088	2,829
Interest	6,798	4,869	4,174	3,193	6,869
Miscellaneous revenues	7,670	3,939	3,856	3,347	2,734
Total revenues	<u>212,473</u>	<u>220,930</u>	<u>191,652</u>	<u>206,595</u>	<u>230,961</u>
<b>Expenditures</b>					
General government	24,540	25,962	26,985	20,200	21,118
Security of persons & property	100,408	103,177	114,320 (2)	123,998	121,423
Physical environment	586	476	485	471	488
Transportation	9,767	15,259	16,119	18,076	18,029
Economic environment	15,535	20,411	20,826	22,302	22,028
Mental and physical health	1,222	1,911	1,782	1,614	1,909
Culture and recreation	12,928	15,173	13,923	12,497	14,087
Capital outlay	39,873	17,463	28,147 (2)	29,819	32,681
Debt Service:					
Principal retirement	5,496	4,658	10,136	7,493	17,730 (6)
Interest and fiscal charges	4,300	4,583	3,809	3,537	3,487
Total expenditures	<u>214,655</u>	<u>209,073</u>	<u>236,532</u>	<u>240,007</u>	<u>252,980</u>
excess or revenues over (under) expenditures	(2,182)	11,857	(44,880)	(33,412)	(22,019)
<b>Other financing sources (uses)</b>					
Sale of capital asset	874	6	-	2,402	1,567
Transfers in	32,110	4,060	37,944 (1)	37,346	42,523
Transfers (out)	(43,704)	(3,213)	(11,029)	(4,426)	(9,319)
Proceeds from bonds issues	34,300 (5)	2,305	5,785	-	19,675 (10)
Issuance of debt refunding bonds	-	-	-	-	-
Payment to refund escrow agent	-	-	-	-	-
Contributions from property owners	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Discount on issuance of debt	-	-	-	-	-
Total other financing sources and (uses)	<u>23,580</u>	<u>3,158</u>	<u>32,700</u>	<u>35,322</u>	<u>54,446</u>
Net change in fund balances	<u>\$ 21,398</u>	<u>\$ 15,015</u>	<u>\$ (12,180)</u>	<u>\$ 1,910</u>	<u>\$ 32,427</u>
Debt service as a percentage of noncapital expenditures	5.9%	5.1%	7.2%	5.5%	10.7%

(1) In 2004 the City gross earnings tax transfer from the Utilities to the General Fund was reclassified as an interfund transfer.

(2) Construction began in 2004 for the new Police station headquarters building and substations.

(3) A capital contribution was recognized for various Public Works capital projects and the D Street project.

(4) The uncollectible accounts for 2005 were significantly higher compared to 2006.

(5) General Obligation bond debt was issued in 2002 for the construction of the new Police headquarters and substations.

**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**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Revenues</b>					
Taxes	\$ 158,320	\$ 155,129	\$ 145,101 (9)	\$ 187,904 (12)	\$ 190,362
Licenses and permits	9,731	6,168	5,382	3,823	3,539
Intergovernmental revenue	48,257 (7)	31,461	40,991	48,259	61,376
Charges for services	9,557 (8)	10,663	10,836	9,473	9,512
Fines and forfeitures	3,869	4,366	4,617	6,080	3,612
Interest	8,976	6,566	4,131	2,982	4,657
Miscellaneous revenues	1,968	3,805	2,606	4,642	4,382
Total revenues	<u>240,678</u>	<u>218,158</u>	<u>213,664</u>	<u>263,163</u>	<u>277,440</u>
<b>Expenditures</b>					
General government	18,243	23,728	37,148	25,553	25,116
Security of persons & property	133,933	142,967	135,269	139,371	144,949
Physical environment	605	628	(2)	-	0
Transportation	22,828	24,670	24,066	26,220	33,525
Economic environment	27,046	27,055	28,682	25,972	21,892
Mental and physical health	1,965	2,138	2,256	2,093	2,109
Culture and recreation	14,795	16,212	13,185	13,339	13,266
Capital outlay	38,091	34,813	40,172	49,514	71,860
Debt Service:					
Principal retirement	5,521 (6)	4,934	4,949	5,490	5,924
Interest and fiscal charges	3,254	3,899	3,777	7,635	6,499
Total expenditures	<u>266,281</u>	<u>281,044</u>	<u>289,502</u>	<u>295,187</u>	<u>325,140</u>
excess or revenues over (under) expenditures	(25,603)	(62,886)	(75,838)	(32,024)	(47,700)
<b>Other financing sources (uses)</b>					
Sale of capital asset	43	2,705	170	19	(91)
Transfers in	53,605	52,657	56,635	6,407 (12)	24,526
Transfers (out)	(15,775)	(17,788)	(16,612)	(13,330)	(32,419)
Proceeds from bonds issues	10,145 (11)	4,468	56,335	43,305	-
Issuance of debt refunding bonds	-	-	-	29,671	16,539
Payment to escrow - refunded bonds	-	-	-	(29,152)	-
Contributions from property owners	-	11	-	-	-
Premium on issuance of debt	-	-	226	2,618	-
Discount on issuance of debt	(35)	-	(154)	(59)	-
Total other financing sources and (uses)	<u>47,983</u>	<u>42,053</u>	<u>96,600</u>	<u>39,479</u>	<u>8,555</u>
Net change in fund balances	<u>\$ 22,380</u>	<u>\$ (20,833)</u>	<u>\$ 20,762</u>	<u>\$ 7,455</u>	<u>\$ (39,145)</u>
 Debt service as a percentage of noncapital expenditures					
	4.0%	3.7%	3.6%	5.6%	5.2%

(6) Limited General Obligation 1997 Series A bonds in the amount of \$13.0 million were redeemed.

