

# 2013

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF TACOMA, WASHINGTON  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2013







# **2013 Comprehensive Annual Financial Report**

of the City of Tacoma, Washington  
for the Year Ending December 31, 2013

Prepared by Department of Finance  
Andrew Cherullo, Finance Director



City of Tacoma, Washington  
Finance Department  
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# SECTION 1

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## INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS

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**City of Tacoma**  
Finance Department

June 19, 2014

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, 2013, 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 March of even numbered years using the City Council's long-term strategic plan, goals, and priorities as a starting point. In April, the Office of Management & Budget begins the revenue forecasting process. Once the revenue forecast is completed, city departments begin budget preparations in May. Community budget engagement begins in June and occurs regularly for the duration of the budget process. 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. Formal Public budget hearings are conducted by the City Council in October/November. Any changes the Council decides to make to the preliminary budget are 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 2,700 acres that are used for shipping terminal activity and warehouse, distributing, and manufacturing. The Port is a leading North American seaport, handling more than \$48.7 billion in international trade and an estimated \$3 billion in trade to Alaska in 2013. The Port is one of the top container ports in North America and a major gateway for trade with Asia and Alaska.

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.

The Puget Sound area was not immune from the impacts of the "Great Recession". However, the diversity of the region's economic base has served it well in the past and has helped it recover from the effects of the



recession, taxable retail sales, as measured by sales tax receipts, are up 3.1% for the first three months of 2014 compared to the same period in 2013. The average year-to-date unemployment rate for the Tacoma metropolitan area was 8.4% as of February 2014 compared to 9.7% and 9.8% for February 2013 and 2012, respectively.

### **Relevant Financial Policies**

Financial and Budget Policy Statements are presented on pages 27-32 of the 2013-14 Biennial Budget and can be found on the City's website at [www.cityoftacoma.org](http://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 2013, the City levied at the statutory limitation of \$3.26 per \$1,000 of assessed value.

## **MAJOR INITIATIVES**

### **Pacific Avenue Streetscape Project**

The purpose of the Pacific Avenue Streetscape project was to beautify the downtown, spark economic activity, provide innovative storm water treatment, and enhance transportation opportunities for transit/vehicles, pedestrians and cyclists. The \$11 million project was funded from a combination of state, federal and local sources. The project included the installation of bulb-outs, rain gardens, the replacement of sidewalk and streetlights, new asphalt pavement, the infilling of vaulted walks, and the installation of a catenary lighting between South 7th and South 9th Streets. The project also included artwork and benches. The project was substantially complete in November 2013.

### **Stadium Way Arterial Street Improvement**

The Stadium Way Arterial Improvement project began in June 2012, and was completed in September 2013. The \$13 million project is funded from a combination of state, federal and local sources. The work is primarily along Stadium Way from South 9<sup>th</sup> Street to Tacoma Avenue, including Commerce Street, North 'E' and 1<sup>st</sup> Streets, and Division Avenue. The work involved 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 was also installed at South 4<sup>th</sup> Street and Stadium Way. Concrete repairs to a large retaining wall on Schuster Parkway (located near the I-705 on-ramp) were also part of the project scope.

### **Every Other Week Garbage Collection**

In 2013 the City of Tacoma's Solid Waste Management Division implemented the change from weekly collection to every-other-week garbage, recycling and yard waste collection services for all 54,000 residential customers living in single-family homes and duplexes. Every-Other-Week (EOW) garbage collection program is a new way of delivering traditional services to residential customers. This was a significant project, requiring 23 temporary employees to be hired for approximately one year to complete the project. With the goal of implementing the transition by January 2014, the project was completed on time and on budget. The program produces significant benefits for residents and the City of Tacoma, including customer savings (10% annual savings for the average customer), increased waste diversion (6.5 % decrease in landfilled residential garbage), reduced collection costs (\$1,020,000 less per year), and lowered environmental impacts (44% reduction in CO<sub>2</sub> emissions from our garbage collection fleet).

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

Construction on the Green River Filtration Facility continued through the year. This project began construction in May 2012, and is now expected to be in service in May 2015. In addition to satisfying regulatory

and that of Tacoma Water's Regional Water Supply System Partners, who are funding approximately one-third of the project costs. Total project costs as of 12/31/2013 were \$121.4 million. The project budget, originally estimated at \$211.0 million, has been lowered to \$184.6 million due to a favorable competitive bidding climate and high quality project management.

### **Fitch Rating Upgrade**

In 2013, Fitch ratings revised its outlook for the City of Tacoma from negative to stable. The upgraded rating resulted from an improvement in financial operations following recent appointment of a new management team, positive general fund results for fiscal year 2012 after four consecutive years of deficits, and the adoption of a balanced budget for the 2013-2014 biennium.

## **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, 2012. 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-fifth 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, Imelda Marquez, and Joel Sipes for their work in bringing the final document together.

