

2012 Comprehensive Annual Financial Report

of the City of Tacoma, Washington
for the Year Ending December 31, 2012

Prepared by Department of Finance
Andrew Cherullo, Finance Director



City of Tacoma, Washington
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TABLE OF CONTENTS

INTRODUCTORY SECTION	PAGE
Letter of Transmittal	1-1
GFOA Certificate of Achievement	1-5
Organizational Chart	1-7
Elected Officials	1-8
City Officials	1-9
 FINANCIAL SECTION	
Independent Auditor's Report	2-1
Management Discussion and Analysis	2-5
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	3-2
Statement of Activities	3-4
Fund Financial Statements:	
Balance Sheet—Governmental Funds	3-6
Reconciliation of Governmental Balance Sheet to the Statement of Net Position	3-7
Statement of Revenues, Expenditures and Changes in Fund Balance—	
Governmental Funds	3-8
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	3-9
Statement of Net Position—Proprietary Funds	3-10
Reconciliation of Enterprise Net Position to Government-wide Statement of Net Position	3-14
Statement of Revenues, Expenses and Changes in Fund Net Position—Proprietary	
Funds	3-15
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Net Position to Enterprise Funds Statement of Activities	3-17
Statement of Cash Flows—Proprietary Funds	3-18
Statement of Net Position—Fiduciary Funds	3-22
Statement of Changes in Net Position—Fiduciary Funds	3-23
Notes to the Financial Statements	3-24
 REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Funding Progress—Tacoma Employee's Retirement System (TERS)	4-1
Schedule of Funding Progress—Other Post Employment Benefit Plan (OPEB)	4-2
Notes to Required Supplementary Information	4-3
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget	
and Actual—General Fund and Street Fund	4-5
 COMBINING STATEMENTS – NON-MAJOR FUNDS	
Combining Balance Sheet—Non-Major Governmental Funds	5-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	
— Non-Major Governmental Funds	5-10
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget	
And Actual— Non-Major Special Revenue Funds	5-19
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget	
And Actual— Non-Major Debt Service Funds	5-37
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget	
And Actual— Non-Major Capital Projects Funds	5-44
Combining Statement of Net Position— Non-Major Enterprise Funds	5-52
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position—	
Non-Major Enterprise Funds	5-60
Combining Statement of Cash Flows—Non-Major Enterprise Funds	5-64
Combining Statement of Net Position—Internal Service Funds	5-72
Combining Statement of Revenues, Expenses and Changes in Fund Net Position—	
Internal Service Funds	5-82
Combining Statement of Cash Flows—Internal Service Funds	5-88
Combining Statement of Net Position—Pension and Employee Trust Funds	5-98

Combining Statement of Changes in Net Position—Pension and Employee Trust Funds	5-100
Combining Statement of Net Position – Agency Funds	5-104
Combining Statement of Changes in Assets and Liabilities – Agency Funds	5-105
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Capital Assets Used in the Operation of Governmental Funds	5-109
Schedule of Capital Assets Used in the Operation of Internal Service Funds.....	5-109
Schedule of Capital Assets Used in the Operation of Governmental Funds and Internal Service Funds	5-109
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds	5-110
Schedule of Capital Assets Used in the Operation of Governmental Funds by Function and Activity	5-110
Special Assessment Billings and Collections.....	5-111
STATISTICAL SECTION:	
Net Position by Component	6-2
Changes in Net Position	6-4
Fund Balances of Governmental Funds.....	6-8
Changes in Fund Balances of Governmental Funds	6-10
Governmental Activities Tax Revenue by Source	6-12
Assessed and Estimated Actual Value of Taxable Property	6-13
Property Tax Rates – Direct and Overlapping Governments	6-14
Property Tax Levies and Collections	6-15
Principal Taxpayers	6-16
Ratios of Outstanding Debt by Type	6-18
Ratios of General Bonded Debt Outstanding.....	6-20
Computation of Direct and Overlapping Debt	6-21
Legal Debt Margin Information.....	6-22
Computation of Constitutional Limit of Indebtedness.....	6-24
Pledged-Revenue Coverage.....	6-26
Demographic and Economic Statistics.....	6-28
Principal Employers	6-29
Full-time Equivalent City Government Employees by Employees by Function	6-30
Operating Indicators by Function	6-32
Capital Asset Statistics by Function	6-34
Contributing Staff	6-36

SECTION 1

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, 2013

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, 2012, 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 \$46 billion in international trade and an estimated \$3 billion in trade to Alaska in 2012. The Port is the sixth 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, Auburn Medical Center, Good Samaritan Hospital 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 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 up 7.3% for the first

three months of 2013 compared to the same period in 2012. The average year-to-date unemployment rate for the Tacoma metropolitan area was 9.7% as of February 2013 compared to 9.8% and 10.7% for February 2012 and 2011, 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.

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 2012, the City levied at the statutory limitation of \$2.97 per \$1,000 of assessed value.

MAJOR INITIATIVES**Murray Morgan Bridge Rehabilitation**

In late 2009, the City signed a Turnback Agreement with the Washington State Department of Transportation to take back ownership of the Murray Morgan Bridge, which had been closed to vehicle traffic since November 2007. A design-build contract was signed in January 2011 to replace the bridge deck, repair or replace damaged steel, paint the steel members, and replace the mechanical and electrical systems that operate the lift span. An elevator and adjoining stairs was added to the project to provide access from downtown to the west side of the Thea Foss Waterway. The \$57 million project was substantially complete in January 2013 in time for the 100-year rededication of the bridge on February 15, 2013. The rehabilitated structure returns traffic to the bridge, provides emergency egress from the Port of Tacoma and the East Foss Peninsula, reduces emergency response times and costs, and serves as a catalyst for development on the east side of the waterway.

Stadium Way Arterial Street Improvement

The Stadium Way Arterial Improvement project began in June 2012, and is scheduled to be completed in September 2013. The work is primarily along Stadium Way from South 9th Street to Tacoma Avenue, including Commerce Street, North 'E' and 1st Streets, and Division Avenue. The work involves stabilizing the subsurface soils, upgrading utilities, and reconstructing the roadway with bike lanes, wide sidewalks, pedestrian crossings, and landscaping consistent with the City's Complete Street Guidelines. A new traffic signal will also be installed at South 4th Street and Stadium Way. Concrete repairs to a large retaining wall on Schuster Parkway (located near the I-705 on-ramp) are also part of the project scope. The \$13 million project is funded from a combination of state, federal and local sources.

Recovery & Transfer Center

The new Recovery & Transfer Center at the Tacoma Landfill will enable Solid Waste Management to handle waste disposal, reuse and recovery for the next 30 years. This 83,590-square-foot facility handles 165,000 tons of garbage per year and is designed for peak loads of 1,400 tons per day. Final cost was \$26 million, about \$1 million under budget. The Recovery & Transfer Center consolidates the functions of several on-site facilities into a single building, eliminating double- and triple-handling of materials. The building was designed to allow flexibility for operations to be changed as new technology becomes available and additional materials can be extracted from the waste stream. This facility received LEED Gold Certification because of the many energy- and water-saving features incorporated into the building and the sustainable approach used in construction. It has also been recognized by Engineering News-Record as the 2012 Best Industrial Project in the Northwest for the building's environmental standards and by the American Public Works Association as a 2013 Public Works Project of the Year in the Environment category for projects between \$25 million and \$75 million.

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, 2011. 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-fourth 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

We would like to thank the Mayor, members of the City Council, and the City Manager for your continuing leadership, interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. We would also like to thank the citizens of the City of Tacoma for their continuing support and advocacy during these challenging economic times. We also express our appreciation to all City employees for their service, 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 year and this report 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, we would like to specifically thank Linda Parks, Mary Mansperger, Su Yi, Min Soo Chun, Sam Benscoter, and Sheri Hayes for their work in bringing the final document together.

Respectfully,



Andy Cherullo
Director of Finance



Susan Ramirez
Assistant Director of Finance/
Controller

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, 2011

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.



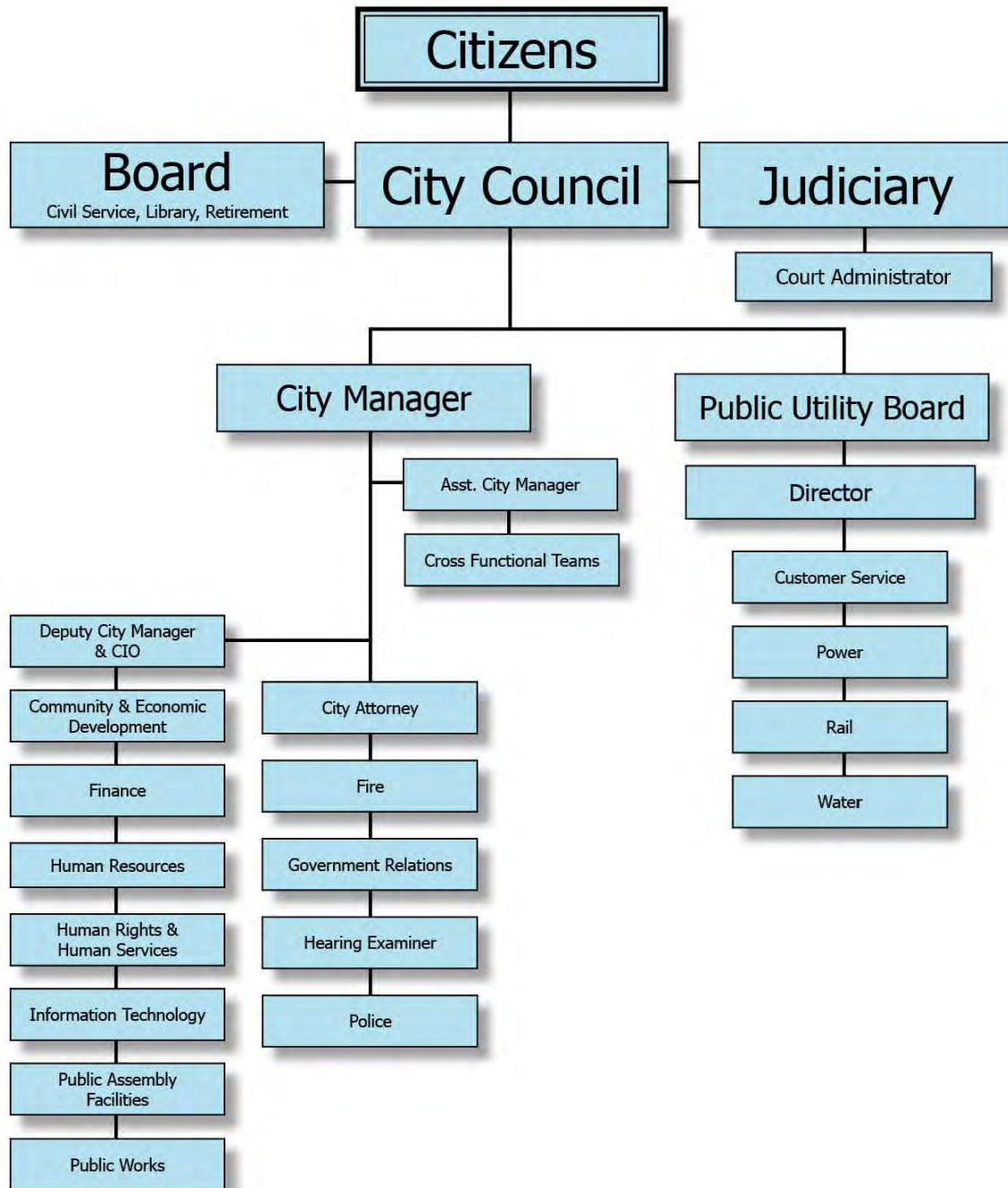
Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

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2012 Tacoma City Council



Mayor
Marilyn Strickland



Deputy Mayor
Joe Lonergan
POSITION 5



Council Member
David Boe
AT-LARGE POSITION 7



Council Member
Marty Campbell
POSITION 4



Council Member
Jake Fey
POSITION 2



Council Member
Anders Ibsen
POSITION 1



Council Member
Ryan Mello
AT-LARGE POSITION 8



Council Member
Lauren Walker
POSITION 3



Council Member
Victoria Woodards
AT-LARGE POSITION 6



City Manager
T.C. Broadnax

City Officials as of December 31, 2012

Council Members

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

Mayor
 Deputy Mayor

Expiration of Term

December 31, 2013
 December 31, 2013
 December 31, 2015
 December 31, 2013
 December 31, 2012
 December 31, 2015
 December 31, 2015
 December 31, 2015
 December 31, 2013

City Manager
 Assistant City Manager
 Director of Finance
 City Treasurer
 City Attorney
 City Clerk
 Neighborhood and Community Services
 Police Chief
 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

T. C. Broadnax
 Tansy Hayward
 Andrew Cherullo
 Teresa L. Sedmak
 Elizabeth Pauli
 Doris Sorum
 Tansy Hayward
 Don Ramsdell
 Kim Bedier
 Susan Odencrantz
 Ricardo Noguera
 Phyllis Mcleod
 Michelle Louis-Hodges
 Mark Oldenburg
 Monica Butler
 Joy St. Germain
 James Duggan
 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

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 Troy Kelley

INDEPENDENT AUDITOR'S REPORT

May 31, 2013

Mayor and City Council
City of Tacoma
Tacoma, Washington

REPORT ON FINANCIAL STATEMENTS

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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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, Water, and Solid Waste funds, which are presented as major funds and represent 90 percent, 89 percent, and 92 percent, respectively, of all the assets, net position and revenues of the business-type activities. We also did not audit the financial statements of the Tacoma Rail fund which represents 1 percent, 1 percent, and 4 percent, respectively, of the assets, net position, and revenues of the business-type activities, and 2 percent, 6 percent, and 10 percent, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports 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 the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 1, during the year ended December 31, 2012, the City has implemented the Governmental Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2-4 through 2-13, budgetary comparison information on pages 4-5 through 4-6, and pension trust fund and information on postemployment benefits other than pensions on pages 4-1 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying information listed as combining financial statements and supplementary information on pages 5-1 through 5-111 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated May 31, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley". The signature is written in dark ink and is positioned above the printed name of the signatory.

TROY KELLEY
STATE AUDITOR

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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, 2012. 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, \$254 million were reported as unrestricted net position, amounts which are available to meet the City's on-going obligations to citizens and creditors.
- The City's net position increased by \$37 million. This increase is due to an increase in capital assets and a decrease in liabilities for Business Activities.
- Tacoma Power reported a change in net position of \$15.9 million, down \$4.7 million from the change in 2011.
- Tacoma Water reported change in net position of \$23.7 million, up \$12.2 million from the change in 2011.

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.

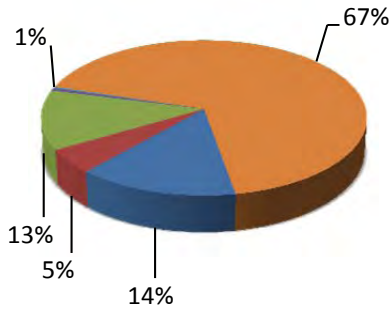
Government-wide Financial Statements

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 Position 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 position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City of Tacoma is improving or deteriorating.

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

Governmental Activities



- Charges for Services
- Operating Grants and Contributions
- Capital Grants and Contributions
- Gain/Loss on Sale of Capital Assets
- Interest Income
- Property, Sales and Business Taxes

Business Activities

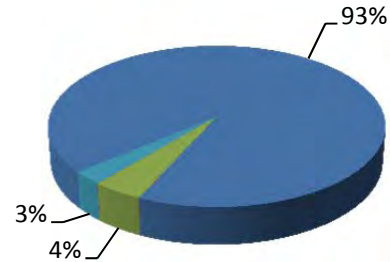


Figure 1. Comparison of Governmental and Business Activity Revenues

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

Governmental Activities Expenses

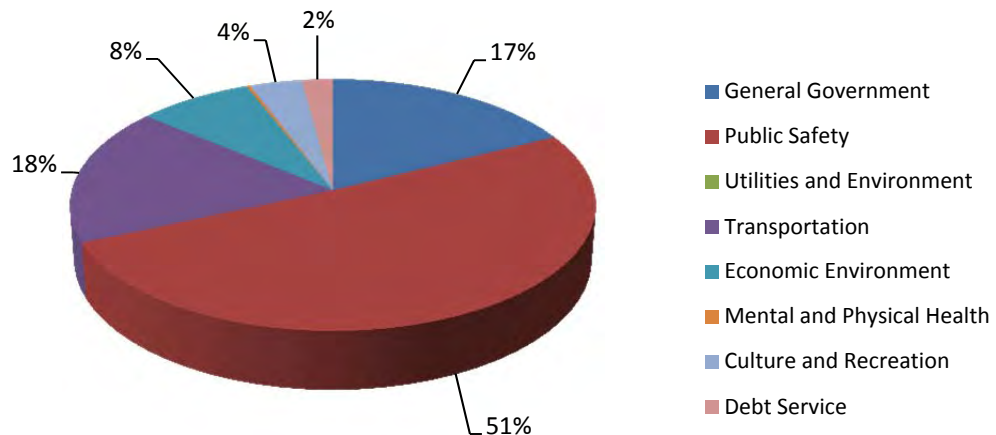


Figure 2. Governmental Activities Expenses

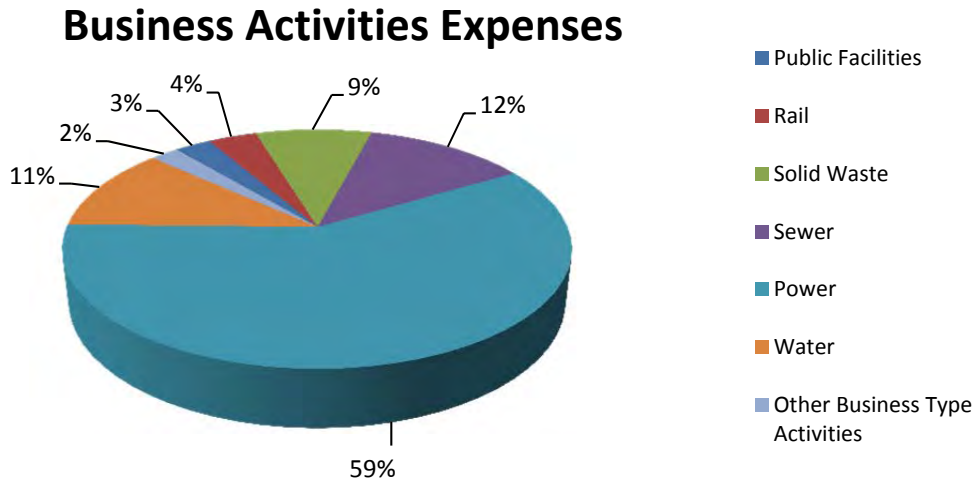


Figure 3. Business Activities Expenses

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 Street fund was added to governmental activities as a major fund in 2011.

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

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

Proprietary Funds

There are two types of proprietary funds, internal service and enterprise, both of which the City of Tacoma uses. Internal service funds are used to accumulate and allocate costs internally among the City of Tacoma's various functions. Because these services primarily benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. There is one exception with the Utility Fleet fund which only services utilities funds and is included within business type activities. 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 Solid Waste fund was added to business activities as a major fund in 2012. 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 3-78 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.

Other Supplementary Information

This section provides schedules of capital assets used in the operations of Governmental Funds and statistical information on Local Improvement District assessments. The Other Supplementary Information section can be found on pages 5-109 to 5-111.

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 position may serve as a useful indicator of a government's financial position. The City's total assets exceeded total liabilities by \$2.5 billion at December 31, 2012. 83% of the total net position reflects 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. 10% of the City's net position is unrestricted, meaning they are available for meeting the City's ongoing obligations. The remaining 7% of net position are restricted for other purposes such as debt redemption and new capital construction. Governmental activities represent 28.2% of total net position and business activities represent 71.8% of total net position.

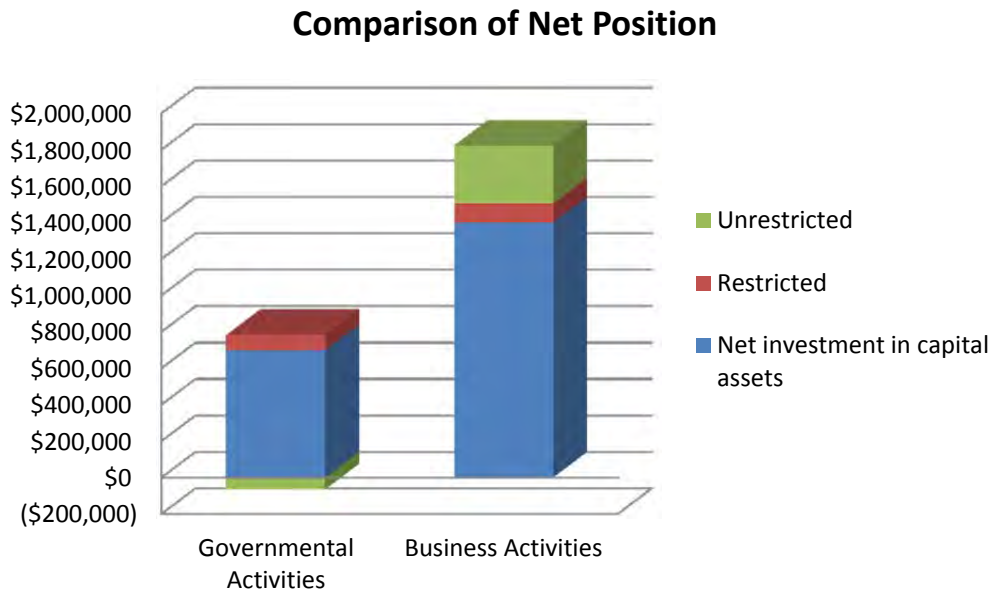


Figure 4. Comparison of Net Position, By Activity Type (Amounts expressed in thousands)

Statement of Net Position
For the Year Ended December 31, 2012

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 227,307	\$ 231,103	\$ 985,763	\$ 1,049,161	\$ 1,213,070	\$ 1,280,264
Capital assets	855,746	835,352	2,494,084	2,405,670	3,349,830	3,241,022
Total assets	\$ 1,083,053	\$ 1,066,455	\$ 3,479,847	\$ 3,454,831	\$ 4,562,900	\$ 4,521,286
Current and other liabilities	\$ 112,310	\$ 102,865	\$ 306,648	\$ 267,178	\$ 418,958	\$ 370,043
Long-term liabilities outstanding	253,921	234,232	1,349,250	1,413,289	1,603,171	1,647,521
Total liabilities	\$ 366,231	\$ 337,097	\$ 1,655,898	\$ 1,680,467	\$ 2,022,129	\$ 2,017,564
Net Position:						
Net investment in capital assets	\$ 699,307	\$ 732,174	\$ 1,401,679	\$ 1,365,324	\$ 2,100,986	\$ 2,097,498
Restricted	82,405	84,842	103,350	126,952	185,755	211,794
Unrestricted	(64,890)	(87,658)	318,920	282,088	254,030	194,430
Total net position	\$ 716,822	\$ 729,358	\$ 1,823,949	\$ 1,774,364	\$ 2,540,771	\$ 2,503,722

Table 1. Summary Statement of Net Position

In 2012, the City's net position increased by \$37 million. This is due to an increase in capital assets and a decrease in liabilities for business activities.

Net Position - Governmental Activities

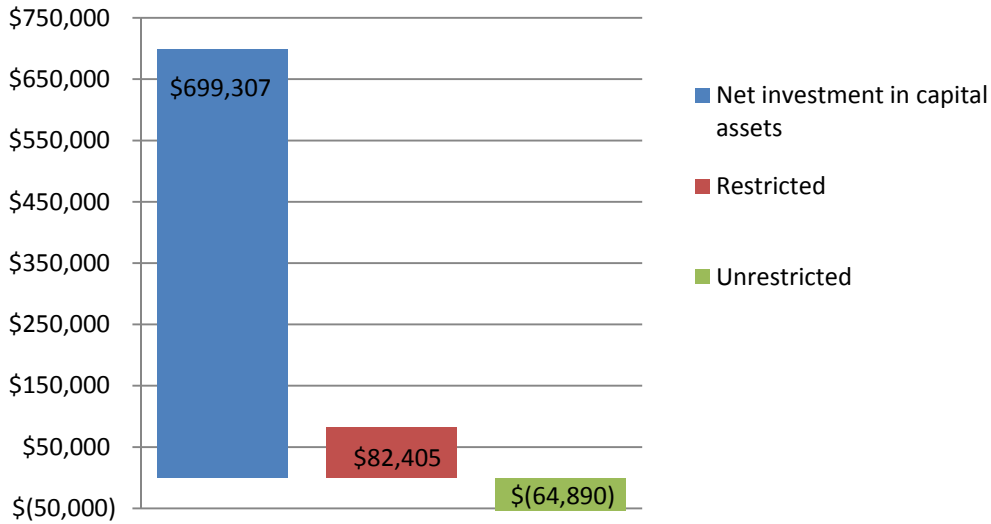


Figure 5. Composition of Net Position--Governmental Activities (Amounts expressed in thousands)

Net Position - Business Activities

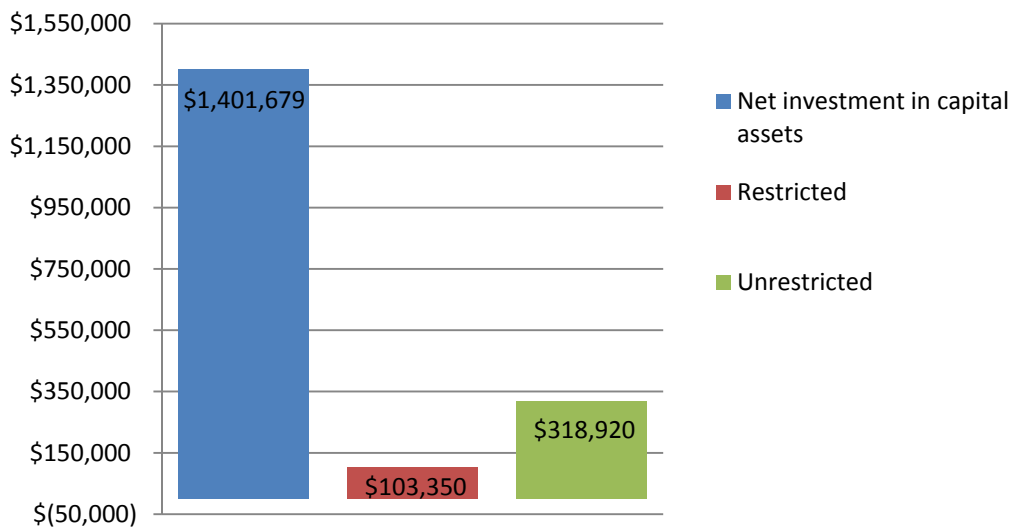


Figure 6. Composition of Net Position--Business Activities (Amounts expressed in thousands)

City of Tacoma, Washington
Changes in Net Position

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues						
Charges for services	\$ 43,079	\$ 29,251	\$ 662,612	\$ 623,110	\$ 705,691	\$ 652,361
Operating grants and contributions	14,974	13,138	180	601	15,154	13,739
Capital grants and contributions	37,338	38,445	31,222	61,585	68,560	100,030
General revenues						
Property taxes	64,900	60,733	-	-	64,900	60,733
Other taxes	137,448	129,672	-	-	137,448	129,672
Other	2,540	5,949	19,288	23,324	21,828	29,273
Total revenue	<u>\$ 300,279</u>	<u>\$ 277,188</u>	<u>\$ 713,302</u>	<u>\$ 708,620</u>	<u>\$ 1,013,581</u>	<u>\$ 985,808</u>
Expenses:						
General government	\$ 52,038	\$ 34,732	\$ -	\$ -	\$ 52,038	\$ 34,732
Public safety	150,575	163,575	-	-	150,575	163,575
Utilities and environment	2	102	-	-	2	102
Transportation	52,424	75,692	-	-	52,424	75,692
Mental and Physical Health	757	3,129	-	-	757	3,129
Economic Environment	23,510	24,023	-	-	23,510	24,023
Culture and recreation	10,690	43,460	-	-	10,690	43,460
Debt Service	6,351	6,121	-	-	6,351	6,121
Public assembly facilities	-	-	18,424	17,966	18,424	17,966
Rail	-	-	24,753	22,089	24,753	22,089
Solid waste	-	-	59,391	54,518	59,391	54,518
Sewer	-	-	83,294	79,390	83,294	79,390
Water	-	-	76,755	76,161	76,755	76,161
Power	-	-	396,331	372,192	396,331	372,192
Other business-type funds	-	-	14,408	12,803	14,408	12,803
Total expenses	<u>\$ 296,347</u>	<u>\$ 350,834</u>	<u>\$ 673,356</u>	<u>\$ 635,119</u>	<u>\$ 969,703</u>	<u>\$ 985,953</u>
Increase/(Decrease) in net position before transfers	3,932	(73,646)	39,946	73,501	43,878	(145)
Transfers	(10,186)	(6,320)	10,186	6,320	-	-
Increase/(Decrease) in net position	<u>\$ (6,254)</u>	<u>\$ (79,966)</u>	<u>\$ 50,132</u>	<u>\$ 79,821</u>	<u>\$ 43,878</u>	<u>\$ (145)</u>
Net position--January 1, 2012	729,358	811,226	1,774,363	1,694,579	2,503,721	2,505,805
Prior Period Adjustments	(6,282)	(1,902)	(546)	(36)	(6,828)	(1,938)
Change in accounting principle	-	-	-	-	-	-
Net position--January 1, 2012	723,076	809,324	1,773,817	1,694,543	2,496,893	2,503,867
Net position--December 31, 2012	<u>\$ 716,822</u>	<u>\$ 729,358</u>	<u>\$ 1,823,949</u>	<u>\$ 1,774,364</u>	<u>\$ 2,540,771</u>	<u>\$ 2,503,722</u>

Table 2. Changes in Net Position

The governmental activities net position decreased by \$12.5 million in 2012 due to an increase in assets of \$16.6 million and an increase of \$29.1 million in liabilities.

Business activities net position increased by \$49.6 million in 2012 due to an increase in assets of \$25.0 million and a decrease of \$24.6 million in liabilities.

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 increased by \$7.8 million in 2012 from an increase in tax revenues. Fund balance for the Street fund decreased by \$1.3 million in 2012 from a decrease in revenues. Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, increased by \$5.6 million. The Non-Major governmental funds fund balance increased from an increase in revenues and a decrease in expenditures.

Fund Balances

At December 31, 2012, the City's governmental funds reported combined ending fund balances of \$149.4 million. Of this amount, \$18.6 million is nonspendable, either due to its form or legal constraints. \$82.4 million is restricted for specific programs by external constraints. \$21.8 million is committed for specific purposes as approved by City Council. \$8.1 million is assigned to specific purposes by management and the remaining \$18.5 million is unassigned.

Proprietary Fund Statements

The total net position for enterprise funds' increased by \$50.7 million in 2012. 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 position. The Power fund had an increase in net position of \$15.9 million from a decrease in liabilities. The Water fund had a significant increase in their net position of \$23.7 million due to an increase in capital construction. The Sewer fund had an increase in net position of \$6.6 million from a decrease in bond liabilities. The Solid Waste fund had no significant change in activity. The non-major Enterprise funds had an increase in net assets of \$4.5 million from a decrease in bond liabilities. The total net position for internal service funds' increased by \$4.7 million in 2012. This is the result of decreased liabilities of \$6.7 million and a decrease of \$2.0 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. There were no budget changes in 2012.

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, 2012, is \$3.3 billion. This investment in capital assets includes land, construction in process, property, plant and equipment, and infrastructure. The vast majority of this amount represents assets held by the City's various utilities and infrastructure.

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

City of Tacoma, Washington
Schedule of Capital Assets

	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 34,726	\$ 28,656	\$ 149,491	\$ 141,475	\$ 184,217	\$ 170,131
Construction in progress	54,758	124,562	125,512	83,809	180,270	208,371
Property, plant and equipment	225,430	228,581	3,577,987	3,458,235	3,803,417	3,686,816
Infrastructure	1,303,723	1,190,680	-	-	1,303,723	1,190,680
Less accumulated depreciation	(762,891)	(737,127)	(1,358,906)	(1,277,849)	(2,121,797)	(2,014,976)
Other Non-Current Assets	-	-	-	-	-	-
	<u>\$ 855,746</u>	<u>\$ 835,352</u>	<u>\$ 2,494,084</u>	<u>\$ 2,405,670</u>	<u>\$ 3,349,830</u>	<u>\$ 3,241,022</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, 2012 was \$1.73 billion. Approximately 81% of the bonded debt is related to utilities with repayment pledged by specific revenue sources generated by the utilities. Of the remaining 19% 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

	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
Bonded debt and loans	\$ 224,243	\$ 186,903	\$ 1,314,094	\$ 1,373,939	\$ 1,538,337	\$ 1,560,842
Capital leases	626	1,251	35,831	36,576	36,457	37,827
Claims and judgments	40,589	51,502	1,516	1,950	42,105	53,452
Accrued landfill liability	-	-	27,936	29,412	27,936	29,412
Net Pension Obligation	5,000	160	-	-	5,000	160
Other Post Employment Benefits	35,178	27,408	11,291	8,987	46,469	36,395
Compensated absences	17,142	15,514	17,827	17,023	34,969	32,537
	<u>\$ 322,778</u>	<u>\$ 282,738</u>	<u>\$ 1,408,495</u>	<u>\$ 1,467,887</u>	<u>\$ 1,731,273</u>	<u>\$ 1,750,625</u>

Table 4. Schedule of Long Term Debt

The City's debt rating for 2012 is as follows:

Bond	Moody's	S&P	Fitch
GO	Aa3	AA	A
LTGO	A1	AA	A
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. At the end of the first quarter of 2010, sales tax and other economically sensitive revenues stopped falling and began to grow. 2012 general revenues were slightly higher than 2011 by \$8.5 million. Still, forecasts indicate expenses will continue to exceed revenues. 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 2013-14 budget.

Other Considerations

In response to the slow economic recovery, the City has taken steps to reduce discretionary spending. General government activities took significant expenditure reductions in 2012 to bring levels of service to those that are affordable and sustainable. Revenue growth is limited by several citizen initiatives that limit the growth of property tax collections.