(7) The City received grant funds from the Department of Transportation for the D Street overpass bridge construction.

(8) EMS uncollectible accounts were recorded in 2005 and prior years as bad debt expense. In 2006 the accounting correction was made to account for uncollectible accounts as a reduction of revenue.

(9) Collection of taxes decreased by \$10 million due to an economic downturn in 2009.

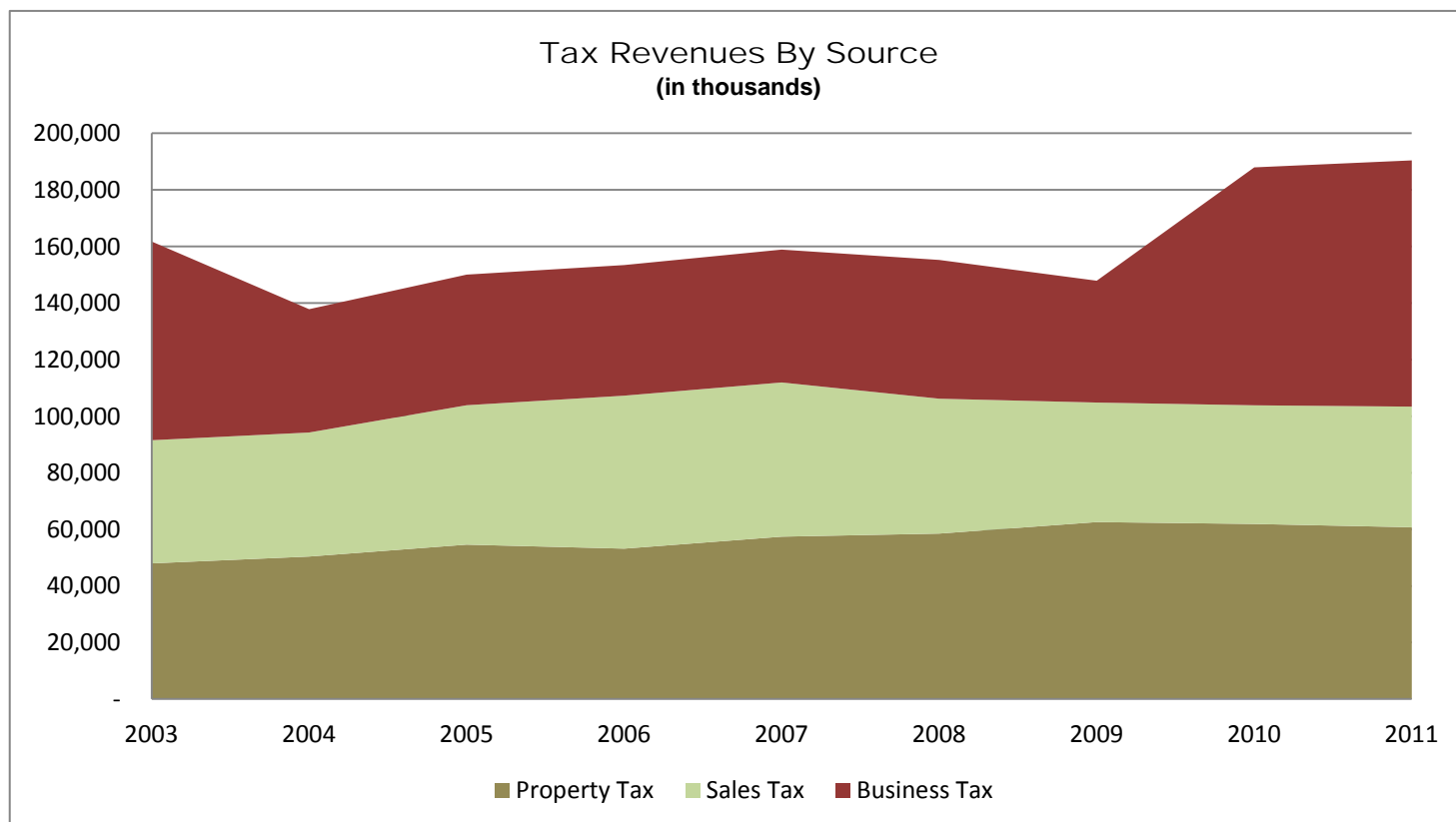
(10) Limited General Obligation Bonds 2006 (LTGO) were issued to refund the 1997A LTGO bonds to realize interest savings.

(11) Limited General Obligation Bonds were issued to retrofit one of the City's downtown public parking garages.

(12) In 2010 gross excise taxes are included in "Business Taxes." In previous years they were classified as Transfers In.