Respectfully,



Andy Cherullo  
Director of Finance



Susan Ramirez  
Assistant Director of Finance/  
Controller





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Tacoma  
Washington**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

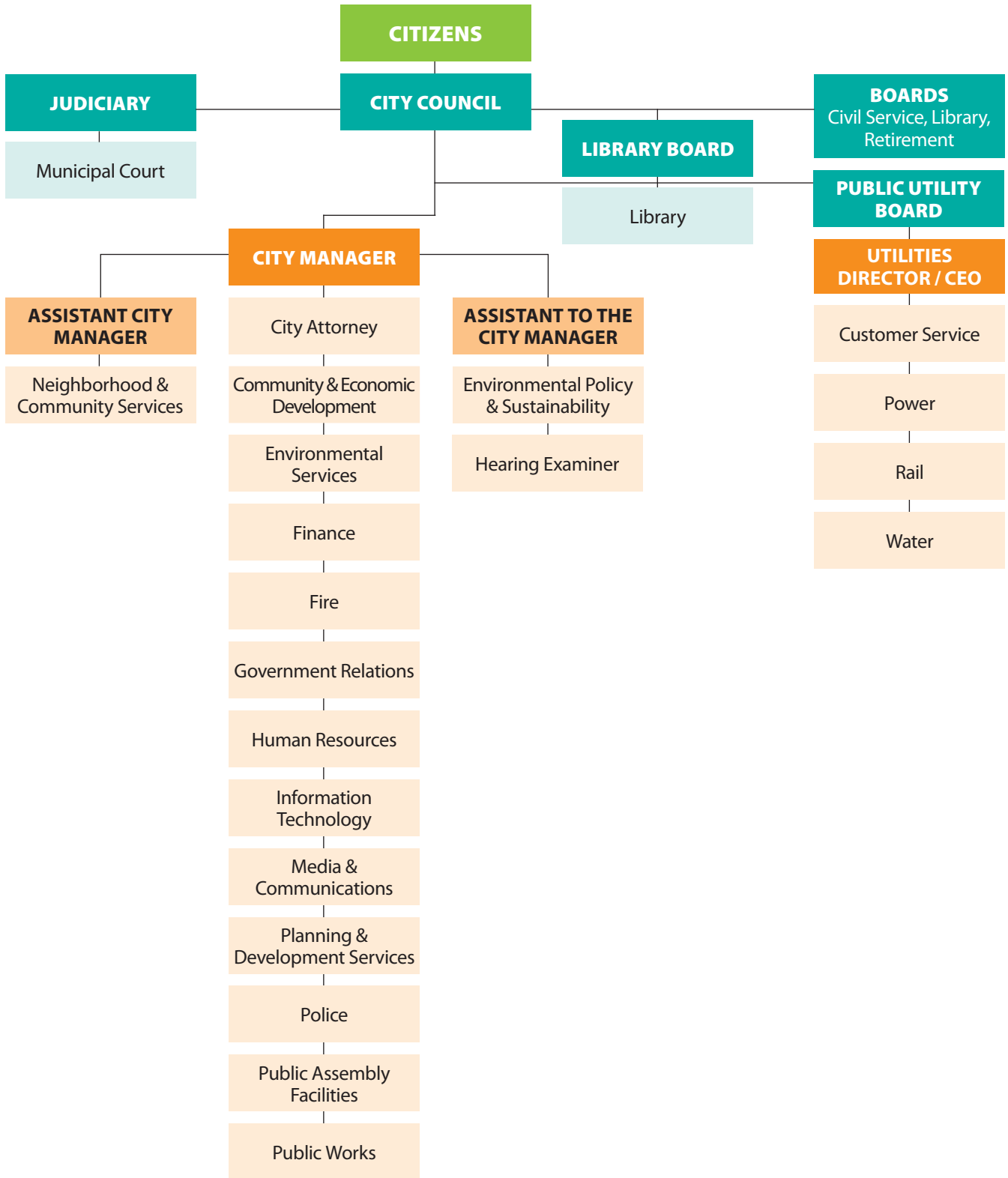
**December 31, 2012**



Executive Director/CEO

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# CITYWIDE ORGANIZATIONAL CHART





## 2013 Tacoma City Council

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Mayor  
**Marilyn Strickland**



Deputy Mayor  
**Marty Campbell**  
POSITION 4



Council Member  
**Anders Ibsen**  
POSITION 1



Council Member  
**Robert Thoms**  
POSITION 2



Council Member  
**Lauren Walker**  
POSITION 3



Council Member  
**Joe Lonergan**  
POSITION 5



Council Member  
**Victoria Woodards**  
AT-LARGE POSITION 6



Council Member  
**David Boe**  
AT-LARGE POSITION 7



Council Member  
**Ryan Mello**  
AT-LARGE POSITION 8



City Manager  
**T.C. Broadnax**



## City Officials as of December 31, 2013

**Council Members**

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

Mayor

Deputy Mayor

**Expiration of Term**

December 31, 2017  
 December 31, 2017  
 December 31, 2015  
 December 31, 2017  
 December 31, 2013  
 December 31, 2015  
 December 31, 2015  
 December 31, 2015  
 December 31, 2017