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 POSITION
December 31, 2012
(amounts expressed in thousands)
Page 1 of 2

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 159,935	\$ 459,123	\$ 619,058
Investments at fair value	4,190	-	4,190
Receivables (net of allowance for uncollectibles)	16,135	93,850	109,985
Due from other governmental units	31,696	1,683	33,379
Internal balances	11,046	(11,046)	-
Inventories	3,451	10,551	14,002
Prepays	854	6,991	7,845
Other current assets	-	4,190	4,190
Temporarily restricted assets:			
Cash and cash equivalents	-	320,743	320,743
Investments at fair value	-	1,060	1,060
Notes and contracts receivable	-	465	465
Customer Deposits	-	174	174
Contracts, notes, non-current leases	-	37,183	37,183
Capital assets (not being depreciated):			
Land	34,726	149,651	184,377
Property, plant, and equipment	1,829	-	1,829
Construction in progress	54,758	125,512	180,270
Capital assets:			
Property, plant, and equipment	223,601	3,577,827	3,801,428
Infrastructure	1,303,723	-	1,303,723
Accumulated depreciation	(762,891)	(1,358,906)	(2,121,797)
Non-current assets			
Other non-current assets	-	60,796	60,796
Total assets	1,083,053	3,479,847	4,562,900
LIABILITIES			
Accounts payable and other current liabilities	35,075	93,847	128,922
Deposits payable	103	790	893
Due to other governments	212	511	723
Unearned revenue	8,063	31,431	39,494
Payable from restricted assets current liabilities	-	3,708	3,708
Other liabilities	-	117,116	117,116
Special assessment debt with governmental commitment	1,647	-	1,647
Non-current liabilities:			
Due within one year	67,210	59,245	126,455
Due in more than one year	253,921	1,349,250	1,603,171
Total liabilities	366,231	1,655,898	2,022,129
NET POSITION			
Net investment in capital assets	699,307	1,401,679	2,100,986
Restricted for:			
Capital purchases	16,667	29,340	46,007
Debt Service	2,486	42,665	45,151
Water & assurance & system development	-	24,266	24,266
Culture and recreation	13,350	-	13,350
Self-insurance	-	2,579	2,579
Environmental services and programs	-	3,011	3,011
Inspections	-	45	45
Wynoochee reserve	-	2,490	2,490
Agreements with federal government	-	(1,046)	(1,046)
Crime prevention & safety	11,629	-	11,629
Local improvement districts and neighborhoods	6,578	-	6,578
Public works projects	14,474	-	14,474
Grants	1,311	-	1,311
Facilities and garages	8,371	-	8,371
Public services and housing urban development	7,539	-	7,539
Unrestricted	(64,890)	318,920	254,030
Total net position	\$ 716,822	\$ 1,823,949	\$ 2,540,771

Page 2 of 2

COMPONENT UNITS		
TCRA	GTRCC PFD	FWDA
\$ 3,705	\$ 481	\$ 1,195
-	-	-
715	-	132
1,648	492	-
-	-	-
-	-	-
11	-	37
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,357	-	8,408
-	-	-
-	-	2,396
2,606	-	19,400
-	-	80
6	-	(2,905)
45,050	-	-
<u>55,098</u>	<u>973</u>	<u>28,743</u>
715	-	25
-	-	29
-	973	38
-	-	26
-	-	-
-	-	5
-	-	-
456	-	44
<u>3,357</u>	<u>-</u>	<u>4,100</u>
<u>4,528</u>	<u>973</u>	<u>4,267</u>
3,969	-	23,266
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
46,602	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	1,210
<u>\$ 50,571</u>	<u>\$ -</u>	<u>\$ 24,476</u>

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012
(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	\$ 52,038	\$ 6,607	\$ 4,097	\$ 150
Public safety	150,575	20,306	6,164	1,008
Utilities and environment	2	93	-	-
Transportation	52,424	9,434	528	35,668
Mental and physical health	757	421	776	-
Economic environment	23,510	2,380	542	-
Culture and recreation	10,690	1,180	2,867	512
Interest on long-term debt	6,351	2,658	-	-
Total governmental activities	<u>296,347</u>	<u>43,079</u>	<u>14,974</u>	<u>37,338</u>
Business-type activities:				
Permit Services	6,335	5,978	-	-
Mountain Rail	2,267	1,655	-	3,199
Parking Garage	5,638	4,812	-	136
Convention Center	9,991	4,606	-	69
Cheney Stadium	1,679	818	-	186
Tacoma Dome	5,656	4,627	-	139
Performing Arts	1,098	-	-	103
Solid Waste	59,391	57,541	275	-
Waste Water	83,294	81,582	355	4,872
Union Station	2,435	-	-	-
Tacoma Rail	22,486	24,314	-	174
Water	76,755	81,508	-	11,320
Power	395,954	395,105	(450)	8,946
Low income Assistance	69	64	-	206
Power - Conservation	308	2	-	1,872
Total business-type activities	<u>673,356</u>	<u>662,612</u>	<u>180</u>	<u>31,222</u>
Total primary government	<u>969,703</u>	<u>705,691</u>	<u>15,154</u>	<u>68,560</u>
Component units:				
TCRA	2,383	-	2,840	-
GRTCC PDF	2,947	-	-	-
FWDA	1,001	687	380	2,838
Total component units	<u>\$ 6,331</u>	<u>\$ 687</u>	<u>\$ 3,220</u>	<u>\$ 2,838</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 position beginning
Prior period adjustment
Net position beginning (restated)
Net position ending

CHANGES IN NET POSITION			COMPONENT UNITS		
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TCRA	GTRCC PFD	FWDA
\$ (41,184)	\$ -	\$ (41,184)	\$ -	\$ -	\$ -
(123,097)	-	(123,097)	-	-	-
91	-	91	-	-	-
(6,794)	-	(6,794)	-	-	-
440	-	440	-	-	-
(20,588)	-	(20,588)	-	-	-
(6,131)	-	(6,131)	-	-	-
(3,693)	-	(3,693)	-	-	-
(200,956)	-	(200,956)	-	-	-
	(357)	(357)	-	-	-
-	2,587	2,587	-	-	-
-	(690)	(690)	-	-	-
-	(5,316)	(5,316)	-	-	-
-	(675)	(675)	-	-	-
-	(890)	(890)	-	-	-
-	(995)	(995)	-	-	-
-	(1,575)	(1,575)	-	-	-
-	3,515	3,515	-	-	-
-	(2,435)	(2,435)	-	-	-
-	2,002	2,002	-	-	-
-	16,073	16,073	-	-	-
-	7,647	7,647	-	-	-
-	201	201	-	-	-
-	1,566	1,566	-	-	-
-	20,658	20,658	-	-	-
(200,956)	20,658	(180,298)	-	-	-
-	-	-	457	-	-
-	-	-	-	(2,947)	-
-	-	-	-	-	2,904
\$ -	\$ -	\$ -	\$ 457	\$ (2,947)	\$ 2,904
\$ 64,900	\$ -	\$ 64,900	\$ -	\$ -	\$ -
46,738	-	46,738	-	2,939	-
90,710	-	90,710	-	-	-
856	18,947	19,803	22	8	11
1,684	341	2,025	-	-	-
(10,186)	10,186	-	-	-	-
194,702	29,474	224,176	22	2,947	11
(6,254)	50,132	43,878	479	-	2,915
729,358	1,774,363	2,503,721	49,853	-	21,561
(6,282)	(546)	(6,828)	239	-	-
723,076	1,773,817	2,496,893	50,092	-	21,561
\$ 716,822	\$ 1,823,949	\$ 2,540,771	\$ 50,571	\$ -	\$ 24,476

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)

	GENERAL FUND #0010	STREET FUND #1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 17,951	\$ 2,599	\$ 92,462	\$ 113,012
Investments at fair value	-	-	4,190	4,190
Accounts receivables (net)	7,000	2,771	6,153	15,924
Due from other funds	1,553	443	403	2,399
Due from other governments	22,295	4,581	5,113	31,989
Inventories	1,058	1,793	75	2,926
Prepayments	173	25	19	217
Advances to other funds	11,803	-	4,053	15,856
TOTAL ASSETS	\$ 61,833	\$ 12,212	\$ 112,468	\$ 186,513
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Accounts payable	2,038	4,328	1,933	8,299
Due to other funds	2,212	353	1,396	3,961
Due to other governments	212	-	-	212
Accrued wages	4,393	437	766	5,596
Accrued benefits	546	-	-	546
Accrued taxes	44	-	69	113
Customer deposits	-	5	98	103
Other current liabilities	912	-	-	912
Advances from other funds	-	-	5,597	5,597
Unearned revenue	8,780	4,142	2,849	15,771
TOTAL LIABILITIES	19,137	9,265	12,708	41,110
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	16,719	1,818	95	18,632
Restricted	-	-	78,341	78,341
Committed	-	-	20,669	20,669
Committed - Council Contingencies	1,130	-	-	1,130
Assigned	1,274	1,129	5,734	8,137
Unassigned	23,573	-	(5,079)	18,494
TOTAL FUND BALANCES (DEFICITS)	42,696	2,947	99,760	145,403
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 61,833	\$ 12,212	\$ 112,468	\$ 186,513

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEETS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 145,403
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds balance sheet.	821,823
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.	22,209
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.	3,686
Long Term Liabilities are not reported in the governmental funds balance sheet.	(749)
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.	(274,614)
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.	(5,000)
Street Fund audit adjustments not material to the government-wide statements.	4,064
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>716,822</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

	GENERAL FUND #0010	STREET FUND #1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 179,471	\$ -	\$ 23,557	\$ 203,028
Licenses and permits	2,789	109	145	3,043
Intergovernmental revenue	10,460	23,015	18,820	52,295
Charges for goods and services	15,051	2,672	6,392	24,115
Fines and penalties	693	-	3,079	3,772
Interest and other earnings	657	97	1,904	2,658
Miscellaneous revenues	2,125	216	4,100	6,441
TOTAL REVENUES	<u>211,246</u>	<u>26,109</u>	<u>57,997</u>	<u>295,352</u>
EXPENDITURES				
Current:				
General government	45,615	-	3,593	49,208
Public safety	114,305	-	24,101	138,406
Transportation	286	17,549	3,544	21,379
Economic environment	12,595	-	7,038	19,633
Mental and physical health	-	-	684	684
Culture and recreation	11,100	-	3,033	14,133
Debt service:				
Principal payments	-	-	3,991	3,991
Interest and other related costs	-	-	6,117	6,117
Capital expenditures	1,771	50,371	3,253	55,395
TOTAL EXPENDITURES	<u>185,672</u>	<u>67,920</u>	<u>55,354</u>	<u>308,946</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>25,574</u>	<u>(41,811)</u>	<u>2,643</u>	<u>(13,594)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	-	30,235	-	30,235
Issuance discount on long-term debt	-	-	(3)	(3)
Proceeds from sales of capital assets	654	-	1,030	1,684
Insurance recoveries	37	6	-	43
Transfer in	4,783	11,627	12,345	28,755
Transfer (out)	(20,426)	(1,357)	(11,240)	(33,023)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(14,952)</u>	<u>40,511</u>	<u>2,132</u>	<u>27,691</u>
NET CHANGE IN FUND BALANCE	10,622	(1,300)	4,775	14,097
FUND BALANCE - JANUARY 1	34,852	4,299	94,141	133,292
Prior period adjustment	(2,778)	(52)	844	(1,986)
FUND BALANCE - JANUARY 1, RESTATED	<u>32,074</u>	<u>4,247</u>	<u>94,985</u>	<u>131,306</u>
FUND BALANCE - DECEMBER 31	<u>\$ 42,696</u>	<u>\$ 2,947</u>	<u>\$ 99,760</u>	<u>\$ 145,403</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, 2012
(amounts expressed in thousands)

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 14,097
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.	23,452
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(680)
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	(7,771)
Net pension obligation	(4,840)
Compensated absences	(1,732)
Accrued Interest Expense	(234)
The net revenue of certain activities of internal service funds is reported with governmental activities:	
Profit Loss reallocation that decrease expenditure	(5,454)
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	(31,147)
Principal repayment	3,991
Street Fund audit adjustments not material to the government-wide statements.	4,064
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(6,254)</u>

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2012
 (amounts expressed in thousands)
 Page 1 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTE WATER FUND #4300-03	WATER FUND #4600	POWER FUND #4700
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 34,580	\$ 80,607	\$ 37,666	\$ 261,385
Accounts receivable (net)	6,231	10,856	10,503	58,867
Due from other funds	26	16	947	3,412
Advances to other funds - current	-	-	-	-
Due from other governments	143	446	320	-
Inventory	-	856	2,341	6,116
Prepayments	-	114	603	3,915
Other current assets	-	159	4,027	-
Current restricted assets:	-	-	-	-
C&CE - debt services, deposits and replacements	2,112	8,592	3,318	58,500
C&CE - construction accounts	3,692	15,789	58,834	42,584
C&CE - other special purposes	2,780	-	98,699	19,543
Investments - other special purposes	-	-	-	-
Notes and contracts receivable (current)	-	-	465	-
Customer deposits	64	110	-	-
Total restricted assets	8,648	24,491	161,316	120,627
Total current assets	49,628	117,545	217,723	454,322
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	1,495
Advances to other funds	-	-	-	-
Other non-current assets	1,650	5,333	10,086	42,380
Capital assets:	-	-	-	-
Land	3,104	10,322	22,706	76,128
Property, plant, and equipment	178,962	637,455	798,029	1,616,161
Less: accumulated depreciation	(98,044)	(193,705)	(156,877)	(783,904)
Construction work in progress	243	17,997	59,542	45,938
Total capital assets net of depreciation	84,265	472,069	723,400	954,323
Total non-current assets	85,915	477,402	733,486	998,198
TOTAL ASSETS	135,543	594,947	951,209	1,452,520
DEFERRED OUTFLOW OF RESOURCES				
TOTAL DEFERRED OUTFLOW OF RESOURCES	-	-	-	-

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2012
 (amounts expressed in thousands)
 Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE	WASTE WATER	WATER	POWER
	FUND #4200	FUND #4300-03	FUND #4600	FUND #4700
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,844	\$ 4,417	\$ 17,997	\$ 11,690
Due to other funds	685	1,073	1,371	3,975
Due to other governments	-	510	-	-
Advances from other funds	-	-	-	-
Interest payable	-	285	1,949	13,514
Deposits payable	212	-	-	-
Accrued wages	543	1,058	1,064	4,485
Accrued benefits	115	272	-	-
Accrued taxes	614	648	1,596	18,785
Environmental liability - current	3,000	966	-	-
Notes, contracts & leases - current	144	4,110	3,637	-
Revenue bonds - current	2,388	-	7,205	28,785
Unearned revenue	-	25,179	-	-
Other	4,650	-	266	-
Current payables from restricted assets:				
Debt principal payable	217	-	-	-
Debt interest payable	272	365	-	-
Deposits and other payables	62	110	-	2,837
Total current liabilities	<u>14,746</u>	<u>38,993</u>	<u>35,085</u>	<u>84,071</u>
Non-current liabilities:				
Revenue bonds payable (net)	62,860	93,822	362,310	518,251
Advances from other funds	-	-	-	-
Compensated absences	1,032	2,444	2,122	8,702
Environmental liability - non-current	-	550	-	-
Notes, contracts & leases payable - non-current	7,012	87,276	46,871	-
Net OPEB obligation	1,101	1,671	2,055	6,281
Other - non-current liabilities	-	-	49,886	53,919
Non-current payables from restricted assets:				
Accrued landfill liability	24,935	-	-	-
Total non-current liabilities	<u>96,940</u>	<u>185,763</u>	<u>463,244</u>	<u>587,153</u>
TOTAL LIABILITIES	<u>111,686</u>	<u>224,756</u>	<u>498,329</u>	<u>671,224</u>
DEFERRED INFLOW OF RESOURCES				
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	23,088	346,184	384,739	492,577
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for debt	1,624	8,227	1,369	29,070
Restricted for waste assurance and systems development	-	-	24,266	-
Restricted for self-insurance	-	-	-	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Restricted agreements with federal government	-	-	-	-
Restricted for Wynoochee Reserve	-	-	-	2,490
Unrestricted	(855)	15,780	42,506	257,159
TOTAL NET POSITION	<u>\$ 23,857</u>	<u>\$ 370,191</u>	<u>\$ 452,880</u>	<u>\$ 781,296</u>

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2012
 (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	\$ 16,815	\$ 431,053	\$ 74,993
Accounts receivable (net)	7,385	93,842	219
Due from other funds	1,945	6,346	7,262
Advances to other funds - current	-	-	118
Due from other governments	774	1,683	20
Inventory	617	9,930	1,146
Prepayments	2,359	6,991	637
Other current assets	4	4,190	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	4,399	76,921	-
C&CE - construction accounts	-	120,899	-
C&CE - other special purposes	1,901	122,923	-
Investments - other special purposes	1,060	1,060	-
Notes and contracts receivable (current)	-	465	-
Customer deposits	-	174	-
Total restricted assets	7,360	322,442	-
Total current assets	37,259	876,477	84,395
Non-current assets:			
Notes and contracts receivable (non-current)	35,688	37,183	-
Advances to other funds	-	-	729
Other non-current assets	1,347	60,796	-
Capital assets:			
Land	37,391	149,651	357
Property, plant, and equipment	293,552	3,524,159	158,903
Less: accumulated depreciation	(90,963)	(1,323,493)	(109,840)
Construction work in progress	3	123,723	4,547
Total capital assets net of depreciation	239,983	2,474,040	53,967
Total non-current assets	277,018	2,572,019	54,696
TOTAL ASSETS	314,277	3,448,496	139,091
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	-	-	-

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2012
 (amounts expressed in thousands)

Page 4 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,425	\$ 37,373	\$ 11,511
Due to other funds	804	7,908	4,451
Due to other governments	1	511	-
Advances from other funds	863	863	133
Interest payable	727	16,475	54
Deposits payable	578	790	-
Accrued wages	864	8,014	940
Accrued benefits	-	387	5
Accrued taxes	451	22,094	9
Environmental liability - current	-	3,966	-
Notes, contracts & leases - current	1,532	9,423	969
Revenue bonds - current	5,826	44,204	-
Unearned revenue	6,252	31,431	42
Other	1,610	6,526	43,609
Current payables from restricted assets:			
Debt principal payable	-	217	-
Debt interest payable	-	637	-
Deposits and other payables	62	3,071	-
Total current liabilities	<u>20,995</u>	<u>193,890</u>	<u>61,723</u>
Non-current liabilities:			
Revenue bonds payable (net)	116,615	1,153,858	-
Advances from other funds	9,121	9,121	989
Compensated absences	1,539	15,839	1,603
Environmental liability - non-current	-	550	-
Notes, contracts & leases payable - non-current	1,064	142,223	-
Net OPEB obligation	183	11,291	-
Other - non-current liabilities	13,311	117,116	8,291
Non-current payables from restricted assets:			
Accrued landfill liability	-	24,935	-
Total non-current liabilities	<u>141,833</u>	<u>1,474,933</u>	<u>10,883</u>
TOTAL LIABILITIES	<u>162,828</u>	<u>1,668,823</u>	<u>72,606</u>
DEFERRED INFLOW OF RESOURCES			
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	135,047	1,381,635	52,574
Restricted:			
Restricted for capital purchases	4,691	4,691	24,649
Restricted for debt	2,375	42,665	-
Restricted for waste assurance and systems development	-	24,266	-
Restricted for self-insurance	-	-	2,579
Restricted for environmental services and programs	3,011	3,011	-
Restricted for inspections	45	45	-
Restricted agreements with federal government	(1,046)	(1,046)	-
Restricted for Wynoochee Reserve	-	2,490	-
Unrestricted	<u>7,326</u>	<u>321,916</u>	<u>(13,317)</u>
TOTAL NET POSITION	<u>\$ 151,449</u>	<u>\$ 1,779,673</u>	<u>\$ 66,485</u>

RECONCILIATION OF TOTAL ENTERPRISE NET POSITON
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2012
(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 1,779,673
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Amounts reported for business activities in the statement of net position 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 position.

44,276

NET POSITION OF BUSINESS ACTIVITIES	\$ <u>1,823,949</u>
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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 1 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE	WASTE WATER	WATER	POWER
	FUND #4200	FUND #4300-03	FUND #4600	FUND #4700
OPERATING REVENUES				
Charges for goods and services	\$ 55,917	\$ 79,212	\$ 80,681	\$ 387,883
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	891	990	-	-
TOTAL OPERATING REVENUES	<u>56,808</u>	<u>80,202</u>	<u>80,681</u>	<u>387,883</u>
OPERATING EXPENSES				
Salary and wages	11,579	24,039	11,931	61,933
Personnel benefits	3,857	-	8,136	36,094
Supplies	2,605	5,375	1,547	117,239
Services	22,745	21,157	10,988	52,195
Intergovernmental services (interfund taxes)	4,544	6,698	8,567	42,108
Interfund payments for services (health benefits)	2,469	4,881	-	-
Depreciation expense	6,855	12,674	15,263	57,842
TOTAL OPERATION EXPENSES	<u>54,654</u>	<u>74,824</u>	<u>56,432</u>	<u>367,411</u>
OPERATING INCOME (LOSS)	<u>2,154</u>	<u>5,378</u>	<u>24,249</u>	<u>20,472</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	775	2,161	7,203	5,836
Interest and other related costs	(3,732)	(6,279)	(19,418)	(23,267)
Amortization of bond discount & expense	(40)	(371)	128	54
Operating contributions - interfund	-	-	-	(450)
Operating contributions - federal/state/local	251	332	-	-
Other non revenues and (expenses)	89	493	-	2,961
Gain(loss) of disposition of property	(166)	(699)	-	95
NON OPERATING REVENUE NET OF EXPENSE	<u>(2,823)</u>	<u>(4,363)</u>	<u>(12,087)</u>	<u>(14,771)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(669)</u>	<u>1,015</u>	<u>12,162</u>	<u>5,701</u>
Capital contributions - interfund	-	-	-	-
Capital contributions - federal/state/local	-	4,845	3,841	4,349
Capital contributions - private	-	27	7,479	4,597
Transfer in	901	684	401	1,446
Transfer (out)	(153)	(2)	(191)	(183)
CHANGES IN NET POSITION	<u>79</u>	<u>6,569</u>	<u>23,692</u>	<u>15,910</u>
NET POSITION				
NET POSITION - JANUARY 1	23,778	363,622	429,188	765,386
Prior period adjustments	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>23,778</u>	<u>363,622</u>	<u>429,188</u>	<u>765,386</u>
NET POSITION - DECEMBER 31	<u>\$ 23,857</u>	<u>\$ 370,191</u>	<u>\$ 452,880</u>	<u>\$ 781,296</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2012

(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 goods and services	\$ 41,966	\$ 645,659	\$ 47,030
Interfund insurance premiums	-	-	83,735
Miscellaneous revenues	89	1,970	2,795
TOTAL OPERATING REVENUES	42,055	647,629	133,560
OPERATING EXPENSES			
Salary and wages	16,044	125,526	16,686
Personnel benefits	6,567	54,654	78,249
Supplies	2,054	128,820	3,676
Services	15,384	122,469	27,322
Intergovernmental services (interfund taxes)	2,196	64,113	74
Interfund payments for services (health benefits)	-	7,350	-
Depreciation expense	7,626	100,260	8,903
TOTAL OPERATION EXPENSES	49,871	603,192	134,910
OPERATING INCOME (LOSS)	(7,816)	44,437	(1,350)
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	2,773	18,748	1,056
Interest and other related costs	(7,167)	(59,863)	(144)
Amortization of bond discount & expense	(19)	(248)	-
Operating contributions - interfund	-	(450)	-
Operating contributions - federal/state/local	-	583	47
Other non revenues and (expenses)	4,204	7,747	(1,084)
Gain(loss) of disposition of property	-	(770)	245
NON OPERATING REVENUE NET OF EXPENSE	(209)	(34,253)	120
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(8,025)	10,184	(1,230)
Capital contributions - interfund	425	425	234
Capital contributions - federal/state/local	3,233	16,268	-
Capital contributions - private	2,426	14,529	-
Transfer in	8,879	12,311	3,986
Transfer (out)	(1,966)	(2,495)	(9,534)
CHANGES IN NET POSITION	4,972	51,222	(6,544)
NET POSITION			
NET POSITION - JANUARY 1	147,023	1,728,997	61,760
Prior period adjustments	(546)	(546)	11,269
NET POSITION - JANUARY 1 RESTATED	146,477	1,728,451	73,029
NET POSITION - DECEMBER 31	\$ 151,449	\$ 1,779,673	\$ 66,485

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET POSITION OF ENTERPRISE FUNDS
TO THE STATEMENT OF ACTIVITIES -
BUSINESS ACTIVITIES
For the Year Ended December 31, 2012
(amounts expressed in thousands)

NET CHANGES IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 51,222
Amounts reported for business activities in the statement of activities are different because:	
The net revenue of certain activities of internal service funds is reported with business activities:	
Profit Loss reallocation that decrease expenditure	(1,090)
CHANGES IN NET POSITION OF BUSINESS ACTIVITIES	<u>\$ 50,132</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 1 of 4

	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 56,271	\$ 80,498	\$ 74,829	\$ 380,191
Receipts from interfund services provided	-	-	-	-
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(27,144)	(24,034)	1,127	(179,579)
Payments to employees	(17,838)	(27,721)	(20,102)	(99,326)
Payments to insurance carriers	-	-	-	-
Payments for taxes	(1,008)	(8,146)	(8,145)	(41,487)
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues (expenses)	-	201	-	125
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	10,281	20,798	47,709	59,924
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	901	682	-	278
Transfers (to) other funds	(4,583)	-	(146)	-
Grants received	292	678	-	-
Debt service related to environmental	(331)	(1,915)	-	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(3,721)	(555)	(146)	278
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Transfers (to) funds	(153)	-	-	-
Acquisition and construction of capital assets	(2,215)	(34,568)	(68,817)	(62,534)
System development charges	-	-	9,791	-
Proceeds from capital debt	-	-	4,741	-
Proceeds from the sale of capital assets	40	-	-	-
Proceeds from leased property	-	-	(9,274)	-
Lease and leaseback	(528)	-	-	-
Principal paid on capital debt	(2,350)	(14,434)	(19,595)	(43,200)
Interest paid on capital debt	(3,025)	(2,905)	-	(28,825)
Premium and net refunding from capital debt	-	-	-	3,955
Capital lease obligation	-	(2,089)	-	-
Change in deferred credits	-	-	-	14,646
Contributions and donations	-	3,763	-	5,131
Grants received	-	-	-	393
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(8,231)	(50,233)	(83,154)	(110,434)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	775	2,161	2,321	5,836
Rental and other income	125	375	288	3,056
Investment long-term	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	900	2,536	2,609	8,892
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(771)	(27,454)	(32,982)	(41,340)
CASH & CASH EQUIVALENTS, JANUARY 1	43,999	132,552	231,499	423,352
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 43,228</u>	<u>\$ 105,098</u>	<u>\$ 198,517</u>	<u>\$ 382,012</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	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)	\$ 2,154	\$ 5,378	\$ 24,249	\$ 20,472
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	6,855	12,674	15,263	57,842
(increase) decrease in accounts receivable	(45)	(1,480)	(5,227)	(7,888)
(Increase) decrease in intergovernmental receivables	(41)	17	-	125
(Increase) decrease in due from other funds	92	110	(878)	(2,357)
(Increase) decrease in inventories	-	169	163	(387)
(Increase) decrease in prepaid items	-	(13)	(353)	-
(Increase) decrease in other current assets	-	(9)	(636)	-
Increase (decrease) in deposits payable	(14)	-	(4)	-
Increase (decrease) in accounts payable	(1,408)	129	421	(11,138)
Increase (decrease) in accrued wages payable	(139)	877	53	317
Increase (decrease) in compensated absences	-	-	(88)	245
Increase (decrease) in deferred credits	-	2,500	12	-
Increase (decrease) in intergovernmental payables	4,544	4	-	2,826
Increase (decrease) in due to other funds	(38)	(16)	551	-
Increase (decrease) in unearned revenues	47	11	-	(133)
Increase (decrease) in other current liabilities	(29)	27	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	14,183	-
Increase (decrease) in other long-term liabilities	(1,622)	(100)	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	(75)	520	-	-
Total adjustments	8,127	15,420	23,460	39,452
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 10,281	\$ 20,798	\$ 47,709	\$ 59,924
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior period adjustment	\$ -	\$ -	\$ -	\$ -
Contributions of capital assets	-	-	3,263	207
Investment long-term	-	-	-	-

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2012
 (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	\$ 43,210	\$ 634,999	\$ 45,396
Receipts from interfund services provided	(773)	(773)	915
Contributions received - employee/employer	-	-	73,710
Payments to suppliers	(18,979)	(248,609)	(22,064)
Payments to employees	(19,011)	(183,998)	(13,652)
Payments to insurance carriers	-	-	(73,361)
Payments for taxes	(486)	(59,272)	(18)
Payments for interfund services used	(13)	(13)	(43)
Other operating or non-operating revenues (expenses)	(36)	290	(2,563)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,912</u>	<u>142,624</u>	<u>8,320</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	5,005	6,866	(2,410)
Transfers (to) other funds	(1,559)	(6,288)	(4,011)
Grants received	-	970	-
Debt service related to environmental	-	(2,246)	-
Contributions and Donations	348	348	52
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>3,794</u>	<u>(350)</u>	<u>(6,369)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	1,543	1,543	1,928
Transfers (to) funds	-	(153)	-
Acquisition and construction of capital assets	(7,017)	(175,151)	(5,601)
System development charges	-	9,791	-
Proceeds from capital debt	282	5,023	(53)
Proceeds from the sale of capital assets	-	40	318
Proceeds from leased property	4,739	(4,535)	-
Lease and leaseback	(129)	(657)	-
Principal paid on capital debt	(3,677)	(83,256)	(405)
Interest paid on capital debt	(4,676)	(39,431)	(66)
Premium and net refunding from capital debt	888	4,843	-
Capital lease obligation	-	(2,089)	-
Change in deferred credits	-	14,646	-
Contributions and donations	6,077	14,971	-
Grants received	-	393	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(1,970)</u>	<u>(254,022)</u>	<u>(3,879)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	374	11,467	769
Rental and other income	5	3,849	-
Investment long-term	(38)	(38)	14
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>341</u>	<u>15,278</u>	<u>783</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	6,077	(96,470)	(1,145)
CASH & CASH EQUIVALENTS, JANUARY 1	17,038	848,440	76,138
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER	<u>23,115</u>	<u>751,970</u>	<u>74,993</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2012
 (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)	\$ (7,816)	\$ 44,437	\$ (1,350)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	7,626	100,260	8,903
(increase) decrease in accounts receivable	(390)	(15,030)	399
(Increase) decrease in intergovernmental receivables	-	101	239
(Increase) decrease in due from other funds	(1,533)	(4,566)	(3,896)
(Increase) decrease in inventories	97	42	(51)
(Increase) decrease in prepaid items	(291)	(657)	1,246
(Increase) decrease in other current assets	20	(625)	-
Increase (decrease) in deposits payable	172	154	-
Increase (decrease) in accounts payable	1,924	(10,072)	1,616
Increase (decrease) in accrued wages payable	(50)	1,058	(86)
Increase (decrease) in compensated absences	271	428	(59)
Increase (decrease) in deferred credits	(5)	2,507	8
Increase (decrease) in intergovernmental payables	8	7,382	278
Increase (decrease) in due to other funds	519	1,016	3,427
Increase (decrease) in unearned revenues	2,577	2,502	(31)
Increase (decrease) in other current liabilities	1,247	1,245	(10,616)
Increase (decrease) in notes, contracts, and leases payable	19	14,202	(87)
Increase (decrease) in other long-term liabilities	201	(1,521)	-
Increase (decrease) in prior period adjustments	(546)	(546)	9,000
Miscellaneous non-operating revenues (expenditures)	(138)	307	(620)
Total adjustments	11,728	98,187	9,670
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,912	\$ 142,624	\$ 8,320
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Prior period adjustment	\$ -	\$ -	\$ 9,021
Contributions of capital assets	322	3,792	-
Investment long-term	(38)	(38)	-

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2012
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450	AGENCY FUNDS #6570, 6790
ASSETS		
Cash and cash equivalents	\$ 29,167	\$ 5,152
Investments at fair value:		
Equities	619,219	-
Fixed income	376,274	-
Real estate	51,699	-
Venture capital and partnerships	148,061	-
Securities lending collateral	37,423	-
Receivables - net uncollectible accounts	1,482	-
Due from other funds	672	-
Interest and dividends	2,132	-
Investment sales	1,335	-
Capital assets - net of accumulated depreciation	14	-
TOTAL ASSETS	<u>1,267,478</u>	<u>5,152</u>
DEFERRED OUTFLOW OF RESOURCES	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,330	-
Accrued wages and benefits payable	592	831
Due to other funds	359	-
Due to the governmental units	17	4,321
Investments purchase payable	37,423	-
Securities lending collateral	7,940	-
Other current liabilities	158	-
Total current liabilities	<u>47,819</u>	<u>5,152</u>
Non-current liabilities:	-	-
Accrued employee leave benefits	59	-
Total non-current liabilities	<u>59</u>	<u>-</u>
TOTAL LIABILITIES	<u>47,878</u>	<u>5,152</u>
DEFERRED INFLOW OF RESOURCES	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION	-	-
Held in trust for pension benefits and other purposes	<u>\$ 1,219,600</u>	<u>\$ -</u>

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2012
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS	
Employer contributions	\$ 32,653
Member contributions	20,364
Other contributions	244
Total contributions	<u>53,261</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	127,410
Interest & dividends	28,522
Total investment income	<u>155,932</u>
Less investment expenses:	-
Investment management fees	4,405
Securities lending - agent fees	47
Securities lending - broker rebates	(31)
Total investment expense	<u>4,421</u>
Net investment income	<u>151,511</u>
TOTAL ADDITIONS	<u>204,772</u>
DEDUCTIONS	
Wages and benefits	1,138
Benefit payments	64,376
Refunds of contributions	2,705
Administrative expense	567
TOTAL DEDUCTIONS	<u>68,786</u>
NET INCREASE (DECREASE)	<u>135,986</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	<u>1,083,577</u>
Net position - ending	<u>\$ 1,219,600</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

NOTES TO FINANCIAL STATEMENTS

1.	Summary of significant accounting policies.....	3-25
2.	Reconciliation of government-wide and fund financial statements	3-31
3.	Stewardship, compliance and accountability	3-32
4.	Detailed notes on all funds	3-34
5.	Pension plan(s) obligations and other post employment benefits	3-47
6.	Deferred compensation	3-62
7.	Interfund activity.....	3-62
8.	Other Information.....	3-66
9.	Claims and judgments	3-71
10.	Contingent liabilities.....	3-74
11.	Subsequent events	3-74
12.	Detail of changes in long-term debt by debt issue	3-75

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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. For related party transactions refer to Note 4 Section H.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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

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

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

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

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

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.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflow of Resources, Deferred Inflows of Resources, and Net Position* effective for financial statements for periods beginning after December 15, 2011. The City implemented this new pronouncement in the current year. The effect of the implementation resulted in renaming the *Net Asset* statement to *Net Position* and adding Deferred Outflows and Inflows sections within.

The City uses encumbrance accounting. Purchase orders, contracts and other commitments are recorded as encumbrances. Encumbrances at year-end are no longer specifically reported as reservations of fund balances for governmental type funds. They are included in the restricted, committed, or assigned fund balance as defined by GASB Statement No. 54. 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
\$	1,274	\$	25,019	\$	12,289

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Deferred 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 in the Statistical Section, Table 8. All other revenue items are considered to be measurable and available only when cash is received by the government.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. In addition, the City has 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 Solid Waste fund provides solid waste collection and disposal services for residential and commercial customers. Services include recycling, long-haul to an outside landfill, and disposal in the City owned landfill.
- The Wastewater and Surface Water (Sewer) fund accounts 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, 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 (TERS) 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 fund (Deferred Compensation) account for activities related to mandatory and optional payroll deductions.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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.

D. Assets, liabilities and net position or fund balances

1. Cash and investments

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

2. Receivables and payables

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

Advances between funds, as reported in the governmental fund financial statements, are 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 uncollectables. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

5. *Capital assets*

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

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of one year except for land, easements, rights of way, infrastructure and buildings and improvements. Land 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 chose 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 position. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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.

8. Fund equity

Fund balance

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

1. **Nonspendable:** Includes amounts that are not in a spendable form, such as inventories, prepaid items, long-term interfund receivables, and amounts that are legally or contractually required to be maintained intact or required to be retained in perpetuity, such as the principal of an endowment fund.
2. **Restricted:** Includes amounts that can be spent only for the specific purposes stipulated by external resource providers. Amounts should be reported as restricted when constraints placed on use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
3. **Committed:** Includes amounts that have been limited to specific purposes by formal City Council actions. 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 by Department Directors and approved by the City Manager. 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

Net position

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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 position

The governmental fund balance sheet includes reconciliation between *fund balances—total governmental funds* and *net position—governmental activities* as reported in the government-wide statement of net position. 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	\$ (221,622)
Discount on bond issuance	78
Premium on bond issuance	(2,356)
Net other post employment benefits obligation	(35,178)
Net pension obligation	(5,000)
Compensated absences	<u>(15,536)</u>
Net adjustment to reduce fund balance for total governmental funds to arrive at net position for governmental activities	<u><u>\$ (279,614)</u></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 position 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	\$ 55,395
Depreciation Expense	<u>(31,943)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 23,452</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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	\$ (7,771)
Net pension obligation	(4,840)
Compensated absences	(1,732)
Accrued interest	(234)
	<hr/>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position	 \$ <u>(14,577)</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 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 position

The following governmental and proprietary funds had deficit net position.

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 2012 and reduced the prior year deficit by \$418 thousand. The 2002 Police Facilities fund net change decreased over the prior year by \$24.

The 1997 Bond Issue fund has a \$44 thousand deficit fund balance resulting from a transfer out of \$58 thousand in 2010. This is being reduced each year, with the bulk coming from the sale of the Jefferson Street Property when sold.

The \$4.7 million deficit in the Convention Center fund resulted from expenses exceeding revenues decreasing net position by \$2.4 million. Operating losses however were \$ 4.5 million for the year. The general fund increased its contribution during 2012 to \$3 million.

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 2012 and reduced the prior year by \$1,571 thousand.

The Graphic Services fund had deficit in net position of \$273 thousand. Two factors contributed to this deficit. There was a buy-out of a copier lease in 2011 and cumulative prior year operating losses. The 2012 change in net position was \$248 thousand.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

The Third Party Liability Claims Fund has a net position deficit of \$32 million, a decrease of \$7,928 thousand over the prior year, due to a decrease in claims.

The Worker's Compensation Fund has a net position 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 negative net change in 2012 which increased the deficit by \$306 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)	\$ (122)
1997 Bond Issue Fund (#3209)	(44)
2002 Police Facility (#3216)	(4,163)
Convention Center (#4165)	(4,681)
Power Conservation Fund (#4850)	(3,212)
Graphic Services (#5042)	(273)
Third Party Liability Claims (#5550)	(32,179)
Worker's Compensation (#5570)	<u>(2,817)</u>
	<u>\$ (47,491)</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.

The calculated debt limit in Table 14 in the Statistical Section shows the City of Tacoma exceeded its 1.5% G.O. debt limitation by \$28.7 million. Management believes this computation is not a violation of constitutional indebtedness as RCW 39.36.030 states:

"If reductions in assessed valuation of property within a taxing district resulted in the outstanding indebtedness of the taxing district exceeding its statutory indebtedness limitation, the amount of such excess indebtedness shall not be included in the statutory indebtedness ceiling."

At the end of 2012 the amount remaining for non-voted debt for general purposes was \$64 million. Assessed values declined \$1.635 billion from the prior year.

The City of Tacoma's G.O. Debt increased \$10.6 million in 2012 to account for accreted interest not previously reported in the current and prior years. The bonds related to the accreted interest were issued in 1997 and 2009. An additional increase of \$19 million occurred due to a distribution of proceeds in 2012 from a contract with the State of Washington signed in 2010. A final distribution of \$1 million will occur in 2013.

The City did not approve or incur any new G.O. debt after the reduction in assessed values.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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.

At year-end, the carrying amount of the City's deposits was \$61,403,124.

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 2012, 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 2012.

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 percent 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	2012		2011	
	Fair Values of Securities Lent	Collateral	Fair Values of Securities Lent	Collateral
U.S. Government and Agencies	55,827	56,938	4,033	4,124
Total Securities Lent	55,827	56,938	4,033	4,124
Collateral				
	2012		2011	
U.S. Corporate Obligations	8,471		3,082	
U.S. Treasury Strips			1,042	
Government Sponsored Enterprises	1,500			
Asset Backed Securities	6,326		-	
Repurchase Agreements/Money Mkt	40,641		-	
Total Collateral	56,938		4,124	

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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.
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 2012.

2. Deposits and investments – December 31, 2012

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

At December 31, 2012, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments December 31, 2012 amounts expressed in thousands)	
Investments (less Component Units)	\$ 2,149,094
Certificates of Deposit	7,167
Treasurer's Cash, net	62,003
Petty Cash Funds	306
Sub-total	<u>2,218,570</u>
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	1,611
TCRA - External Cash	2,114
Foss Waterway Development Authority (FWDA)	987
FWDA - External Cash	228
Public Facilities District (PFD)	481
Sub-total (Component Units)	<u>5,421</u>
Total	<u><u>\$ 2,223,991</u></u>

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

Investments:	Fair Value @ 12/31/12
Financial Institutions	
WA State Local Government Investment Pool	\$ 73,022
US Treasury Securities	1,059
Government Agencies (various)	811,878
Bankers Acceptances	-
Electric System Revenue Bond Investments	8,761
Equity in Pool Transferred to Component Units	<u>(3,079)</u>
Total Investments with Financial Institutions	891,641
Component Units	
TCRA Equity in Investment Pool	1,611
FWDA Equity in Investment Pool	987
PFD Equity in Investment Pool	<u>481</u>
Total Component Unit Investments	3,079
Total	894,720
Pension Trust	
Equities	619,219
Fixed Income	376,274
Real Estate	51,699
Venture Capital & Partnerships	148,061
Short Term Bill & Notes	3,139
Cash and Cash Equivalents	21,638
Securities Lending Collateral	<u>37,423</u>
Total Other Investments - Pension Trust	1,257,453
Total	<u><u>\$ 2,152,173</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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 \$73,021,408 with the State Treasurer's Local Government Investment Pool, \$7,166,916 in an interest bearing demand deposit account with a commercial bank and \$54,236,208 in the City's main demand deposit account with a commercial bank. The monies from these accounts are available immediately.

Investment Type	Par	Maturing (in months)				
		Less than 12	13-24	25-36	37-48	49-60
Main Bank Demand Deposits	\$ 54,236,208	\$ 54,236,208	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	80,188,324	80,188,324	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	245,420,000	45,205,000	87,270,000	47,625,000	58,810,000	6,510,000
Fixed Rate Non-Callable Agency Securities	346,750,000	69,473,000	48,375,000	94,189,000	30,000,000	104,713,000
Fixed Rate Callable Agency Securities	199,300,000	-	-	19,400,000	65,000,000	114,900,000
Totals	\$ 925,894,532	\$ 249,102,532	\$ 135,645,000	\$ 161,214,000	\$ 153,810,000	\$ 226,123,000
Percent of Total		26.9%	14.7%	17.4%	16.6%	24.4%

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 2012 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	\$ 134,424,532	FDIC & PDPC	\$ 134,424,532	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	245,420,000	A	-	81,675,000	156,745,000	7,000,000
Fixed Rate Non-Callable Agency Securities	346,750,000	AAA	-	346,750,000	-	-
Fixed Rate Callable Agency Securities	199,300,000	AAA	-	199,300,000	-	-
Total	\$ 925,894,532		\$ 134,424,532	\$ 627,725,000	\$ 156,745,000	\$ 7,000,000

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

5. GASB 40 - concentration of credit risk

Concentration Risk disclosure is required for all investments in any one issue that is 5% or more of the total of the City's investments. The following include Financial, State, or Municipal Government and Government Sponsored Agencies.