**Governmental Activities Tax Revenues By Source**  
**Last Nine Fiscal Years**  
**Table 5**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Business Tax</b>	<b>Total</b>
2003	47,967	43,528	70,248	161,743
2004	50,388	43,842	43,580	137,810
2005	54,593	49,272	46,166	150,031
2006	53,177	54,071	46,161	153,409
2007	57,410	54,508	46,955	158,873
2008	58,498	47,681	49,039	155,218
2009	62,564	42,256	43,052	147,872
2010	61,900	41,942	84,094 (1)	187,936
2011	60,733	42,643	87,029	190,405



(1) Beginning in 2010 gross earnings taxes are classified as Business Taxes, where in previous years they were classified as Transfers In.

**Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

**Table 6**

<b>Fiscal Year</b>		<b>Real Property Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)</b>	<b>Personal Property Assessed Value/ Estimated Actual Value (1) (\$ 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</b>	<b>Assessed Value Per Capita</b>
2002		N/A	N/A	11,824,449	4.40	1,153,020	10.80%	60,638
2003		N/A	N/A	12,455,913	4.28	631,464	5.34%	63,551
2004	(1)	12,171,145	910,650	13,081,797	4.14	625,884	5.02%	66,744
2005	(2)	14,713,210	869,592	15,582,802	3.38	2,501,005	19.12%	78,701
2006		17,557,779	998,499	18,556,278	3.08	2,973,476	19.08%	92,781
2007		19,480,923	1,109,464	20,590,388	2.84	2,034,110	10.96%	101,933
2008		20,442,955	1,182,132	21,625,087	2.81	1,034,699	5.03%	106,528
2009		19,520,248	1,196,953	20,717,201	2.99	(907,886)	-4.20%	102,055
2010		17,867,938	1,165,564	19,033,503	3.24	(1,683,698)	-8.13%	96,129
2011		16,507,224	1,143,223	17,650,446	3.62	(1,383,057)	-7.27%	89,144

(1) Breakdown of total assessed value by real property and personal property is not available prior to 2004.

(2) Assessed Value / Estimated Actual Value figures have been revised for 2004 and 2005.

**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**Table 7**

<b>Fiscal Year Ended 31-Dec</b>	<b>City of Tacoma</b>	<b>Tacoma School District #10</b>	<b>Pierce County</b>	<b>Port of Tacoma</b>	<b>Metro Park District</b>	<b>Washington State</b>	<b>Total</b>
DOLLARS PER \$1,000 OF ASSESSED VALUE							
2002	4.40	7.42	1.67	0.18	0.98	2.94	17.59
2003	4.28	7.50	1.61	0.19	0.99	3.03	17.60
2004	4.14	7.28	1.59	0.19	0.85	2.90	16.95
2005	3.38	6.56	1.38	0.19	0.88	2.64	15.03
2006	3.08	5.51	1.18	0.19	0.76	2.29	13.01
2007	2.84	4.77	1.08	0.19	0.73	2.07	11.68
2008	2.81	4.80	1.08	0.18	0.72	2.02	11.62
2009	2.99	4.65	1.16	0.18	0.77	2.07	11.82
2010	3.24	6.38	1.24	0.18	1.09	2.27	14.40
2011	3.62	7.04	1.37	0.18	1.11	2.27	15.59
"CITY" TAX RATE BREAKDOWN:			2010	2011			
General Fund			\$2.40	\$2.77			
Councilmanic Nonvoted Bonds			0.23	0.20			
EMS Levy			0.50	0.50			
G.O. Bonds			0.12	0.15			
TOTAL CITY			\$3.25	\$3.62			

- 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 2001 represents 2002 tax rates).



**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**Table 8**  
**(amounts expressed in thousands)**

<b>Fiscal Year ended December 31</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percentage of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Tax Levy Adjustment</b>	<b>Total Tax Collections</b>	<b>Total Tax Collected as a Percentage of Total Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes as a Percent of Total Levy</b>
2002	46,979	44,565	94.86%	2,280	(58)	46,845	99.71%	1	0.0021%
2003	51,957	49,473	95.22%	2,165	(276)	51,638	99.39%	1	0.0019%
2004	53,334	51,186	95.97%	1,900	(222)	53,086	99.54%	1	0.0019%
2005	54,626	52,817	96.69%	1,547	(219)	54,364	99.52%	1	0.0018%
2006	53,258	51,517	96.73%	1,439	(202)	52,956	99.43%	1	0.0019%
2007	57,549	55,255	96.01%	1,869	(298)	57,124	99.26%	9	0.0156%
2008	59,033	56,650	95.96%	2,076	(280)	58,726	99.48%	56	0.0949%
2009	60,752	57,981	95.44%	1,793	(526)	59,774	98.39%	446	0.7341%
2010	61,918	59,115	95.47%	1,353	(478)	60,468	97.66%	908	1.4665%
2011	61,823	58,881	95.24%	-	(689)	58,881	95.24%	2,253	3.6443%

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 2011**

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL CITY POPULATION</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	N/A	N/A	Cellular
Comcast of Tacoma Inc.	N/A	N/A	Telecommunications
Puget Sound Energy Inc.	217	0.1%	Natural Gas
Qwest Corporation	N/A	N/A	Telecommunications
Schnitzer Steel Industries	81	0.0%	Scrap Metal Recycler
Sprint PCS	N/A	N/A	Cellular
T Mobile West Corporation	N/A	N/A	Cellular
US Oil Trading LLC	10	0.0%	Petroleum Refinery
Verizon Wireless	24	0.0%	Cellular
West Coast Grocery	686	0.3%	Grocery
Total	1,018	0.5%	

Total 2011 Aggregate B & O Tax  
Collections of the Top Ten Taxpayers     \$13,646

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2002**

<u>TAXPAYERS</u>	<u>EMPLOYEES (1)</u>	<u>PERCENTAGE OF TOTAL CITY POPULATION</u>	<u>TYPE OF BUSINESS</u>
AT&T Broadband	N/A	N/A	Cable Television
AT&T Communications of the Pac NW	N/A	N/A	Telecommunications
AT&T Wireless Services	N/A	N/A	Cellular
Puget Sound Energy , Inc.	N/A	N/A	Natural Gas
Qwest Corporation	N/A	N/A	Telecommunications
Qwest Wireless LLC	N/A	N/A	Cellular & Paging
Silver Dollar Casino	N/A	N/A	Casino
Sprint PCS	N/A	N/A	Cellular
T-Mobile	N/A	N/A	Cellular
Verizon Wireless	N/A	N/A	Cellular
Total	N/A	N/A	

Total 2002 Aggregate B & O Tax  
Collections of the Top Ten Taxpayers     \$12,537

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.

(1) Employee count information for these business taxpayers is not available for 2002.

**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 2011**

<u>TAXPAYERS</u>	<u>RANK</u>	2010 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$189,027	24.6%
Simpson Tacoma Kraft Co	2	81,441	10.6%
CSC of Tacoma LLC	3	76,024	9.9%
U S Oil & Refining Co	4	72,229	9.4%
AT&T Mobility LLC	5	70,646	9.2%
Qwest Corporation	6	65,750	8.6%
Puget Sound Energy / Gas	7	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>100.0%</u>

**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2002**

<u>TAXPAYERS</u>	<u>RANK</u>	2002 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Simpson Tacoma Kraft Co	1	\$142,122	31.0%
Tacoma Mall Corporation	2	97,192	21.2%
Elman Centennial Associates LP	3	36,216	7.9%
Jonsson Security LLC	4	35,056	7.6%
Pioneer Chlor Alkali Company, Inc.	5	31,202	6.8%
University Street Properties LLC	6	30,501	6.6%
P O'B Apollo Tacoma LP	7	25,489	5.6%
Super Value Stores Inc.	8	21,429	4.7%
King County Medical Blue Shield	9	20,569	4.5%
Tacoma News Inc.	10	19,224	4.2%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$458,997</u>	<u>100.0%</u>

**Ratios of Outstanding Debt by Type**  
**Last Nine Fiscal Years**  
**Table 10**  
**(amounts expressed in thousands, except per capita amount)**  
**Page 1 of 2**

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Public Works Trust Fund Loan	Housing & Urban Dev Loan	Bond Anticipation Notes	Special Assessment Bonds	Capital Leases
2003	85,320	8,105	2,434	4,624	2,195	518
2004	76,915	12,065	-	1,362	2,556	95
2005	69,605	11,525	-	827	1,830	48
2006	70,224	13,248	-	1,373	1,155	-
2007	68,455	12,331	-	1,607	740	-
2008	64,801	11,416	-	6,423	375	3,401 (4)
2009	113,413 (5)	12,843	-	9,883	260	2,501
2010	155,415	11,771	-	11,649	205	1,876
2011	152,309	11,199	-	24,014	1,702	1,251

(1) U.S. Department of Commerce, Bureau of Economic Analysis (currently updated through 2009).

(2) See the Schedule of Demographic and Economic Statistics on Table 16 for personal income and population data.

(3) The Revenue Bonds do not include unamortized premiums or discounts.

(4) In 2008 the City entered into a lease option purchase of computer data storage equipment. At the end of the five year lease the City will own the equipment.

(5) A new LTGO Bond was issued for the Cheney Stadium renovation and other capital projects.

**Ratios of Outstanding Debt by Type**  
**Last Nine 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 (1)	Per Capita (2)
	Revenue Bonds & Loans (3)	General Obligation Bonds	Capital Leases			
2003	897,250	-	-	1,002,449	4.40%	5,107
2004	980,938	51,900	-	1,127,835	4.72%	5,731
2005	1,081,537	51,900	327	1,219,604	4.77%	6,157
2006	1,119,487	67,410	286	1,275,189	4.57%	6,389
2007	1,117,506	66,420	256	1,269,322	4.25%	6,293
2008	1,074,085	65,115	220	1,225,836	3.95%	6,048
2009	1,108,113	63,765	180	1,310,958	4.05%	6,445
2010	1,345,099	59,390	142	1,585,547	4.92%	7,992
2011	1,332,753	59,390	98	1,582,716	N/A	7,978

**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>
2002	80,135	4,139	75,996	0.64%	390
2003	85,320	1,100	84,220	0.68%	429
2004	128,815	1,226	127,589	0.98%	648
2005	121,505	1,211	120,294	0.77%	607
2006	137,634	1,300	136,334	0.73%	683
2007	134,875	1,319	133,556	0.65%	662
2008	129,916	961	128,955	0.60%	636
2009	177,178	1,001	176,177	0.85%	866
2010	214,805	1,655	213,150	1.12%	1,074
2011	211,699	990	210,709	1.19%	1,059

Note: Details regarding the City's outstanding debt can be found in the notes to the financials.