Issuer	Investment Type	Amount Reported	Percentage
New York, NY	Municipal Securities	\$ 50,950,000	9.0%
Federal Farm Credit Bank	Agency Securities	57,000,000	10.0%
Federal Home Loan Bank	Agency Securities	69,400,000	12.2%
Federal Home Mortgage Corporation	Agency Securities	167,936,000	29.5%
Federal National Mortgage Association	Agency Securities	223,525,000	39.3%
Total		<u>\$ 568,811,000</u>	<u>100.0%</u>

6. Disclosure of custodial credit risk

Custodial credit risk – Investments: The City policy states that 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	Solid Waste Fund	Waste Water Fund
Accounts Receivable (net short-term)	\$ 30,848	\$ 7,795	\$ 11,669	\$ 6,400	\$ 11,318
Interest Receivable (net short-term)	-	-	-	-	-
Loans Receivable (net short-term)	11,803	-	4,053	-	-
Notes and Contracts Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net long-term)	-	-	-	-	-
TOTAL	<u>\$ 42,651</u>	<u>\$ 7,795</u>	<u>\$ 15,722</u>	<u>\$ 6,400</u>	<u>\$ 11,318</u>

Accounts Receivable (amounts expressed in thousands)	Non-Major			Internal		Total
	Water Fund	Power Fund	Enterprise Funds	Service Funds	Fiduciary Funds	
Accounts Receivable (net short-term)	\$ 11,770	\$ 62,279	\$ 10,104	\$ 7,619	\$ 2,154	\$ 161,956
Interest Receivable (net short-term)	-	-	-	-	2,132	2,132
Loans Receivable (net short-term)	-	-	-	-	-	15,856
Notes and Contracts Receivable (net short-term)	465	-	1,060	-	-	1,525
Notes and Contracts Receivable (net long-term)	-	1,495	35,688	729	-	37,912
TOTAL	<u>\$ 12,235</u>	<u>\$ 63,774</u>	<u>\$ 46,852</u>	<u>\$ 8,348</u>	<u>\$ 4,286</u>	<u>\$ 219,381</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Reconciliation of accounts receivable to the financial statements:

	Accounts Receivable (net)	Due from Other Funds	Advances to Other Funds	Due from Other Governments	Totals
General Fund	\$ 7,000	\$ 1,553	\$ -	\$ 22,295	\$ 30,848
Street Fund	2,771	443	-	4,581	7,795
Non-major Governmental Funds	6,153	403	-	5,113	11,669
Solid Waste	6,231	26	-	143	6,400
Waste Water	10,856	16	-	446	11,318
Water	10,503	947	-	320	11,770
Power	58,867	3,412	-	-	62,279
Non-major Enterprise Funds	7,385	1,945	-	774	10,104
Internal Service Funds	219	7,262	118	20	7,619
Fiduciary Funds	1,482	672	-	-	2,154
Totals	<u>\$ 111,467</u>	<u>\$ 16,679</u>	<u>\$ 118</u>	<u>\$ 33,692</u>	<u>\$ 161,956</u>

C. Capital assets

Capital asset activity for the year-ended December 31, 2012 was as follows (amounts expressed in thousands):

Governmental Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets not being depreciated:					
Land	\$ 28,656	\$ 7,275	\$ (1,205)	\$ -	\$ 34,726
Property, plant, and equipment	1,829	-	-	-	1,829
Construction work in progress	124,562	18,150	(87,954)	-	54,758
Total capital assets, not being depreciated	<u>155,047</u>	<u>25,425</u>	<u>(89,159)</u>	<u>-</u>	<u>91,313</u>
Capital assets, being depreciated:					
Property, plant, and equipment	226,752	15,392	(18,543)	-	223,601
Infrastructure	1,190,680	113,163	(120)	-	1,303,723
Total capital assets, being depreciated	<u>1,417,432</u>	<u>128,555</u>	<u>(18,663)</u>	<u>-</u>	<u>1,527,324</u>
Less accumulated depreciation:					
Property, plant, and equipment	(135,956)	(15,333)	19,415	-	(131,874)
Infrastructure	(601,171)	(29,856)	10	-	(631,017)
Total accumulated depreciation	<u>(737,127)</u>	<u>(45,189)</u>	<u>19,425</u>	<u>-</u>	<u>(762,891)</u>
Governmental activities, capital assets (net of accumulated depreciation)	<u>\$ 835,352</u>	<u>\$ 108,791</u>	<u>\$ (88,397)</u>	<u>\$ -</u>	<u>\$ 855,746</u>
Business-Type Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets not being depreciated:					
Land	\$ 141,475	\$ 8,176	\$ -	\$ -	\$ 149,651
Construction work in progress	83,809	178,259	(136,556)	-	125,512
Total capital assets, not being depreciated	<u>225,284</u>	<u>186,435</u>	<u>(136,556)</u>	<u>-</u>	<u>275,163</u>
Capital assets, being depreciated:					
Property, plant, and equipment	3,458,235	140,276	(20,684)	-	3,577,827
Total capital assets, being depreciated	<u>3,458,235</u>	<u>140,276</u>	<u>(20,684)</u>	<u>-</u>	<u>3,577,827</u>
Less accumulated depreciation:					
Property, plant, and equipment	(1,277,849)	(103,236)	18,056	4,123	(1,358,906)
Total accumulated depreciation	<u>(1,277,849)</u>	<u>(103,236)</u>	<u>18,056</u>	<u>4,123</u>	<u>(1,358,906)</u>
Business-type activities, capital assets (net of accumulated depreciation)	<u>\$ 2,405,670</u>	<u>\$ 223,475</u>	<u>\$ (139,184)</u>	<u>\$ 4,123</u>	<u>\$ 2,494,084</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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

Governmental Activities:

General Government	\$ 377
Public Safety	3,198
Transportation	33,255
Economic Environment	46
Culture and Recreation	2,126
Capital assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>6,187</u>
Total depreciation expense - governmental activities	<u><u>45,189</u></u>

Business-type activities:

Permit	6
Mountain Rail	812
Parking Garage	1,350
Convention Center	2,195
Baseball Park	1,538
Tacoma Dome	655
Performing Arts	507
TPU Fleet	2,715
Solid Waste	6,855
Waste Water	12,674
Tacoma Rail	824
Water	15,263
Power	<u>57,842</u>
Total depreciation expense - business-type activities	<u><u>\$ 103,236</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

D. Leases***Capital leases***

The City leases certain equipment under various capital lease agreements. Capital lease balances at December 31, 2012:

(amounts expressed in thousands)

Governmental Activities

Information Systems Fund San Storage & CISCO Lease Purchase, \$ 626:

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.

<u>Year Ending December 31</u>	<u>Amount</u>
2013	626
Total lease payments	\$ 626

Business Activities

Tacoma Dome Energy Upgrades, \$50:

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

<u>Year Ending December 31</u>	<u>Amount</u>
2013	50
Principal payments	50
Plus interest amount	2
Total lease payments	\$ 52

TES/Urban Waters Capital Lease, \$35,780:

This capital lease for the Urban Waters building was 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%.

<u>Year Ending December 31</u>	<u>Amount</u>
2013	722
2014	752
2015	783
2016	813
2017	848
2018-2022	4,829
2023-2027	6,163
2028-2032	8,042
2033-2037	10,564
2038	2,264
Principal payments	35,780
Plus interest amount	31,863
Total lease payments	\$ 67,643

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

E. Short-term debt

Governmental activities: No short-term debt was issued or outstanding in 2012.

Business activities: No short term debt was issued or outstanding in 2012.

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 \$251 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	Principal	Interest
2013	\$ 7,175	\$ 5,840	\$ 1,580	\$ 3,046
2014	6,892	5,754	1,640	2,967
2015	8,464	5,775	2,392	2,890
2016	12,315	5,732	2,468	2,792
2017	12,397	5,650	2,549	2,692
2018-2022	60,785	21,389	13,231	11,645
2023-2027	29,179	28,144	13,300	8,555
2028-2032	26,299	25,540	16,990	4,972
2033-2037	19,100	8,675	9,965	897
2038-2041	1,460	177	-	-
Total	\$ 184,066	\$ 112,676	\$ 64,115	\$ 40,456

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%	\$ 154,942
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, 2012, the amount of LID Special Assessment delinquency equals \$189,719. 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, 2012

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
2013	\$ -	\$ 65
2014	-	65
2015	-	65
2016	-	65
2017	-	65
2018-2022	-	325
2023-2027	1,647	86
Total	\$ 1,647	\$ 736

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 \$1.6 billion. During the year \$1.6 million were issued for refunding, construction and capital improvements in the Water, and Rail funds.

Revenue Bonds and Loans		
(amounts expressed in thousands)		
Business-type activities		
	Principle	Interest
2013	\$ 50,269	\$ 58,583
2014	50,991	55,940
2015	58,642	53,866
2016	70,337	50,641
2017	73,596	47,295
2018-2022	353,466	186,203
2023-2027	151,038	136,960
2028-2032	150,831	103,687
2033-2037	205,981	44,491
2038-2041	61,250	7,016
Total	\$ 1,226,401	\$ 744,682

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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	\$ 147,584	\$ 29,665	\$ (3,270)	\$ 173,979	\$ 6,064
Less: Unamortized discount	(83)	-	5	(78)	(5)
Add: Unamortized premium	2,487	-	(131)	2,356	131
Public works trust fund loans	11,199	-	(1,112)	10,087	1,111
Bond anticipation notes	24,014	12,238	-	36,252	25,277
Special assessment debt	1,702	-	(55)	1,647	-
Capital leases	1,251	-	(625)	626	626
Claims and judgements	51,502	1,072	(11,985)	40,589	32,297
Other Post Employment Benefits	27,408	7,770	-	35,178	-
Net Pension Obligation	160	4,840	-	5,000	-
Accrued employee leave benefits	15,514	13,246	(11,618)	17,142	1,709
Governmental activities - long term liabilities	<u>\$ 282,738</u>	<u>\$ 68,831</u>	<u>\$ (28,791)</u>	<u>\$ 322,778</u>	<u>\$ 67,210</u>

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	\$ 1,296,275	\$ 1,758	\$ (71,632)	\$ 1,226,401	\$ 50,269
Muckleshoot liability	8,704	-	(168)	8,536	821
General obligation bonds	64,115	-	-	64,115	1,580
Plus: Unamortized premium	18,669	-	(3,359)	15,310	-
Less: Unamortized discount	(349)	-	81	(268)	-
Less: Loss on refundings	(13,044)	-	13,044	-	-
Less: Loss on defeasance	(431)	-	431	-	-
Capital leases	36,576	-	(745)	35,831	773
Environmental liability	1,950	-	(434)	1,516	966
Landfill closure cost liability	29,412	5,713	(7,189)	27,936	3,000
Other Post Employment Benefits	8,987	2,304	-	11,291	-
Accrued employee leave benefits	17,023	10,899	(10,095)	17,827	1,836
Business activities - long-term liabilities	<u>\$ 1,467,887</u>	<u>\$ 20,674</u>	<u>\$ (80,066)</u>	<u>\$ 1,408,495</u>	<u>\$ 59,245</u>

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$1.6 million 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.

Note 12 summarizes changes in long-term debt.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Bonds issued in 2012

There were no new bond issues in 2012.

G. Restricted assets

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

Cash for debt service	76,921
Cash for construction	120,899
Cash for other special purposes	122,923
Notes and contracts receivable	1,525
Customer deposits	174
	<u> </u>
\$	322,442

H. Related party transactions

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

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

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 six tax-exempt bond issues totaling \$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, 2012

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 refer to Note 1 D-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
Fund balances:						
Nonspendable:						
Long-term receivables/advances	\$ 15,488	\$ -	\$ -	\$ -	\$ -	\$ 15,488
Inventory	1,058	1,818	75	-	-	2,951
Prepays	173	-	-	-	-	173
Trust	-	-	20	-	-	20
Total nonspendable	16,719	1,818	95	-	-	18,632
Restricted:						
Business districts	-	-	-	-	658	658
Capital purchases	-	-	-	-	2,783	2,783
Crime Prevention & Safety	-	-	11,629	-	-	11,629
Debt service	-	-	738	1,748	-	2,486
Facilities & Garages	-	-	-	-	8,371	8,371
Grants	-	-	1,311	-	-	1,311
Housing Development	-	-	3,887	-	-	3,887
Library, Arts & Preservation	-	-	4,914	-	121	5,035
Local Improvement District	-	-	4,318	-	1,470	5,788
Neighborhoods	-	-	-	-	790	790
Other capital	-	-	-	-	13,226	13,226
Parks & Recreation	-	-	-	-	6,599	6,599
Paths & Trails	-	-	518	-	1,198	1,716
Public services	-	-	3,652	-	-	3,652
Public Works projects	-	-	-	-	4,591	4,591
Sidewalk & Street projects	-	-	-	-	5,819	5,819
Total restricted	-	-	30,967	1,748	45,626	78,341
Committed:						
Business & Training Assistance	-	-	404	-	-	404
Council contingency	1,130	-	-	-	-	1,130
Crime Prevention & Safety	-	-	111	-	-	111
Demolitions	-	-	2,719	-	-	2,719
Economic development programs	-	-	12,467	-	-	12,467
Open Space Properties	-	-	1,034	-	-	1,034
Library, Arts & Preservation	-	-	1,612	-	-	1,612
Neighborhoods	-	-	1,148	-	86	1,234
Police facilities	-	-	-	-	37	37
Public services	-	-	1,051	-	-	1,051
Total committed	1,130	-	20,546	-	123	21,799
Assigned:						
Advances	-	-	-	-	3,919	3,919
Library	-	-	115	-	-	115
Municipal TV	-	-	1,220	-	-	1,220
Police activities	105	-	324	-	-	429
Public services	389	-	156	-	-	545
Street related services	-	1,129	-	-	-	1,129
Other purposes	780	-	-	-	-	780
Total assigned	1,274	1,129	1,815	-	3,919	8,137
Unassigned:	23,573	-	(749)	-	(4,330)	18,494
Total fund balances:	\$ 42,696	\$ 2,947	\$ 52,674	\$ 1,748	\$ 45,338	\$ 145,403

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

K. Restricted net position - governmental activities

In the government-wide financial statements net position is restricted when constraints placed on net position 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 purchases	\$ 46,007
Debt service	45,151
Crime prevention and safety	11,629
Culture and recreation	13,350
Local improvement districts and neighborhoods	6,578
Inspections	45
Public works projects	14,474
Grants	1,311
Facilities and garages	8,371
Water & assurance & system development	24,266
Environmental services and programs	3,011
Wynoochee reserve	2,490
Agreements with federal government	(1,046)
Self insurance	2,579
Public services and housing & urban development	7,539
	<u>\$ 185,755</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 derives its authority in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code. There are currently 2,107 retirees and beneficiaries receiving benefits, 426 vested terminated employees entitled to future benefits; and 2,861 active members of Tacoma Employees' Retirement System, as of December 31, 2012.

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 are all reported at fair market value. Fair market value for public market managers was determined by our custodian bank utilizing standard industry practices. 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 position available for benefits.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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: There are two formulas that are used for calculating retirement benefits. The benefit will be determined on the formula which provides the higher benefit. The most commonly applied formula, "service retirement" is a product of the 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. Several options are available for the retiree to provide for their beneficiaries. 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 \$43.1 million in 2012 (\$22.7 million employer contributions and \$ 20.4 million employee contributions) and totaled \$42.4 million in 2011 (\$22.5 million employer contributions and \$19.9 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 35th 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 the TERS annual 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.

Schedule of Funding Progress (\$ in millions):

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as of Percentage of Covered Payroll
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%
1/1/2012	1,068.3	1,185.5	117.2	90.1%	219.4	53.4%

Analysis of the dollar amounts of plan net position, actuarial accrued liability, and unfunded actuarial accrued liability in isolation may be misleading. Expressing plan net position 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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Tacoma Employees' Retirement System progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

9. Actuarial Methods and Significant Actuarial Assumptions:

Valuation Date:	January 1, 2012
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 2012 were as follows:

	(amounts expressed in millions)
Annual Required Contributions (ARC):	\$ 22.7
Interest on Net Pension Obligation (NPO)	(1.1)
Adjustment to ARC:	<u>1.3</u>
Annual Pension Cost (ARC)	22.9
Employer Contribution:	<u>22.7</u>
Increase/(Decrease) in Pension Obligation:	0.2
Net Pension Obligation at beginning of year:	<u>(13.7)</u>
Net Pension Obligation at end of year:	<u><u>\$ (13.5)</u></u>

Trend Information
(dollars in millions)

Year Ending	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
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)
12/31/2011	17.1	133%	(13.7)
12/31/2012	22.7	99%	(13.5)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

B. Law Enforcement Officers' and Fire Fighters' 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 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. 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:

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, fire fighters 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.

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.

LEOFF 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. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' fiscal year 2012, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and 2 can elect to withdraw total employee contributions and interest earnings upon separation from LEOFF-covered employment.

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. 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 provide 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, or if the death resulted from an occupational disease or infection that arouse naturally and proximately out of the member's employment, if

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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 benefit or service retirement benefit.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. The 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 benefit.

LEOFF Plan 2 members are vested after the completion of five years of eligible service.

Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced 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 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of a survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. 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 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 catastrophically 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 benefit of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

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 receive 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, or surviving spouse or child(ren), may request interruptive military service credit.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Legislation passed in 2009 provides to the Washington-state-registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

There are 373 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, 2011:

Retirees and Beneficiaries Receiving Benefits	9,947
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	656
Active Plan Members Vested	13,942
Active Plan Members Nonvested	<u>3,113</u>
Total	27,658

3. Funding Policy

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. 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 Plan 2 in accordance with the recommendations 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. For DRS' fiscal year 2012, the state contributed \$52.8 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, are as follows:

	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
2012	n/a	n/a	\$ 3.61
2011	n/a	n/a	\$ 3.79
2010	n/a	n/a	\$ 3.77

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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 Officers and 0 active Firefighters with prior rights covered under these plans as of December 31, 2012. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 170 for the PRP and 222 for the FRP as of December 31, 2012. 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 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-employment 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, 2012, there were 209 retired law enforcement officers and 265 retired firefighters who are eligible for medical coverage (this does not include active employees).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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 \$2.2 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:

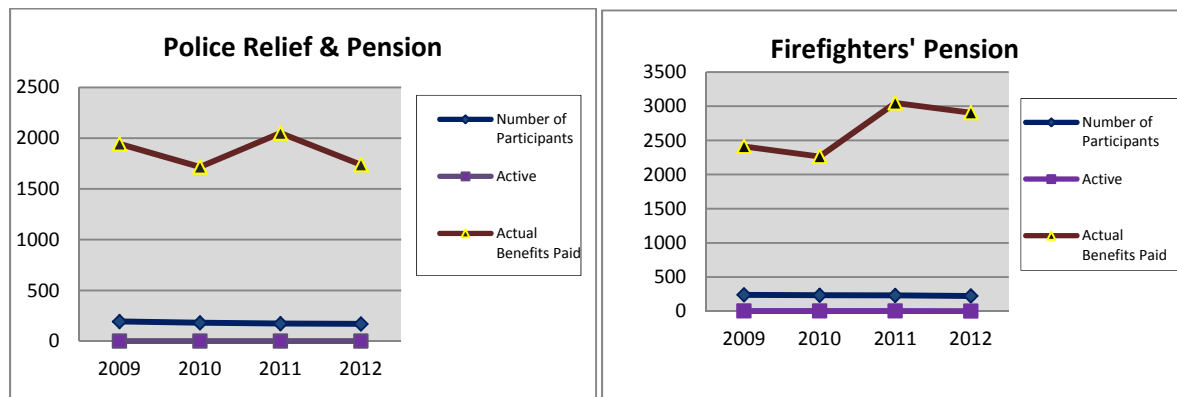
The PRP is funded entirely from a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. The General Fund is responsible for ensuring that the fund has adequate cash to pay its obligations each year. Total contributions to the PRP were \$4.6 million in 2012.

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 \$3.9 million in 2012; and (2) the balance of \$1.4 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 \$5.3 million in 2012. 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				Firefighter's Relief & Pension			
Year-end	Number of Participants	Active	Actual Benefits Paid	Year-end	Number of Participants	Active	Actual Benefits Paid
12/31/2009	193	0	1,944	12/31/2009	239	2	2,243
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
12/31/2012	170	0	1,739	12/31/2012	222	0	2,905

(Tables amounts for Actual Benefits Paid expressed in thousands)



NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

5. 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 December 31, 2012, 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	2010	2,372	77	8,243
	2011	2,332	77	8,774
	2012	2,676	94	8,945
Police Relief & Pension	2010	1,450	(139)	(1,763)
	2011	1,340	4	(473)
	2012	1,513	98	(445)

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)	Funde d Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
Firefighter's Relief & Pension	\$ 235	\$ 36,866	\$ 36,631	1%	238	15391%
Police Relief and Pension	108	18,290	18,182	1%	0	N/A

The AAL as of December 31, 2011, based on the actuarial valuation as of January 1, 2011, was \$36.9 million for Firefighters' Relief and Pension and \$18.3 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, 2012

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

For the Year Ended December 31, 2012

(In Thousands)

	Firefighter's Relief and Pension			Police Relief and Pension		
	2012	2011	2010	2012	2011	2010
Annual Required Contribution (ARC)						
Annual Normal Cost - Beginning of Year	6	5	5	-	-	-
Amortization of UAAL - Beginning of Year	2,896	2,522	2,522	1,437	1,228	1,228
Interest to End of Year	116	101	101	58	49	49
ARC at End of Year	3,018	2,628	2,628	1,495	1,277	1,277
Interest on NPO	351	330	308	(19)	(71)	(208)
Adjustment to ARC	(693)	(626)	(564)	37	134	381
Annual Pension Cost (APC)	2,676	2,332	2,372	1,513	1,340	1,450
Employer Contribution	2,505	1,801	1,832	1,485	50	(1,990)
Change in NPO	171	531	540	28	1,290	3,440
NPO at Beginning of Year	8,774	8,243	7,703	(473)	(1,763)	(5,203)
NPO at End of Year	8,945	8,774	8,243	(445)	(473)	(1,763)

The net pension obligation of the Firefighter's Relief and Pension Fund is \$ \$8.9 million net pension liability at December 31, 2012. The net pension obligation of the Police Relief and Pension Fund is \$0.5 million net pension asset at December 31, 2012.

6. 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:

	Firefighter Relief and Pension	Police Relief and Pension
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	3.75%	3.75%
Inflation	2.75%	2.75%
Cost-of-living Adjustment	Based upon salary increase assumption, for FRP benefits	Based upon salary increase assumption, for PRP benefits
Post retirement benefit increase	3.75%	3.75%

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

7. Individual financial statements:**FIREFIGHTERS' AND POLICE RELIEF AND PENSION FUNDS****December 31, 2012***(In Thousand)*

	Firefighters' Relief and Pension	Police Relief and Pension	2012	2011
ASSETS				
Cash and cash equivalents	\$ 347	\$ 236	\$ 583	\$ 832
Due from other fund	380	285	665	-
Total Assets	<u>727</u>	<u>521</u>	<u>1,248</u>	<u>832</u>
LIABILITY				
Accounts Payable	155	105	\$ 260	296
Accrued wages and benefits payable	2	2	\$ 4	4
Due to other funds	184	174	\$ 358	10
Other current liabilities	105	53	\$ 158	179
Accrued employee leave benefits	5	5	\$ 10	-
Total Liability	<u>451</u>	<u>339</u>	<u>790</u>	<u>489</u>
Net Position Held in Trust for Pension	<u>\$ 276</u>	<u>\$ 182</u>	<u>\$ 458</u>	<u>\$ 343</u>

STATEMENT OF CHANGES IN PLAN NET POSITION**FIREFIGHTERS' AND POLICE RELIEF AND PENSION FUNDS****For Year Ended December 31, 2012***(In Thousand)*

	Firefighters' Relief and Pension	Police Relief and Pension	2012	2011
Addition				
Employer Contributions	\$ 5,301	\$ 4,610	\$ 9,911	\$ 8,954
Member Contributions	(1)		(1)	-
Other Contributions	2	2	4	-
Interest and Dividend	7	4	11	29
Total Addition	<u>5,309</u>	<u>4,616</u>	<u>9,925</u>	<u>8,983</u>
Deduction				
Healthcare benefit payment	5,126	4,409	9,535	10,585
Wages and other benefit payable	65	60	125	159
Administrative expenses	77	73	150	122
Total Deduction	<u>5,268</u>	<u>4,542</u>	<u>9,810</u>	<u>10,866</u>
Change in Net Position	<u>41</u>	<u>74</u>	<u>115</u>	<u>(1,883)</u>
Net Position - Beginning of Year	<u>235</u>	<u>108</u>	<u>343</u>	<u>2,226</u>
Net Position - End of Year	<u>\$ 276</u>	<u>\$ 182</u>	<u>\$ 458</u>	<u>\$ 343</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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, PO Box 11001, Tacoma, WA 98411.

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, 2012

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	<u>1,525,241</u>	<u>11,923,763</u>	<u>655,021</u>	<u>70,664</u>
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	576,331	540,144	335,667	3,604
Less Adjustments to ARC	<u>559,878</u>	<u>831,145</u>	<u>326,085</u>	<u>3,501</u>
Annual OPEB Cost	5,162,679	11,901,822	2,209,152	195,524
Contributions made	<u>1,971,606</u>	<u>6,933,133</u>	<u>385,757</u>	<u>102,935</u>
Increase in Net OPEB Obligation	3,191,073	4,968,689	1,823,395	92,589
Net OPEB Obligation - Beginning of Year	14,408,272	13,503,582	8,391,671	90,096
Net OPEB Obligation - End of Year	<u>\$ 17,599,345</u>	<u>\$ 18,472,271</u>	<u>\$ 10,215,066</u>	<u>\$ 182,685</u>

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	9,393,431

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.

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	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
Year Ended			
12/31/2010	4,431,662	34.7%	10,819,864
12/31/2011	5,175,241	30.7%	14,408,271
12/31/2012	5,162,679	38.2%	17,599,345

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

LEOFF Plan 1		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2010	10,498,975	70.8%	9,102,137
12/31/2011	12,008,953	73%	13,503,582
12/31/2012	11,901,822	58%	18,472,271

LEOFF Plan 2		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2010	1,640,352	10.3%	6,423,662
12/31/2011	2,216,796	11.2%	8,391,671
12/31/2012	2,209,152	17.5%	10,215,066

Rail		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2010	129,196	47.7%	3,226
12/31/2011	195,430	55.5%	90,096
12/31/2012	195,524	52.6%	182,685

3. Funding Status and Funding Process:

The funded status of the plans as of December 31, 2012, were as follows:

	TERS		LEOFF 1		LEOFF 2		Rail
Annual City Benefit Payments	\$	1,971,606	\$	6,933,133	\$	385,757	\$ 102,935
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		210,560,034		1,579,845		70,551,245	8,383,549
UAAL as a % of covered payroll		19%		12063%		24%	22%

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 immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing overtime (based on how OPEB is funded) relative to the actuarial accrued liability for benefits. RSI immediately follow the notes.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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 2012 premium rates and relative age cost factors assumptions, Milliman developed the following age adjusted monthly PMPM health costs for 2012.

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 2011 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Significant methods and assumptions were as follows:

	TERS/LEOFF Plan 2/Rail	LEOFF Plan 1
Valuation Date	January 1, 2011	January 1, 2011
Census Date	January 1, 2011	January 1, 2011
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 2012 contribution limits are \$17,000 for regular deferral, \$34,000 for pre-retirement and \$22,500 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	\$ 238,105.58	\$ 3,827,303.37	\$ 4,065,408.95
457 deferred compensation	Nationwide	<u>77,841.61</u>	<u>362,395.36</u>	<u>440,236.97</u>
Total		<u>\$ 315,947.19</u>	<u>\$ 4,189,698.73</u>	<u>\$ 4,505,645.92</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, 2012

The composition of interfund balances (amounts expressed in thousands) at December 31, 2012 is as follows:

Interfund balances result when transactions are recorded in the accounting system and payments are made between funds after December 31, 2012.

Due To	Due From										Total
	General Fund	Street Fund	Solid Waste Fund	Waste Water Fund	Water Fund	Power Fund	Internal Service Funds	Non-major Governmental Funds	Non-major Enterprise Funds	Pension and Trust Funds	
General Fund	\$ -	\$ 1	\$ -	\$ 2	\$ -	\$ 29	\$ 555	\$ 104	\$ 857	\$ 664	\$ 2,212
Street Fund	76	-	-	8	-	2	126	137	4	-	\$ 353
Solid Waste Fund	219	63	-	-	-	238	161	4	-	-	\$ 685
Waste Water Fund	166	4	12	-	-	502	384	4	1	-	\$ 1,073
Water Fund	130	-	-	-	-	603	629	9	-	-	\$ 1,371
Power Fund	353	1	1	2	295	-	3,284	37	2	-	\$ 3,975
Internal Service Funds	222	33	13	4	652	1,965	1,133	4	425	-	\$ 4,451
Non-major Governmental Funds	251	341	-	-	-	30	105	13	656	-	\$ 1,396
Non-major Enterprise Funds	136	-	-	-	-	42	535	91	-	-	\$ 804
Pension and Trust Funds	-	-	-	-	-	1	350	-	-	8	\$ 359
Total	\$ 1,553	\$ 443	\$ 26	\$ 16	\$ 947	\$ 3,412	\$ 7,262	\$ 403	\$ 1,945	\$ 672	\$ 16,679

Advance Owed From	Advances Owed To			
	Major Governmental	Non-major Governmental	Internal Service Funds	Total
Major Governmental				
Non-major Governmental	\$ 4,267	\$ 1,330		\$ 5,597
Non-major Enterprise	6,785	2,590	609	9,984
Internal Service Funds	751	133	238	1,122
Total	\$ 11,803	\$ 4,053	\$ 847	\$ 16,703

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.

\$751,727.88 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.

\$18,600.00 was authorized from the General Fund (#0010) to the Consolidated LID Fund (#2-7999) to establish LID #62.

\$ 48,000.00 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

\$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.

\$1,199,996.00 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.

\$331,000.00 was authorized from the Information Services Fund (#5800) to the Tacoma Rail (#4500) for cash flow purposes.

\$236,571.97 was authorized from the Information Services Fund (#5800) to the Information Technology Graphics Fund (#5042) to finance the Konica/Xerox buyout.

(amounts expressed in thousands)

(amounts expressed in thousands)	Transfer In										
	General Fund	Street Fund	Solid Waste Fund	Waste Water Fund	Water Fund	Power Fund	Internal Service Funds	Non-major Governmental Funds	Non-major Enterprise Funds		Total
Transfer Out											
General Fund	\$ -	\$ 8,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,146	\$ 4,363	\$	20,426
Street Fund	-	-	-	-	-	-	2	1,355	-		1,357
Solid Waste Fund	-	-	-	-	-	-	153	-	-		153
Waste Water Fund	-	-	-	-	-	-	2	-	-		2
Water Fund	-	-	-	-	-	-	145	46	-		191
Power Fund	-	-	-	-	-	-	183	-	-		183
Internal Service Funds	4,577	426	901	684	249	911	1,355	196	235		9,534
Non-major Governmental Funds	206	2,283	-	-	152	535	2,120	1,664	4,282		11,242
Non-major Enterprise Funds	-	-	-	-	-	-	26	1,939	-		1,965
Total	\$ 4,783	\$ 11,626	\$ 901	\$ 684	\$ 401	\$ 1,446	\$ 3,986	\$ 12,346	\$ 8,880	\$	45,053

\$8,917,000 was transferred from the General fund to the Street fund for 2012 Street contributions.

\$7,146,000 was transferred from the General Fund to Non-Major Governmental funds for Traffic contributions, and debt service payments.

\$4,363,000 was transferred from the General fund to Non-Major Enterprise funds to assist the theaters (BCPA) throughout the year, for permit services, for Tacoma Rail Mountain Division, and for the Tacoma Dome.

\$2,000 was transferred from the Street fund to Internal Service funds to support an enterprise software system upgrade.

\$1,355,000 was transferred from the Street fund to Non-Major Governmental funds for road capital projects and debt service payments.

\$153,000 was transferred from the Solid Waste fund to Internal Service funds for fleet services.

\$2,000 was transferred from the Waste Water fund to Internal Service funds for unemployment insurance.

\$145,000 was transferred from the Water Fund to Internal Service funds for the 2012 Fleet Services contribution.

\$46,000 was transferred from the Water Fund to Non-Major Governmental funds for LID installment notes.

\$183,000 was transferred from the Power Fund to Internal Service funds for the 2011 Fleet Services contribution.

\$4,577,000 was transferred from Internal Service funds to the General fund for the return of prior period

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

contributions.

\$426,000 was transferred from Internal Service funds to the Street fund for the return of prior period contributions.

\$901,000 was transferred from Internal Service funds to the Solid Waste fund for the return of prior period contributions.

\$684,000 was transferred from Internal Service funds to the Waste Water fund for the return of prior period contributions.

\$249,000 was transferred from Internal Service funds to the Water fund for the return of prior period contributions.

\$911,000 was transferred from Internal Service funds to the Power fund for the return of prior period contributions.

\$1,355,000 was transferred from Internal Service funds to Internal Service funds to support an enterprise software system upgrade.

\$196,000 was transferred from Internal Service funds to Non-Major Governmental funds for the return of prior period contributions.

\$235,000 was transferred from Internal Service funds to Non-Major Enterprise funds for the return of prior period contributions.

\$206,000 was transferred from Non-Major Governmental funds to the General fund to fund Emergency Medical Services, and to correct a prior period posting error.

\$2,283,000 was transferred from Non-Major Governmental funds to the Street fund for capital road projects.

\$152,000 was transferred from Non-Major Governmental funds to the Water fund for LID installment notes.

\$535,000 was transferred from Non-Major Governmental funds to the Power fund for LID installment notes.

\$2,120,000 was transferred from Non-Major Governmental funds to Internal Service funds for Fleet capital purchases, for facilities debt service, and to support an enterprise software system upgrade.

\$1,664,000 was transferred from Non-Major Governmental funds to Non-Major Governmental funds for various capital projects and debt service payments.

\$4,282,000 was transferred from Non-Major Governmental funds to Non-Major Enterprise funds for capital projects and for debt service.

\$26,000 was transferred from Non-Major Enterprise funds to Internal Service funds to record 2012 Fleet Services contributions, and support an enterprise software system upgrade.

\$1,939,000 was transferred from Non-Major Enterprise funds to Non-Major Governmental funds for debt service payments.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Note 8 Other information**A. Accounting changes**

There were no accounting changes in 2012.

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 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 1st of each year.

The City carries property coverage with a maximum single occurrence limit of \$500,000,000 with sub-limits, and \$150,000 (previously \$100,000) deductible per occurrence, with exceptions. Earthquake coverage has a 5% or \$100,000, whichever is greater per building deductible. This policy renews July 1st 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 \$5.4 million. Settlement payments were within amounts available for coverage for the last three years—2012, 2011 and 2010.

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	
	2012	2011	2012	2011	2012	2011
Balance 01/01/12	\$ 47,262	\$ 27,001	\$ 4,239	\$ 4,240	\$ 2,158	\$ 2,487
New Claims	988	3,880	2,585	2,755	960	354
Adjustments to Claims	(10,594)	17,607	1,627	1,596	918	327
Claims Payment	(1,523)	(1,226)	4,212	(4,352)	(685)	(1,010)
Balance 12/31/12	\$ 36,133	\$ 47,262	\$ 12,663	\$ 4,239	\$ 3,351	\$ 2,158

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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, 2012 financial statements, prior period adjustments were made.

(amounts expressed in thousands)

Fund Name	Amount	Description
General Fund #0010	\$ (2,778)	Corrections and Adjustments: \$75 and (\$55) adjustments to liability accounts; (\$131) and (\$2,410) prior year correction of refunds; and (\$257) Metro Park payment correction.
Street Fund #1060	(52)	Corrections: \$32 Washington Recreation & Conservation Funding Board, \$5 adjustment to AR, and \$15 private work order reversal.
Fire Department #1090	19	Correct 2011 revenue deferral.
Fire EMS \$1155	368	CWIP purchases should have been expensed prior year.
HR&HS #1185	239	Reclass revenue earned in 2011 and prior years.
City Manager #1600	243	Reclass capital expenditure in 2011 and prior years to operating expenses.
Capital Projects #3211	(25)	Prior year grant revenue accrual not reimbursed.
Total	<u>\$ (1,986)</u>	

Enterprise Funds

Fund Name	Amount	Description
Permit Services #4110	\$ (515)	Reduced revenue related to prior year Private Work Order Deposits in lieu of bond.
Parking Garage #4140	(31)	Reduced Amortization of Debt Discount expenses related to prior year.
Total	<u>\$ (546)</u>	

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Internal Service Funds

Fund Name	Amount	Description
Finance Fund #5007	\$ 2,380	Prior year correction on a transfer to the GF in 2009.
Graphic Services #5042	(126)	Inventory adjustment .
Third Party Claims #5550	9,000	Adjusted prior year IBNR estimated claims.
Information Services #5800	15	Prior year correction of a liability account.
Total	<u>\$ 11,269</u>	

Government-wide Statements

Activity	Amount	Description
Governmental	\$ 9,283	General Fund, Street Fund, Fire Department, Fire EMS, HR&HS, City Manager, Capital Projects, Finance, Graphics, Third Party Claims, and Information Services. (Described above.)
Governmental	(10,628)	Prior year accreted interest on general obligation bonds.
Governmental	(4,937)	Prior year adjustments to fund statement revenues and expenditures not recorded in government wide statements.
Business	(546)	Permit and Parking. (Described above.)
Total	<u>\$ (6,828)</u>	

D. Segment Information

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

(amounts expressed in thousands)

CONDENSED STATEMENT OF NET POSITION

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450	Power Conservation Fund #4850
Assets:				
Current assets	\$ 2,758	\$ 926	\$ 4,144	\$ 174
Due from other funds	2	-	-	-
Restricted assets	-	-	1,901	-
Capital assets (net)	53,647	69,617	-	-
Other non-current assets	226	804	35,688	317
Total assets	56,633	71,347	41,733	491
Liabilities:				
Current liabilities	1,549	694	4,684	1,719
Due to other funds	26	36	-	-
Current liabilities payable from restricted assets	-	-	-	-
Non-current liabilities	17,459	75,298	36,102	1,984
Total liabilities	19,034	76,028	40,786	3,703
Net position;				
Investment in capital assets, net of related debt	35,242	(4,891)	-	-
Restricted	-	25	855	-
Unrestricted	2,357	185	92	(3,212)
Total Net Position	<u>\$ 37,599</u>	<u>\$ (4,681)</u>	<u>\$ 947</u>	<u>\$ (3,212)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

CONDENSED STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN NET POSITION

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450	Power Conservation Fund #4850
Operating revenues	\$ 4,757	\$ 2,078	\$ -	\$ -
Depreciation expense	(1,350)	(2,195)	-	-
Other operating expenses	(3,253)	(4,346)	(4)	-
Operating income	154	(4,463)	(4)	-
Nonoperating revenues (expenses)				
Interest revenue	50	10	-	-
Interest expense	(856)	(3,342)	-	(240)
Other nonoperating revenues(expenses)	(103)	2,501	-	(61)
Capital contributions	136	69	-	1,872
Transfers	(547)	2,862	-	-
Change in net position	(1,166)	(2,363)	(4)	1,571
Beginning net position	38,796	(2,318)	951	(4,783)
Prior period adjustments	(31)	-	-	-
Ending net position	\$ 37,599	\$ (4,681)	\$ 947	\$ (3,212)

CONDENSED STATEMENT OF CASH FLOWS

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450	Power Conservation Fund #4850
Net cash provided (used) by:				
Operating activities	\$ 1,494	\$ (1,951)	\$ (4)	\$ -
Noncapital financing activities	(546)	2,931	-	-
Capital and related financing activities	(722)	(868)	5	-
Investing activities	50	10	-	3
Net increase (decrease)	276	122	1	3
Beginning cash and cash equivalents	2,451	726	1,993	171
Ending cash and cash equivalents	\$ 2,727	\$ 848	\$ 1,994	\$ 174

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

E. The Performing Arts Fund

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 Fund calculated at an implicit interest rate of 8 percent are as follows (amounts expressed in thousands):

2012	\$	297
2013		275
2014		254
2015		236
2016		218
2017-2021		756
2022-2026		372
2027-2028		113

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

2012	\$	266
2013		247
2014		228
2015		211
2016		196
2017-2021		552
2022-2026		92
2027-2028		28

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 (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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

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.