(1) The fund balance for debt service funds 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****As of December 31****Table 12**

	<b>Net Bonded Debt Outstanding (1)</b>	<b>Percentage Applicable To City (2)</b>	<b>City Residents Share of Debt</b>
City of Tacoma	\$198,397	100.000%	\$198,397
<b><u>OVERLAPPING DEBT</u></b>			
Tacoma School District #10	248,960	91.787%	228,513
Metropolitan Park District	89,775	96.137%	86,307
Port of Tacoma	200,140	22.428%	44,888
Pierce County	126,693	22.428%	28,415
Franklin Pierce School District	16,085	0.654%	105
Fife School District	27,133	4.393%	1,192
Clover Park School District	102,470	2.228%	2,283
University Place School District	82,005	3.011%	2,469
<b>TOTAL OVERLAPPING DEBT</b>	<b>893,261</b>		<b>394,371</b>
<b>GRAND TOTAL</b>	<b>\$ 893,459</b>		<b>\$ 394,569</b>
Population			198,397
Direct and Overlapping Debt per Capita			\$ 1,989

(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**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Assessed Value of Property	\$11,824,449	\$12,455,913	\$13,212,371	\$15,739,885	\$18,556,278
Debt Limit, 7.5% of Assessed Value	886,834	934,193	990,928	1,180,491	1,391,721
Total Net Debt Applicable to Limit	162,988	93,444	143,775	139,801	158,905
Legal Debt Margin	<u>\$723,846</u>	<u>\$840,749</u>	<u>\$847,153</u>	<u>\$1,040,690</u>	<u>\$1,232,816</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.4%	10.0%	14.5%	11.8%	11.4%

**Legal Debt Margin Calculation for Fiscal Year 2011**  
**(amounts expressed in thousands)**

Assessed Value	\$17,650,446
Debt Limit (7.5% of assessed value)	1,323,783
Debt Applicable to Limit:	
General Obligation bonds and loans	222,898
Capital leases	1,349
Less: Assets available from Debt Svc Fund	(969)
Total Net Debt Applicable to Limit	223,278
Legal Debt Margin	<u>\$1,100,505</u>



**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**Table 13**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed Value of Property	\$20,590,387	\$21,625,087	\$20,717,201	\$19,033,503	\$17,650,446
Debt Limit, 7.5% of Assessed Value	1,544,279	1,621,882	1,553,790	1,427,513	1,323,783
Total Net Debt Applicable to Limit	160,216	156,200	191,701	227,060	223,278
Legal Debt Margin	<u>\$1,384,063</u>	<u>\$1,465,682</u>	<u>\$1,362,089</u>	<u>\$1,200,453</u>	<u>\$1,100,505</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.4%	9.6%	12.3%	15.9%	16.9%

**Computation of Constitutional Limit of Indebtedness**  
**As of December 31**  
**Table 14**

As provided in the Revised Code of Washington Title 39 Chapter 36, the percentage limits for the various sections are layered cumulative tot. 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.

Total Taxable Property Value (Assessed at 100%, for taxes payable in 2012) (PV)	\$	17,650,446,292
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**GENERAL PURPOSE INDEBTEDNESS**

Non-Voted General Purpose Indebtedness and Capital Leases

	Legal Limit 1.5% of Total Taxable Property Value	264,756,694
Indebtedness (Liabilities)		
Non-Voted General Obligation Bonds	199,398,000	
Capital Leases Payable	1,349,000	
Less Assets Available	-	
	Indebtedness Incurred - Non-Voted General Purposes	200,747,000
	Remaining Non-Voted Debt Capacity - General Purposes	\$ 64,009,694

Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)

	Legal Limit 2.5% of Total Taxable Property Value	\$ 441,261,157
Less: Indebtedness Incurred - Non-Voted General Purposes		(200,747,000)
		240,514,157
Indebtedness (Liabilities)		
Voted General Obligation Bonds	23,500,000	
Less Assets Available	(969,442)	
	Indebtedness Incurred - Voted General Purposes	22,530,558
	Total Remaining Debt Capacity - General Purposes	\$ 217,983,599

**UTILITY PURPOSE INDEBTEDNESS**

Indebtedness For Utility Purposes With 3/5 Vote of the People

	Legal Limit 2.5% of Total Taxable Property Value	\$ 441,261,157
	Remaining Debt Capacity - Utility Purposes	\$ 441,261,157

**OPEN SPACES AND PARKS FACILITIES INDEBTEDNESS**

Indebtedness For Open Space And Parks Facilities With 3/5 Vote of the People

	Legal Limit 2.5% of Total Taxable Property Value	\$ 441,261,157
	Remaining Debt Capacity - Open Spaces and Parks Facilities	\$ 441,261,157

**SUMMARY**

Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value	\$ 1,323,783,472
Less: Indebtedness Incurred - General Purposes	1.2650%	223,277,558
Less: Indebtedness Incurred - Utility Purposes		-
Less: Indebtedness Incurred - Open Space And Parks Facilities		-
	Remaining Debt Capacity	6.2350% \$ 1,100,505,914

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**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>
2002	62,565	38,264	24,301	4,792	3,473	2.94
2003	58,668	35,202	23,466	3,235	5,587	2.66
2004	57,527	37,585	19,942	5,453	5,507	1.82
2005	60,110	33,972	26,138	5,735	5,233	2.38
2006	69,418	37,477	31,941	6,025	5,371	2.80
2007	74,974	38,323	36,651	2,115	5,723	4.68
2008	75,298	42,453	32,845	1,790	5,617	4.43
2009	76,459	44,450	32,009	2,570	5,546	3.94
2010	77,349	48,512	28,837	2,330	5,414	3.72
2011	76,500	51,300	25,200	3,115	7,207	2.44

<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>
2002	292,785	238,045	54,740	14,040	29,116	1.27
<b>2003</b>						
<b>2004</b>	<b>331,223</b>	<b>230,470</b>	<b>100,753</b>	<b>22,180</b>	<b>27,497</b>	<b>2.03</b>
<b>2005</b>	<b>345,586</b>	<b>227,250</b>	<b>118,336</b>	<b>22,790</b>	<b>30,737</b>	<b>2.21</b>
<b>2006</b>	<b>407,630</b>	<b>257,131</b>	<b>150,499</b>	<b>22,420</b>	<b>29,770</b>	<b>2.88</b>
2007	414,184	252,941	161,243	25,275	26,424	3.12
2008	417,774	262,195	155,579	26,590	24,922	3.02
2009	362,138	236,038	126,100	30,820	23,537	2.32
2010	377,589	274,919	102,670	25,890	24,405	2.04
2011	403,430	264,379	139,051	27,290	29,184	2.46

<b>Solid Waste Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Solid Waste Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
2002	44,714	30,578	14,136	2,400	4,707	1.99
2003	44,610	32,112	12,498	2,355	4,360	1.86
2004	47,609	34,105	13,504	2,470	4,243	2.01
2005	50,831	37,507	13,324	2,620	4,094	1.98
2006	53,822	33,038	20,784	2,770	3,944	3.10
2007	61,513	38,900	22,613	2,935	4,618	2.99
2008	59,816	38,510	21,306	3,265	4,249	2.84
2009	57,386	38,943	18,443	3,435	4,250	2.40
2010	57,395	41,158	16,237	3,625	4,059	2.11
2011	57,102	37,316	19,786	3,830	3,857	2.57

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>A Street Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
2002	38,647	22,734	15,913	1,816	2,581	3.62
2003	50,422	25,952	24,470	2,005	3,552	4.40
2004	46,256	28,071	18,185	4,675	3,387	2.26
2005	51,264	29,444	21,820	3,557	4,593	2.68
2006	90,628	32,061	58,567	4,582	5,852	5.61
2007	68,084	34,001	34,083	4,727	5,708	3.27
2008	63,683	36,040	27,643	4,925	5,514	2.65
2009	66,808	37,149	29,659	5,896	9,942	1.87
2010	73,374	37,597	35,777	6,092	15,701	1.64
2011	35,928	40,939	-5,011	6,308	19,624	-0.19

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**

<b>Tacoma Rail Bond Anticipation Notes</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>
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A
2004	12,899	11,370	1,529	331	88	3.65
2005	15,452	13,006	2,446	331	78	5.98
2006	15,992	14,677	1,315	331	87	3.15
2007 (2)	19,499	15,206	4,293	113	82	21.98
2008	19,052	16,437	2,615	162	98	10.02
2009	15,373	13,561	1,812	171	90	6.90
2010	16,328	14,204	2,124	180	80	8.17
2011	20,115	16,457	3,658	190	70	14.07

Note: Total Operating Expenses exclusive of depreciation, bond interest and municipal gross earning tax.

(1) The issue date for the Tacoma Rail Bond Anticipation Notes was in 2003 and the first principal payment did not occur until 2004.

(2) In 2007 the 2003 Tacoma Rail Bond Anticipation Notes were excluded; they are now reported as interfund loans.

<b>Convention Center and Parking Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Net Parking Revenues</b>	<b>District Contribution</b>	<b>Total Pledged Revenues</b>	<b>Total Bond Debt Service</b>	<b>Interest</b>
2002	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A
2005	2,242	2,495	4,737	2,630	1.80
2006	2,194	3,192	5,386	2,651	2.03
2007	2,712	3,071	5,783	2,640	2.19
2008	2,455	2,887	5,342	2,638	2.03
2009	2,303	2,543	4,846	2,635	1.84
2010	2,132	2,599	4,731	1,216	3.89
2011	2,637	2,571	5,208	1,328	3.92

Note: The Convention Center and Parking Revenue Bonds do not contain a Coverage Requirement for the Bonds. It does contain a Rate Covenant for the portion of the Bonds that relate to the financing of the A Street Garage.