Joint Venture (amounts expressed in thousands)			
		LESA	HEALTH DEPARTMENT
Balance Sheet Date		12/31/2011	12/31/2011
Total Assets	\$	9,591	\$ 10,980
Total Liabilities		1,916	4,097
Total Net Assets		7,675	6,883
Non-current Liabilities		763	1,482
Capital Assets (net of accumulated depreciation)		1,436	1,563
Total Revenues		21,401	31,993
Total Expenditures/Expenses		19,063	30,920
Other Non-operating Revenues/Expenditures		-	-
Transfers		-	-
Net Increase/(Decrease) in Net Assets		2,338	1,073

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

B. Construction Commitments

The City has various construction projects as of December 31, 2012. The projects include street and capital project constructions for improvements of existing streets and bridges or new bridges. At year-end the City's major commitments with the contractors are as follows: (amounts expressed in thousands)

Project	Authorized	Spent-to-date	Remaining Commitment
City of Tacoma Stormwater Pipe Retorfit Project	846	592	254
Construction and Installation of ADA Compliance Upgrades	1,647	1,896	(249)
Titlow Beach Seawall Repair	200	80	120
Salmon Beach Pump Station AN1304 Rehabilitation	1,649	1,584	65
Arterial Street Improvement - Alaska from S 56th to S 72nd	4,280	3,864	416
Puget Gulch - Wastewater Sewer Rehabilitation and Replacement	1,655	1,434	221
On-Call Wastewater Sewer & Side Sewer Connection Repair	260	107	153
Arterial Stree Repairs - S Tacoma Way & S Mildred	1,648	454	1,194
S 9th Street Pedestrian Improvements	648	646	2
Central Wastewater Treatment Plant High Purity Oxygen System	1,911	1,081	830
303 East D Street Site Improvement	136	116	20
S 15th & Fawcett Utilities Improvement	1,100	970	130
Foss Waterway Seaport North Wall	1,101	1,146	(45)
North Waterview Street Repair	665	38	627
Wastewater & Water Main Replacement Court A & C	1,919	826	1,093
Wastewater & Water Main Replacement Court D & E	1,602	988	614
Wastewater Sewer Main Extension E 49th to E G	116	114	2
Hylebos View and Vista View Pump Stations Upgrade	544	13	531
Stadium Way Arterial	10,703	4,364	6,339
Wapato Pervious Street Project	1,809	1,363	446
Wastewater Sewer Replacement Pearl to Orchard	1,815	737	1,078
On-Call Contractor Services at the Landfill	175	6	169
Old Town Dock Repairs	1,701	1,201	500
Wastewater Sewer Replacement Bristol to Visscher St	1,948	544	1,404
2011 Sidewalk Reconstruction Project	538	102	436
Pacific Avenue Streetscapes Phase I	7,698	474	7,224
Pump Stations 4012, 4103, & 4106 Modifications	648	227	421
Sprague Enhancement Project	548	453	95
2012 Striping Contract	161	124	37
Annie Track Upgrades	562	487	75
	50,233	26,031	24,202

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, 2012

C. 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 \$27,935,614 reported as landfill closure and post closure liability at December 31, 2012 represents an estimated closure and post-closure liability based on 100% use of total capacity of the landfill. This compares to \$29,412,162 at December 31, 2011 based on 99% of capacity. Based on 100% of capacity, the liability was fully recognized as of December 31, 2012 compared to \$179,067 as of December 31, 2011. 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 had determined it 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, 2012, \$2,780,404 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 (Power)

The Port of Tacoma is claiming \$676,608 in damages representing the alleged cost to clean up “hazardous waste” found at the Tacoma Steam Plant No. 2 that was transferred to the Port on August 27, 2007. This matter is currently being investigated, and no determination has been made as to liability. The Port of Tacoma has submitted their report to Tacoma Power, which is currently reviewing the allegations.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

City resolved any liability it may have had for the alleged violations by entering a Consent Decree settlement with 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 cost for the three SEPs was estimated to be \$675,252.

In 2012, the manufacturer of the hybrid electric "yard mule" vehicle notified the City that it had ceased production of the vehicle. In response, the City made a stipulated penalty payment to DOJ and the EPA in the amount of \$81,378, in lieu of completing the SEP. The City also had technical issues with the diesel reduction equipment it installed as part of that SEP, which made the continued use of this equipment impractical. DOJ and the EPA were notified, and responded to the City on March 28, 2013 excusing further performance of this SEP, including payment of any stipulated penalties that may be owing for failure to complete it.

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, 2012, Mountain Rail has incurred a deficit of over \$1 million and has been funded in 2012.

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 has now been transferred to retired Judge Ron Castleberry from Snohomish County, who has agreed to hear the case to its conclusion. Summary judgment motions were filed on Friday, February 24, 2012. Judge Castleberry ruled in favor of the plaintiffs. Judge Castleberry certified his ruling for a direct review, and the case is now pending in the Washington State Court of Appeals, Division II, at Tacoma.

Baskin, et al. v. Tacoma - On May 9, 2011, the same attorney in the Richert, et al. suit above, filed a lawsuit in Mason County Superior Court on behalf of Mr. Baskin "and class members," alleging the same damages as in the Richert, et al. matter. Attached to the Complaint are 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, Judge Castleberry, from Skokomish County Superior Court, will be presiding in this case, too. The case has been informally stayed pending the outcome of the appeal in Richert.

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. The City is being represented by outside counsel appointed by our insurance carrier. The case is in the early stages of discovery.

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 Mr. 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. The claim was denied March 2, 2012.

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

March 5, 2013 the City of Tacoma sold Limited General Obligation Bonds in the amount of \$44,170,000 for the purpose of refunding Limited General Obligation Bonds issued in 2004. The City plans to issue LID Bonds later in 2013 in the amount of \$30,999,358.

CITY OF TACOMA, WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
FOR DECEMBER 31, 2012

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 01-01-12	ISSUED 2012	REDEEMED 2012	AMOUNT O/S 12/31/12
GENERAL OBLIGATION BONDS, LOANS, & NOTES									
Unlimited General Obligation Bonds									
Genl Obl Bonds 2002	Police HQ & Substations	06/01/02	2003-2022	34,300	4.8448	1,645		1,645	0
Genl Obl Bonds 2010	Refunding 2002 Bonds	11/10/10	2011-2022	21,870	2.6323	21,855		70	21,785
Subtotal Unlimited (Voted)						23,500	0	1,715	21,785
Limited General Obligation Bonds									
Ltd. Genl Obl Bonds 1997 Ser B	Capital Improvements	08/05/97	2008-2018	16,100	5.4554	5,119		0	5,119
Ltd. Genl Obl Bonds 1997 Ser B Accreted Interest		08/06/97	2008-2019	16,100	5.4554	0	6,644		6,644
Ltd. Genl Obl Bonds 2001	Cap Imp & Ref '92 & '94 LTGO	07/15/01	2003-2014	17,390	4.4598	1,105		0	1,105
Ltd. Genl Obl Bonds 2004 Conv Ctr	Construction	08/05/04	2004-2034	51,900	4.8573	44,525		0	44,525
Ltd Genl Obl Bonds 2006A Conv Ctr	Improvements	09/10/06	2008-2036	16,475	4.4537	14,865		0	14,865
Ltd. Genl Obl Bonds 2006B	Refund 1997A LTGO	10/09/06	2004-2014	12,885	4.3942	12,885		0	12,885
Ltd. Genl Obl Bonds 2007 Parking Structure	Retrofit Parking Structure	12/21/07	2008-2027	9,610	5.6328	8,050		0	8,050
Ltd. Genl Obl Note 2009 ECMS	Software Purchase	07/13/09	2009-2013	1,739	2.6500	788		445	343
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011-2035	15,380	5.8600	15,295		110	15,185
Ltd. Genl Obl Bonds 2009B Dock & Shalisahan	Capital Improvements	12/17/09	2035	3,320	3.5400	3,320		0	3,320
Ltd. Genl Obl Bonds 2009C Cheney	Capital Improvements	12/17/09	2034	4,975	4.8800	4,975		0	4,975
Ltd. Genl Obl Bonds 2009D Cheney	Capital Improvements	12/17/09	2010-2014	5,000	1.7400	3,000		1,000	2,000
Ltd. Genl Obl Bonds 2009E Multiple Projects	Capital Improvements	12/17/09	2026-2035	13,526	5.7500	13,526		0	13,526
Ltd. Genl Obl Bonds 2009E Accreted Interest		12/18/09	2026-2036	13,526	5.7500		2,441	0	2,441
Ltd. Genl Obl Bonds 2009F Cheney & Env Remed	Capital Improvements	12/17/09	2023-2026	6,681	7.2020	6,681		0	6,681
Ltd. Genl Obl Bonds 2009F Accreted Interest		12/18/09	2023-2027	6,681	7.2020		1,543	0	1,543
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 1997B, 2001, 2004, 20	11/10/10	2015-2022	7,355	2.7966	7,355		0	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		0	7,355
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015-2033	30,225	5.0399	30,225		0	30,225
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015-2040	9,130	5.7155	9,130		0	9,130
Subtotal Limited (Councilmanic)						188,199	10,628	1,555	197,272
Washington State Dept of Transportation Loan									
STP-STPUL-3268(003)	Capital Improvements	11/03/10	2015-2020	20,000	0.0000	0	19,037	0	19,037
Subtotal Washington State Dept of Transportation Loan (Councilmanic)						0	19,037	0	19,037
Washington State Public Works Trust Fund Loan									
CTED PWTF No. 98-791-065	Capital Improvements	08/17/98	1999-2018	9,000	1.0000	3,783		541	3,242
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004-2024	4,500	0.5000	7,416		571	6,845
Subtotal Washington State PWTF Loan (Councilmanic)						11,199	0	1,112	10,087

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-12	ISSUED 2012	REDEEMED 2012	AMOUNT O/S 12/31/12
Lease Purchases									
TAC0610-0001 Series F	Capital Improvements	12/01/01	2002-2013	436	4.9425	98		48	50
San Storage & Cisco	Equip Purchase	12/31/08	2009-2013	3401	0.0000	1,251		625	626
Subtotal Lease Purchase (Councilmanic)						1,349	0	673	676
Total General Obligation Bonds, Loans, & Notes						224,247	29,665	5,055	248,857
ENTERPRISE REVENUE BONDS, LOANS, & NOTES									
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						28,065	0	0	28,065
Wastewater Utility									
Sewer Refunding Bonds 2002	Refunding	03/01/02	2002 - 2015	28,990	4.4240	10,965		10,965	0
State Revolving Fund (SRF) Loan #40006A	Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	46,536		2,505	44,031
State Revolving Fund (SRF) Loan #40006B	Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	19,230		946	18,284
Sewer Rev & Ref Bonds 2006	Improvements/Refunding	06/29/06	2006 - 2036	55,000	4.8852	54,950		0	54,950
Sewer TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	16,558	5.2172	15,685		300	15,385
Sewer Rev & Ref Bonds 2011	Refunding	10/12/11	2022 - 2031	34,315	3.8768	34,315		0	34,315
Subtotal Sewer						181,681	0	14,716	166,965
Surface Water Utility									
Surface Water TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	14,248	5.2172	13,497		258	13,239
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	465		19	446
Subtotal Surface Water						13,962	0	277	13,685
Solid Waste Utility									
Refuse Utility Bonds 1997 B	Refunding	04/01/97	2000-2019	60,370	5.8725	2,350		2,350	0
Solid Waste Revenue Bonds, 2006A	Capital Improvements	07/12/06	2013-2026	29,385		29,385		0	29,385
Solid Waste Rev/Ref Bonds, 2006B	Refunding	09/27/06	2014-2021	22,315		22,315		0	22,315
Solid Waste Rev/Ref Bonds, 2008	Refunding	09/05/08	2013-2017	12,055	3.8577	12,055		0	12,055
Solid Waste TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010-2038	7,702	5.2172	7,296		139	7,157
Subtotal Refuse						73,401	0	2,489	70,912
Electric System									
Electric System 1999 Revenue Bonds	Capital Improvements	08/01/99	2013	36,045	5.4900	13,500		0	13,500
Electric System 2001B Rev & Ref Bonds	Capital Improvements	10/03/01	2006-2012	101,860	4.7307	14,650		14,650	0
Electric System 2004A Revenue Bonds	Capital Improvements	06/08/04	2005-2017	82,655	4.6376	56,905		5,300	51,605
Electric System 2005A Revenue Bonds	Capital Improvements	10/04/05	2010-2021	93,480	4.2200	93,280		335	92,945
Electric System 2005B Revenue Bonds	Capital Improvements	10/04/05	2006-2021	156,425	4.2900	151,660		3,245	148,415
Electric System 2007 Rev & Ref Bonds	Refunding	03/13/07	2008-2015	81,130	3.7949	69,475		18,760	50,715
Electric System 2010A Revenue Bonds	Capital Improvements	07/27/10	2014-2015	16,000	1.8644	16,000		0	16,000
Electric System 2010B Rev Bonds (BABS)	Capital Improvements	07/27/10	2031-2035	147,070	3.9071	147,070		0	147,070
Electric System 2010C Rev Bonds (CREBS)	Capital Improvements	07/27/10	2027	24,185	1.9235	24,185		0	24,185
Subtotal Electric System						586,725	0	42,290	544,435

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-12	ISSUED 2012	REDEEMED 2012	AMOUNT O/S 12/31/12
Water System									
PW-DWSRF-00-65120-031	Construction	10/07/02	2003-2021	3,060	2.5000	1,611		162	1,449
PW -00-691-PRE-115	Construction	04/11/01	2003-2021	1,000	0.5000	526		52	474
PW-01-691-061	Construction	08/27/01	2003-2021	10,000	0.5000	5,333		533	4,800
PW -01-691-PRE-127	Construction	02/15/02	2003-2021	1,000	0.5000	542		54	488
PW-02-691-056	Construction	04/15/02	2004-2022	10,000	0.5000	5,844		531	5,313
Water Sys Rev Bonds 2002 (RWSS)	Construction Regional Supply	12/15/02	2005-2032	82,700	4.8820	76,750		825	75,925
Water Sys Ref & Rev Bonds 2003	Construction & Refinance	09/01/03	2004-2023	51,380	4.2340	28,630		3,345	25,285
PW-04-691-PRE-101	Construction	03/19/04	2006-2024	1,000	0.5000	694		54	640
Water Sys Ref & Rev Bonds 2005	Construction & Refinance	10/11/05	2006-2025	46,550	4.6390	37,420		1,935	35,485
PW-06-962-043	Construction	07/18/06	2008-2026	7,000	0.5000	5,559		371	5,188
Water Sys Rev Bonds 2009 (Taxable BABS)	Capital Improvements	11/04/09	2033-2039	76,775	3.7780	76,775		0	76,775
PC08-951-047	Construction	11/25/09	2010-2028	10,000	0.5000	8,749	500	515	8,734
DM07-952-015	Construction	03/31/10	2010-2028	4,040	1.5000	3,257	400	215	3,442
PW-DWSRF 09-952-074	Construction	04/09/10	2013-2032	6,579	1.0000	5,984		0	5,984
Water Sys Rev & Ref Bonds 2010A	Refunding	08/24/10	2012-2023	29,100	3.2789	29,100		515	28,585
Water Sys Rev Bonds 2010B (BABS)	Construction	08/24/10	2024-2040	74,985	5.5636	74,985		0	74,985
Water RWSS Revenue Bonds 2010A	Construction	08/24/10	2013-2024	3,595	3.2460	3,595		0	3,595
Water RWSS Revenue Bonds 2010B (BABS)	Construction	08/24/10	2025-2040	44,245	5.5636	44,245		0	44,245
PW-DWSRF 10-952-026	Construction	06/17/11	2015-2034	6,060	1.5000	5,460		0	5,460
Subtotal Water System						415,059	900	9,107	406,852
Tacoma Rail									
Rail Revenue Bond 2006 (BofA)	Capital Improvements	12/21/06	2007-2017	2,000	5.3900	1,184		201	983
WA State Rail Loan RR00407 2009	Capital Improvements	08/04/09	2010-2024	26	0.0000	23		2	21
WA State Rail Loan RR00408 2009	Capital Improvements	08/04/09	2011-2025	249	0.0000	233		17	216
WA State Rail Loan RRB-1007	Capital Improvements	12/06/11	2013-2022	450	0.0000	450		0	450
WA State Rail Loan RRB-1010	Capital Improvements	03/28/12	2013-2022	612	0.0000	0	612	0	612
WA State Rail Loan RRB-1011	Capital Improvements	03/28/12	2013-2022	349	0.0000	0	245	0	245
Subtotal Tacoma Rail						1,890	857	220	2,527
Lease Revenue									
Lease Revenue Bonds 1990	Construction	03/15/90	1992-2022	36,250	9.3476	23,890		1,420	22,470
Lease Revenue Bonds 1992	Construction	12/15/92	1993-2022	4,695	7.4769	2,960		185	2,775

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-12	ISSUED 2012	REDEEMED 2012	AMOUNT O/S 12/31/12
Subtotal Lease Revenue						26,850	0	1,605	25,245
Conservation Revenue Bonds, guaranteed by BPA									
Conservation System 2003 Bonds	Conservation Project	06/02/03	2003-2014	17,065	4.1957	5,120		1,625	3,495
Total Conservation Bonds`						5,120	0	1,625	3,495
Total Revenue Bonds						\$1,332,753	\$1,757	\$72,329	\$1,262,181
Total General Obligation & Revenue Bonds						\$1,557,000	\$31,422	\$77,384	\$1,511,038
SPECIAL ASSESSMENT BONDS									
Local Improvement District Bonds									
District #60 Bonds	Construction	04/01/04	2026	1,036	3.9290	145		55	90
District #63 Bonds	Construction	09/29/11	2023	1,557	4.1800	1,557		0	1,557
Subtotal LID Bonds/Notes						1,702	0	55	1,647
Bond Anticipation Notes									
Revolving Line of Credit	LID Construction	06/30/00	At CLID Issue	\$13mm Max	Floating	10,975			10,975
Revolving Line of Credit - Point Ruston	LID Construction	08/29/11	2/28/2013	\$28mm Max	3.4500	13,039	12,238		25,277
Subtotal Bond Anticipation Notes						24,014	12,238	0	36,252
Total Special Assessment Bonds						\$25,716	\$12,238	\$55	\$37,899
Total All Bonds						\$1,582,716	\$43,660	\$77,439	\$1,548,937
						\$1,548,937			

Notes related to debt increases:

1. Ltd. Genl Obl Bonds 1997 Ser B - Additions represent accreted interest capitalized to bond principal.
2. Ltd. Genl Obl Bonds 2009E Multiple Projects - Additions represent accreted interest capitalized to bond principal.
3. Ltd. Genl Obl Bonds 2009F Cheney & Env Remed - Additions represent accreted interest capitalized to bond principal.
4. Washington State Dept of Transportation Loan No. STP-STPUL-3268(003) for Murray Morgan Bridge Rehabilitation.
5. PC08-951-047 - Draw from remaining loan balance.
6. DM07-952-015 - Draw from remaining loan balance.
7. Revolving Line of Credit - Point Ruston - Short Term Financing for Point Ruston LIDs

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)
	1/1/1997	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%
	1/1/2011	1,074.8	1,132.9	58.1	94.9%	219.6	26.5%
	1/1/2012	1,068.3	1,185.5	117.2	90.1%	219.4	53.4%

(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)
	1/1/1998	\$ -	35.40	35.40	0%	1.60	2182%
	1/1/2000	-	34.90	34.90	0%	0.70	4909%
	1/1/2002	-	35.90	35.90	0%	0.50	6953%
	1/1/2004	0	39.10	38.60	1%	0.40	10933%
	1/1/2006	1	37.80	36.90	2%	0.30	12866%
	1/1/2008	1	34.80	34.30	2%	0.20	16481%
	1/1/2010	1	35.50	34.40	3%	0.20	15176%
	1/1/2012	0	36.90	36.60	1%	0.20	15391%

Police Relief and Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)		(c)	(b-a/c)
1/1/1998	\$ -	23.50	23.50	0%	0.87	2694%
1/1/2000	-	23.00	23.00	0%	0.51	4449%
1/1/2002	-	25.80	25.80	0%	0.25	10169%
1/1/2004	1	26.50	25.40	4%	0.08	31390%
1/1/2006	3	24.80	34.70	10%	-	NA
1/1/2008	3	22.80	19.80	14%	-	NA
1/1/2010	5	22.00	16.80	24%	-	NA
1/1/2012	0	18.30	18.20	1%	-	NA

Other Post Employment Benefit Plan (OPEB)

SCHEDULE OF FUNDING PROGRESS: (\$ in millions)

Tacoma Employee's Retirement System Fund (TERS)

Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
(a)	(b)	(b-a)		(c)	(b-a/c)
\$ -	\$ 33.21	\$ 33.21	0.0%	NA	NA
-	34.93	34.93	0.0%	NA	NA
-	34.93	34.93	0.0%	NA	NA
-	39.30	39.30	0.0%	NA	NA
-	39.30	39.30	0.0%	210.60	19%

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)		(c)	(b-a/c)
1/1/2008	\$ -	\$ 130.99	\$ 130.99	0.0%	NA	NA
1/1/2009	-	156.69	156.69	0.0%	NA	NA
1/1/2010	-	156.69	156.69	0.0%	NA	NA
1/1/2011	-	190.57	190.57	0.0%	NA	NA
1/1/2012	-	190.57	190.57	0.0%	1.58	12063%

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%	NA	NA
1/1/2009	-	12.39	12.39	0.0%	NA	NA
1/1/2010	-	12.39	12.39	0.0%	NA	NA
1/1/2011	-	16.88	16.88	0.0%	NA	NA
1/1/2012	-	16.88	16.88	0.0%	70.55	24%

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%	NA	NA
1/1/2009	-	1.16	1.16	0.0%	NA	NA
1/1/2010	-	1.16	1.16	0.0%	NA	NA
1/1/2011	-	1.82	1.82	0.0%	NA	NA
1/1/2012	-	1.82	1.82	0.0%	8.38	22%

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 (GTRCCFPD)'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, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 355,864	\$ 355,864	\$ 352,460	\$ (3,404)
Licenses and permits	7,002	7,002	6,031	(971)
Intergovernmental revenue	21,099	21,079	19,235	(1,844)
Charges for goods and services	4,735	4,755	16,247	11,492
Fines and penalties	1,369	1,368	1,417	49
Interest and other earnings	2,834	2,834	1,684	(1,150)
Miscellaneous revenues	1,648	1,648	3,185	1,537
TOTAL REVENUES	<u>394,551</u>	<u>394,550</u>	<u>400,259</u>	<u>5,709</u>
EXPENDITURES				
Current:				
General government	59,595	74,172	67,187	(6,985)
Public safety	244,343	234,050	242,675	8,625
Transportation	22	21	286	265
Economic environment	33,763	31,128	26,289	(4,839)
Mental and physical health	-	-	1,354	1,354
Culture and recreation	24,966	24,966	23,945	(1,021)
Debt service:				
Principal payments	6,030	7,463	-	(7,463)
Interest and other related costs	-	-	13	13
Capital expenditures	-	-	3,804	3,804
TOTAL EXPENDITURES	<u>368,719</u>	<u>371,800</u>	<u>365,553</u>	<u>(6,247)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>25,832</u>	<u>22,750</u>	<u>34,706</u>	<u>11,956</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	419	419	654	235
Insurance recoveries	-	-	37	37
Transfer in	3,602	3,602	6,069	2,467
Transfer (out)	(29,853)	(27,173)	(36,799)	(9,626)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(25,832)</u>	<u>(23,152)</u>	<u>(30,039)</u>	<u>(6,887)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(402)</u>	<u>4,667</u>	<u>5,069</u>
FUND BALANCE - JANUARY 1	39,995	39,995	39,995	-
Prior period adjustment	-	-	(3,096)	(3,096)
FUND BALANCE - JANUARY 1, RESTATED	<u>39,995</u>	<u>39,995</u>	<u>36,899</u>	<u>(3,096)</u>
FUND BALANCE - DECEMBER 31	<u>\$ 39,995</u>	<u>\$ 39,593</u>	<u>\$ 41,566</u>	<u>\$ 1,973</u>

Perspective Difference Reconciliation:

ACTUAL FUND BALANCE - GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
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 accounted for within the General Fund:

Contingency Fund #1030

1,130

Unclaimed Property Fund#(1)6330

0

TOTAL FUND BALANCE - GENERAL FUND BALANCE SHEET FOR GOVERNMENTAL FUNDS

\$ 42,696

STREET FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 8,258	\$ -	\$ 17	\$ 17
Licenses and permits	443	443	260	(183)
Intergovernmental revenue	69,217	89,975	60,824	(29,151)
Charges for goods and services	9,118	9,118	5,278	(3,840)
Interest and other earnings	-	-	268	268
Miscellaneous revenues	3,150	3,150	509	(2,641)
TOTAL REVENUES	<u>90,186</u>	<u>102,686</u>	<u>67,156</u>	<u>(35,530)</u>
EXPENDITURES				
Current:				
Transportation	146,784	182,751	40,339	(142,412)
Capital expenditures	-	-	99,419	99,419
TOTAL EXPENDITURES	<u>146,784</u>	<u>182,751</u>	<u>139,758</u>	<u>(42,993)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(56,598)</u>	<u>(80,065)</u>	<u>(72,602)</u>	<u>7,463</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	11,530	32,710	45,221	12,511
Insurance recoveries	-	-	6	6
Transfer in	40,917	40,917	24,734	(16,183)
Transfer (out)	(850)	(850)	(1,604)	(754)
TOTAL OTHER FINANCE SOURCES(USES)	<u>51,597</u>	<u>72,777</u>	<u>68,357</u>	<u>(4,420)</u>
NET CHANGE IN FUND BALANCE	<u>(5,001)</u>	<u>(7,288)</u>	<u>(4,245)</u>	<u>3,043</u>
FUND BALANCE - JANUARY 1	10,194	10,194	10,194	-
Prior period adjustment	-	-	(3,002)	(3,002)
FUND BALANCE - JANUARY 1, RESTATED	<u>10,194</u>	<u>10,194</u>	<u>7,192</u>	<u>(3,002)</u>
FUND BALANCE - DECEMBER 31	<u>\$ 5,193</u>	<u>\$ 2,906</u>	<u>\$ 2,947</u>	<u>\$ 41</u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 1 of 9

	SPECIAL REVENUE FUNDS		
	COURTS	FIRE	PW FACILITIES
	FUND #1020	DEPARTMENT FUND #1090	ROW STREETS FUND #1100
ASSETS			
Cash and cash equivalents	\$ 29	\$ 612	\$ 867
Investments at fair value	-	-	-
Accounts receivables (net)	-	52	310
Due from other funds	-	182	-
Due from other governments	-	786	-
Inventories	-	-	-
Prepayments	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>29</u>	<u>1,632</u>	<u>1,177</u>
DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>29</u>	<u>1,632</u>	<u>1,177</u>
LIABILITIES			
Accounts payable	-	163	1
Due to other funds	-	182	2
Accrued wages	-	153	-
Accrued taxes	-	-	1
Customer deposits	-	-	25
Advances from other funds	-	1,200	-
Unearned revenue	-	56	-
TOTAL LIABILITIES	<u>-</u>	<u>1,754</u>	<u>29</u>
DEFERRED INFLOWS OF RESOURCES			
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	29	626	-
Committed	-	-	1,148
Assigned	-	-	-
Unassigned	-	(748)	-
TOTAL FUND BALANCES (DEFICITS)	<u>29</u>	<u>(122)</u>	<u>1,148</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 29</u>	<u>\$ 1,632</u>	<u>\$ 1,177</u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 2 of 9

	SPECIAL REVENUE FUNDS		
	LID GUARANTEE FUND #1110	PATHS AND TRAILS FUND #1140	BUILDING AND LAND USE FUND #1145
ASSETS			
Cash and cash equivalents	\$ 135	\$ 501	\$ 2,020
Investments at fair value	4,190	-	-
Accounts receivables (net)	-	-	741
Due from other funds	-	3	3
Due from other governments	-	35	-
Inventories	-	-	-
Prepayments	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>4,325</u>	<u>539</u>	<u>2,764</u>
DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>4,325</u></u>	<u><u>539</u></u>	<u><u>2,764</u></u>
LIABILITIES			
Accounts payable	-	19	38
Due to other funds	2	2	1
Accrued wages	5	-	-
Accrued taxes	-	-	6
Customer deposits	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	<u>7</u>	<u>21</u>	<u>45</u>
DEFERRED INFLOWS OF RESOURCES			
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	4,318	518	-
Committed	-	-	2,719
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>4,318</u>	<u>518</u>	<u>2,719</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u><u>\$ 4,325</u></u>	<u><u>\$ 539</u></u>	<u><u>\$ 2,764</u></u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 3 of 9

	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	\$ 8,640	\$ 387	\$ 2,176	\$ 15,953
Investments at fair value	-	-	-	-
Accounts receivables (net)	257	-	125	3,130
Due from other funds	3	-	11	6
Due from other governments	495	351	1,085	713
Inventories	75	-	-	-
Prepayments	16	-	3	-
Advances to other funds	-	-	-	130
TOTAL ASSETS	<u>9,486</u>	<u>738</u>	<u>3,400</u>	<u>19,932</u>
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>9,486</u></u>	<u><u>738</u></u>	<u><u>3,400</u></u>	<u><u>19,932</u></u>
LIABILITIES				
Accounts payable	35	-	73	634
Due to other funds	29	-	136	16
Accrued wages	417	-	3	-
Accrued taxes	-	-	-	7
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	683	-	214	225
TOTAL LIABILITIES	<u>1,164</u>	<u>-</u>	<u>426</u>	<u>882</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	75	-	3	-
Restricted	8,247	738	2,815	5,377
Committed	-	-	-	13,673
Assigned	-	-	156	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>8,322</u>	<u>738</u>	<u>2,974</u>	<u>19,050</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u><u>\$ 9,486</u></u>	<u><u>\$ 738</u></u>	<u><u>\$ 3,400</u></u>	<u><u>\$ 19,932</u></u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 4 of 9

	SPECIAL REVENUE FUNDS		
	LIBRARY FUND #1200	HUB FUND #1236	POLICE FUND #1267
ASSETS			
Cash and cash equivalents	\$ 6,403	\$ 114	\$ 1,538
Investments at fair value	-	-	-
Accounts receivables (net)	-	-	37
Due from other funds	8	18	8
Due from other governments	-	-	464
Inventories	-	-	-
Prepayments	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>6,411</u>	<u>132</u>	<u>2,047</u>
DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>6,411</u></u>	<u><u>132</u></u>	<u><u>2,047</u></u>
LIABILITIES			
Accounts payable	3	-	21
Due to other funds	-	1	7
Accrued wages	-	6	19
Accrued taxes	5	-	48
Customer deposits	-	-	23
Advances from other funds	-	-	-
Unearned revenue	-	-	177
TOTAL LIABILITIES	<u>8</u>	<u>7</u>	<u>295</u>
DEFERRED INFLOWS OF RESOURCES			
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	17	-	-
Restricted	4,831	-	1,318
Committed	1,440	125	110
Assigned	115	-	324
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>6,403</u>	<u>125</u>	<u>1,752</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u><u>\$ 6,411</u></u>	<u><u>\$ 132</u></u>	<u><u>\$ 2,047</u></u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 5 of 9

	SPECIAL REVENUE FUNDS			
	CABLE TV FUND #1431	HUMAN RESOURCES FUND #1500	CITY MANAGER FUND #1600	TRAFFIC ENFORCEMENT FUND #1650
ASSETS				
Cash and cash equivalents	\$ 4,625	\$ 273	\$ -	\$ 179
Investments at fair value	-	-	-	-
Accounts receivables (net)	1	7	-	-
Due from other funds	-	16	-	13
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>4,626</u>	<u>296</u>	<u>-</u>	<u>192</u>
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>4,626</u>	<u>296</u>	<u>-</u>	<u>192</u>
LIABILITIES				
Accounts payable	48	11	-	72
Due to other funds	55	1	-	14
Accrued wages	52	6	-	105
Accrued taxes	-	-	-	-
Customer deposits	50	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>205</u>	<u>18</u>	<u>-</u>	<u>191</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	2,150	-	-	-
Committed	1,051	279	-	1
Assigned	1,220	-	-	-
Unassigned	-	(1)	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>4,421</u>	<u>278</u>	<u>-</u>	<u>1</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 4,626</u>	<u>\$ 296</u>	<u>\$ -</u>	<u>\$ 192</u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 6 of 9

	DEBT SERVICE FUNDS			
	VOTED	NON-VOTED	CTED PWTf	2001
	BONDS FUND #2010	BONDS FUND #2035	LOANS FUND #2038	LTGO REFUNDING FUND #2039
ASSETS				
Cash and cash equivalents	\$ 854	\$ -	\$ -	\$ -
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	136	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>990</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>990</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
LIABILITIES				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	112	-	-	-
TOTAL LIABILITIES	<u>112</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	878	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>878</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u><u>\$ 990</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 7 of 9

	DEBT SERVICE FUNDS		
	2009 LTGO BONDS SERIES A-F FUND #2040	2010 LTGO BONDS FUND #2041	CONSOLIDATED LID BOND REDEMPTION FUND # (2)7999
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 704
Investments at fair value	-	-	-
Accounts receivables (net)	-	-	1,493
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepayments	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>2,197</u>
DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,197</u></u>
LIABILITIES			
Accounts payable	-	-	-
Due to other funds	-	-	-
Accrued wages	-	-	-
Accrued taxes	-	-	-
Customer deposits	-	-	-
Advances from other funds	-	-	67
Unearned revenue	-	-	1,376
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>1,443</u>
DEFERRED INFLOWS OF RESOURCES			
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	-	-	754
Committed	-	-	-
Assigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>754</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,197</u></u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 8 of 9

	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	\$ 86	\$ 9,080	\$ 37	\$ 175
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	-	122	-	-
Due from other governments	-	547	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	3,923	-	-
TOTAL ASSETS	<u>86</u>	<u>13,672</u>	<u>37</u>	<u>175</u>
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>86</u></u>	<u><u>13,672</u></u>	<u><u>37</u></u>	<u><u>175</u></u>
LIABILITIES				
Accounts payable	-	52	-	-
Due to other funds	-	58	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	2	-	-
Customer deposits	-	-	-	-
Advances from other funds	130	-	4,200	-
Unearned revenue	-	6	-	-
TOTAL LIABILITIES	<u>130</u>	<u>118</u>	<u>4,200</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	9,635	-	175
Committed	86	-	37	-
Assigned	-	3,919	-	-
Unassigned	(130)	-	(4,200)	-
TOTAL FUND BALANCES (DEFICITS)	<u>(44)</u>	<u>13,554</u>	<u>(4,163)</u>	<u>175</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u><u>\$ 86</u></u>	<u><u>\$ 13,672</u></u>	<u><u>\$ 37</u></u>	<u><u>\$ 175</u></u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 9 of 9

	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
ASSETS				
Cash and cash equivalents	\$ 13,114	\$ 23,844	\$ 116	\$ 92,462
Investments at fair value	-	-	-	4,190
Accounts receivables (net)	-	-	-	6,153
Due from other funds	8	2	-	403
Due from other governments	501	-	-	5,113
Inventories	-	-	-	75
Prepayments	-	-	-	19
Advances to other funds	-	-	-	4,053
TOTAL ASSETS	13,623	23,846	116	112,468
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	13,623	23,846	116	112,468
LIABILITIES				
Accounts payable	653	110	-	1,933
Due to other funds	-	890	-	1,396
Accrued wages	-	-	-	766
Accrued taxes	-	-	-	69
Customer deposits	-	-	-	98
Advances from other funds	-	-	-	5,597
Unearned revenue	-	-	-	2,849
TOTAL LIABILITIES	653	1,000	-	12,708
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	95
Restricted	12,970	22,846	116	78,341
Committed	-	-	-	20,669
Assigned	-	-	-	5,734
Unassigned	-	-	-	(5,079)
TOTAL FUND BALANCES (DEFICITS)	12,970	22,846	116	99,760
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 13,623	\$ 23,846	\$ 116	\$ 112,468

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 1 of 9

	SPECIAL REVENUE FUNDS		
	COURTS FUND #1020	FIRE DEPARTMENT FUND #1090	PW FACILITIES ROW STREETS FUND #1100
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	83
Intergovernmental revenue	62	4,489	-
Charges for goods and services	-	-	5
Fines and penalties	5	-	-
Interest and other earnings	-	18	14
Miscellaneous revenues	-	17	502
TOTAL REVENUES	<u>67</u>	<u>4,524</u>	<u>604</u>
EXPENDITURES			
Current:			
General government	72	-	116
Public safety	-	3,430	-
Transportation	-	-	-
Economic environment	-	-	-
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and other related costs	-	-	-
Capital expenditures	-	707	-
TOTAL EXPENDITURES	<u>72</u>	<u>4,137</u>	<u>116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5)</u>	<u>387</u>	<u>488</u>
OTHER FINANCING SOURCES (USES)			
Issuance discount on long-term debt	-	-	-
Proceeds from sales of capital assets	-	2	-
Transfer in	-	29	-
Transfer (out)	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>31</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(5)</u>	<u>418</u>	<u>488</u>
FUND BALANCE - JANUARY 1	34	(559)	660
Prior period adjustment	-	19	-
FUND BALANCE - JANUARY 1, RESTATED	<u>34</u>	<u>(540)</u>	<u>660</u>
FUND BALANCE - DECEMBER 31	<u>\$ 29</u>	<u>\$ (122)</u>	<u>\$ 1,148</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 2 of 9

	SPECIAL REVENUE FUNDS		
	LID GUARANTEE FUND #1110	PATHS AND TRAILS FUND #1140	BUILDING AND LAND USE FUND #1145
REVENUES			
Taxes	\$ -	\$ 19	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	218	-
Charges for goods and services	-	-	169
Fines and penalties	-	-	203
Interest and other earnings	3	8	35
Miscellaneous revenues	-	-	30
TOTAL REVENUES	<u>3</u>	<u>245</u>	<u>437</u>
EXPENDITURES			
Current:			
General government	97	-	-
Public safety	-	-	-
Transportation	-	7	-
Economic environment	-	-	271
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and other related costs	-	-	-
Capital expenditures	-	272	1
TOTAL EXPENDITURES	<u>97</u>	<u>279</u>	<u>272</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(94)</u>	<u>(34)</u>	<u>165</u>
OTHER FINANCING SOURCES (USES)			
Issuance discount on long-term debt	-	-	-
Proceeds from sales of capital assets	-	-	-
Transfer in	1,509	85	2
Transfer (out)	-	(2)	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>1,509</u>	<u>83</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	<u>1,415</u>	<u>49</u>	<u>167</u>
FUND BALANCE - JANUARY 1	2,903	469	2,552
Prior period adjustment	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>2,903</u>	<u>469</u>	<u>2,552</u>
FUND BALANCE - DECEMBER 31	<u>\$ 4,318</u>	<u>\$ 518</u>	<u>\$ 2,719</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 3 of 9

	SPECIAL REVENUE FUNDS			
	FIRE EMS FUND #1155	TOURISM AND CONVENTIONS FUND #1180	HR & HS FUND #1185	ECONOMIC DEVELOPMENT FUND #1195
REVENUES				
Taxes	\$ 8,928	\$ 3,095	\$ 2,177	\$ 1
Licenses and permits	-	-	-	-
Intergovernmental revenue	7	-	1,501	9,242
Charges for goods and services	3,208	-	311	815
Fines and penalties	-	-	-	-
Interest and other earnings	133	12	19	492
Miscellaneous revenues	190	-	55	153
TOTAL REVENUES	12,466	3,107	4,063	10,703
EXPENDITURES				
Current:				
General government	-	-	-	272
Public safety	12,314	-	490	798
Transportation	-	-	-	104
Economic environment	-	9	996	5,343
Mental and physical health	-	-	675	9
Culture and recreation	-	-	-	126
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	78	-	-	34
TOTAL EXPENDITURES	12,392	9	2,161	6,686
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	74	3,098	1,902	4,017
OTHER FINANCING SOURCES (USES)				
Issuance discount on long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	-	-	1,025
Transfer in	149	-	78	7
Transfer (out)	(270)	(2,978)	-	(206)
TOTAL OTHER FINANCE SOURCES(USES)	(121)	(2,978)	78	826
NET CHANGE IN FUND BALANCE	(47)	120	1,980	4,843
FUND BALANCE - JANUARY 1	8,001	618	755	14,207
Prior period adjustment	368	-	239	-
FUND BALANCE - JANUARY 1. RESTATED	8,369	618	994	14,207
FUND BALANCE - DECEMBER 31	\$ 8,322	\$ 738	\$ 2,974	\$ 19,050

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 4 of 9

	SPECIAL REVENUE FUNDS		
	LIBRARY FUND #1200	HUB FUND #1236	POLICE FUND #1267
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	62
Intergovernmental revenue	67	-	2,232
Charges for goods and services	9	179	213
Fines and penalties	-	-	150
Interest and other earnings	112	-	34
Miscellaneous revenues	399	-	1,209
TOTAL REVENUES	<u>587</u>	<u>179</u>	<u>3,900</u>
EXPENDITURES			
Current:			
General government	-	179	-
Public safety	-	-	2,793
Transportation	-	-	-
Economic environment	-	-	-
Mental and physical health	-	-	-
Culture and recreation	113	-	-
Debt service:			
Principal payments	-	-	-
Interest and other related costs	-	-	-
Capital expenditures	26	-	22
TOTAL EXPENDITURES	<u>139</u>	<u>179</u>	<u>2,815</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>448</u>	<u>-</u>	<u>1,085</u>
OTHER FINANCING SOURCES (USES)			
Issuance discount on long-term debt	-	-	-
Proceeds from sales of capital assets	-	-	3
Transfer in	-	4	10
Transfer (out)	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>4</u>	<u>13</u>
NET CHANGE IN FUND BALANCE	<u>448</u>	<u>4</u>	<u>1,098</u>
FUND BALANCE - JANUARY 1	5,955	121	654
Prior period adjustment	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>5,955</u>	<u>121</u>	<u>654</u>
FUND BALANCE - DECEMBER 31	<u>\$ 6,403</u>	<u>\$ 125</u>	<u>\$ 1,752</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 5 of 9

	SPECIAL REVENUE FUNDS			
	CABLE TV FUND #1431	HUMAN RESOURCES FUND #1500	CITY MANAGER FUND #1600	TRAFFIC ENFORCEMENT FUND #1650
REVENUES				
Taxes	\$ 2,986	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	252	214	-
Charges for goods and services	249	177	-	-
Fines and penalties	-	-	-	2,721
Interest and other earnings	77	6	-	6
Miscellaneous revenues	113	4	-	-
TOTAL REVENUES	<u>3,425</u>	<u>439</u>	<u>214</u>	<u>2,727</u>
EXPENDITURES				
Current:				
General government	2,523	-	-	-
Public safety	-	-	-	4,276
Transportation	-	-	369	-
Economic environment	-	419	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	52	-	102	-
TOTAL EXPENDITURES	<u>2,575</u>	<u>419</u>	<u>471</u>	<u>4,276</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>850</u>	<u>20</u>	<u>(257)</u>	<u>(1,549)</u>
OTHER FINANCING SOURCES (USES)				
Issuance discount on long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	11	1	14	3,367
Transfer (out)	(43)	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(32)</u>	<u>1</u>	<u>14</u>	<u>3,367</u>
NET CHANGE IN FUND BALANCE	<u>818</u>	<u>21</u>	<u>(243)</u>	<u>1,818</u>
FUND BALANCE - JANUARY 1	3,603	257	-	(1,817)
Prior period adjustment	-	-	243	-
FUND BALANCE - JANUARY 1. RESTATED	<u>3,603</u>	<u>257</u>	<u>243</u>	<u>(1,817)</u>
FUND BALANCE - DECEMBER 31	<u>\$ 4,421</u>	<u>\$ 278</u>	<u>\$ -</u>	<u>\$ 1</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 6 of 9

	DEBT SERVICE FUNDS			
	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	CTED PWTF LOANS FUND #2038	2001 LTGO REFUNDING FUND #2039
REVENUES				
Taxes	\$ 2,612	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>2,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	1,715	-	1,111	-
Interest and other related costs	988	594	74	52
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>2,703</u>	<u>594</u>	<u>1,185</u>	<u>52</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(91)</u>	<u>(594)</u>	<u>(1,185)</u>	<u>(52)</u>
OTHER FINANCING SOURCES (USES)				
Issuance discount on long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	-	594	1,185	52
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>594</u>	<u>1,185</u>	<u>52</u>
NET CHANGE IN FUND BALANCE	<u>(91)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	969	-	-	-
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>969</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 878</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, 2012

(amounts expressed in thousands)

Page 7 of 9

	DEBT SERVICE FUNDS		
	2009		CONSOLIDATED
	LTGO BONDS	2010	LID BOND
	SERIES A-F	LTGO BONDS	REDEMPTION
	FUND #2040	FUND #2041	FUND # (2)7999
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for goods and services	-	-	11
Fines and penalties	-	-	-
Interest and other earnings	7	-	11
Miscellaneous revenues	1,010	-	457
TOTAL REVENUES	1,017	-	479
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal payments	1,110	-	55
Interest and other related costs	1,407	2,456	32
Capital expenditures	-	-	-
TOTAL EXPENDITURES	2,517	2,456	87
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,500)	(2,456)	392
OTHER FINANCING SOURCES (USES)			
Issuance discount on long-term debt	-	-	-
Proceeds from sales of capital assets	-	-	-
Transfer in	1,486	2,449	-
Transfer (out)	-	-	(8)
TOTAL OTHER FINANCE SOURCES(USES)	1,486	2,449	(8)
NET CHANGE IN FUND BALANCE	(14)	(7)	384
FUND BALANCE - JANUARY 1	14	7	370
Prior period adjustment	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	14	7	370
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 754

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 8 of 9

CAPITAL PROJECT FUNDS				
	1997 BOND ISSUE FUND #3209	CAPITAL PROJECTS FUND #3211	2002 POLICE FACILITY FUND #3216	PARKING GARAGE FUND #3217
REVENUES				
Taxes	\$ -	\$ 3,739	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	24	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	2	232	1	2
Miscellaneous revenues	-	77	-	-
TOTAL REVENUES	<u>2</u>	<u>4,072</u>	<u>1</u>	<u>2</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	359	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	83	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	71	443
Capital expenditures	-	152	-	76
TOTAL EXPENDITURES	<u>-</u>	<u>594</u>	<u>71</u>	<u>519</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2</u>	<u>3,478</u>	<u>(70)</u>	<u>(517)</u>
OTHER FINANCING SOURCES (USES)				
Issuance discount on long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	2	22	94	551
Transfer (out)	-	(3,215)	-	(108)
TOTAL OTHER FINANCE SOURCES(USES)	<u>2</u>	<u>(3,193)</u>	<u>94</u>	<u>443</u>
NET CHANGE IN FUND BALANCE	<u>4</u>	<u>285</u>	<u>24</u>	<u>(74)</u>
FUND BALANCE - JANUARY 1	(48)	13,294	(4,187)	249
Prior period adjustment	-	(25)	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>(48)</u>	<u>13,269</u>	<u>(4,187)</u>	<u>249</u>
FUND BALANCE - DECEMBER 31	\$ <u>(44)</u>	\$ <u>13,554</u>	\$ <u>(4,163)</u>	\$ <u>175</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 9 of 9

	CAPITAL PROJECT FUNDS			TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	2009	2010		
	LTGO CAPITAL PROJECTS FUND #3218	LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND # (3)7070	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 23,557
Licenses and permits	-	-	-	145
Intergovernmental revenue	512	-	-	18,820
Charges for goods and services	6	-	1,040	6,392
Fines and penalties	-	-	-	3,079
Interest and other earnings	236	444	-	1,904
Miscellaneous revenues	-	-	(116)	4,100
TOTAL REVENUES	<u>754</u>	<u>444</u>	<u>924</u>	<u>57,997</u>
EXPENDITURES				
Current:				
General government	-	334	-	3,593
Public safety	-	-	-	24,101
Transportation	-	2,705	-	3,544
Economic environment	-	-	-	7,038
Mental and physical health	-	-	-	684
Culture and recreation	1,775	936	-	3,033
Debt service:				
Principal payments	-	-	-	3,991
Interest and other related costs	-	-	-	6,117
Capital expenditures	1,556	175	-	3,253
TOTAL EXPENDITURES	<u>3,331</u>	<u>4,150</u>	<u>-</u>	<u>55,354</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,577)</u>	<u>(3,706)</u>	<u>924</u>	<u>2,643</u>
OTHER FINANCING SOURCES (USES)				
Issuance discount on long-term debt	-	-	(3)	(3)
Proceeds from sales of capital assets	-	-	-	1,030
Transfer in	453	191	-	12,345
Transfer (out)	-	(3,506)	(904)	(11,240)
TOTAL OTHER FINANCE SOURCES(USES)	<u>453</u>	<u>(3,315)</u>	<u>(907)</u>	<u>2,132</u>
NET CHANGE IN FUND BALANCE	<u>(2,124)</u>	<u>(7,021)</u>	<u>17</u>	<u>4,775</u>
FUND BALANCE - JANUARY 1	15,094	29,867	99	94,141
Prior period adjustment	-	-	-	844
FUND BALANCE - JANUARY 1, RESTATED	<u>15,094</u>	<u>29,867</u>	<u>99</u>	<u>94,985</u>
FUND BALANCE - DECEMBER 31	<u>\$ 12,970</u>	<u>\$ 22,846</u>	<u>\$ 116</u>	<u>\$ 99,760</u>

SPECIAL REVENUE FUND - COURTS (1020)

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

For the Year Ended December 31, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 135	\$ 135	\$ 192	\$ 57
Fines and penalties	-	-	10	10
TOTAL REVENUES	<u>135</u>	<u>135</u>	<u>202</u>	<u>67</u>
EXPENDITURES				
Current:				
General government	250	250	72	(178)
Public safety	-	-	136	136
TOTAL EXPENDITURES	<u>250</u>	<u>250</u>	<u>208</u>	<u>(42)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(115)</u>	<u>(115)</u>	<u>(6)</u>	<u>109</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(115)</u>	<u>(115)</u>	<u>(6)</u>	<u>109</u>
FUND BALANCE - JANUARY 1	35	35	35	-
FUND BALANCE - DECEMBER 31	<u>\$ (80)</u>	<u>\$ (80)</u>	<u>\$ 29</u>	<u>\$ 109</u>

SPECIAL REVENUE FUND - CONTINGENCY (1030)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 52	\$ 52
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>52</u>	<u>52</u>
EXPENDITURES				
Current:				
General government	<u>1,500</u>	<u>1,500</u>	<u>73</u>	<u>(1,427)</u>
TOTAL EXPENDITURES	<u>1,500</u>	<u>1,500</u>	<u>73</u>	<u>(1,427)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,500)</u>	<u>(1,500)</u>	<u>(21)</u>	<u>1,479</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	<u>-</u>	<u>-</u>	<u>(21)</u>	<u>(21)</u>
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>\$ 1,130</u>	<u>\$ (21)</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, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 2,460	\$ 6,953	\$ 6,315	\$ (638)
Interest and other earnings	25	31	41	10
Miscellaneous revenues	20	72	297	225
TOTAL REVENUES	<u>2,505</u>	<u>7,056</u>	<u>6,653</u>	<u>(403)</u>
EXPENDITURES				
Current:				
General government	-	-	287	287
Public safety	2,283	7,403	4,525	(2,878)
Debt service:				
Principal payments	267	267	-	(267)
Interest and other related costs	-	-	30	30
Capital expenditures	-	-	1,216	1,216
TOTAL EXPENDITURES	<u>2,550</u>	<u>7,670</u>	<u>6,058</u>	<u>(1,612)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(45)</u>	<u>(614)</u>	<u>595</u>	<u>1,209</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	10	10
Transfer in	-	531	183	(348)
Transfer (out)	-	-	(89)	(89)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>531</u>	<u>104</u>	<u>(427)</u>
NET CHANGE IN FUND BALANCE	<u>(45)</u>	<u>(83)</u>	<u>699</u>	<u>782</u>
FUND BALANCE - JANUARY 1	(929)	(929)	(929)	-
Prior period adjustment	-	-	108	108
FUND BALANCE - JANUARY 1, RESTATED	<u>(929)</u>	<u>(929)</u>	<u>(821)</u>	<u>108</u>
FUND BALANCE - DECEMBER 31	<u>\$ (974)</u>	<u>\$ (1,012)</u>	<u>\$ (122)</u>	<u>\$ 890</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, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 67	\$ 67	\$ 171	\$ 104
Charges for goods and services	-	-	5	5
Interest and other earnings	-	-	32	32
Miscellaneous revenues	55	55	662	607
TOTAL REVENUES	<u>122</u>	<u>122</u>	<u>870</u>	<u>748</u>
EXPENDITURES				
Current:				
General government	205	235	117	(118)
Transportation	-	-	47	47
Economic environment	-	-	27	27
TOTAL EXPENDITURES	<u>205</u>	<u>235</u>	<u>191</u>	<u>(44)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(83)</u>	<u>(113)</u>	<u>679</u>	<u>792</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(83)</u>	<u>(113)</u>	<u>679</u>	<u>792</u>
FUND BALANCE - JANUARY 1	469	469	469	-
FUND BALANCE - DECEMBER 31	<u>\$ 386</u>	<u>\$ 356</u>	<u>\$ 1,148</u>	<u>\$ 792</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, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 253	\$ 253
Miscellaneous revenues	337	337	-	(337)
TOTAL REVENUES	337	337	253	(84)
EXPENDITURES				
Current:				
General government	337	336	239	(97)
TOTAL EXPENDITURES	337	336	239	(97)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1	14	13
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	1,518	1,518
Transfer (out)	-	(1)	-	1
TOTAL OTHER FINANCE SOURCES(USES)	-	(1)	1,518	1,519
NET CHANGE IN FUND BALANCE	-	-	1,532	1,532
FUND BALANCE - JANUARY 1	2,786	2,786	2,786	-
FUND BALANCE - DECEMBER 31	\$ 2,786	\$ 2,786	\$ 4,318	\$ 1,532

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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 34	\$ 35	\$ 19	\$ (16)
Intergovernmental revenue	1,195	1,660	304	(1,356)
Interest and other earnings	-	-	22	22
TOTAL REVENUES	<u>1,229</u>	<u>1,695</u>	<u>345</u>	<u>(1,350)</u>
EXPENDITURES				
Current:				
Transportation	2,107	2,573	16	(2,557)
Capital expenditures	-	-	415	415
TOTAL EXPENDITURES	<u>2,107</u>	<u>2,573</u>	<u>431</u>	<u>(2,142)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(878)</u>	<u>(878)</u>	<u>(86)</u>	<u>792</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	800	800	102	(698)
Transfer (out)	-	-	(9)	(9)
TOTAL OTHER FINANCE SOURCES(USES)	<u>800</u>	<u>800</u>	<u>93</u>	<u>(707)</u>
NET CHANGE IN FUND BALANCE	<u>(78)</u>	<u>(78)</u>	<u>7</u>	<u>85</u>
FUND BALANCE - JANUARY 1	511	511	511	-
FUND BALANCE - DECEMBER 31	<u>\$ 433</u>	<u>\$ 433</u>	<u>\$ 518</u>	<u>\$ 85</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 58	\$ 58
Charges for goods and services	65	65	328	263
Fines and penalties	(209)	(209)	354	563
Interest and other earnings	10	10	100	90
Miscellaneous revenues	-	-	30	30
TOTAL REVENUES	<u>(134)</u>	<u>(134)</u>	<u>870</u>	<u>1,004</u>
EXPENDITURES				
Current:				
Transportation	-	-	310	310
Economic environment	1,900	1,900	271	(1,629)
Capital expenditures	-	-	305	305
TOTAL EXPENDITURES	<u>1,900</u>	<u>1,900</u>	<u>886</u>	<u>(1,014)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,034)</u>	<u>(2,034)</u>	<u>(16)</u>	<u>2,018</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	52	52
Transfer (out)	(200)	(4,471)	(4,285)	186
TOTAL OTHER FINANCE SOURCES(USES)	<u>(200)</u>	<u>(4,471)</u>	<u>(4,233)</u>	<u>238</u>
NET CHANGE IN FUND BALANCE	<u>(2,234)</u>	<u>(6,505)</u>	<u>(4,249)</u>	<u>2,256</u>
FUND BALANCE - JANUARY 1	6,968	6,968	6,968	-
FUND BALANCE - DECEMBER 31	<u>\$ 4,734</u>	<u>\$ 463</u>	<u>\$ 2,719</u>	<u>\$ 2,256</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 18,738	\$ 18,737	\$ 18,321	\$ (416)
Intergovernmental revenue	52	52	33	(19)
Charges for goods and services	5,063	5,063	5,835	772
Interest and other earnings	426	426	376	(50)
Miscellaneous revenues	50	50	211	161
TOTAL REVENUES	<u>24,329</u>	<u>24,328</u>	<u>24,776</u>	<u>448</u>
EXPENDITURES				
Current:				
Public safety	27,077	27,864	24,677	(3,187)
Capital expenditures	-	-	934	934
TOTAL EXPENDITURES	<u>27,077</u>	<u>27,864</u>	<u>25,611</u>	<u>(2,253)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,748)</u>	<u>(3,536)</u>	<u>(835)</u>	<u>2,701</u>
OTHER FINANCING SOURCES (USES)	\			
Transfer in	-	-	149	149
Transfer (out)	(265)	(265)	(465)	(200)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(265)</u>	<u>(265)</u>	<u>(316)</u>	<u>(51)</u>
NET CHANGE IN FUND BALANCE	<u>(3,013)</u>	<u>(3,801)</u>	<u>(1,151)</u>	<u>2,650</u>
FUND BALANCE - JANUARY 1	9,105	9,105	9,105	-
Prior period adjustment	-	-	368	368
FUND BALANCE - JANUARY 1. RESTATED	<u>9,105</u>	<u>9,105</u>	<u>9,473</u>	<u>368</u>
FUND BALANCE - DECEMBER 31	<u>\$ 6,092</u>	<u>\$ 5,304</u>	<u>\$ 8,322</u>	<u>\$ 3,018</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,725	\$ 6,725	\$ 3,095	\$ (3,630)
Intergovernmental revenue	-	-	2,781	2,781
Interest and other earnings	-	-	32	32
TOTAL REVENUES	<u>6,725</u>	<u>6,725</u>	<u>5,908</u>	<u>(817)</u>
EXPENDITURES				
Current:				
Economic environment	23	23	9	(14)
Culture and recreation	-	-	11	11
TOTAL EXPENDITURES	<u>23</u>	<u>23</u>	<u>20</u>	<u>(3)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,702</u>	<u>6,702</u>	<u>5,888</u>	<u>(814)</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	(6,728)	(6,728)	(6,036)	692
TOTAL OTHER FINANCE SOURCES(USES)	<u>(6,728)</u>	<u>(6,728)</u>	<u>(6,036)</u>	<u>692</u>
NET CHANGE IN FUND BALANCE	<u>(26)</u>	<u>(26)</u>	<u>(148)</u>	<u>(122)</u>
FUND BALANCE - JANUARY 1	886	886	886	-
FUND BALANCE - DECEMBER 31	<u>\$ 860</u>	<u>\$ 860</u>	<u>\$ 738</u>	<u>\$ (122)</u>

SPECIAL REVENUE FUND - HR & HS (1185)

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

For the Year Ended December 31, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ 1,276	\$ 2,177	\$ 901
Intergovernmental revenue	2,039	2,394	2,606	212
Charges for goods and services	1,018	1,018	954	(64)
Interest and other earnings	15	15	53	38
Miscellaneous revenues	187	237	221	(16)
TOTAL REVENUES	<u>3,259</u>	<u>4,940</u>	<u>6,011</u>	<u>1,071</u>
EXPENDITURES				
Current:				
Public safety	1,958	2,208	1,534	(674)
Economic environment	3,258	3,413	1,341	(2,072)
Mental and physical health	-	1,276	1,410	134
TOTAL EXPENDITURES	<u>5,216</u>	<u>6,897</u>	<u>4,285</u>	<u>(2,612)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,957)</u>	<u>(1,957)</u>	<u>1,726</u>	<u>3,683</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	765	765	205	(560)
TOTAL OTHER FINANCE SOURCES(USES)	<u>765</u>	<u>765</u>	<u>205</u>	<u>(560)</u>
NET CHANGE IN FUND BALANCE	<u>(1,192)</u>	<u>(1,192)</u>	<u>1,931</u>	<u>3,123</u>
FUND BALANCE - JANUARY 1	804	804	804	-
Prior period adjustment	-	-	239	239
FUND BALANCE - JANUARY 1. RESTATED	<u>804</u>	<u>804</u>	<u>1,043</u>	<u>239</u>
FUND BALANCE - DECEMBER 31	<u>\$ (388)</u>	<u>\$ (388)</u>	<u>\$ 2,974</u>	<u>\$ 3,362</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental revenue	27,125	28,089	14,894	(13,195)
Charges for goods and services	2,384	2,384	1,636	(748)
Interest and other earnings	449	449	906	457
Miscellaneous revenues	382	382	447	65
TOTAL REVENUES	<u>30,340</u>	<u>31,304</u>	<u>17,884</u>	<u>(13,420)</u>
EXPENDITURES				
Current:				
General government	1,821	1,821	272	(1,549)
Public safety	3,362	3,361	810	(2,551)
Transportation	1,172	1,172	128	(1,044)
Economic environment	34,503	35,233	12,270	(22,963)
Mental and physical health	60	60	29	(31)
Culture and recreation	2,061	2,296	378	(1,918)
Capital expenditures	-	-	84	84
TOTAL EXPENDITURES	<u>42,979</u>	<u>43,943</u>	<u>13,971</u>	<u>(29,972)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(12,639)</u>	<u>(12,639)</u>	<u>3,913</u>	<u>16,552</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	1,026	1,026
Transfer in	-	-	7	7
Transfer (out)	-	-	(563)	(563)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>470</u>	<u>470</u>
NET CHANGE IN FUND BALANCE	<u>(12,639)</u>	<u>(12,639)</u>	<u>4,383</u>	<u>17,022</u>
FUND BALANCE - JANUARY 1	14,667	14,667	14,667	-
FUND BALANCE - DECEMBER 31	<u>\$ 2,028</u>	<u>\$ 2,028</u>	<u>\$ 19,050</u>	<u>\$ 17,022</u>

SPECIAL REVENUE FUND - LIBRARY (1200)

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

For the Year Ended December 31, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 130	\$ 131	\$ 1
Charges for goods and services	-	30	52	22
Interest and other earnings	-	252	283	31
Miscellaneous revenues	-	212	452	240
TOTAL REVENUES	-	624	918	294
EXPENDITURES				
Current:				
Culture and recreation	4	880	271	(609)
Capital expenditures	-	-	39	39
TOTAL EXPENDITURES	4	880	310	(570)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4)	(256)	608	864
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	(4)	(256)	608	864
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	\$ 5,360	\$ 6,403	\$ 1,043

SPECIAL REVENUE FUND - HUB (1236)

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

For the Year Ended December 31, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 472	\$ 472	\$ 179	\$ (293)
Miscellaneous revenues	-	-	1	1
TOTAL REVENUES	<u>472</u>	<u>472</u>	<u>180</u>	<u>(292)</u>
EXPENDITURES				
Current:				
General government	<u>471</u>	<u>471</u>	<u>179</u>	<u>(292)</u>
TOTAL EXPENDITURES	<u>471</u>	<u>471</u>	<u>179</u>	<u>(292)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Transfer in	-	-	4	4
Transfer (out)	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>(1)</u>	<u>(1)</u>	<u>3</u>	<u>4</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
FUND BALANCE - JANUARY 1	<u>121</u>	<u>121</u>	<u>121</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 121</u>	<u>\$ 121</u>	<u>\$ 125</u>	<u>\$ 4</u>

SPECIAL REVENUE FUND - POLICE (1267)

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

For the Year Ended December 31, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 62	\$ 62
Intergovernmental revenue	1,732	2,834	3,376	542
Charges for goods and services	121	454	301	(153)
Fines and penalties	173	194	239	45
Interest and other earnings	62	61	71	10
Miscellaneous revenues	42	707	1,678	971
TOTAL REVENUES	<u>2,130</u>	<u>4,250</u>	<u>5,727</u>	<u>1,477</u>
EXPENDITURES				
Current:				
Public safety	3,327	5,543	4,722	(821)
Capital expenditures	-	-	310	310
TOTAL EXPENDITURES	<u>3,327</u>	<u>5,543</u>	<u>5,032</u>	<u>(511)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,197)</u>	<u>(1,293)</u>	<u>695</u>	<u>1,988</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	3	3
Transfer in	-	16	18	2
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>16</u>	<u>21</u>	<u>5</u>
NET CHANGE IN FUND BALANCE	<u>(1,197)</u>	<u>(1,277)</u>	<u>716</u>	<u>1,993</u>
FUND BALANCE - JANUARY 1	1,036	1,036	1,036	-
FUND BALANCE - DECEMBER 31	<u>\$ (161)</u>	<u>\$ (241)</u>	<u>\$ 1,752</u>	<u>\$ 1,993</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, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,921	\$ 4,957	\$ 5,880	\$ 923
Charges for goods and services	477	477	485	8
Interest and other earnings	-	-	170	170
Miscellaneous revenues	-	1,608	180	(1,428)
TOTAL REVENUES	<u>6,398</u>	<u>7,042</u>	<u>6,715</u>	<u>(327)</u>
EXPENDITURES				
Current:				
General government	7,041	7,042	4,615	(2,427)
Capital expenditures	-	-	143	143
TOTAL EXPENDITURES	<u>7,041</u>	<u>7,042</u>	<u>4,758</u>	<u>(2,284)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(643)</u>	<u>-</u>	<u>1,957</u>	<u>1,957</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	11	11
Transfer (out)	-	-	(47)	(47)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>(36)</u>	<u>(36)</u>
NET CHANGE IN FUND BALANCE	<u>(643)</u>	<u>-</u>	<u>1,921</u>	<u>1,921</u>
FUND BALANCE - JANUARY 1	2,500	2,500	2,500	-
FUND BALANCE - DECEMBER 31	<u>\$ 1,857</u>	<u>\$ 2,500</u>	<u>\$ 4,421</u>	<u>\$ 1,921</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 752	\$ 391	\$ (361)
Charges for goods and services	-	452	179	(273)
Interest and other earnings	-	-	17	17
Miscellaneous revenues	-	-	4	4
TOTAL REVENUES	<u>-</u>	<u>1,204</u>	<u>591</u>	<u>(613)</u>
EXPENDITURES				
Current:				
General government	-	-	142	142
Economic environment	-	1,582	419	(1,163)
TOTAL EXPENDITURES	<u>-</u>	<u>1,582</u>	<u>561</u>	<u>(1,021)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(378)</u>	<u>30</u>	<u>408</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	1	1
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(378)</u>	<u>31</u>	<u>409</u>
FUND BALANCE - JANUARY 1	247	247	247	-
FUND BALANCE - DECEMBER 31	<u>\$ 247</u>	<u>\$ (131)</u>	<u>\$ 278</u>	<u>\$ 409</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, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 1,263	\$ 1,059	\$ (204)
TOTAL REVENUES	<u>-</u>	<u>1,263</u>	<u>1,059</u>	<u>(204)</u>
EXPENDITURES				
Current:				
General government	-	-	807	807
Transportation	-	1,323	369	(954)
Capital expenditures	-	-	147	147
TOTAL EXPENDITURES	<u>-</u>	<u>1,323</u>	<u>1,323</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(60)</u>	<u>(264)</u>	<u>(204)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	60	21	(39)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>60</u>	<u>21</u>	<u>(39)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(243)</u>	<u>(243)</u>
FUND BALANCE - JANUARY 1	-	-	-	-
Prior period adjustment	-	-	243	243
FUND BALANCE - JANUARY 1, RESTATED	<u>-</u>	<u>-</u>	<u>243</u>	<u>243</u>
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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Fines and penalties	\$ 8,782	\$ 8,782	\$ 5,364	\$ (3,418)
Interest and other earnings	-	-	6	6
TOTAL REVENUES	<u>8,782</u>	<u>8,782</u>	<u>5,370</u>	<u>(3,412)</u>
EXPENDITURES				
Current:				
Public safety	9,442	9,441	4,276	(5,165)
Transportation	-	-	4,766	4,766
Debt service:				
Interest and other related costs	-	-	24	24
TOTAL EXPENDITURES	<u>9,442</u>	<u>9,441</u>	<u>9,066</u>	<u>(375)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(660)</u>	<u>(659)</u>	<u>(3,696)</u>	<u>(3,037)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	660	659	3,697	3,038
TOTAL OTHER FINANCE SOURCES(USES)	<u>660</u>	<u>659</u>	<u>3,697</u>	<u>3,038</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,410	\$ 5,410	\$ 4,766	\$ (644)
TOTAL REVENUES	<u>5,410</u>	<u>5,410</u>	<u>4,766</u>	<u>(644)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	3,565	3,565	3,305	(260)
Interest and other related costs	<u>1,845</u>	<u>1,845</u>	<u>2,105</u>	<u>260</u>
TOTAL EXPENDITURES	<u>5,410</u>	<u>5,410</u>	<u>5,410</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(644)</u>	<u>(644)</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(644)</u>	<u>(644)</u>
FUND BALANCE - JANUARY 1	1,522	1,522	1,522	-
FUND BALANCE - DECEMBER 31	<u>\$ 1,522</u>	<u>\$ 1,522</u>	<u>\$ 878</u>	<u>\$ (644)</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Interest and other related costs	<u>1,568</u>	<u>1,568</u>	<u>1,188</u>	<u>(380)</u>
TOTAL EXPENDITURES	<u>1,568</u>	<u>1,568</u>	<u>1,188</u>	<u>(380)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,568)</u>	<u>(1,568)</u>	<u>(1,188)</u>	<u>380</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>1,568</u>	<u>1,568</u>	<u>1,188</u>	<u>(380)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>1,568</u>	<u>1,568</u>	<u>1,188</u>	<u>(380)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Debt service:				
Principal payments	2,145	2,185	2,183	(2)
Interest and other related costs	153	153	155	2
TOTAL EXPENDITURES	2,298	2,338	2,338	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,298)	(2,338)	(2,338)	-
OTHER FINANCING SOURCES (USES)				
Transfer in	2,298	2,338	2,338	-
TOTAL OTHER FINANCE SOURCES(USES)	2,298	2,338	2,338	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

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, 2012
 (amounts expressed in thousands)

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

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ 4,116	\$ 4,116	\$ 2,020	\$ (2,096)
TOTAL REVENUES	<u>4,116</u>	<u>4,116</u>	<u>2,035</u>	<u>(2,081)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	2,195	2,195	2,195	-
Interest and other related costs	<u>2,846</u>	<u>2,846</u>	<u>2,846</u>	<u>-</u>
TOTAL EXPENDITURES	<u>5,041</u>	<u>5,041</u>	<u>5,041</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(925)</u>	<u>(925)</u>	<u>(3,006)</u>	<u>(2,081)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	925	925	2,896	1,971
TOTAL OTHER FINANCE SOURCES(USES)	<u>925</u>	<u>925</u>	<u>2,896</u>	<u>1,971</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(110)</u>	<u>(110)</u>
FUND BALANCE - JANUARY 1	<u>110</u>	<u>110</u>	<u>110</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 110</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ (110)</u>

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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Debt service:				
Interest and other related costs	<u>-</u>	<u>-</u>	<u>5,055</u>	<u>5,055</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>5,055</u>	<u>5,055</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(5,055)</u>	<u>(5,055)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>5,070</u>	<u>5,048</u>	<u>(22)</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>5,032</u>	<u>5,032</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(23)</u>	<u>(23)</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>-</u></u>	\$ <u><u>(23)</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ -	\$ -	\$ 11	\$ 11
Interest and other earnings	-	-	17	17
Miscellaneous revenues	-	-	870	870
TOTAL REVENUES	-	-	898	898
EXPENDITURES				
Current:				
Debt service:				
Principal payments	-	-	115	115
Interest and other related costs	-	-	51	51
TOTAL EXPENDITURES	-	-	166	166
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	732	732
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	(17)	(17)
TOTAL OTHER FINANCE SOURCES(USES)	-	-	(17)	(17)
NET CHANGE IN FUND BALANCE	-	-	715	715
FUND BALANCE - JANUARY 1	39	39	39	-
FUND BALANCE - DECEMBER 31	<u>\$ 39</u>	<u>\$ 39</u>	<u>\$ 754</u>	<u>\$ 715</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 4	\$ 4
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
EXPENDITURES				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	2	2
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
FUND BALANCE - JANUARY 1	(50)	(50)	(50)	-
FUND BALANCE - DECEMBER 31	<u><u>\$(50)</u></u>	<u><u>\$(50)</u></u>	<u><u>\$(44)</u></u>	<u><u>6</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,530	\$ 6,530	\$ 6,654	\$ 124
Licenses and permits	-	-	994	994
Intergovernmental revenue	-	953	24	(929)
Charges for goods and services	3,109	3,211	953	(2,258)
Interest and other earnings	105	105	597	492
Miscellaneous revenues	166	166	161	(5)
TOTAL REVENUES	<u>9,910</u>	<u>10,965</u>	<u>9,383</u>	<u>(1,582)</u>
EXPENDITURES				
Current:				
Transportation	8,601	14,398	1,503	(12,895)
Culture and recreation	166	472	83	(389)
Debt service:				
Interest and other related costs	737	737	-	(737)
Capital expenditures	-	-	2,184	2,184
TOTAL EXPENDITURES	<u>9,504</u>	<u>15,607</u>	<u>3,770</u>	<u>(11,837)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>406</u>	<u>(4,642)</u>	<u>5,613</u>	<u>10,255</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	(100)	(100)
Transfer in	16,300	16,435	861	(15,574)
Transfer (out)	(19,776)	(19,776)	(6,451)	13,325
TOTAL OTHER FINANCE SOURCES(USES)	<u>(3,476)</u>	<u>(3,341)</u>	<u>(5,690)</u>	<u>(2,349)</u>
NET CHANGE IN FUND BALANCE	<u>(3,070)</u>	<u>(7,983)</u>	<u>(77)</u>	<u>7,906</u>
FUND BALANCE - JANUARY 1	13,656	13,656	13,656	-
Prior period adjustment	-	-	(25)	(25)
FUND BALANCE - JANUARY 1, RESTATED	<u>13,656</u>	<u>13,656</u>	<u>13,631</u>	<u>(25)</u>
FUND BALANCE - DECEMBER 31	<u>\$ 10,586</u>	<u>\$ 5,673</u>	<u>\$ 13,554</u>	<u>\$ 7,881</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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 3	\$ 3
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
EXPENDITURES				
Current:				
Debt service:				
Interest and other related costs	242	242	156	(86)
TOTAL EXPENDITURES	<u>242</u>	<u>242</u>	<u>156</u>	<u>(86)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(242)</u>	<u>(242)</u>	<u>(153)</u>	<u>89</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	93	93	94	1
TOTAL OTHER FINANCE SOURCES(USES)	<u>93</u>	<u>93</u>	<u>94</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>(149)</u>	<u>(149)</u>	<u>(59)</u>	<u>90</u>
FUND BALANCE - JANUARY 1	(4,104)	(4,104)	(4,104)	-
FUND BALANCE - DECEMBER 31	<u>\$ (4,253)</u>	<u>\$ (4,253)</u>	<u>\$ (4,163)</u>	<u>\$ 90</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, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 9	\$ 9
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
EXPENDITURES				
Current:				
Transportation	1	253	1	(252)
Debt service:				
Principal payments	343	343	-	(343)
Interest and other related costs	181	764	886	122
Capital expenditures	-	-	81	81
TOTAL EXPENDITURES	<u>525</u>	<u>1,360</u>	<u>968</u>	<u>(392)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(525)</u>	<u>(1,360)</u>	<u>(959)</u>	<u>401</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	524	1,294	1,294	-
Transfer (out)	-	-	(222)	(222)
TOTAL OTHER FINANCE SOURCES(USES)	<u>524</u>	<u>1,294</u>	<u>1,072</u>	<u>(222)</u>
NET CHANGE IN FUND BALANCE	<u>(1)</u>	<u>(66)</u>	<u>113</u>	<u>179</u>
FUND BALANCE - JANUARY 1	62	62	62	-
FUND BALANCE - DECEMBER 31	<u>\$ 61</u>	<u>\$ (4)</u>	<u>\$ 175</u>	<u>\$ 179</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, 2012

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 1,000	\$ 512	\$ (488)
Charges for goods and services	-	-	144	144
Interest and other earnings	-	-	841	841
Miscellaneous revenues	-	-	11	11
TOTAL REVENUES	-	1,000	1,508	508
EXPENDITURES				
Current:				
Economic environment	-	-	899	899
Culture and recreation	-	31,060	1,775	(29,285)
Debt service:				
Interest and other related costs	-	-	3	3
Capital expenditures	-	-	16,344	16,344
TOTAL EXPENDITURES	-	31,060	19,021	(12,039)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(30,060)	(17,513)	12,547
OTHER FINANCING SOURCES (USES)				
Transfer in	-	25	2,478	2,453
Transfer (out)	(6,000)	(6,000)	(485)	5,515
TOTAL OTHER FINANCE SOURCES(USES)	(6,000)	(5,975)	1,993	7,968
NET CHANGE IN FUND BALANCE	(6,000)	(36,035)	(15,520)	20,515
FUND BALANCE - JANUARY 1	28,490	28,490	28,490	-
FUND BALANCE - DECEMBER 31	\$ 22,490	\$ (7,545)	\$ 12,970	\$ 20,515

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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 1,463	\$ 1,463
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,463</u>	<u>1,463</u>
EXPENDITURES				
Current:				
General government	-	-	334	334
Transportation	8,454	8,688	7,139	(1,549)
Culture and recreation	10,500	10,500	936	(9,564)
Debt service:				
Interest and other related costs	306	306	-	(306)
Capital expenditures	-	-	1,830	1,830
TOTAL EXPENDITURES	<u>19,260</u>	<u>19,494</u>	<u>10,239</u>	<u>(9,255)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(19,260)</u>	<u>(19,494)</u>	<u>(8,776)</u>	<u>10,718</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	39,400	30,400	-	(30,400)
Issuance discount on long-term debt	(90)	(90)	-	90
Transfer in	-	234	207	(27)
Transfer (out)	(20,050)	(20,050)	(7,449)	12,601
TOTAL OTHER FINANCE SOURCES(USES)	<u>19,260</u>	<u>10,494</u>	<u>(7,242)</u>	<u>(17,736)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(9,000)</u>	<u>(16,018)</u>	<u>(7,018)</u>
FUND BALANCE - JANUARY 1	38,864	38,864	38,864	-
FUND BALANCE - DECEMBER 31	<u>\$ 38,864</u>	<u>\$ 29,864</u>	<u>\$ 22,846</u>	<u>\$ (7,018)</u>

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, 2012
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2011-2012 BIENNIUM	APPROVED REVISED BUDGET 2011-2012 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2012	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ -	\$ -	\$ 1,040	\$ 1,040
Fines and penalties	-	-	-	-
Interest and other earnings	-	-	-	-
Miscellaneous revenues	-	-	(116)	(116)
TOTAL REVENUES	-	-	924	924
EXPENDITURES				
Current:				
Debt service:				
Principal payments	-	-	2,117	2,117
TOTAL EXPENDITURES	-	-	2,117	2,117
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,193)	(1,193)
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term debt	-	-	1,553	1,553
Issuance discount on long-term debt	-	-	(3)	(3)
Transfer (out)	-	-	(904)	(904)
TOTAL OTHER FINANCE SOURCES(USES)	-	-	646	646
NET CHANGE IN FUND BALANCE	-	-	(547)	(547)
FUND BALANCE - JANUARY 1	-	-	663	663
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 116	\$ 116

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COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 1 of 8

	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,701	\$ 384	\$ 2,727
Accounts receivable (net)	65	661	1
Due from other funds	4	69	2
Due from other governments	-	494	-
Inventory	-	-	-
Prepayments	-	47	30
Other current assets	-	-	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	19	-
C&CE - other special purposes	-	-	-
Investments - other special purposes	-	-	-
Total restricted assets	-	19	-
Total current assets	<u>3,770</u>	<u>1,674</u>	<u>2,760</u>
Non-current assets:			
Notes and contracts receivable (non-current)	-	-	-
Other non-current assets	-	-	226
Capital assets:			
Land	-	1,361	11,806
Property, plant, and equipment	75	28,376	51,319
Less: accumulated depreciation	(75)	(5,554)	(9,478)
Construction work in progress	-	-	-
Total capital assets net of depreciation	-	24,183	53,647
Total non-current assets	-	24,183	53,873
TOTAL ASSETS	<u>3,770</u>	<u>25,857</u>	<u>56,633</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 2 of 8