<b>Parking System Rate Covenant</b>			
<b>Fiscal Year</b>	<b>Net Parking Revenues</b>	<b>District Contribution</b>	<b>Coverage</b>
2002	N/A	N/A	N/A
2003	N/A	N/A	N/A
2004	N/A	N/A	N/A
2005	2,242	291	7.71
2006	2,194	293	7.49
2007	2,712	292	9.30
2008	2,455	292	8.42
2009	2,303	291	7.91
2010	2,132	134	15.86
2011	2,637	147	17.97

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 31-Dec</b>	<b>Population (in Thousands) (1)</b>	<b>Personal Income (2) (in Thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3) (in Thousands)</b>	<b>Unemployment % Rate (4)</b>
2002	195	21,504,936	29,405	33	7.3
2003	196	22,205,977	29,989	32	7.6
2004	197	23,273,083	31,206	31	6.4
2005	198	24,440,169	32,448	32	6.0
2006	200	26,769,608	35,054	30	5.2
2007	202	28,949,941	37,446	30	4.7
2008	203	31,046,350	39,444	30	5.3
2009	203	32,332,969	40,577	30	8.9
2010	198 (5)	32,212,709	40,500	30	9.6
2011	199	N/A	N/A	30	8.5

**SOURCES:**

- (1) Washington State Office of Financial Management, except 2010. See (5).
- (2) U.S. Department of Commerce, Bureau of Economic Analysis (currently updated only through 2010).
- (3) Tacoma School District No. 10; total students including alternative schools as of October 1 each year.
- (4) Washington State Employment Security Department (monthly rates averaged).
- (5) US Census Bureau.

Note: The decrease in population in 2010 reflects the results of the 2010 Census. Information provided by the Washington State Office of Financial Management are estimates based on previous census data, growth measures, and assumptions. In previous years, WAOFM overestimated the population growth of the City of Tacoma.

**Principal Employers**  
**Current Year and Nine Years Ago**  
**Table 17**

**TOP TEN EMPLOYERS FOR 2011 (PIERCE COUNTY)**

	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Joint Base Lewis McChord	55,603	6.9%	Military
Local Public School Districts (K-12)	13,735	1.7%	Education
MultiCare Health System	6,756	0.8%	Health Care
Washington State Employees	6,662	0.8%	Public Sector
Franciscan Health System	5,507	0.7%	Health Care
City of Tacoma (includes Public Utilities employees)	3,670	0.5%	Public Sector
Pierce County Government	2,947	0.4%	Public Sector
Washington State Higher Education	2,720	0.3%	Education
Emerald Queen Casino	2,230	0.3%	Gaming
Boeing (Frederickson Site)	1,450	0.2%	Aerospace
Total	101,280	12.6%	

2011 Pierce County Population      802,150

**TOP TEN EMPLOYERS FOR 2002 (PIERCE COUNTY)**

<u>EMPLOYEERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
US Army Fort Lewis	25,353	3.5%	Military
Local Public School Districts (K-12)	12,778	1.8%	Education
US Air Force McChord	9,772	1.3%	Military
Washington State Employees	8,952	1.2%	Government
MultiCare Health System	4,519	0.6%	Health Care
Pierce County Government	3,136	0.4%	Government
City of Tacoma (includes Public Utilities employees)	3,034	0.4%	Government
Franciscan Health System	2,892	0.4%	Health Care
Washington State Higher Education	2,655	0.4%	Education
Madigan Army Medical Center	2,612	0.4%	Health Care
Total	75,703	10.4%	

2002 Pierce County Population      725,000

**Note:**

Employment data is voluntarily submitted to the City by businesses. As such, internal records of employment are incomplete. Pierce County employer data is presented instead as it represents a more complete data set.

**Sources:**

Economic Development Board for Tacoma-Pierce County  
 US Census Bureau (2011 Population Data)  
 Pierce County web site (2002 Population Data)

**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**  
**Table 18**

<b>Function</b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006 (1)</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010 (2)</u></b>	<b><u>2011</u></b>
<b>General government</b>	380	407	410	414	296	294	304	300	257	287
<b>Public Safety</b>										
Police	384	390	402	409	412	416	418	429	418	415
Fire	427	440	439	431	434	434	434	426	414	431
Law Enforcement Support Agency	144	153	152	157	155	162	165	160	151	159
<b>Economic Environment</b>										
Community & Economic Development	48	49	44	39	41	42	43	42	92	89
Hearing Examiner	2	4	4	4	4	3	3	3	3	4
Human Rights Human Services	29	37	37	34	34	29	33	38	37	33
<b>Culture and Recreation</b>	145	195	194	197	204	203	207	202	213	202
<b>Transportation</b>										
Public Works	631	670	684	693	750	777	773	800	744	743
<b>Information Systems</b>	30	95	94	85	108	113	114	139	136	136
<b>Retirement</b>	8	7	9	8	8	9	9	9	9	9
<b>Tacoma Public Utilities</b>										
Administration	16	16	9	9	9	8	8	9	9	11
Customer Service	106	132	142	132	165	174	174	157	153	153
Geographic Info System	5	9	8	9	9	9	9	12	N/A	N/A
Rail	80	84	91	102	101	98	99	99	95	91
Power	814	805	786	799	767	791	792	872	874	829
Water	226	237	245	254	257	266	267	267	259	248
<b>Total</b>	3,475	3,730	3,750	3,776	3,754	3,828	3,852	3,964	3,864	3,840

(1) A reorganization of the City occurred, eliminating the General Services department (included in General Government) and was spread between Information Systems and Public Works departments.