	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 14	\$ 294	\$ 191
Due to other funds	107	83	26
Due to other governments	1	-	-
Advances from other funds	-	-	-
Interest payable	-	19	-
Deposits payable	70	57	-
Accrued wages	169	17	34
Accrued taxes	-	-	13
Notes, contracts & leases - current	-	-	1,002
Revenue bonds - current	-	-	-
Unearned revenue	-	-	54
Other	-	-	283
Current payables from restricted assets:			
Debt principal payable	-	-	-
Deposits and other payables	-	-	-
Total current liabilities	<u>361</u>	<u>470</u>	<u>1,603</u>
Non-current liabilities:			
Revenue bonds payable (net)	-	-	17,402
Advances from other funds	-	6,250	-
Compensated absences	353	-	29
Notes, contracts & leases payable - non-current	-	-	-
Net OPEB obligation	-	-	-
Other - non-current liabilities	-	8	-
Total non-current liabilities	<u>353</u>	<u>6,258</u>	<u>17,431</u>
TOTAL LIABILITIES	<u>714</u>	<u>6,728</u>	<u>19,034</u>
DEFERRED INFLOW OF RESOURCES			
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	17,933	35,242
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	-	-	-
Restricted for environmental services and programs	3,011	-	-
Restricted for inspections	45	-	-
Restricted agreements with federal government	-	-	-
Unrestricted	-	1,196	2,357
TOTAL NET POSITION	<u>\$ 3,056</u>	<u>\$ 19,129</u>	<u>\$ 37,599</u>

COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 3 of 8

	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 323	\$ 225	\$ 2,979	\$ (179)
Accounts receivable (net)	43	51	125	-
Due from other funds	-	13	844	578
Due from other governments	1	-	-	279
Inventory	-	-	-	-
Prepayments	34	18	38	18
Other current assets	-	-	-	-
Current restricted assets:				
C&CE - debt services, deposits and replacements	525	-	-	3,458
C&CE - other special purposes	-	-	-	-
Investments - other special purposes	-	-	-	1,021
Total restricted assets	<u>525</u>	<u>-</u>	<u>-</u>	<u>4,479</u>
Total current assets	<u>926</u>	<u>307</u>	<u>3,986</u>	<u>5,175</u>
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	-
Other non-current assets	804	-	-	-
Capital assets:				
Land	15,298	251	6,428	2,087
Property, plant, and equipment	73,741	38,706	51,501	19,450
Less: accumulated depreciation	(19,422)	(4,093)	(32,301)	(5,752)
Construction work in progress	-	-	-	-
Total capital assets net of depreciation	<u>69,617</u>	<u>34,864</u>	<u>25,628</u>	<u>15,785</u>
Total non-current assets	<u>70,421</u>	<u>34,864</u>	<u>25,628</u>	<u>15,785</u>
TOTAL ASSETS	<u>71,347</u>	<u>35,171</u>	<u>29,614</u>	<u>20,960</u>
DEFERRED OUTFLOW OF RESOURCES				
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 4 of 8

	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 119	\$ -	\$ 108	\$ 83
Due to other funds	36	-	29	6
Due to other governments	-	-	-	-
Advances from other funds	-	-	432	431
Interest payable	-	-	-	-
Deposits payable	406	-	45	-
Accrued wages	140	-	105	-
Accrued taxes	6	-	19	-
Notes, contracts & leases - current	-	-	50	-
Revenue bonds - current	2,149	-	-	-
Unearned revenue	-	-	3,677	278
Other	23	-	75	-
Current payables from restricted assets:				
Debt principal payable	-	-	-	-
Deposits and other payables	-	-	-	-
Total current liabilities	<u>2,879</u>	<u>-</u>	<u>4,540</u>	<u>798</u>
Non-current liabilities:				
Revenue bonds payable (net)	72,972	-	-	-
Advances from other funds	-	-	2,158	382
Compensated absences	177	-	232	-
Notes, contracts & leases payable - non-current	-	-	-	-
Net OPEB obligation	-	-	-	-
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>73,149</u>	<u>-</u>	<u>2,390</u>	<u>382</u>
TOTAL LIABILITIES	<u>76,028</u>	<u>-</u>	<u>6,930</u>	<u>1,180</u>
DEFERRED INFLOW OF RESOURCES				
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	(4,891)	34,864	22,988	15,506
Restricted:				
Restricted for capital purchases	-	103	70	4,518
Restricted for debt	25	52	-	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Restricted agreements with federal government	-	-	-	-
Restricted for Wynoochee Reserve	-	-	-	-
Unrestricted	185	152	(374)	(205)
TOTAL NET POSITION	<u>\$ (4,681)</u>	<u>\$ 35,171</u>	<u>\$ 22,684</u>	<u>\$ 19,819</u>

COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 5 of 8

	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 93	\$ 5,784	\$ 604
Accounts receivable (net)	4,051	2,388	-
Due from other funds	-	435	-
Due from other governments	-	-	-
Inventory	-	617	-
Prepayments	-	2,174	-
Other current assets	-	4	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	397	-
C&CE - other special purposes	1,901	-	-
Investments - other special purposes	-	-	-
Total restricted assets	<u>1,901</u>	<u>397</u>	<u>-</u>
Total current assets	<u>6,045</u>	<u>11,799</u>	<u>604</u>
Non-current assets:			
Notes and contracts receivable (non-current)	35,688	-	-
Other non-current assets	-	-	-
Capital assets:			
Land	-	160	-
Property, plant, and equipment	-	30,384	-
Less: accumulated depreciation	-	(14,288)	-
Construction work in progress	-	3	-
Total capital assets net of depreciation	<u>-</u>	<u>16,259</u>	<u>-</u>
Total non-current assets	<u>35,688</u>	<u>16,259</u>	<u>-</u>
TOTAL ASSETS	<u>41,733</u>	<u>28,058</u>	<u>604</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 6 of 8

	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1	\$ 615	\$ -
Due to other funds	-	517	-
Due to other governments	-	-	-
Advances from other funds	-	-	-
Interest payable	680	14	-
Deposits payable	-	-	-
Accrued wages	-	399	-
Accrued taxes	-	413	-
Notes, contracts & leases - current	-	480	-
Revenue bonds - current	1,760	212	-
Unearned revenue	2,243	-	-
Other	-	1,208	21
Current payables from restricted assets:			
Debt principal payable	-	-	-
Deposits and other payables	-	62	-
Total current liabilities	<u>4,684</u>	<u>3,920</u>	<u>21</u>
Non-current liabilities:			
Revenue bonds payable (net)	23,485	772	-
Advances from other funds	-	331	-
Compensated absences	-	748	-
Notes, contracts & leases payable - non-current	-	1,064	-
Net OPEB obligation	-	183	-
Other - non-current liabilities	12,617	686	-
Total non-current liabilities	<u>36,102</u>	<u>3,784</u>	<u>-</u>
TOTAL LIABILITIES	<u>40,786</u>	<u>7,704</u>	<u>21</u>
DEFERRED INFLOW OF RESOURCES			
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	13,405	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	1,901	397	-
Restricted for environmental services and programs	-	-	-
Restricted for inspections	-	-	-
Restricted agreements with federal government	(1,046)	-	-
Unrestricted	92	6,552	583
TOTAL NET POSITION	<u>\$ 947</u>	<u>\$ 20,354</u>	<u>\$ 583</u>

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2012
 (amounts expressed in thousands)
 Page 7 of 8

	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 174	\$ 16,815
Accounts receivable (net)	-	7,385
Due from other funds	-	1,945
Due from other governments	-	774
Inventory	-	617
Prepayments	-	2,359
Other current assets	-	4
Current restricted assets:		
C&CE - debt services, deposits and replacements	-	4,399
C&CE - other special purposes	-	1,901
Investments - other special purposes	-	1,060
Total restricted assets	<u>-</u>	<u>7,360</u>
Total current assets	<u>174</u>	<u>37,259</u>
Non-current assets:		
Notes and contracts receivable (non-current)	-	35,688
Other non-current assets	317	1,347
Capital assets:		
Land	-	37,391
Property, plant, and equipment	-	293,552
Less: accumulated depreciation	-	(90,963)
Construction work in progress	-	3
Total capital assets net of depreciation	<u>-</u>	<u>239,983</u>
Total non-current assets	<u>317</u>	<u>277,018</u>
TOTAL ASSETS	<u>491</u>	<u>314,277</u>
DEFERRED OUTFLOW OF RESOURCES		
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 8 of 8

	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
LIABILITIES		
Current liabilities:		
Accounts payable	\$ -	\$ 1,425
Due to other funds	-	804
Due to other governments	-	1
Advances from other funds	-	863
Interest payable	14	727
Deposits payable	-	578
Accrued wages	-	864
Accrued taxes	-	451
Notes, contracts & leases - current	-	1,532
Revenue bonds - current	1,705	5,826
Unearned revenue	-	6,252
Other	-	1,610
Current payables from restricted assets:		
Debt principal payable	-	-
Deposits and other payables	-	62
Total current liabilities	<u>1,719</u>	<u>20,995</u>
Non-current liabilities:		
Revenue bonds payable (net)	1,984	116,615
Advances from other funds	-	9,121
Compensated absences	-	1,539
Notes, contracts & leases payable - non-current	-	1,064
Net OPEB obligation	-	183
Other - non-current liabilities	-	13,311
Total non-current liabilities	<u>1,984</u>	<u>141,833</u>
TOTAL LIABILITIES	<u>3,703</u>	<u>162,828</u>
DEFERRED INFLOW OF RESOURCES		
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>\$ -</u>
NET POSITION		
Net investment in capital assets	-	135,047
Restricted:		
Restricted for capital purchases	-	4,691
Restricted for debt	-	2,375
Restricted for environmental services and programs	-	3,011
Restricted for inspections	-	45
Restricted agreements with federal government	-	(1,046)
Unrestricted	<u>(3,212)</u>	<u>7,326</u>
TOTAL NET POSITION	<u>\$ (3,212)</u>	<u>\$ 151,449</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 1 of 4

	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
OPERATING REVENUES			
Charges for goods and services	\$ 5,783	\$ 941	\$ 4,738
Miscellaneous revenues	-	-	19
TOTAL OPERATING REVENUES	<u>5,783</u>	<u>941</u>	<u>4,757</u>
OPERATING EXPENSES			
Salary and wages	3,375	493	742
Personnel benefits	1,213	-	400
Supplies	73	67	76
Services	1,560	750	1,954
Intergovernmental services (interfund taxes)	-	-	81
Depreciation expense	6	812	1,350
TOTAL OPERATION EXPENSES	<u>6,227</u>	<u>2,122</u>	<u>4,603</u>
OPERATING INCOME (LOSS)	<u>(444)</u>	<u>(1,181)</u>	<u>154</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	80	-	50
Interest and other related costs	(23)	(114)	(856)
Amortization of bond discount & expense	-	-	19
Other non revenues and (expenses)	136	689	(122)
NON OPERATING REVENUE NET OF EXPENSE	<u>193</u>	<u>575</u>	<u>(909)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(251)</u>	<u>(606)</u>	<u>(755)</u>
Capital contributions - interfund	-	-	136
Capital contributions - federal/state/local	-	3,059	-
Capital contributions - private	-	140	-
Transfer in	1,676	876	15
Transfer (out)	(1)	(259)	(562)
CHANGES IN NET POSITION	<u>1,424</u>	<u>3,210</u>	<u>(1,166)</u>
NET POSITION			
NET POSITION - JANUARY 1	2,147	15,919	38,796
Prior period adjustments	(515)	-	(31)
NET POSITION - JANUARY 1 RESTATED	<u>1,632</u>	<u>15,919</u>	<u>38,765</u>
NET POSITION - DECEMBER 31	<u>\$ 3,056</u>	<u>\$ 19,129</u>	<u>\$ 37,599</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 2 of 4

	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
OPERATING REVENUES				
Charges for goods and services	\$ 2,076	\$ 810	\$ 4,574	\$ -
Miscellaneous revenues	2	-	-	-
TOTAL OPERATING REVENUES	<u>2,078</u>	<u>810</u>	<u>4,574</u>	<u>-</u>
OPERATING EXPENSES				
Salary and wages	1,539	5	1,752	-
Personnel benefits	694	2	771	-
Supplies	259	4	389	-
Services	1,799	42	1,897	755
Intergovernmental services (interfund taxes)	55	64	65	-
Depreciation expense	2,195	1,538	655	245
TOTAL OPERATION EXPENSES	<u>6,541</u>	<u>1,655</u>	<u>5,529</u>	<u>1,000</u>
OPERATING INCOME (LOSS)	<u>(4,463)</u>	<u>(845)</u>	<u>(955)</u>	<u>(1,000)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	10	8	43	102
Interest and other related costs	(3,342)	(1)	(48)	(83)
Amortization of bond discount & expense	26	-	-	-
Other non revenues and (expenses)	2,475	-	(3)	-
NON OPERATING REVENUE NET OF EXPENSE	<u>(831)</u>	<u>7</u>	<u>(8)</u>	<u>19</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(5,294)</u>	<u>(838)</u>	<u>(963)</u>	<u>(981)</u>
Capital contributions - interfund	-	186	-	103
Capital contributions - federal/state/local	-	-	-	-
Capital contributions - private	69	-	139	-
Transfer in	3,030	3	911	2,287
Transfer (out)	(168)	(953)	(2)	-
CHANGES IN NET POSITION	<u>(2,363)</u>	<u>(1,602)</u>	<u>85</u>	<u>1,409</u>
NET POSITION				
NET POSITION - JANUARY 1	(2,318)	36,773	22,599	18,410
Prior period adjustments	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>(2,318)</u>	<u>36,773</u>	<u>22,599</u>	<u>18,410</u>
NET POSITION - DECEMBER 31	<u>\$ (4,681)</u>	<u>\$ 35,171</u>	<u>\$ 22,684</u>	<u>\$ 19,819</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 3 of 4

	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
OPERATING REVENUES			
Charges for goods and services	\$ -	\$ 23,044	\$ -
Miscellaneous revenues	-	-	68
TOTAL OPERATING REVENUES	-	23,044	68
OPERATING EXPENSES			
Salary and wages	-	8,138	-
Personnel benefits	-	3,487	-
Supplies	4	1,182	-
Services	-	6,559	68
Intergovernmental services (interfund taxes)	-	1,931	-
Depreciation expense	-	825	-
TOTAL OPERATION EXPENSES	4	22,122	68
OPERATING INCOME (LOSS)	(4)	922	-
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	2,398	82	-
Interest and other related costs	(2,398)	(62)	-
Amortization of bond discount & expense	-	-	-
Other non revenues and (expenses)	-	1,026	-
NON OPERATING REVENUE NET OF EXPENSE	-	1,046	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(4)	1,968	-
Capital contributions - interfund	-	-	-
Capital contributions - federal/state/local	-	174	-
Capital contributions - private	-	-	206
Transfer in	-	81	-
Transfer (out)	-	(21)	-
CHANGES IN NET POSITION	(4)	2,202	206
NET POSITION			
NET POSITION - JANUARY 1	951	18,152	377
Prior period adjustments	-	-	-
NET POSITION - JANUARY 1 RESTATED	951	18,152	377
NET POSITION - DECEMBER 31	\$ 947	\$ 20,354	\$ 583

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 4 of 4

	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
OPERATING REVENUES		
Charges for goods and services	\$ -	\$ 41,966
Miscellaneous revenues	-	89
TOTAL OPERATING REVENUES	-	42,055
OPERATING EXPENSES		
Salary and wages	-	16,044
Personnel benefits	-	6,567
Supplies	-	2,054
Services	-	15,384
Intergovernmental services (interfund taxes)	-	2,196
Depreciation expense	-	7,626
TOTAL OPERATION EXPENSES	-	49,871
OPERATING INCOME (LOSS)	-	(7,816)
NON-OPERATING REVENUES (EXPENSES)		
Interest and other earnings	-	2,773
Interest and other related costs	(240)	(7,167)
Amortization of bond discount & expense	(64)	(19)
Other non revenues and (expenses)	3	4,204
NON OPERATING REVENUE NET OF EXPENSE	(301)	(209)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(301)	(8,025)
Capital contributions - interfund	-	425
Capital contributions - federal/state/local	-	3,233
Capital contributions - private	1,872	2,426
Transfer in	-	8,879
Transfer (out)	-	(1,966)
CHANGES IN NET POSITION	1,571	4,972
NET POSITION		
NET POSITION - JANUARY 1	(4,783)	147,023
Prior period adjustments	-	(546)
NET POSITION - JANUARY 1 RESTATED	(4,783)	146,477
NET POSITION - DECEMBER 31	(3,212)	151,449

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 1 of 8

	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 5,284	\$ 1,133	\$ 4,701
Receipts from interfund services provided	-	-	-
Payments to suppliers	(1,629)	(788)	(1,919)
Payments to employees	(4,585)	(493)	(1,180)
Payments for taxes	-	(10)	(77)
Payments for interfund services used	-	-	-
Other operating or non-operating revenues (expenses)	-	-	(31)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(930)</u>	<u>(158)</u>	<u>1,494</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	608	-
Transfers (to) other funds	1,676	-	(546)
Contributions and Donations	-	107	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,676</u>	<u>715</u>	<u>(546)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	136
Acquisition and construction of capital assets	141	(2,508)	(136)
Proceeds from capital debt	-	-	-
Proceeds from leased property	-	687	-
Lease and leaseback	-	-	-
Principal paid on capital debt	-	-	103
Interest paid on capital debt	(23)	(122)	(856)
Premium and net refunding from capital debt	-	-	31
Contributions and donations	-	2,973	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>118</u>	<u>1,030</u>	<u>(722)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	80	(4)	50
Rental and other income	5	-	-
Investment long-term	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>85</u>	<u>(4)</u>	<u>50</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	949	1,583	276
CASH & CASH EQUIVALENTS, JANUARY 1	2,752	(1,180)	2,451
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,701</u>	<u>\$ 403</u>	<u>\$ 2,727</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 2 of 8

	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)	\$ (444)	\$ (1,181)	\$ 154
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	6	812	1,350
(increase) decrease in accounts receivable	(42)	192	32
(Increase) decrease in due from other funds	(3)	-	(2)
(Increase) decrease in inventories	-	184	-
(Increase) decrease in prepaid items	-	21	(1)
(Increase) decrease in other current assets	-	20	-
Increase (decrease) in deposits payable	70	-	-
Increase (decrease) in accounts payable	(1)	(214)	106
Increase (decrease) in accrued wages payable	(6)	-	(36)
Increase (decrease) in compensated absences	-	-	4
Increase (decrease) in deferred credits	5	-	(3)
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	(8)	-	-
Increase (decrease) in unearned revenues	19	-	9
Increase (decrease) in other current liabilities	-	-	34
Increase (decrease) in notes, contracts, and leases payable	-	-	-
Increase (decrease) in other long-term liabilities	-	8	-
Increase (decrease) in prior period adjustments	(515)	-	(31)
Miscellaneous non-operating revenues (expenditures)	(11)	-	(122)
Total adjustments	(486)	1,023	1,340
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (930)</u>	<u>\$ (158)</u>	<u>\$ 1,494</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ 136

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 3 of 8

	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,190	\$ 759	\$ 7,107	\$ -
Receipts from interfund services provided	3	68	(844)	-
Payments to suppliers	(2,179)	(128)	(2,398)	(935)
Payments to employees	(1,958)	(7)	(2,548)	-
Payments for taxes	-	-	-	-
Payments for interfund services used	(7)	-	(6)	-
Other operating or non-operating revenues (expenses)	-	-	(5)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,951)</u>	<u>692</u>	<u>1,306</u>	<u>(935)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	2,931	3	911	552
Transfers (to) other funds	-	(953)	(2)	-
Contributions and Donations	-	-	139	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>2,931</u>	<u>(950)</u>	<u>1,048</u>	<u>552</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	1,407
Acquisition and construction of capital assets	2	-	-	(1,391)
Proceeds from capital debt	-	-	-	-
Proceeds from leased property	-	-	-	-
Lease and leaseback	-	-	(46)	(83)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	(870)	(1)	(48)	-
Premium and net refunding from capital debt	-	-	-	-
Contributions and donations	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(868)</u>	<u>(1)</u>	<u>(94)</u>	<u>(67)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	10	8	43	102
Rental and other income	-	-	-	-
Investment long-term	-	-	-	(38)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>10</u>	<u>8</u>	<u>43</u>	<u>64</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	122	(251)	2,303	(386)
CASH & CASH EQUIVALENTS, JANUARY 1	726	476	676	3,665
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 848</u>	<u>\$ 225</u>	<u>\$ 2,979</u>	<u>\$ 3,279</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 4 of 8

	CONVENTION CENTER FUND #4165	CHENEY STADIUM 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>(4,463)</u>	\$ <u>(845)</u>	\$ <u>(955)</u>	\$ <u>(1,000)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	2,195	1,538	655	245
(increase) decrease in accounts receivable	119	(51)	(43)	-
(Increase) decrease in due from other funds	3	68	(844)	(352)
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	(7)	(2)	(4)	(2)
(Increase) decrease in other current assets	-	-	-	-
Increase (decrease) in deposits payable	82	-	27	-
Increase (decrease) in accounts payable	15	(16)	(51)	23
Increase (decrease) in accrued wages payable	(33)	-	(38)	-
Increase (decrease) in compensated absences	133	-	13	-
Increase (decrease) in deferred credits	(7)	-	-	-
Increase (decrease) in intergovernmental payables	-	-	8	-
Increase (decrease) in due to other funds	(7)	-	(6)	151
Increase (decrease) in unearned revenues	-	-	2,549	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in notes, contracts, and leases payable	19	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	(5)	-
Total adjustments	<u>2,512</u>	<u>1,537</u>	<u>2,261</u>	<u>65</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>(1,951)</u></u>	\$ <u><u>692</u></u>	\$ <u><u>1,306</u></u>	\$ <u><u>(935)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	\$ -	\$ 186	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 5 of 8

	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	\$ -	\$ 22,032	\$ 4
Receipts from interfund services provided	-	-	-
Payments to suppliers	(4)	(8,999)	-
Payments to employees	-	(8,240)	-
Payments for taxes	-	(399)	-
Payments for interfund services used	-	-	-
Other operating or non-operating revenues (expenses)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(4)	4,394	4
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Transfers (to) other funds	-	(1,734)	-
Contributions and Donations	-	102	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(1,632)	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	(3,125)	-
Proceeds from capital debt	-	282	-
Proceeds from leased property	4,052	-	-
Lease and leaseback	-	-	-
Principal paid on capital debt	(1,605)	(550)	-
Interest paid on capital debt	(2,442)	(67)	-
Premium and net refunding from capital debt	-	857	-
Contributions and donations	-	1,026	206
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	5	(1,577)	206
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	-	82	-
Rental and other income	-	-	-
Investment long-term	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	82	-
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	1	1,267	210
CASH & CASH EQUIVALENTS, JANUARY 1	1,993	4,914	394
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>1,994</u>	<u>6,181</u>	<u>604</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 6 of 8

	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)	\$ (4)	\$ 922	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	825	-
(increase) decrease in accounts receivable	-	(601)	4
(Increase) decrease in due from other funds	-	(403)	-
(Increase) decrease in inventories	-	(87)	-
(Increase) decrease in prepaid items	-	(296)	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in deposits payable	-	(7)	-
Increase (decrease) in accounts payable	-	2,062	-
Increase (decrease) in accrued wages payable	-	63	-
Increase (decrease) in compensated absences	-	121	-
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	-	389	-
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	-	1,213	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-
Increase (decrease) in other long-term liabilities	-	193	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-
Total adjustments	-	3,472	4
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (4)</u>	<u>\$ 4,394</u>	<u>\$ 4</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)

Page 7 of 8

	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ -	\$ 43,210
Receipts from interfund services provided	-	(773)
Payments to suppliers	-	(18,979)
Payments to employees	-	(19,011)
Payments for taxes	-	(486)
Payments for interfund services used	-	(13)
Other operating or non-operating revenues (expenses)	-	(36)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>3,912</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	5,005
Transfers (to) other funds	-	(1,559)
Contributions and Donations	-	348
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>3,794</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	1,543
Acquisition and construction of capital assets	-	(7,017)
Proceeds from capital debt	-	282
Proceeds from leased property	-	4,739
Lease and leaseback	-	(129)
Principal paid on capital debt	(1,625)	(3,677)
Interest paid on capital debt	(247)	(4,676)
Premium and net refunding from capital debt	-	888
Contributions and donations	1,872	6,077
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(1,970)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	3	374
Rental and other income	-	5
Investment long-term	-	(38)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>3</u>	<u>341</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	3	6,077
CASH & CASH EQUIVALENTS, JANUARY 1	171	17,038
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 174</u>	<u>\$ 23,115</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)
 Page 8 of 8

	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH PROVIDED (USED)		
BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ -	\$ (7,816)
Adjustments to reconcile operating income		
(loss) to net cash provided (used)		
by operating activities:		
Depreciation expense	-	7,626
(increase) decrease in accounts receivable	-	(390)
(Increase) decrease in due from other funds	-	(1,533)
(Increase) decrease in inventories	-	97
(Increase) decrease in prepaid items	-	(291)
(Increase) decrease in other current assets	-	20
Increase (decrease) in deposits payable	-	172
Increase (decrease) in accounts payable	-	1,924
Increase (decrease) in accrued wages payable	-	(50)
Increase (decrease) in compensated absences	-	271
Increase (decrease) in deferred credits	-	(5)
Increase (decrease) in intergovernmental payables	-	8
Increase (decrease) in due to other funds	-	519
Increase (decrease) in unearned revenues	-	2,577
Increase (decrease) in other current liabilities	-	1,247
Increase (decrease) in notes, contracts, and leases payable	-	19
Increase (decrease) in other long-term liabilities	-	201
Increase (decrease) in prior period adjustments	-	(546)
Miscellaneous non-operating revenues (expenditures)	-	(138)
Total adjustments	-	11,728
NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES	\$ -	\$ 3,912
NONCASH INVESTING, CAPITAL, AND		
FINANCING ACTIVITIES		
Contributions of capital assets	\$ -	\$ 322

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2012

(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	\$ 1,531	\$ 761	\$ 276
Accounts receivable (net)	28	-	-
Due from other funds	47	40	-
Advances to other funds - current	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Prepayments	-	-	-
Total restricted assets	-	-	-
Total current assets	<u>1,606</u>	<u>801</u>	<u>276</u>
Non-current assets:			
Advances to other funds	279	-	-
Capital assets:			
Land	-	-	-
Property, plant, and equipment	5	54	-
Less: accumulated depreciation	(4)	(11)	-
Construction work in progress	-	13	-
Total capital assets net of depreciation	<u>1</u>	<u>56</u>	<u>-</u>
Total non-current assets	<u>280</u>	<u>56</u>	<u>-</u>
TOTAL ASSETS	<u>1,886</u>	<u>857</u>	<u>276</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 2 of 10

	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 8	\$ 2	\$ -
Due to other funds	18	4	-
Advances from other funds	-	-	133
Interest payable	-	-	54
Accrued wages	27	14	-
Accrued benefits	-	-	-
Accrued taxes	-	-	-
Notes, contracts & leases - current	-	-	-
Unearned revenue	-	-	-
Other	-	-	-
Total current liabilities	<u>53</u>	<u>20</u>	<u>187</u>
Non-current liabilities:			
Advances from other funds	-	-	-
Compensated absences	87	-	-
Notes, contracts & leases payable - non-current	-	-	-
Other - non-current liabilities	-	-	-
Total non-current liabilities	<u>87</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>140</u>	<u>20</u>	<u>187</u>
DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	56	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for self-insurance	-	-	-
Unrestricted	<u>1,746</u>	<u>781</u>	<u>89</u>
TOTAL NET POSITION	<u>\$ 1,746</u>	<u>\$ 837</u>	<u>\$ 89</u>

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 3 of 10

	GRAPHICS SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 288	\$ 23,560	\$ 112	\$ 4,835
Accounts receivable (net)	9	8	-	57
Due from other funds	134	2,683	149	40
Advances to other funds - current	-	-	-	-
Due from other governments	1	-	-	-
Inventory	-	621	-	400
Prepayments	-	-	-	24
Total restricted assets	-	-	-	-
Total current assets	432	26,872	261	5,356
Non-current assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Land	-	-	-	-
Property, plant, and equipment	-	53,668	-	47,147
Less: accumulated depreciation	-	(35,413)	-	(30,287)
Construction work in progress	-	1,789	-	2,397
Total capital assets net of depreciation	-	20,044	-	19,257
Total non-current assets	-	20,044	-	19,257
TOTAL ASSETS	432	46,916	261	24,613
DEFERRED OUTFLOW OF RESOURCES				
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 4 of 10

	GRAPHICS SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 103	\$ 1,283	\$ 125	\$ 90
Due to other funds	116	3,023	-	66
Advances from other funds	-	-	-	-
Interest payable	-	-	-	-
Accrued wages	8	99	-	141
Accrued benefits	-	-	-	-
Accrued taxes	5	-	-	4
Notes, contracts & leases - current	-	-	-	-
Unearned revenue	-	-	-	-
Other	232	1	-	-
Total current liabilities	<u>464</u>	<u>4,406</u>	<u>125</u>	<u>301</u>
Non-current liabilities:				
Advances from other funds	237	-	-	-
Compensated absences	4	152	-	203
Notes, contracts & leases payable - non-current	-	-	-	-
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>241</u>	<u>152</u>	<u>-</u>	<u>203</u>
TOTAL LIABILITIES	<u>705</u>	<u>4,558</u>	<u>125</u>	<u>504</u>
DEFERRED INFLOW OF RESOURCES				
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	20,044	-	19,257
Restricted:				
Restricted for capital purchases	-	24,649	-	-
Restricted for self-insurance	-	-	-	-
Unrestricted	<u>(273)</u>	<u>(2,335)</u>	<u>136</u>	<u>4,852</u>
TOTAL NET POSITION	<u>\$ (273)</u>	<u>\$ 42,358</u>	<u>\$ 136</u>	<u>\$ 24,109</u>

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 5 of 10

	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	\$ 175	\$ 2,267	\$ 4,031	\$ 160
Accounts receivable (net)	-	60	-	-
Due from other funds	4	-	-	1,000
Advances to other funds - current	-	-	-	-
Due from other governments	-	-	-	-
Inventory	107	-	-	-
Prepayments	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	286	2,327	4,031	1,160
Non-current assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Land	11	-	-	-
Property, plant, and equipment	259	3,029	14	-
Less: accumulated depreciation	(255)	(2,926)	(14)	-
Construction work in progress	-	259	-	-
Total capital assets net of depreciation	15	362	-	-
Total non-current assets	15	362	-	-
TOTAL ASSETS	301	2,689	4,031	1,160
DEFERRED OUTFLOW OF RESOURCES				
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 6 of 10

	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 16	\$ 30	\$ 8	\$ 111
Due to other funds	6	18	68	2
Advances from other funds	-	-	-	-
Interest payable	-	-	-	-
Accrued wages	12	30	1	-
Accrued benefits	-	-	-	-
Accrued taxes	-	-	-	-
Notes, contracts & leases - current	-	-	-	-
Unearned revenue	-	-	-	-
Other	-	118	27,842	-
Total current liabilities	<u>34</u>	<u>196</u>	<u>27,919</u>	<u>113</u>
Non-current liabilities:				
Advances from other funds	-	-	-	-
Compensated absences	73	75	-	-
Notes, contracts & leases payable - non-current	-	-	-	-
Other - non-current liabilities	-	-	8,291	-
Total non-current liabilities	<u>73</u>	<u>75</u>	<u>8,291</u>	<u>-</u>
TOTAL LIABILITIES	<u>107</u>	<u>271</u>	<u>36,210</u>	<u>113</u>
DEFERRED INFLOW OF RESOURCES				
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	362	-	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Unrestricted	194	2,056	(32,179)	1,047
TOTAL NET POSITION	<u>\$ 194</u>	<u>\$ 2,418</u>	<u>\$ (32,179)</u>	<u>\$ 1,047</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 7 of 10

	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64xx
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,998	\$ 3,671	\$ 1,360	\$ 24,458
Accounts receivable (net)	-	10	-	47
Due from other funds	2	1	1,944	368
Advances to other funds - current	-	-	118	-
Due from other governments	-	-	19	-
Inventory	-	18	-	-
Prepayments	-	32	581	-
Total restricted assets	-	-	-	-
Total current assets	<u>3,000</u>	<u>3,732</u>	<u>4,022</u>	<u>24,873</u>
Non-current assets:				
Advances to other funds	-	-	450	-
Capital assets:				
Land	-	346	-	-
Property, plant, and equipment	15	20,547	34,165	-
Less: accumulated depreciation	(15)	(13,672)	(27,243)	-
Construction work in progress	-	89	-	-
Total capital assets net of depreciation	-	<u>7,310</u>	<u>6,922</u>	-
Total non-current assets	-	<u>7,310</u>	<u>7,372</u>	-
TOTAL ASSETS	<u>3,000</u>	<u>11,042</u>	<u>11,394</u>	<u>24,873</u>
DEFERRED OUTFLOW OF RESOURCES				
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 8 of 10

	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64xx
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 313	\$ 542	\$ 675	\$ 4,773
Due to other funds	1,014	42	46	18
Advances from other funds	-	-	-	-
Interest payable	-	-	-	-
Accrued wages	34	68	506	-
Accrued benefits	-	-	-	5
Accrued taxes	-	-	-	-
Notes, contracts & leases - current	-	-	969	-
Unearned revenue	-	-	33	9
Other	4,456	142	-	10,818
Total current liabilities	<u>5,817</u>	<u>794</u>	<u>2,229</u>	<u>15,623</u>
Non-current liabilities:				
Advances from other funds	-	752	-	-
Compensated absences	-	104	905	-
Notes, contracts & leases payable - non-current	-	-	-	-
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>856</u>	<u>905</u>	<u>-</u>
TOTAL LIABILITIES	<u>5,817</u>	<u>1,650</u>	<u>3,134</u>	<u>15,623</u>
DEFERRED INFLOW OF RESOURCES				
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	6,559	6,296	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Unrestricted	(2,817)	2,833	1,964	9,250
TOTAL NET POSITION	<u>\$ (2,817)</u>	<u>\$ 9,392</u>	<u>\$ 8,260</u>	<u>\$ 9,250</u>

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 9 of 10

	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,510	\$ 74,993
Accounts receivable (net)	-	219
Due from other funds	850	7,262
Advances to other funds - current	-	118
Due from other governments	-	20
Inventory	-	1,146
Prepayments	-	637
Total restricted assets	-	-
Total current assets	5,360	84,395
Non-current assets:		
Advances to other funds	-	729
Capital assets:		
Land	-	357
Property, plant, and equipment	-	158,903
Less: accumulated depreciation	-	(109,840)
Construction work in progress	-	4,547
Total capital assets net of depreciation	-	53,967
Total non-current assets	-	54,696
TOTAL ASSETS	5,360	139,091
DEFERRED OUTFLOW OF RESOURCES		
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012
(amounts expressed in thousands)
Page 10 of 10

	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 3,432	\$ 11,511
Due to other funds	10	4,451
Advances from other funds	-	133
Interest payable	-	54
Accrued wages	-	940
Accrued benefits	-	5
Accrued taxes	-	9
Notes, contracts & leases - current	-	969
Unearned revenue	-	42
Other	-	43,609
Total current liabilities	<u>3,442</u>	<u>61,723</u>
Non-current liabilities:		
Advances from other funds	-	989
Compensated absences	-	1,603
Notes, contracts & leases payable - non-current	-	-
Other - non-current liabilities	-	8,291
Total non-current liabilities	<u>-</u>	<u>10,883</u>
TOTAL LIABILITIES	<u>3,442</u>	<u>72,606</u>
 DEFERRED INFLOW OF RESOURCES		
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>
 NET POSITION		
Net investment in capital assets	-	52,574
Restricted:		
Restricted for capital purchases	-	24,649
Restricted for self-insurance	2,579	2,579
Unrestricted	<u>(661)</u>	<u>(13,317)</u>
TOTAL NET POSITION	<u>\$ 1,918</u>	<u>\$ 66,485</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2012

(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 goods and services	\$ 1,743	\$ 490	\$ -
Interfund insurance premiums	-	-	-
Miscellaneous revenues	64	-	-
TOTAL OPERATING REVENUES	<u>1,807</u>	<u>490</u>	<u>-</u>
OPERATING EXPENSES			
Salary and wages	465	322	-
Personnel benefits	206	129	-
Supplies	11	24	-
Services	406	63	-
Intergovernmental services (interfund taxes)	-	-	-
Depreciation expense	1	5	-
TOTAL OPERATION EXPENSES	<u>1,089</u>	<u>543</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>718</u>	<u>(53)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	36	14	4
Interest and other related costs	-	-	-
Operating contributions - federal/state/local	-	-	-
Other non revenues and (expenses)	(919)	-	-
Gain(loss) of disposition of property	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>(883)</u>	<u>14</u>	<u>4</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(165)</u>	<u>(39)</u>	<u>4</u>
Capital contributions - interfund	-	-	-
Transfer in	5	4	-
Transfer (out)	(2,271)	(107)	-
CHANGES IN NET POSITION	<u>(2,431)</u>	<u>(142)</u>	<u>4</u>
NET POSITION			
NET POSITION - JANUARY 1	1,797	979	85
Prior period adjustments	2,380	-	-
NET POSITION - JANUARY 1 RESTATED	<u>4,177</u>	<u>979</u>	<u>85</u>
NET POSITION - DECEMBER 31	<u>\$ 1,746</u>	<u>\$ 837</u>	<u>\$ 89</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 2 of 5

	GRAPHICS SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
OPERATING REVENUES				
Charges for goods and services	\$ 2,443	\$ 4,640	\$ 262	\$ 8,971
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	23	-	-	-
TOTAL OPERATING REVENUES	<u>2,466</u>	<u>4,640</u>	<u>262</u>	<u>8,971</u>
OPERATING EXPENSES				
Salary and wages	299	1,813	-	1,085
Personnel benefits	99	1,039	-	-
Supplies	68	130	-	588
Services	1,723	966	342	6,133
Intergovernmental services (interfund taxes)	-	-	-	-
Depreciation expense	-	2,716	-	3,045
TOTAL OPERATION EXPENSES	<u>2,189</u>	<u>6,664</u>	<u>342</u>	<u>10,851</u>
OPERATING INCOME (LOSS)	<u>277</u>	<u>(2,024)</u>	<u>(80)</u>	<u>(1,880)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	1	120	2	80
Interest and other related costs	(43)	(27)	-	-
Operating contributions - federal/state/local	-	47	-	-
Other non revenues and (expenses)	-	1	-	74
Gain(loss) of disposition of property	-	246	-	(1)
NON OPERATING REVENUE NET OF EXPENSE	<u>(42)</u>	<u>387</u>	<u>2</u>	<u>153</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>235</u>	<u>(1,637)</u>	<u>(78)</u>	<u>(1,727)</u>
Capital contributions - interfund	-	-	-	-
Transfer in	14	370	-	1,989
Transfer (out)	(1)	-	-	-
CHANGES IN NET POSITION	<u>248</u>	<u>(1,267)</u>	<u>(78)</u>	<u>262</u>
NET POSITION				
NET POSITION - JANUARY 1	(395)	43,625	214	23,847
Prior period adjustments	(126)	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>(521)</u>	<u>43,625</u>	<u>214</u>	<u>23,847</u>
NET POSITION - DECEMBER 31	<u>\$ (273)</u>	<u>\$ 42,358</u>	<u>\$ 136</u>	<u>\$ 24,109</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 3 of 5

	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
OPERATING REVENUES				
Charges for goods and services	\$ 1,350	\$ 2,493	\$ -	\$ -
Interfund insurance premiums	-	-	3,604	326
Miscellaneous revenues	-	227	-	-
TOTAL OPERATING REVENUES	<u>1,350</u>	<u>2,720</u>	<u>3,604</u>	<u>326</u>
OPERATING EXPENSES				
Salary and wages	206	535	38	-
Personnel benefits	68	135	-	-
Supplies	1,298	179	1	-
Services	(122)	414	731	492
Intergovernmental services (interfund taxes)	36	-	-	-
Depreciation expense	1	108	-	-
TOTAL OPERATION EXPENSES	<u>1,487</u>	<u>1,371</u>	<u>770</u>	<u>492</u>
OPERATING INCOME (LOSS)	<u>(137)</u>	<u>1,349</u>	<u>2,834</u>	<u>(166)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	3	54	94	3
Interest and other related costs	-	-	-	-
Operating contributions - federal/state/local	-	-	-	-
Other non revenues and (expenses)	-	-	(6)	-
Gain(loss) of disposition of property	-	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>3</u>	<u>54</u>	<u>88</u>	<u>3</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(134)</u>	<u>1,403</u>	<u>2,922</u>	<u>(163)</u>
Capital contributions - interfund	-	-	-	-
Transfer in	6	5	11	1,000
Transfer (out)	-	(2,151)	(4,005)	-
CHANGES IN NET POSITION	<u>(128)</u>	<u>(743)</u>	<u>(1,072)</u>	<u>837</u>
NET POSITION				
NET POSITION - JANUARY 1	322	3,161	(40,107)	210
Prior period adjustments	-	-	9,000	-
NET POSITION - JANUARY 1 RESTATED	<u>322</u>	<u>3,161</u>	<u>(31,107)</u>	<u>210</u>
NET POSITION - DECEMBER 31	<u>\$ 194</u>	<u>\$ 2,418</u>	<u>\$ (32,179)</u>	<u>\$ 1,047</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 4 of 5

	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64xx
OPERATING REVENUES				
Charges for goods and services	\$ -	\$ 6,092	\$ 18,546	\$ -
Interfund insurance premiums	7,806	-	-	71,999
Miscellaneous revenues	-	10	1	-
TOTAL OPERATING REVENUES	<u>7,806</u>	<u>6,102</u>	<u>18,547</u>	<u>71,999</u>
OPERATING EXPENSES				
Salary and wages	958	1,869	9,096	-
Personnel benefits	217	565	3,380	72,411
Supplies	29	1,033	311	4
Services	5,974	2,430	5,160	238
Intergovernmental services (interfund taxes)	18	20	-	-
Depreciation expense	-	661	2,366	-
TOTAL OPERATION EXPENSES	<u>7,196</u>	<u>6,578</u>	<u>20,313</u>	<u>72,653</u>
OPERATING INCOME (LOSS)	<u>610</u>	<u>(476)</u>	<u>(1,766)</u>	<u>(654)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	50	61	30	425
Interest and other related costs	-	(53)	(21)	-
Operating contributions - federal/state/local	-	-	-	-
Other non revenues and (expenses)	-	(234)	-	-
Gain(loss) of disposition of property	-	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>50</u>	<u>(226)</u>	<u>9</u>	<u>425</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>660</u>	<u>(702)</u>	<u>(1,757)</u>	<u>(229)</u>
Capital contributions - interfund	-	-	234	-
Transfer in	32	348	199	3
Transfer (out)	(998)	(1)	-	-
CHANGES IN NET POSITION	<u>(306)</u>	<u>(355)</u>	<u>(1,324)</u>	<u>(226)</u>
NET POSITION				
NET POSITION - JANUARY 1	(2,511)	9,747	9,569	9,476
Prior period adjustments	-	-	15	-
NET POSITION - JANUARY 1 RESTATED	<u>(2,511)</u>	<u>9,747</u>	<u>9,584</u>	<u>9,476</u>
NET POSITION - DECEMBER 31	<u>\$ (2,817)</u>	<u>\$ 9,392</u>	<u>\$ 8,260</u>	<u>\$ 9,250</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2012

(amounts expressed in thousands)

Page 5 of 5

	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES		
Charges for goods and services	\$ -	\$ 47,030
Interfund insurance premiums	-	83,735
Miscellaneous revenues	2,470	2,795
TOTAL OPERATING REVENUES	<u>2,470</u>	<u>133,560</u>
OPERATING EXPENSES		
Salary and wages	-	16,686
Personnel benefits	-	78,249
Supplies	-	3,676
Services	2,372	27,322
Intergovernmental services (interfund taxes)	-	74
Depreciation expense	-	8,903
TOTAL OPERATION EXPENSES	<u>2,372</u>	<u>134,910</u>
OPERATING INCOME (LOSS)	<u>98</u>	<u>(1,350)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and other earnings	79	1,056
Interest and other related costs	-	(144)
Operating contributions - federal/state/local	-	47
Other non revenues and (expenses)	-	(1,084)
Gain(loss) of disposition of property	-	245
NON OPERATING REVENUE NET OF EXPENSE	<u>79</u>	<u>120</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>177</u>	<u>(1,230)</u>
Capital contributions - interfund	-	234
Transfer in	-	3,986
Transfer (out)	-	(9,534)
CHANGES IN NET POSITION	<u>177</u>	<u>(6,544)</u>
NET POSITION		
NET POSITION - JANUARY 1	1,741	61,760
Prior period adjustments	-	11,269
NET POSITION - JANUARY 1 RESTATED	<u>1,741</u>	<u>73,029</u>
NET POSITION - DECEMBER 31	<u>\$ 1,918</u>	<u>\$ 66,485</u>

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COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 1 of 10

	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 1,803	\$ 469	\$ 133
Receipts from interfund services provided	645	27	-
Contributions received - employee/employer	-	-	-
Payments to suppliers	(497)	(65)	-
Payments to employees	(690)	(454)	-
Payments to insurance carriers	-	-	-
Payments for taxes	-	-	-
Payments for interfund services used	-	-	-
Other operating or non-operating revenues (expenses)	14	(78)	(133)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,275</u>	<u>(101)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	(805)	(102)	-
Transfers (to) other funds	-	-	-
Contributions and Donations	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(805)</u>	<u>(102)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	(5)	(12)	-
Proceeds from capital debt	-	-	-
Proceeds from the sale of capital assets	-	-	-
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(5)</u>	<u>(12)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	39	-	3
Investment long-term	-	14	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>39</u>	<u>14</u>	<u>3</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>504</u>	<u>(201)</u>	<u>3</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>1,027</u>	<u>962</u>	<u>273</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,531</u>	<u>\$ 761</u>	<u>\$ 276</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 2 of 10

	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)	\$ 718	\$ (53)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1	5	-
(increase) decrease in accounts receivable	(4)	-	133
(Increase) decrease in intergovernmental receivables	253	-	-
(Increase) decrease in due from other funds	114	27	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	7	1	-
Increase (decrease) in accrued wages payable	-	(3)	-
Increase (decrease) in compensated absences	(19)	-	-
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	278	-	-
Increase (decrease) in due to other funds	14	(78)	(133)
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) in notes, contracts, and leases payable	(87)	-	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-
Total adjustments	<u>557</u>	<u>(48)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,275</u>	<u>\$ (101)</u>	<u>\$ -</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Prior period adjustment	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 3 of 10

	GRAPHICS SERVICES 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	\$ 2,435	\$ 2,093	\$ -	\$ 9,769
Receipts from interfund services provided	-	-	441	-
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(1,789)	2,924	(544)	(3,396)
Payments to employees	(454)	(2,842)	-	(4,708)
Payments to insurance carriers	-	-	-	-
Payments for taxes	-	-	-	-
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues (expenses)	115	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>307</u>	<u>2,175</u>	<u>(103)</u>	<u>1,665</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	14	-	-	61
Transfers (to) other funds	-	-	-	-
Contributions and Donations	-	20	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>14</u>	<u>20</u>	<u>-</u>	<u>61</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	1,928
Acquisition and construction of capital assets	-	(2,719)	-	(2,757)
Proceeds from capital debt	-	-	-	-
Proceeds from the sale of capital assets	-	247	-	71
Principal paid on capital debt	40	-	-	-
Interest paid on capital debt	(45)	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(5)</u>	<u>(2,472)</u>	<u>-</u>	<u>(758)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	1	80	2	80
Investment long-term	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1</u>	<u>80</u>	<u>2</u>	<u>80</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>317</u>	<u>(197)</u>	<u>(101)</u>	<u>1,048</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>(29)</u>	<u>23,757</u>	<u>213</u>	<u>3,787</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 288</u>	<u>\$ 23,560</u>	<u>\$ 112</u>	<u>\$ 4,835</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 4 of 10

	GRAPHICS SERVICES 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)	\$ 277	\$ (2,024)	\$ (80)	\$ (1,880)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	2,716	-	3,045
(increase) decrease in accounts receivable	(4)	51	-	(2)
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	-	(2,599)	179	800
(Increase) decrease in inventories	-	(97)	-	40
(Increase) decrease in prepaid items	-	-	-	(3)
Increase (decrease) in accounts payable	(7)	1,222	(202)	(279)
Increase (decrease) in accrued wages payable	(28)	(4)	-	(12)
Increase (decrease) in compensated absences	(28)	14	-	(34)
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	92	2,896	-	(10)
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in other current liabilities	5	-	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	-
Total adjustments	30	4,199	(23)	3,545
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 307	\$ 2,175	\$ (103)	\$ 1,665
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior period adjustment	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 5 of 10

	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 1,350	\$ 2,704	\$ -	\$ -
Receipts from interfund services provided	7	11	-	-
Contributions received - employee/employer	-	-	3,604	326
Payments to suppliers	(1,216)	(727)	(2,923)	(1,516)
Payments to employees	(265)	(574)	(38)	-
Payments to insurance carriers	-	-	-	-
Payments for taxes	-	-	-	-
Payments for interfund services used	(41)	-	-	-
Other operating or non-operating revenues (expenses)	(1)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(166)</u>	<u>1,414</u>	<u>643</u>	<u>(1,190)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	6	(2,146)	11	1,000
Transfers (to) other funds	-	-	(4,011)	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>6</u>	<u>(2,146)</u>	<u>(4,000)</u>	<u>1,000</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Acquisition and construction of capital assets	-	-	-	-
Proceeds from capital debt	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	3	54	94	3
Investment long-term	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>3</u>	<u>54</u>	<u>94</u>	<u>3</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(157)</u>	<u>(678)</u>	<u>(3,263)</u>	<u>(187)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	332	2,945	7,294	347
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 175</u>	<u>\$ 2,267</u>	<u>\$ 4,031</u>	<u>\$ 160</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 6 of 10

	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (137)	\$ 1,349	\$ 2,834	\$ (166)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1	108	-	-
(increase) decrease in accounts receivable	1	(16)	-	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	-	-	-	(1,000)
(Increase) decrease in inventories	(4)	-	-	-
(Increase) decrease in prepaid items	-	-	-	-
Increase (decrease) in accounts payable	-	10	(44)	(24)
Increase (decrease) in accrued wages payable	(36)	4	-	-
Increase (decrease) in compensated absences	1	15	-	-
Increase (decrease) in deferred credits	8	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	-	11	(18)	-
Increase (decrease) in unearned revenues	(5)	(67)	-	-
Increase (decrease) in other current liabilities	-	-	(11,129)	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	9,000	-
Miscellaneous non-operating revenues (expenditures)	5	-	-	-
Total adjustments	(29)	65	(2,191)	(1,024)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (166)	\$ 1,414	\$ 643	\$ (1,190)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior period adjustment	\$ -	\$ -	\$ 9,000	\$ -

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 7 of 10

	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64xx
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ -	\$ 6,093	\$ 18,547	\$ -
Receipts from interfund services provided	-	5	(221)	-
Contributions received - employee/employer	7,806	-	(12,495)	71,999
Payments to suppliers	(4,765)	(3,138)	(4,084)	(328)
Payments to employees	(1,175)	(2,452)	-	-
Payments to insurance carriers	-	-	-	(72,876)
Payments for taxes	(18)	-	-	-
Payments for interfund services used	-	-	(2)	-
Other operating or non-operating revenues (expenses)	-	(347)	(625)	(21)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,848</u>	<u>161</u>	<u>1,120</u>	<u>(1,226)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	(998)	347	199	3
Transfers (to) other funds	-	-	-	-
Contributions and Donations	32	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(966)</u>	<u>347</u>	<u>199</u>	<u>3</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Acquisition and construction of capital assets	-	61	(169)	-
Proceeds from capital debt	-	(53)	-	-
Proceeds from the sale of capital assets	-	-	-	-
Principal paid on capital debt	-	-	(445)	-
Interest paid on capital debt	-	-	(21)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>8</u>	<u>(635)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	50	(173)	30	425
Investment long-term	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>50</u>	<u>(173)</u>	<u>30</u>	<u>425</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>932</u>	<u>343</u>	<u>714</u>	<u>(798)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>2,066</u>	<u>3,328</u>	<u>646</u>	<u>25,256</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,998</u>	<u>\$ 3,671</u>	<u>\$ 1,360</u>	<u>\$ 24,458</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 8 of 10

	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64xx
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 610	\$ (476)	\$ (1,766)	\$ (654)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	661	2,366	-
(increase) decrease in accounts receivable	-	(9)	5	244
(Increase) decrease in intergovernmental receivables	-	5	(19)	-
(Increase) decrease in due from other funds	(2)	-	(207)	(358)
(Increase) decrease in inventories	-	10	-	-
(Increase) decrease in prepaid items	-	(6)	1,255	-
Increase (decrease) in accounts payable	18	323	99	(758)
Increase (decrease) in accrued wages payable	2	2	(11)	-
Increase (decrease) in compensated absences	-	-	(8)	-
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	1,003	(347)	(2)	(1)
Increase (decrease) in unearned revenues	-	-	33	8
Increase (decrease) in other current liabilities	217	(2)	-	293
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	(625)	-
Total adjustments	1,238	637	2,886	(572)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,848	\$ 161	\$ 1,120	\$ (1,226)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior period adjustment	\$ -	\$ -	\$ -	\$ 21

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 9 of 10

	SELF INSURANCE CLAIMS FUND #(5)4800	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ -	\$ 45,396
Receipts from interfund services provided	-	915
Contributions received - employee/employer	2,470	73,710
Payments to suppliers	-	(22,064)
Payments to employees	-	(13,652)
Payments to insurance carriers	(485)	(73,361)
Payments for taxes	-	(18)
Payments for interfund services used	-	(43)
Other operating or non-operating revenues (expenses)	(1,487)	(2,563)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>498</u>	<u>8,320</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	(2,410)
Transfers (to) other funds	-	(4,011)
Contributions and Donations	-	52
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(6,369)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	1,928
Acquisition and construction of capital assets	-	(5,601)
Proceeds from capital debt	-	(53)
Proceeds from the sale of capital assets	-	318
Principal paid on capital debt	-	(405)
Interest paid on capital debt	-	(66)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(3,879)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	78	769
Investment long-term	-	14
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>78</u>	<u>783</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>576</u>	<u>(1,145)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	3,934	76,138
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,510</u>	<u>\$ 74,993</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012
(amounts expressed in thousands)
Page 10 of 10

	SELF INSURANCE CLAIMS FUND #(5)4800	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 98	\$ (1,350)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	-	8,903
(increase) decrease in accounts receivable	-	399
(Increase) decrease in intergovernmental receivables	-	239
(Increase) decrease in due from other funds	(850)	(3,896)
(Increase) decrease in inventories	-	(51)
(Increase) decrease in prepaid items	-	1,246
Increase (decrease) in accounts payable	1,250	1,616
Increase (decrease) in accrued wages payable	-	(86)
Increase (decrease) in compensated absences	-	(59)
Increase (decrease) in deferred credits	-	8
Increase (decrease) in intergovernmental payables	-	278
Increase (decrease) in due to other funds	-	3,427
Increase (decrease) in unearned revenues	-	(31)
Increase (decrease) in other current liabilities	-	(10,616)
Increase (decrease) in notes, contracts, and leases payable	-	(87)
Increase (decrease) in prior period adjustments	-	9,000
Miscellaneous non-operating revenues (expenditures)	-	(620)
Total adjustments	<u>400</u>	<u>9,670</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 498</u>	<u>\$ 8,320</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Prior period adjustment	\$ -	\$ 9,021

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2012
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450	AGENCY FUNDS #6570, 6790
ASSETS		
Cash and cash equivalents	\$ 29,167	\$ 5,152
Investments at fair value:		
Equities	619,219	-
Fixed income	376,274	-
Real estate	51,699	-
Venture capital and partnerships	148,061	-
Securities lending collateral	37,423	-
Receivables - net uncollectible accounts	1,482	-
Due from other funds	672	-
Interest and dividends	2,132	-
Investment sales	1,335	-
Capital assets - net of accumulated depreciation	14	-
TOTAL ASSETS	<u>1,267,478</u>	<u>5,152</u>
DEFERRED OUTFLOW OF RESOURCES		
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,330	-
Accrued wages and benefits payable	592	831
Due to other funds	359	-
Due to the governmental units	17	4,321
Investments purchase payable	37,423	-
Securities lending collateral	7,940	-
Other current liabilities	158	-
Total current liabilities	<u>47,819</u>	<u>5,152</u>
Non-current liabilities:		
Accrued employee leave benefits	59	-
Total non-current liabilities	<u>59</u>	<u>-</u>
TOTAL LIABILITIES	<u>47,878</u>	<u>5,152</u>
DEFERRED INFLOW OF RESOURCES		
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Held in trust for pension benefits and other purposes	<u>\$ 1,219,600</u>	<u>\$ -</u>

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2012
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS	
Employer contributions	\$ 32,653
Member contributions	20,364
Other contributions	244
Total contributions	<u>53,261</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	127,410
Interest & dividends	28,522
Total investment income	<u>155,932</u>
Less investment expenses:	
Investment management fees	4,405
Securities lending - agent fees	47
Securities lending - broker rebates	<u>(31)</u>
Total investment expense	<u>4,421</u>
Net investment income	<u>151,511</u>
TOTAL ADDITIONS	<u>204,772</u>
DEDUCTIONS	
Wages and benefits	1,138
Benefit payments	64,376
Refunds of contributions	2,705
Administrative expense	<u>567</u>
TOTAL DEDUCTIONS	<u>68,786</u>
NET INCREASE (DECREASE)	<u>135,986</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,083,577
Prior period adjustment	37
Net position - beginning (restated)	<u>1,083,614</u>
Net position - ending	<u>\$ 1,219,600</u>

COMBINING STATEMENT OF NET POSITION

TRUST FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND #6120
ASSETS			
Cash and cash equivalents	\$ 430	\$ 27,602	\$ 236
Investments at fair value:			
Equities	-	619,219	-
Fixed income	-	376,274	-
Real estate	-	51,699	-
Venture capital and partnerships	-	148,061	-
Securities lending collateral	-	37,423	-
Receivables - net uncollectible accounts	-	1,482	-
Due from other funds	-	5	285
Interest and dividends	-	2,132	-
Investment sales	-	1,335	-
Capital assets - net of accumulated depreciation	-	14	-
TOTAL ASSETS	<u>430</u>	<u>1,265,246</u>	<u>521</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	1,068	105
Accrued wages and benefits payable	3	33	2
Due to other funds	1	-	174
Due to the governmental units	-	17	-
Investments purchase payable	-	37,423	-
Securities lending collateral	-	7,940	-
Other current liabilities	-	-	53
Total current liabilities	<u>4</u>	<u>46,481</u>	<u>334</u>
Non-current liabilities:			
Accrued employee leave benefits	-	49	5
Total non-current liabilities	<u>-</u>	<u>49</u>	<u>5</u>
TOTAL LIABILITIES	<u>4</u>	<u>46,530</u>	<u>339</u>
DEFERRED INFLOW OF RESOURCES			
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 426</u>	<u>\$ 1,218,716</u>	<u>\$ 182</u>

COMBINING STATEMENT OF NET POSITION

TRUST FUNDS

December 31, 2012

(amounts expressed in thousands)

Page 2 of 2

	RELIEF & PENSION FIREFIGHTERS FUND #6150	PAYROLL CLEARING FUND #6450	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ASSETS			
Cash and cash equivalents	\$ 347	\$ 552	\$ 29,167
Investments at fair value:			
Equities	-	-	619,219
Fixed income	-	-	376,274
Real estate	-	-	51,699
Venture capital and partnerships	-	-	148,061
Securities lending collateral	-	-	37,423
Receivables - net uncollectible accounts	-	-	1,482
Due from other funds	380	2	672
Interest and dividends	-	-	2,132
Investment sales	-	-	1,335
Capital assets - net of accumulated depreciation	-	-	14
TOTAL ASSETS	<u>727</u>	<u>554</u>	<u>1,267,478</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	155	2	1,330
Accrued wages and benefits payable	2	552	592
Due to other funds	184	-	359
Due to the governmental units	-	-	17
Investments purchase payable	-	-	37,423
Securities lending collateral	-	-	7,940
Other current liabilities	105	-	158
Total current liabilities	<u>446</u>	<u>554</u>	<u>47,819</u>
Non-current liabilities:			
Accrued employee leave benefits	5	-	59
Total non-current liabilities	<u>5</u>	<u>-</u>	<u>59</u>
TOTAL LIABILITIES	<u>451</u>	<u>554</u>	<u>47,878</u>
DEFERRED INFLOW OF RESOURCES			
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 276</u>	<u>\$ -</u>	<u>\$ 1,219,600</u>

FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND #6120
ADDITIONS			
Employer contributions	\$ -	\$ 22,742	\$ 4,610
Member contributions	-	20,365	-
Other contributions	231	9	2
Total contributions	<u>231</u>	<u>43,116</u>	<u>4,612</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	2	127,408	-
Interest & dividends	6	28,505	4
Total investment income	<u>8</u>	<u>155,913</u>	<u>4</u>
Less investment expenses:			
Investment management fees	-	4,405	-
Securities lending - agent fees	-	47	-
Securities lending - broker rebates	-	(31)	-
Total investment expense	<u>-</u>	<u>4,421</u>	<u>-</u>
Net investment income	<u>8</u>	<u>151,492</u>	<u>4</u>
TOTAL ADDITIONS	<u>239</u>	<u>194,608</u>	<u>4,616</u>
	-	-	-
DEDUCTIONS			
Wages and benefits	97	916	60
Benefit payments	-	54,841	4,409
Refunds of contributions	-	2,705	-
Administrative expense	81	336	73
TOTAL DEDUCTIONS	<u>178</u>	<u>58,798</u>	<u>4,542</u>
	-	-	-
NET INCREASE (DECREASE)	61	135,810	74
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Net position - beginning	328	1,082,906	108
Prior period adjustment	37	-	-
Net position - beginning (restated)	365	1,082,906	108
Net position - ending	<u>\$ 426</u>	<u>\$ 1,218,716</u>	<u>\$ 182</u>

FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended December 31, 2012
 (amounts expressed in thousands)

Page 2 of 2

	RELIEF & PENSION FIREFIGHTERS FUND #6150	PAYROLL CLEARING FUND #6450	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS			
Employer contributions	\$ 5,301	\$ -	\$ 32,653
Member contributions	(1)	-	20,364
Other contributions	2	-	244
Total contributions	<u>5,302</u>	<u>-</u>	<u>53,261</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	-	-	127,410
Interest & dividends	7	-	28,522
Total investment income	<u>7</u>	<u>-</u>	<u>155,932</u>
Less investment expenses:			
Investment management fees	-	-	4,405
Securities lending - agent fees	-	-	47
Securities lending - broker rebates	-	-	(31)
Total investment expense	<u>-</u>	<u>-</u>	<u>4,421</u>
Net investment income	<u>7</u>	<u>-</u>	<u>151,511</u>
TOTAL ADDITIONS	<u>5,309</u>	<u>-</u>	<u>204,772</u>
	-	-	-
DEDUCTIONS			
Wages and benefits	65	-	1,138
Benefit payments	5,126	-	64,376
Refunds of contributions	-	-	2,705
Administrative expense	77	-	567
TOTAL DEDUCTIONS	<u>5,268</u>	<u>-</u>	<u>68,786</u>
	-	-	-
NET INCREASE (DECREASE)	41	-	135,986
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Net position - beginning	235	-	1,083,577
Prior period adjustment	-	-	37
Net position - beginning (restated)	235	-	1,083,614
Net position - ending	<u>\$ 276</u>	<u>\$ -</u>	<u>\$ 1,219,600</u>

COMBINING STATEMENT OF NET POSITION

AGENCY FUNDS

December 31, 2012

(amounts expressed in thousands)

	LAW ENFORCEMENT SUPPORT AGENCY FUND #6570	TACOMA URBAN NETWORK FUND #6790	TOTAL AGENCY FUNDS #6570, 6790
ASSETS			
Cash and cash equivalents	\$ 5,136	\$ 16	\$ 5,152
Receivables - net uncollectible accounts	-	-	-
TOTAL ASSETS	<u>5,136</u>	<u>16</u>	<u>5,152</u>
LIABILITIES			
Current liabilities:			
Accrued wages and benefits payable	831	-	831
Due to the governmental units	<u>4,305</u>	<u>16</u>	<u>4,321</u>
Total current liabilities	<u>5,136</u>	<u>16</u>	<u>5,152</u>
TOTAL LIABILITIES	<u>\$ 5,136</u>	<u>\$ 16</u>	<u>\$ 5,152</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2012
 (amounts expressed in thousands)

	LAW ENFORCEMENT SUPPORT AGENCY (FUND 6570)			
	BALANCE 12/31/2011	INCREASES	DECREASES	BALANCE 12/31/2012
ASSETS				
Cash and cash equivalents	\$ 7,606	\$ 24,384	\$ 26,854	\$ 5,136
Receivables - net uncollectible accounts	-	-	-	-
TOTAL ASSETS	<u>7,606</u>	<u>24,384</u>	<u>26,854</u>	<u>5,136</u>
LIABILITIES				
Accounts payable	105	4,896	5,001	-
Accrued wages and benefits payable	835	51,757	51,761	831
Due to the governmental units	6,666	28,960	31,321	4,305
Total current liabilities	<u>7,606</u>	<u>85,613</u>	<u>88,083</u>	<u>5,136</u>
Non-current liabilities:				
TOTAL LIABILITIES	<u>\$ 7,606</u>	<u>\$ 85,608</u>	<u>\$ 88,078</u>	<u>\$ 5,136</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2012
 (amounts expressed in thousands)

TACOMA URBAN NETWORK (FUND #6790)			
	BALANCE 12/31/2011	INCREASES	BALANCE 12/31/2012
ASSETS			
Cash and cash equivalents	\$ 17	\$ 5	\$ 6
Receivables - net uncollectible accounts	-	1	-
TOTAL ASSETS	<u>17</u>	<u>6</u>	<u>16</u>
LIABILITIES			
Accounts payable	-	1	-
Due to the governmental units	17	1	16
Total current liabilities	<u>17</u>	<u>2</u>	<u>16</u>
Non-current liabilities:			
TOTAL LIABILITIES	<u>\$ 17</u>	<u>\$ 2</u>	<u>\$ 16</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2012
 (amounts expressed in thousands)

	TOTAL			BALANCE 12/31/2012
	BALANCE 12/31/2011	INCREASES	DECREASES	
ASSETS				
Cash and cash equivalents	\$ 7,623	\$ 24,389	\$ 26,860	\$ 5,152
Receivables - net uncollectible accounts	-	1	1	-
TOTAL ASSETS	<u>7,623</u>	<u>24,390</u>	<u>26,861</u>	<u>5,152</u>
LIABILITIES				
Accounts payable	105	4,897	5,002	-
Accrued wages and benefits payable	835	51,757	51,761	831
Due to the governmental units	6,683	28,961	31,323	4,321
Total current liabilities	<u>7,623</u>	<u>85,615</u>	<u>88,086</u>	<u>5,152</u>
TOTAL LIABILITIES	<u>\$ 7,623</u>	<u>\$ 85,610</u>	<u>\$ 88,081</u>	<u>\$ 5,152</u>

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

Governmental Funds Capital Assets:	2012	2011
Land	\$ 34,369	\$ 28,299
Parks	5,180	85
Buildings	63,016	63,659
Improvements other than Buildings	11,094	11,181
Machinery and Equipment	31,522	30,182
Intangible Assets	1,164	719
Library Materials	6,510	19,325
Works of Art	1,829	1,829
Infrastructure	1,303,604	1,190,561
Work in Progress	51,999	120,651
Total Governmental Funds Capital Assets	<u>\$ 1,510,287</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 Internal Service Funds**TABLE 2**
(amounts expressed in thousands)

Internal Service Funds Capital Assets:	2012	2011
Land	\$ 357	\$ 357
Parks	-	-
Buildings	21,580	20,652
Improvements other than Buildings	275	275
Machinery and Equipment	72,918	71,283
Intangible Assets	10,342	9,391
Library Materials	-	-
Works of Art	-	-
Infrastructure	119	119
Work in Progress	2,759	3,911
Total Governmental Funds Capital Assets	<u>\$ 108,350</u>	<u>\$ 105,988</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)

Total Capital Assets:	2012	2011
Land	\$ 34,726	\$ 28,656
Parks	5,180	85
Buildings	84,596	84,311
Improvements other than Buildings	11,369	11,456
Machinery and Equipment	104,440	101,465
Intangible Assets	11,506	10,110
Library Materials	6,510	19,325
Works of Art	1,829	1,829
Infrastructure	1,303,723	1,190,680
Work in Progress	54,758	124,562
Total Governmental Funds Capital Assets	<u>\$ 1,618,637</u>	<u>\$ 1,572,479</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 1/1/2012	Increases	Decreases	Prior Year Adjustments	Prior Year Reclass	Capital Assets 12/31/2012
General Government	\$ 14,104	\$ 3,210	\$ (474)	\$ -	\$ -	\$ 16,840
Public Safety	72,162	1,249	(275)	-	-	\$ 73,136
Transportation	1,197,680	116,426	(2,543)	-	-	\$ 1,311,563
Culture and Recreation	57,986	10,968	(16,113)	-	-	\$ 52,841
Economic Environment	3,908	-	-	-	-	\$ 3,908
Work In Progress	120,651	16,512	(85,164)	-	-	\$ 51,999
Total Capital Assets	<u>\$ 1,466,491</u>	<u>\$ 148,365</u>	<u>\$ (104,569)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,510,287</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)

	General Government	Public Safety	Transportation	Culture and Recreation	Economic Environment	Total Capital Assets
Governmental Funds Capital Assets:						
Land	\$ 7,428	\$ 4,704	\$ 3,405	\$ 17,572	\$ 1,260	\$ 34,369
Parks	-	-	-	5,180	-	\$ 5,180
Buildings	1,997	42,851	991	15,785	1,392	\$ 63,016
Improvements other than Buildings	2,626	1,106	3,075	4,287	-	\$ 11,094
Machinery and Equipment	4,480	23,653	2,785	394	210	\$ 31,522
Intangible Assets	259	483	-	422	-	\$ 1,164
Library Materials	-	-	-	6,510	-	\$ 6,510
Works of Art	50	339	-	394	1,046	\$ 1,829
Infrastructure	-	-	1,301,307	2,297	-	\$ 1,303,604
Work In Progress	219	2,110	47,678	1,984	8	\$ 51,999
Total Governmental Funds Capital Assets	<u>\$ 17,059</u>	<u>\$ 75,246</u>	<u>\$ 1,359,241</u>	<u>\$ 54,825</u>	<u>\$ 3,916</u>	<u>\$ 1,510,287</u>

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

**Special Assessment Billings and Collections
Last Ten Fiscal Years**

Fiscal Year Ending 31-Dec	Assessments Levied	Assessments Collected	Total Assessments Outstanding
2003	\$ 874,053	\$ 1,154,128	\$ 2,746,664
2004	938,897	1,220,486	2,465,075
2005	1,143,653	1,410,992	2,197,736
2006	59,717	588,235	1,669,219
2007	205,786	543,732	1,331,273
2008	-	406,320	924,953
2009	210,271	387,476	747,748
2010	2,121,294	749,841	2,119,201
2011	67,126	382,041	1,804,286
2012	245,501	602,084	1,447,703

NOTE: This Table includes billings and collections from Local Improvement District assessments and charges by the Sidewalk Construction Fund for repair or replacement of hazardous sidewalks.

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SECTION 3

STATISTICAL SECTION

FINANCIAL TRENDS

These schedules contain trend information used in understanding how the City's financial performance has changed over time.

1. NET POSITION BY COMPONENTS
2. CHANGES IN NET POSITION
3. FUND BALANCES OF GOVERNMENTAL FUNDS
4. CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
5. GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

REVENUE CAPACITY

These schedules contain information used in assessing the City's revenue from property tax.

6. ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
7. PROPERTY TAX RATES—DIRECT AND OVERLAPPING GOVERNMENTS
8. PROPERTY TAX LEVIES AND COLLECTIONS
9. PRINCIPAL TAXPAYERS

DEBT CAPACITY

These schedules contain information used in assessing the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

10. RATIOS OF OUTSTANDING DEBT BY TYPE
11. RATIOS OF GENERAL BONDED DEBT OUTSTANDING
12. COMPUTATION OF DIRECT AND OVERLAPPING DEBT
13. LEGAL DEBT MARGIN INFORMATION
14. COMPUTATION OF CONSTITUTIONAL LIMIT OF INDEBTEDNESS
15. PLEDGED REVENUE COVERAGE

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules show demographic and economic indicators used in understanding the environment in which the City's activities take place.

16. DEMOGRAPHIC AND ECONOMIC STATISTICS
17. PRINCIPAL EMPLOYERS

OPERATING INFORMATION

These schedules contain service and infrastructure data used in relating the City's financial report to the services the City provides and the activities it performs.

18. FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
19. OPERATING INDICATORS BY FUNCTION
20. CAPITAL ASSET STATISTICS BY FUNCTION
21. CONTRIBUTING STAFF

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities					
Invested in capital assets, net of related	\$61,151	\$90,360 (2)	\$104,725 (3)	\$722,581 (5)	\$715,358 (6)
Restricted	22,931	37,491	30,321	26,101	22,297
Unrestricted	<u>126,169</u>	<u>79,407</u>	<u>98,602</u>	<u>148,214</u>	<u>146,240</u>
Total governmental activities net position	<u>210,251</u>	<u>207,258</u>	<u>233,648</u>	<u>896,896</u>	<u>883,895</u>
Business-type activities					
Invested in capital assets, net of related	664,764	831,187 (1)	924,107 (4)	958,079 (4)	1,117,908 (4)
Restricted	40,581	86,922	82,341	202,206	61,950
Unrestricted	<u>284,492</u>	<u>175,822</u>	<u>156,933</u>	<u>117,707</u>	<u>228,300</u>
Total business-type activities net position	<u>989,837</u>	<u>1,093,931</u>	<u>1,163,381</u>	<u>1,277,992</u>	<u>1,408,158</u>
Primary government					
Net investment in capital assets	725,915	921,547	1,028,832	1,680,660	1,833,266
Restricted	63,512	124,413	112,662	228,307	84,247
Unrestricted	<u>410,661</u>	<u>255,229</u>	<u>255,535</u>	<u>265,921</u>	<u>374,540</u>
Total primary government net position	<u>\$1,200,088</u>	<u>\$1,301,189</u>	<u>\$1,397,029</u>	<u>\$2,174,888</u>	<u>\$2,292,053</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 Position by Component
Last Ten Fiscal Years
Table 1
(accrual basis of accounting)
(amounts expressed in thousands)
Page 2 of 2

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities					
Invested in capital assets, net of related	\$716,586	\$697,653	\$729,601	\$732,174	\$699,307
Restricted	23,144	48,852	36,943	84,842	82,405
Unrestricted	120,151 (7)	32,193	44,682	(87,658)	(64,890)
Total governmental activities net position	<u>859,881</u>	<u>778,698</u>	<u>811,226</u>	<u>729,358</u>	<u>716,822</u>
Business-type activities					
Invested in capital assets, net of related	1,202,761	1,286,616	1,355,118	1,365,324	1,401,679
Restricted	54,137	94,139	93,429	126,952	103,350
Unrestricted	269,378	276,939	246,032	282,088	318,920
Total business-type activities net position	<u>1,526,276</u>	<u>1,657,694</u>	<u>1,694,579</u>	<u>1,774,364</u>	<u>1,823,949</u>
Primary government					
Net investment in capital assets	1,919,347	1,984,269	2,084,719	2,097,498	2,100,986
Restricted	77,281	142,991	130,372	211,794	185,755
Unrestricted	389,529	309,132	290,714	194,430	254,030
Total primary government net position	<u>\$2,386,157</u>	<u>\$2,436,392</u>	<u>\$2,505,805</u>	<u>\$2,503,722</u>	<u>\$2,540,771</u>

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

	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 27,284	\$ 32,177	\$ 21,087	\$ 20,100	\$ 19,992
Public Safety	112,942	134,733 (2)	129,447	115,572	146,328 (5)
Physical Environment	-	- (1)	491	465	653
Transportation	-	- (1)	18,871	44,744	52,706
Health and Human Services	-	- (1)	1,686	20,968 (6)	2,121
Public Works	17,898	18,765 (1)	-	-	-
Economic Environment/Development	21,729	23,774	23,281	1,816 (6)	29,253
Culture and Recreation	19,058	16,867	13,046	13,409	17,643
Interest on long-term debt	5,235	3,984	3,432	4,005	3,157
Total governmental activities expense	<u>204,146</u>	<u>230,300</u>	<u>211,341</u>	<u>221,079</u>	<u>271,853</u>
Business-type activities:					
Public Assembly Facilities	-	- (1)	17,049	17,640	18,465
Rail	-	- (1)	17,142	18,507	18,992
Solid Waste	-	- (1)	48,311	44,594	51,250
Sewer	91,082 (3)	54,623	41,607	46,930	54,008
Water	39,480	43,260	46,016	54,695	55,310
Power	321,042	292,608	302,482	323,555	319,777
Other business-type funds	73,774	76,294	7,581	7,254	7,427
Total business-type activities	<u>525,378</u>	<u>466,785</u>	<u>480,188</u>	<u>513,175</u>	<u>525,229</u>
Total primary government expenses	<u>\$ 729,524</u>	<u>\$ 697,085</u>	<u>\$ 691,529</u>	<u>\$ 734,254</u>	<u>\$ 797,082</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 19,933	\$ 12,903	\$ 3,019	\$ 5,651	\$ 8,396
Public Safety	5,444	5,981	8,192	5,331	3,917
Physical Environment	-	-	-	-	75
Transportation	-	-	5,226	4,036	4,050
Health and Human Services	-	-	40	280	426
Public Works	2,384	5,968	-	-	-
Economic Environment/Development	660	908	6,337	7,729	7,208
Culture and Recreation	502	2,506	452	422	447
Interest on long-term debt	1,514	1,352	1,493	657	606
Operating grants and contributions:	19,428	14,320	20,137	35,142 (4)	32,655
Capital grants and contributions	4,633	5,393	8,139	11,430	15,602
Total governmental activities program revenues	<u>54,498</u>	<u>49,331</u>	<u>53,035</u>	<u>70,678</u>	<u>73,382</u>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	-	-	6,165	7,528	9,749
Rail	-	-	17,609	17,559	21,396
Solid Waste	-	-	48,938	51,337	57,498
Sewer	53,784	54,891	57,600	62,989	66,145
Water	39,117	41,035	45,892	53,232	54,494
Power	325,058 (7)	329,574	344,450	399,716	401,899
Other business-type funds	66,626	71,815	3,604	3,591	4,031
Operating grants and contributions:	382	2,285	631	1,113	1,412
Capital grants and contributions	44,447	42,430	54,870	45,430	34,724
Total business-type activities program revenues	<u>529,414</u>	<u>542,030</u>	<u>579,759</u>	<u>642,495</u>	<u>651,348</u>
Total primary government program revenues	<u>\$ 583,912</u>	<u>\$ 591,361</u>	<u>\$ 632,794</u>	<u>\$ 713,173</u>	<u>\$ 724,730</u>
Net (expense)/revenue					
Governmental activities	\$ (149,648)	\$ (180,969)	\$ (158,306)	\$ (150,401)	\$ (198,471)
Business-type activities	4,036	75,245	99,571	129,320	126,119
Total primary government net expense	<u>\$ (145,612)</u>	<u>\$ (105,724)</u>	<u>\$ (58,735)</u>	<u>\$ (21,081)</u>	<u>\$ (72,352)</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 Position
Last Ten Fiscal Years
Table 2
(accrual basis of accounting)
(amounts expressed in thousands)
Page 2 of 4