(2) A reorganization of the City occurred, and some employees from Building and Land Use Services (a division of Public Works) were transferred to Community & Economic Development. In addition, the TPU GIS Department is now reported under IT.



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**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**Table 19**  
**Page 1 of 2**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Function</b>					
<i>Public Safety</i>					
Police					
Violent Crimes	2,183	2,154	2,021	2,014	2,076
Property Crimes	18,115	16,170	16,657	16,903	16,663
Fire					
Incidents	36,323	36,727	27,836	29,290	30,354
<i>Utilities</i>					
Power customers	153,955	153,955	162,852	159,182	162,589
Power service units - MWH	6,278,978	6,278,978	6,077,318	5,915,164	6,689,448
Water customers	91,376	91,376	93,906	94,033	95,103
Water service units	25,596,721	25,596,721	27,219,270	24,929,840	25,292,615
Wastewater customers	82,486	82,486	64,612	81,727	60,412
Surface Water customers	67,406	67,406	72,139	63,983	68,363
Solid Waste customers	58,722	58,722	59,203	58,834	58,086
<i>Rail</i>					
Miles of track	38	38	38	38	38
Number of cars switched	14,839	85,017	97,417	118,512	100,074
<i>Parking Garages</i>					
Number of parking stalls - garages	1,659	1,659	2,244	2,219	2,219
Number of parking stalls - surface lots	558	558	480	480	480

**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**Table 19**  
**Page 2 of 2**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Function</b>					
<i>Public Safety</i>					
Police					
Violent Crimes	2,091	1,965	1,883	1,703	1,786
Property Crimes	14,736	14,813	13,337	12,405	14,148
Fire					
Incidents	37,182	37,844	38,534	38,232	38,239
<i>Utilities</i>					
Power customers	165,122	166,307	168,207	169,413	169,112
Power service units - MWH	6,794,354	6,652,547	6,618,995	6,781,964	7,237,792
Water customers	96,278	95,587	96,983	97,137	96,734
Water service units	24,760,182	24,400,467	24,720,956	23,229,748	23,074,632
Wastewater customers	60,694	60,698	60,651	60,705	60,673
Surface Water customers	69,091	70,120	70,422	70,204	70,544
Solid Waste customers	58,449	58,550	58,549	58,637	58,451
<i>Rail</i>					
Miles of track	38	38	38	38	57.5
Number of cars switched	83,416	77,194	60,924	73,175	68,953
<i>Parking Garages</i>					
Number of parking stalls - garages	2,219	2,282	2,384	2,384	2,384
Number of parking stalls - surface lots	235	73	73	73	102

**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**Table 20**  
**Page 1 of 2**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Function</b>					
Public Safety					
Police					
Number of Stations	7	7	7	6	N/A
Vehicles:					
Marked Cars	220	225	228	225	N/A
Unmarked Cars - (includes seized vehicles)	79	112	133	112	N/A
Motorcycles	26	29	29	29	N/A
Fire					
Number of Stations	16	16	16	16	16
Pumpers	16	16	16	16	16
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	6	5	5
Fireboats	1	1	1	1	1
Training Towers	1	1	1	1	1
Fire Rating	3	3	N/A	3	3
Transportation					
Streets					
Miles of Paved Streets	610.05	610.05	612.71	612.71	615.57
Miles of Unpaved Streets	229.33	229.33	229.38	229.38	352.69
Total	<u>839.38</u>	<u>839.38</u>	<u>842.09</u>	<u>842.09</u>	<u>968.26</u>

1) In 2007 the change in Miles of Unpaved Streets is due to the arterial survey done in 2007 and due to excluding alleys which were included in prior years.

**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**Table 20**  
**Page 2 of 2**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Function</b>					
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	236	249	245	247	256
Unmarked Cars - (includes seized vehicles)	94	99	113	123	119
Motorcycles	25	21	22	22	22
Fire					
Number of Stations	16	16	16	16	16
Pumpers	16	17	16	16	16
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	1	1	1	1
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
Transportation					
Streets					
Miles of Paved Streets	642.52 (1)	642.52	642.52	642.52	642.52
Miles of Unpaved Streets	208.10 (1)	208.10	208.10	208.10	208.10
Total	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>

**Contributing Staff**  
**Table 21**

The following individuals contributed to the successful completion of the City of Tacoma's 2011 Comprehensive Annual Financial Report:

**COORDINATING AND SUPERVISORY STAFF**

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 Jeff Litchfield, Assistant Finance Director  
 Morgan D. Jacobson, CGFM, City Treasurer  
 Scott Cannaday, Senior Financial Manager  
 Amy Palmer, CPA, Senior Financial Manager  
 Linda Parks, CPA, Financial Manager  
 Lisa Richardson, Financial Manager  
 Jerry Trujillo, Financial Manager  
 Sally G. Cowan, Financial Supervisor  
 Gwen Herring, Financial Supervisor  
 Mary Mansperger, Senior Accountant  
 Su Yi, Senior Accountant

**STATISTICAL SECTION**

Samuel Benscoter, Accountant  
 Sandy Buchanan, Administrative Assistant

**DESIGN AND LAYOUT**

Angela McGeachy, Graphic Arts Specialist

**PRINTING**

City of Tacoma  
 Graphic Services Division

**IMAGES**

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