	2008	2009	2010	2011	2012
Expenses					
Governmental activities:					
General government	\$ 24,504	\$ 27,788	\$ 28,806	\$ 34,732	\$ 52,038
Public Safety	143,922	168,059	157,488	163,575	150,575
Physical Environment	622	-	-	102	2
Transportation	53,007	37,608	19,609	75,692	52,424
Health and Human Services	2,051	2,369	2,513	3,129	757
Public Works	-	-	-	-	-
Economic Environment/Development	26,947	30,332	28,602	24,023	23,510
Culture and Recreation	22,815	30,052	21,777	43,460	10,690
Interest on long-term debt	3,905	3,777	8,186	6,121	6,351
Total governmental activities expense	<u>277,773</u>	<u>299,985</u>	<u>266,981</u>	<u>350,834</u>	<u>296,347</u>
Business-type activities:					
Public Assembly Facilities	18,562	19,051	18,764	23,797	24,062
Rail	20,286	16,986	19,162	22,089	24,753
Solid Waste	52,530	51,563	47,746	54,518	59,391
Sewer	55,121	61,681	75,758	79,390	83,294
Water	58,685	61,769	73,866	76,161	76,755
Power	334,180	317,481	383,424	371,829	395,954
Other business-type funds	6,922	3,017	9,691	7,335	9,147
Total business-type activities	<u>546,286</u>	<u>531,548</u>	<u>628,411</u>	<u>635,119</u>	<u>673,356</u>
Total primary government expenses	<u>\$ 824,059</u>	<u>\$ 831,533</u>	<u>\$ 895,392</u>	<u>\$ 985,953</u>	<u>\$ 969,703</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 12,482	\$ 11,747	\$ 13,861	\$ 8,780	\$ 6,607
Public Safety	8,202	12,409	9,201	8,133	20,306
Physical Environment	82	-	-	82	93
Transportation	9,426	7,820	7,968	8,959	9,434
Health and Human Services	744	815	235	761	421
Public Works	-	-	-	-	-
Economic Environment/Development	5,899	5,372	4,477	1,111	2,380
Culture and Recreation	447	411	390	415	1,180
Interest on long-term debt	-	-	-	1,010	2,658
Operating grants and contributions:	12,516	24,245	22,276	13,138	14,974
Capital grants and contributions	8,244	5,058	13,996	38,445	37,338
Total governmental activities program revenues	<u>58,042</u>	<u>67,877</u>	<u>72,404</u>	<u>80,834</u>	<u>95,391</u>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	14,410	9,864	9,966	15,274	14,863
Rail	20,612	17,579	18,940	23,164	25,969
Solid Waste	56,076	55,928	56,812	57,781	57,541
Sewer	67,850	75,098	77,988	78,318	81,582
Water	57,086	65,622	66,247	70,235	81,508
Power	407,664	361,699	375,688	373,962	395,105
Other business-type funds	3,995	3,509	6,764	4,376	6,044
Operating grants and contributions:	11,252 (8)	3,821	2,007	601	180
Capital grants and contributions	35,600	43,784	32,102	61,585	31,222
Total business-type activities program revenues	<u>674,545</u>	<u>636,904</u>	<u>646,514</u>	<u>685,296</u>	<u>694,014</u>
Total primary government program revenues	<u>\$ 732,587</u>	<u>\$ 704,781</u>	<u>\$ 718,918</u>	<u>\$ 766,130</u>	<u>\$ 789,405</u>
Net (expense)/revenue					
Governmental activities	\$ (219,731)	\$ (232,108)	\$ (194,577)	\$ (270,000)	\$ (200,956)
Business-type activities	128,259	105,356	18,103	50,177	20,658
Total primary government net expense	<u>\$ (91,472)</u>	<u>\$ (126,752)</u>	<u>\$ (176,474)</u>	<u>\$ (219,823)</u>	<u>\$ (180,298)</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 47,967	\$ 50,388	\$ 54,593	\$ 53,177	\$ 57,410
Sales taxes	43,528	43,842	49,272	54,071	54,508
Business taxes	70,248	43,580	46,166	46,161	46,955
Unrestricted investment earnings	5,984	5,028	3,193	6,869	8,976
Gain on sale of capital assets	-	-	2,402	1,567	43
Transfers	<u>1,648</u>	<u>28,435</u>	<u>31,584</u>	<u>35,673</u>	<u>38,600</u>
Total governmental activities	<u>169,375</u>	<u>171,273</u>	<u>187,210</u>	<u>197,518</u>	<u>206,492</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	-
Sales taxes	396	457	376	458	605
Business taxes	-	-	-	-	-
Unrestricted investment earnings	11,720	12,078	12,514	27,309	36,090
Gain on sale of capital assets	2,863	(75)	4,889	55	5,667
Transfers	<u>(1,648)</u>	<u>(28,435)</u>	<u>(31,584)</u>	<u>(35,673)</u>	<u>(38,600)</u>
Total business-type activities	<u>13,331</u>	<u>(15,975)</u>	<u>(13,805)</u>	<u>(7,851)</u>	<u>3,762</u>
Total primary government	<u>\$ 182,706</u>	<u>\$ 155,298</u>	<u>\$ 173,405</u>	<u>\$ 189,667</u>	<u>\$ 210,254</u>
Change in Net Position					
Governmental activities	\$ 19,727	\$ (9,696)	\$ 28,904	\$ 47,117	\$ 8,021
Business-type activities	<u>17,367</u>	<u>59,270</u>	<u>85,766</u>	<u>121,469</u>	<u>129,881</u>
Total primary government	<u>\$ 37,094</u>	<u>\$ 49,574</u>	<u>\$ 114,670</u>	<u>\$ 168,586</u>	<u>\$ 137,902</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 position 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.

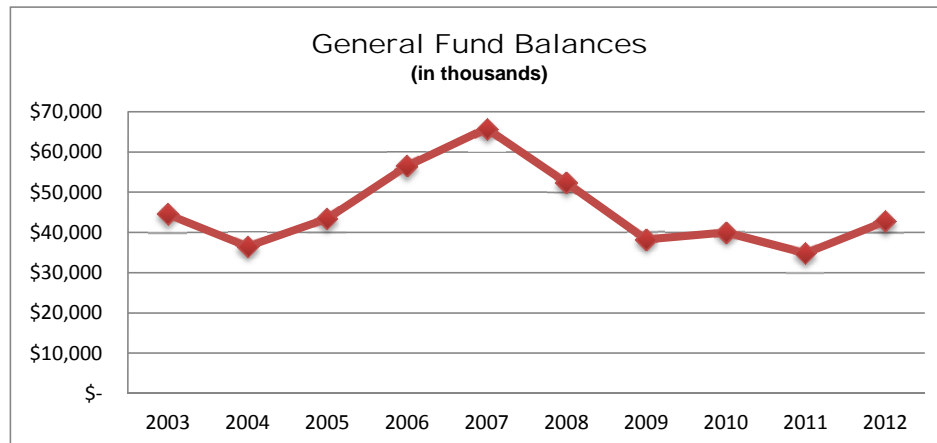
(12) In 2010 gross excise taxes are included in "Business Taxes." In previous years they were classified as Transfers In

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

	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 58,498	\$ 62,564	\$ 61,900	\$ 60,733	\$ 64,900
Sales taxes	47,681	42,256	41,942	42,643	46,738
Business taxes	49,039	43,052	84,094 (12)	87,029 (12)	90,710
Unrestricted investment earnings	6,566	5,699	3,907	6,133	856
Gain on sale of capital assets	2,705	344	(1,648)	(184)	1,684
Transfers	35,212	34,383	(6,021)	(6,320)	(10,186)
Total governmental activities	<u>199,701</u>	<u>188,298</u>	<u>184,174</u>	<u>190,034</u>	<u>194,702</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	-
Sales taxes	1,715	-	-	-	-
Business taxes	-	-	-	-	-
Unrestricted investment earnings	30,674	18,427	15,059	23,408	18,947
Gain on sale of capital assets	(8,099) (10)	133 (10)	(1,222)	(84)	341
Transfers	(35,212)	(34,383)	6,021	6,320	10,186
Total business-type activities	<u>(10,922)</u>	<u>(15,823)</u>	<u>19,858</u>	<u>29,644</u>	<u>29,474</u>
Total primary government	<u>\$ 188,779</u>	<u>\$ 172,475</u>	<u>\$ 204,032</u>	<u>\$ 219,678</u>	<u>\$ 224,176</u>
Change in Net Position					
Governmental activities	\$ (20,030) (11)	\$ (43,810) (11)	\$ (10,403)	\$ (79,966)	\$ (6,254)
Business-type activities	117,337	89,533	37,961	79,821	50,132
Total primary government	<u>\$ 97,307</u>	<u>\$ 45,723</u>	<u>\$ 27,558</u>	<u>\$ (145)</u>	<u>\$ 43,878</u>

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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund					
Reserved	\$ 10,263	\$ 8,118	\$ 6,855	\$ 9,553	\$ 19,526
Unreserved	34,210	28,374	36,572	46,955	46,308
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Committed - Council Contingencies	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 44,473</u>	<u>\$ 36,492</u>	<u>\$ 43,427</u>	<u>\$ 56,508</u>	<u>\$ 65,834</u>
All other governmental funds					
Reserved	\$ 15,742	\$ 19,976	\$ 29,055	\$ 17,307	\$ 35,286
Unreserved	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Committed - Council Contingencies	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 15,742</u>	<u>\$ 19,976</u>	<u>\$ 29,055</u>	<u>\$ 17,307</u>	<u>\$ 35,286</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

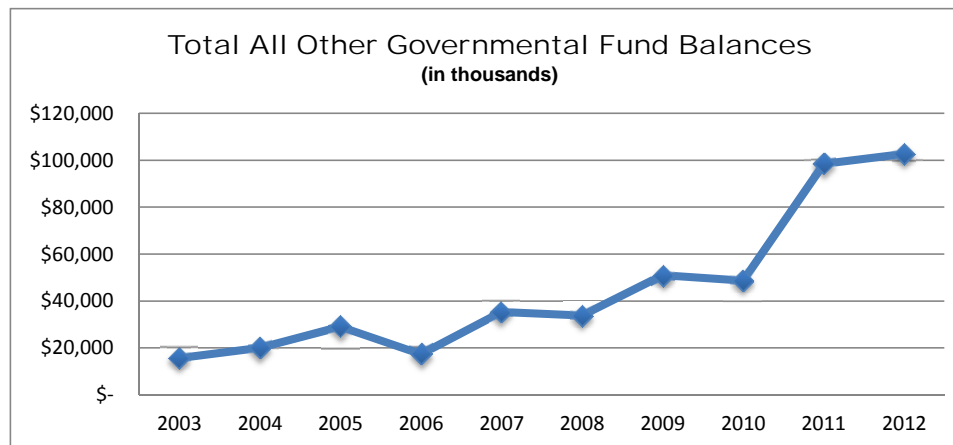
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u> (4)	<u>2012</u>
General Fund					
Reserved	\$ 24,871	\$ 24,517	\$ 20,947	\$ -	\$ -
Unreserved	27,534 (2)	13,744	19,048	-	-
Nonspendable	-	-	-	17,361	16,719
Restricted	-	-	-	2	-
Committed	-	-	-	-	-
Committed - Council Contingencies	-	-	-	1,117	1,130
Assigned	-	-	-	2,133	1,274
Unassigned	-	-	-	14,239	23,573
Total General Fund	<u>\$ 52,405</u>	<u>\$ 38,261</u>	<u>\$ 39,995</u>	<u>\$ 34,852</u>	<u>\$ 42,696</u>
All other governmental funds					
Reserved	\$ 33,763	\$ 50,960	\$ 48,665	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	-	-	-	1,920	1,913
Restricted	-	-	-	85,191	78,341
Committed	-	-	-	18,928	20,669
Committed - Council Contingencies	-	-	-	-	-
Assigned	-	-	-	36,261	6,863
Unassigned	-	-	-	(43,860)	(5,079)
Total all other governmental funds	<u>\$ 33,763</u>	<u>\$ 50,960</u>	<u>\$ 48,665</u>	<u>\$ 98,440</u>	<u>\$ 102,707</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues					
Taxes	\$ 161,562	\$ 138,146 (1)	\$ 150,370	\$ 153,477	\$ 158,320
Licenses and permits	4,918	5,072	3,572 (4)	9,558	9,731
Intergovernmental revenue	27,346	28,043	28,276	46,510 (7)	48,257 (7)
Charges for services	15,261	9,568	13,749 (3)	8,984 (8)	9,557 (8)
Fines and forfeitures	3,035	2,793	4,088	2,829	3,869
Interest	4,869	4,174	3,193	6,869	8,976
Miscellaneous revenues	3,939	3,856	3,347	2,734	1,968
Total revenues	<u>220,930</u>	<u>191,652</u>	<u>206,595</u>	<u>230,961</u>	<u>240,678</u>
Expenditures					
General government	25,962	26,985	20,200	21,118	18,243
Security of persons & property	103,177	114,320 (2)	123,998	121,423	133,933
Physical environment	476	485	471	488	605
Transportation	15,259	16,119	18,076	18,029	22,828
Economic environment	20,411	20,826	22,302	22,028	27,046
Mental and physical health	1,911	1,782	1,614	1,909	1,965
Culture and recreation	15,173	13,923	12,497	14,087	14,795
Capital outlay	17,463	28,147 (2)	29,819	32,681	38,091
Debt Service:					
Principal retirement	4,658	10,136	7,493	17,730 (6)	5,521 (6)
Interest and fiscal charges	4,583	3,809	3,537	3,487	3,254
Total expenditures	<u>209,073</u>	<u>236,532</u>	<u>240,007</u>	<u>252,980</u>	<u>266,281</u>
Excess of revenues over (under) expenditures	11,857	(44,880)	(33,412)	(22,019)	(25,603)
Other financing sources (uses)					
Sale of capital asset	6	-	2,402	1,567	43
Transfers in	4,060	37,944 (1)	37,346	42,523	53,605
Transfers (out)	(3,213)	(11,029)	(4,426)	(9,319)	(15,775)
Insurance recoveries	-	-	-	-	-
Proceeds from bonds issues	2,305	5,785	-	19,675 (10)	10,145 (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	-	-	-	-	(35)
Total other financing sources and (uses)	<u>3,158</u>	<u>32,700</u>	<u>35,322</u>	<u>54,446</u>	<u>47,983</u>
Net change in fund balances	<u>\$ 15,015</u>	<u>\$ (12,180)</u>	<u>\$ 1,910</u>	<u>\$ 32,427</u>	<u>\$ 22,380</u>
Debt service as a percentage of noncapital expenditures	5.1%	7.2%	5.5%	10.7%	4.0%

(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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues					
Taxes	\$ 155,129	\$ 145,101 (9)	\$ 187,904 (12)	\$ 190,362 (12)	\$ 203,028
Licenses and permits	6,168	5,382	3,823	3,539	3,043
Intergovernmental revenue	31,461	40,991	48,259	61,376	52,295
Charges for services	10,663	10,836	9,473	9,512	24,115
Fines and forfeitures	4,366	4,617	6,080	3,612	3,772
Interest	6,566	4,131	2,982	4,657	2,658
Miscellaneous revenues	3,805	2,606	4,642	4,382	6,441
Total revenues	<u>218,158</u>	<u>213,664</u>	<u>263,163</u>	<u>277,440</u>	<u>295,352</u>
Expenditures					
General government	23,728	37,148	25,553	25,116	49,208
Security of persons & property	142,967	135,269	139,371	144,949	138,406
Physical environment	628	(2)	-	-	-
Transportation	24,670	24,066	26,220	33,525	21,379
Economic environment	27,055	28,682	25,972	21,892	19,633
Mental and physical health	2,138	2,256	2,093	2,109	684
Culture and recreation	16,212	13,185	13,339	13,266	14,133
Capital outlay	34,813	40,172	49,514	71,860	55,395
Debt Service:					
Principal retirement	4,934	4,949	5,490	5,924	3,991
Interest and fiscal charges	3,899	3,777	7,635	6,499	6,117
Total expenditures	<u>281,044</u>	<u>289,502</u>	<u>295,187</u>	<u>325,140</u>	<u>308,946</u>
Excess of revenues over (under) expenditures	(62,886)	(75,838)	(32,024)	(47,700)	(13,594)
Other financing sources (uses)					
Sale of capital asset	2,705	170	19	(91)	1,684
Transfers in	52,657	56,635	6,407 (12)	24,526 (12)	28,755
Transfers (out)	(17,788)	(16,612)	(13,330)	(32,419)	(33,023)
Insurance recoveries	-	-	-	-	43
Proceeds from bonds issues	4,468	56,335	43,305	-	30,235
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	-	(154)	(59)	-	(3)
Total other financing sources and (uses)	<u>42,053</u>	<u>96,600</u>	<u>39,479</u>	<u>8,555</u>	<u>27,691</u>
Net change in fund balances	<u>\$ (20,833)</u>	<u>\$ 20,762</u>	<u>\$ 7,455</u>	<u>\$ (39,145)</u>	<u>\$ 14,097</u>
Debt service as a percentage of noncapital expenditures	3.7%	3.6%	5.6%	5.2%	4.2%

(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.

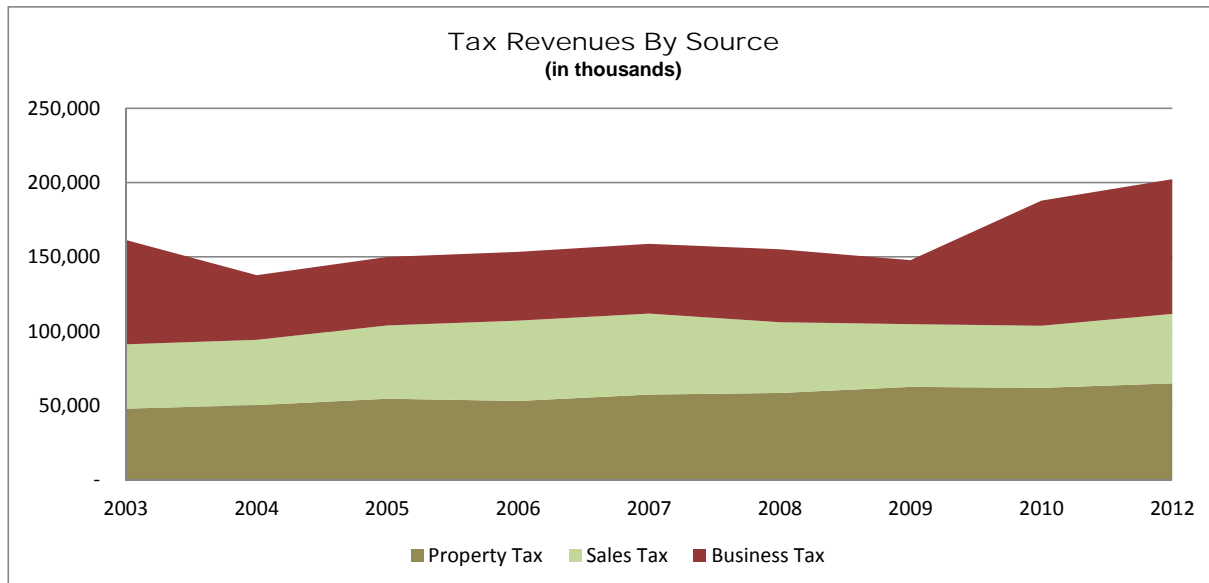
(10) Limited General Obligation Bonds 2006 (LTGO) were issued to refund the 1997A LTGO bonds to realize interest savings.

(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 Ten Fiscal Years
Table 5
(accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Business Tax</u>	<u>Total</u>
2003	47,967	43,258	70,248	161,473
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
2012	64,900	46,738	90,710	202,348



(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

Fiscal Year		Real Property Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)	Personal Property Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)	Total Assessed Value/ Estimated Actual Value (\$ in Thousands)	Total Direct Tax Rate	Growth Increase (Decrease) Dollars (\$ in Thousands)	Percent Increase	Assessed Value Per Capita
2003		N/A	N/A	12,455,913	4.28	1,784,484	16.72%	63,876
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%	79,504
2006		17,557,779	998,499	18,556,278	3.08	2,973,476	19.08%	93,719
2007		19,480,923	1,109,464	20,590,388	2.84	2,034,110	10.96%	102,952
2008		20,442,955	1,182,132	21,625,087	2.81	1,034,699	5.03%	107,055
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%	93,761
2011		16,507,224	1,143,223	17,650,446	3.62	(1,383,057)	-7.27%	89,144
2012		14,893,361	1,120,585	16,013,945	3.94	(1,636,501)	-9.27%	80,879

(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

Fiscal Year Ended 31-Dec	City of Tacoma	Tacoma School District #10	Pierce County	Port of Tacoma	Metro Park District	Washington State	Total
DOLLARS PER \$1,000 OF ASSESSED VALUE							
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
2012	3.94	7.93	1.53	0.18	1.15	2.69	17.42
"CITY" TAX RATE BREAKDOWN:			<u>2011</u>	<u>2012</u>			
General Fund			\$2.77	\$3.04			
Councilmanic Nonvoted Bonds			0.20	0.22			
EMS Levy			0.50	0.50			
G.O. Bonds			<u>0.15</u>	<u>0.18</u>			
TOTAL CITY			\$3.62	\$3.94			

- 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 2003 represents 2004 tax rates).

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

Fiscal Year ended December 31	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Tax Levy Adjustment	Total Tax Collections	Total Tax Collected as a Percentage of Total Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Total Levy
2003	51,957	49,473	95.22%	2,165	(318)	51,638	99.39%	1	0.0019%
2004	53,334	51,186	95.97%	1,900	(247)	53,086	99.54%	1	0.0019%
2005	54,626	52,817	96.69%	1,547	(261)	54,364	99.52%	1	0.0018%
2006	53,258	51,517	96.73%	1,439	(301)	52,956	99.43%	1	0.0019%
2007	57,549	55,255	96.01%	1,875	(416)	57,130	99.27%	3	0.0052%
2008	59,033	56,650	95.96%	2,117	(253)	58,767	99.55%	13	0.0220%
2009	60,752	57,981	95.44%	2,164	(550)	60,145	99.00%	57	0.0938%
2010	61,918	59,115	95.47%	1,767	(618)	60,882	98.33%	418	0.6751%
2011	61,823	58,881	95.24%	1,296	(792)	60,177	97.34%	854	1.3814%
2012	63,821	61,484	96.34%	-	(276)	61,484	96.34%	2,061	3.2293%

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 2012

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TL EMPLOYEES OF 10 LEADING TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	0	N/A	Cellular
Comcast of Tacoma Inc.	13	0.2%	Telecommunications
Metropolitan Park District	568	8.5%	Public Sector
Multicare Health System	5,883	88%	Healthcare Services
Puget Sound Energy Inc.	235	3.5%	Natural Gas
Qwest Corporation	0	N/A	Telecommunications
Sprint PCS	0	N/A	Cellular
T Mobile West Corporation	0	N/A	Cellular
US Oil Trading LLC	10	0.1%	Petroleum Refinery
Verizon Wireless	11	0.2%	Cellular
Total	6,720	100.0%	

Total 2012 Aggregate B & O Tax
Collections of the Top Ten Taxpayers \$14,109

TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2003

<u>TAXPAYERS</u>	<u>EMPLOYEES (1)</u>	<u>PERCENTAGE OF TL EMPLOYEES OF 10 LEADING TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Broadband	N/A	N/A	Cable Television
AT&T Wireless Services	N/A	N/A	Cellular
Nextel West Corp	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 - Tacoma	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 2003 Aggregate B & O Tax
Collections of the Top Ten Taxpayers \$11,556

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 2012

<u>TAXPAYERS</u>	<u>RANK</u>	2012 <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 2003

<u>TAXPAYERS</u>	<u>RANK</u>	2003 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Simpson Tacoma Kraft Co	1	\$154,734	32.7%
Tacoma Mall Corporation	2	105,260	22.2%
Elman Centennial Associates LP	3	37,302	7.9%
Wells Operating Partnership LP	4	36,108	7.6%
University Street Properties I LLC	5	31,287	6.6%
P O'B Apollo Tacoma LP	6	25,055	5.3%
Group Health Co of Puget Sound	7	22,474	4.7%
Super Value Stores Inc.	8	21,472	4.5%
King County Medical Blue Shield	9	20,536	4.3%
Tacoma News Inc.	10	19,224	4.1%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$473,452</u>	<u>100.0%</u>

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	85,230	8,015	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
2012	173,979	10,087	-	36,252	1,647	626

(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.

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%	6,608
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	7,957
2012	1,226,401	64,115	35,831	1,548,938	N/A	7,745

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Table 11
(amounts expressed in thousands, except per capita amount)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund (1)	Total	% of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
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
2012	238,094	1,632	236,462	1.48%	1,240

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

	Net Bonded Debt Outstanding (1)	Percentage Applicable To City (2)	City Residents Share of Debt
City of Tacoma	\$197,272	100.000%	\$197,272
<u>OVERLAPPING DEBT</u>			
Tacoma School District #10	227,125	92.903%	211,007
Metropolitan Park District	87,882	94.759%	83,276
Port of Tacoma	198,445	23.167%	45,973
Pierce County	134,853	23.167%	31,241
Franklin Pierce School District	13,695	0.666%	91
Fife School District	25,727	7.711%	1,984
Clover Park School District	147,165	2.371%	3,490
University Place School District	78,885	2.895%	2,284
TOTAL OVERLAPPING DEBT	<u>913,777</u>		<u>379,345</u>
GRAND TOTAL	<u><u>\$ 1,111</u></u>		<u><u>576,617</u></u>
Population			200,000
Direct and Overlapping Debt per Capita			2.88

(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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Assessed Value of Property	\$12,455,913	\$13,212,371	\$15,739,885	\$18,556,278	\$20,590,387
Debt Limit, 7.5% of Assessed Value	934,193	990,928	1,180,491	1,391,721	1,544,279
Total Net Debt Applicable to Limit	93,444	143,775	139,801	158,905	160,216
Legal Debt Margin	<u>\$840,749</u>	<u>\$847,153</u>	<u>\$1,040,690</u>	<u>\$1,232,816</u>	<u>\$1,384,063</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.0%	14.5%	11.8%	11.4%	10.4%

Legal Debt Margin Calculation for Fiscal Year 2012
(amounts expressed in thousands)

Assessed Value	\$16,013,945
Debt Limit (7.5% of assessed value)	1,201,046
Debt Applicable to Limit:	
General Obligation bonds and loans	248,181
Capital leases	626
Less: Assets available from Debt Svc Fund	(854)
Total Net Debt Applicable to Limit	247,953
Legal Debt Margin	<u>\$953,093</u>

Legal Debt Margin Information
Last Ten Fiscal Years
Table 13
(amounts expressed in thousands)
Page 2 of 2

	2008	2009	2010	2011	2012
Assessed Value of Property	\$21,625,087	\$20,717,201	\$19,033,503	\$17,650,446	\$16,013,945
Debt Limit, 7.5% of Assessed Value	1,621,882	1,553,790	1,427,513	1,323,783	1,201,046
Total Net Debt Applicable to Limit	156,200	191,701	227,060	223,278	247,953
Legal Debt Margin	<u>\$1,465,682</u>	<u>\$1,362,089</u>	<u>\$1,200,453</u>	<u>\$1,100,505</u>	<u>\$953,093</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.6%	12.3%	15.9%	16.9%	20.6%

Computation of Constitutional Limit of Indebtedness
As of December 31, 2012
Table 14

As provided in the Revised Code of Washington Title 39 Chapter 36, the percentage limits for the various sections are layered cumulative totals. 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 2013) (PV)		\$	16,013,945,690
GENERAL PURPOSE INDEBTEDNESS			
Non-Voted General Purpose Indebtedness and Capital Leases			
Legal Limit 1.5% of Total Taxable Property Value			240,209,185
Indebtedness (Liabilities)			
Non-Voted General Obligation Bonds			268,207,612
Capital Leases Payable			675,344
Less Assets Available			-
Indebtedness Incurred - Non-Voted General Purposes			268,882,956
Remaining Non-Voted Debt Capacity - General Purposes		\$	(28,673,771)
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)			
Legal Limit 2.5% of Total Taxable Property Value		\$	400,348,642
Less: Indebtedness Incurred - Non-Voted General Purposes			(268,882,956)
			131,465,686
Indebtedness (Liabilities)			
Voted General Obligation Bonds			21,785,000
Less Assets Available			(853,820)
Indebtedness Incurred - Voted General Purposes			20,931,180
Total Remaining Debt Capacity - General Purposes		\$	110,534,506
UTILITY PURPOSE INDEBTEDNESS			
Indebtedness For Utility Purposes With 3/5 Vote of the People			
Legal Limit 2.5% of Total Taxable Property Value		\$	400,348,642
Remaining Debt Capacity - Utility Purposes		\$	400,348,642
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		\$	400,348,642
Remaining Debt Capacity - Open Spaces and Parks Facilities		\$	400,348,642
SUMMARY			
Total Indebtedness Allowable			
Legal Limit 7.5% of Total Taxable Property Value		\$	1,201,045,927
Less: Indebtedness Incurred - General Purposes		1.8098%	289,814,136
Less: Indebtedness Incurred - Utility Purposes			-
Less: Indebtedness Incurred - Open Space And Parks Facilities			-
Remaining Debt Capacity		5.6902%	\$ 911,231,791

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Pledged-Revenue Coverage
Last Ten Fiscal Years
Table 15
(amounts expressed in thousands)
Page 1 of 2

Sewer Revenue Bonds						
Fiscal Year	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2012	80,202	52,637	27,565	6,765	3,245	2.75

Power Revenue Bonds						
Fiscal Year	Power Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2004	331,223	230,470	100,753	22,180	27,497	2.03
2005	345,586	227,250	118,336	22,790	30,737	2.21
2006	407,630	257,131	150,499	22,420	29,770	2.88
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	377,430	264,379	113,051	27,290	29,184	2.00
2012	400,235	284,952	115,283	28,785	27,747	2.04

Solid Waste Revenue Bonds						
Fiscal Year	Solid Waste Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2012	56,808	40,920	15,888	2,350	3,403	2.76

Water Revenue Bonds						
Fiscal Year	A Street Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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	61,945	36,270	25,675	6,046	9,465	1.66
2009	66,822	37,149	29,673	5,896	9,942	1.87
2010	73,374	37,579	35,795	6,092	15,701	1.64
2011	76,867	35,928	40,939	6,308	19,624	1.58
2012	88,716	36,088	52,628	6,669	19,342	2.02

Note: Total Operating Expenses exclusive of depreciation, bond interest and municipal gross earning tax.

Pledged-Revenue Coverage
Last Ten Fiscal Years
Table 15
(amounts expressed in thousands)
Page 2 of 2

Tacoma Rail Bond Anticipation Notes						
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2012	24,089	19,366	4,723	201	60	18.10

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.

Convention Center and Parking Revenue Bonds						
Fiscal Year	Net Parking Revenues	District Contribution	Total Pledged Revenues	Total Bond Debt Service	Interest	
2003	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	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	
2012	2,593	2,939	5,532	1,317	4.20	

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.

Parking System Rate Covenant			
Fiscal Year	Net Parking Revenues	District Contribution	Coverage
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
2012	2,593	146	17.76

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

Fiscal Year Ended 31-Dec	Population (in Thousands) (1)	Personal Income (2) (in Thousands)	Per Capita Personal Income (2)	School Enrollment (3) (in Thousands)	Unemployment % Rate (4)
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	33,117,849	40,992	30	8.5
2012	200	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 2011).
(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 2012 (PIERCE COUNTY)

	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Joint Base Lewis McChord	56,624	55.6%	Military
Local Public School Districts (K-12)	13,352	13.1%	Education
MultiCare Health System	6,547	6.4%	Health Care
Washington State Employees	6,488	6.4%	Public Sector
Franciscan Health System	5,709	5.6%	Health Care
City of Tacoma (includes Public Utilities employees)	3,620	3.6%	Public Sector
Pierce County Government	2,872	2.8%	Public Sector
Washington State Higher Education	2,632	2.6%	Education
Emerald Queen Casino	2,200	2.2%	Gaming
Walmart	1,785	1.8%	Retail
Total	101,829	100.0%	

2012 Pierce County Population 808,200

TOP TEN EMPLOYERS FOR 2003 (PIERCE COUNTY)

<u>EMPLOYEERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
US Army Fort Lewis	31,471	41.2%	Military
Local Public School Districts (K-12)	13,010	17.0%	Education
US Air Force McChord	8,110	10.6%	Military
Washington State Employees	6,991	9.2%	Government
MultiCare Health System	3,587	4.7%	Health Care
Pierce County Government	3,154	4.1%	Government
US Army Madigan Hospital	2,855	3.7%	Health Care (Military)
Franciscan Health System	2,769	3.6%	Health Care
Washington State Higher Education	2,491	3.3%	Education
Fred Meyer Stores	1,960	2.6%	Retail Store
Total	76,398	100.0%	

2003 Pierce County Population 731,969

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 (2012 Population Data)
Pierce County web site (2003 Population Data)

Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
Table 18

Function	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006 (1)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (2)</u>	<u>2011</u>	<u>2012</u>
General government	407	410	414	296	294	304	300	257	287	260
Public Safety										
Police	390	402	409	412	416	418	429	418	415	389
Fire	440	439	431	434	434	434	426	414	431	401
Law Enforcement Support Agency	153	152	157	155	162	165	160	151	159	160
Economic Environment										
Community & Economic Development	49	44	39	41	42	43	42	92	89	77
Hearing Examiner	4	4	4	4	3	3	3	3	4	3
Human Rights Human Services	37	37	34	34	29	33	38	37	33	31
Culture and Recreation	195	194	197	204	203	207	202	213	202	179
Transportation										
Public Works	670	684	693	750	777	773	800	744	743	691
Information Systems	95	94	85	108	113	114	139	136	136	112
Retirement	7	9	8	8	9	9	9	9	9	10
Tacoma Public Utilities										
Administration	16	9	9	9	8	8	9	9	11	10
Customer Service	132	142	132	165	174	174	157	153	153	153
Geographic Info System	9	8	9	9	9	9	12	N/A	N/A	N/A
Rail	84	91	102	101	98	99	99	95	91	99
Power	805	786	799	767	791	792	872	874	829	805
Water	237	245	254	257	266	267	267	259	248	240
Total	3,730	3,750	3,776	3,754	3,828	3,852	3,964	3,864	3,840	3,620

(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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Function					
<i>Public Safety</i>					
Police					
Violent Crimes	2,154	2,021	2,014	2,076	2,091
Property Crimes	16,170	16,657	16,903	16,663	14,736
Fire					
Incidents	36,727	27,836	29,290	30,354	37,182
<i>Utilities</i>					
Power customers	153,955	162,852	159,182	162,589	165,122
Power service units - MWH	6,278,978	6,077,318	5,915,164	6,689,448	6,794,354
Water customers	91,376	93,906	94,033	95,103	96,278
Water service units	25,596,721	27,219,270	24,929,840	25,292,615	24,760,182
Wastewater customers	82,486	64,612	81,727	60,412	60,694
Surface Water customers	67,406	72,139	63,983	68,363	69,091
Solid Waste customers	58,722	59,203	58,834	58,086	58,449
<i>Rail</i>					
Miles of track	38	38	38	38	38
Number of cars switched	85,017	97,417	118,512	100,074	83,416
<i>Parking Garages</i>					
Number of parking stalls - garages	1,659	2,244	2,219	2,219	2,219
Number of parking stalls - surface lots	558	480	480	480	235

Operating Indicators by Function
Last Ten Fiscal Years
Table 19
Page 2 of 2

Function	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<i>Public Safety</i>					
Police					
Violent Crimes	1,965	1,883	1,703	1,786	1,542
Property Crimes	14,813	13,337	12,405	14,148	12,210
Fire					
Incidents	37,844	38,534	38,232	38,239	39,810
<i>Utilities</i>					
Power customers	166,307	168,207	169,413	169,112	169,112
Power service units - MWH	6,652,547	6,618,995	6,781,964	7,237,792	7,885,213
Water customers	95,587	96,983	97,137	96,734	96,333
Water service units	24,400,467	24,720,956	23,229,748	23,074,632	23,201,613
Wastewater customers	60,698	60,651	60,705	60,673	60,591
Surface Water customers	70,120	70,422	70,204	70,544	70,479
Solid Waste customers	58,550	58,549	58,637	58,451	58,517
<i>Rail</i>					
Miles of track	38	38	38	57.5	57.5
Number of cars switched	77,194	60,924	73,175	68,953	92,117
<i>Parking Garages</i>					
Number of parking stalls - garages	2,282	2,384	2,384	2,384	2,362
Number of parking stalls - surface lots	73	73	73	102	108

Capital Asset Statistics by Function
Last Ten Fiscal Years
Table 20
Page 1 of 2

Function	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Public Safety					
Police					
Number of Stations	7	7	6	N/A	6
Vehicles:					
Marked Cars	225	228	225	N/A	236
Unmarked Cars - (includes seized vehicles)	112	133	112	N/A	94
Motorcycles	29	29	29	N/A	25
Fire					
Number of Stations	16	16	16	16	16
Pumpers	16	16	16	16	16
Trucks	4	4	4	4	4
Rescue Vehicles	5	6	5	5	5
Fireboats	1	1	1	1	1
Training Towers	1	1	1	1	1
Fire Rating	3	N/A	3	3	3
Transportation					
Streets					
Miles of Paved Streets	610.05	612.71	612.71	615.57	642.52 (1)
Miles of Unpaved Streets	<u>229.33</u>	<u>229.38</u>	<u>229.38</u>	<u>352.69</u>	<u>208.10 (1)</u>
Total	839.38	842.09	842.09	968.26	850.62

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

Function	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	249	245	247	256	269
Unmarked Cars - (includes seized vehicles)	99	113	123	119	101
Motorcycles	21	22	22	22	16
Fire					
Number of Stations	16	16	16	16	15
Pumpers	17	16	16	16	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	1	1	1	2
Squad Vehicles	N/A	N/A	N/A	N/A	1.5
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
Transportation					
Streets					
Miles of Paved Streets	642.52	642.52	642.52	642.52	642.52
Miles of Unpaved Streets	208.10	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>
Libraries					

Contributing Staff
Table 21

The following individuals contributed to the successful completion of the City of Tacoma's 2012 Comprehensive Annual Financial Report

COORDINATING AND SUPERVISORY STAFF

Andrew Cherullo, Finance Director
 Susan Ramirez, CPA, Assistant Finance Director
 Teresa L. Sedmak, City Treasurer
 Scott Cannaday, MBA, CPA, Senior Financial Manager
 Linda Parks, CPA, Financial Manager
 Lisa Richardson, Financial Manager
 Jerry Trujillo, Financial Manager
 Sally G. Cowan, MBA, Financial Manager
 Gwen Herring, Financial Supervisor
 Mary Mansperger, Senior Accountant
 Su Yi, Senior Accountant
 Min Soo Chun, Accountant

STATISTICAL SECTION

Sandy Buchanan, Administrative Assistant
 Sheri Hayes, Accountant

DESIGN AND LAYOUT

Angela McGeachy, Graphic Arts Specialist

PRINTING

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