City Manager  
 Assistant City Manager  
 City Attorney  
 Community and Economic Development  
 Environmental Policy and Sustainability  
 Environmental Services  
 Finance  
 Fire  
 Government Relations  
 Hearing Examiner  
 Human Resources  
 Information Technology  
 Library  
 Management and Budget  
 Media and Communications  
 Municipal Court  
 Neighborhood and Community Services  
 Planning and Development Services  
 Police  
 Public Assembly Facilities  
 Public Works  
 Tacoma Employees' Retirement System

T. C. Broadnax  
 Tansy Hayward  
 Elizabeth Pauli  
 Ricardo Noguera  
 Nadia Chandler Hardy  
 Mike Slevin  
 Andrew Cherullo  
 James Duggan  
 Randy Lewis  
 Phyllis Macleod  
 Joy St. Germain  
 Jack Kelanic  
 Susan Odencrantz  
 Tadd Wille  
 Gwen Schuler  
 Michelle Petrich  
 Tansy Hayward  
 Peter Huffman  
 Don Ramsdell  
 Kim Bedier  
 Kurtis Kingsolver  
 Monica Butler

Director of Utilities/CEO  
 Tacoma Power Superintendent  
 Tacoma Water Superintendent  
 Chief Deputy City Attorney  
 Customer Service  
 Public Affairs  
 Community and Media Services  
 Administration

William A. Gaines  
 Theodore C. Coates  
 Linda McCrea  
 William C. Fosbre  
 Steven Hatcher  
 Robert Mack  
 Christine Gleason  
 Jim Sant

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## **SECTION 2**

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### **FINANCIAL SECTION**

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS—NON-MAJOR FUNDS

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# Washington State Auditor Troy Kelley

## INDEPENDENT AUDITOR'S REPORT

June 19, 2014

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, 2013, 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 91 percent, 90 percent, and 91 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 one percent, one percent, and four percent respectively of the assets, net position, and revenues of the business type activities, and two percent, one percent, and six 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, 2013, 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, 2013, the City has implemented the Governmental Accounting Standards Board *Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, Statement No. 65, Items Previously Reported as Assets and Liabilities, and Statement No. 66, Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. 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 2-5 through 2-14, budgetary comparison information on page 4-5, pension trust fund information and information on postemployment benefits other than pensions on pages 4-1 through 4-4 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. The accompanying information listed as combining financial statements and supplementary information on pages 5-1 through 5-114 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 June 19, 2014, 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".

**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, 2013. 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 and deferred outflows of resources exceeded the City's liabilities and deferred inflows resources by \$2.6 billion. Of this amount, \$105 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 \$69 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 \$17.8 million, up \$1.9 million from the change in 2012.
- Tacoma Water reported change in net position of \$27.4 million, up \$3.8 million from the change in 2012.

### 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.

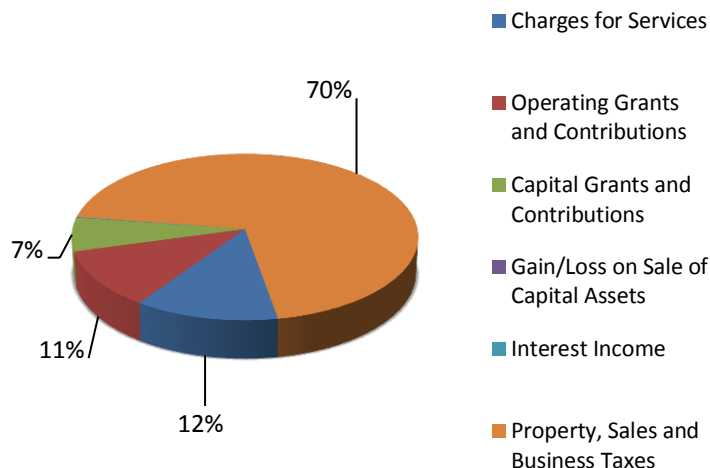
### Government-wide Financial Statements

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

## Governmental Activities



## Business Activities

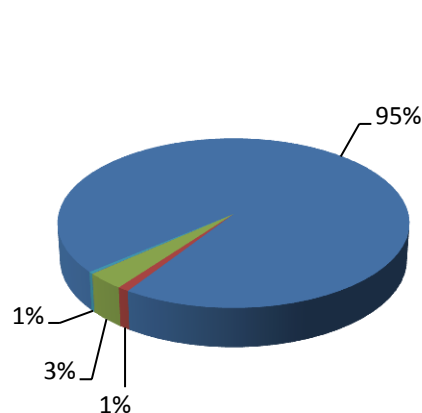


Figure 1. Comparison of Governmental and Business Activity Revenues

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, social services, and culture and recreation. Governmental activities are primarily supported by taxes and intergovernmental revenues. Business-type activities, primarily utilities, are intended to recover most if not all of their costs through user fees and charges for services. The government-wide financial statements can be found on pages 3-2 to 3-5 of this report.

## Governmental Activities Expenses

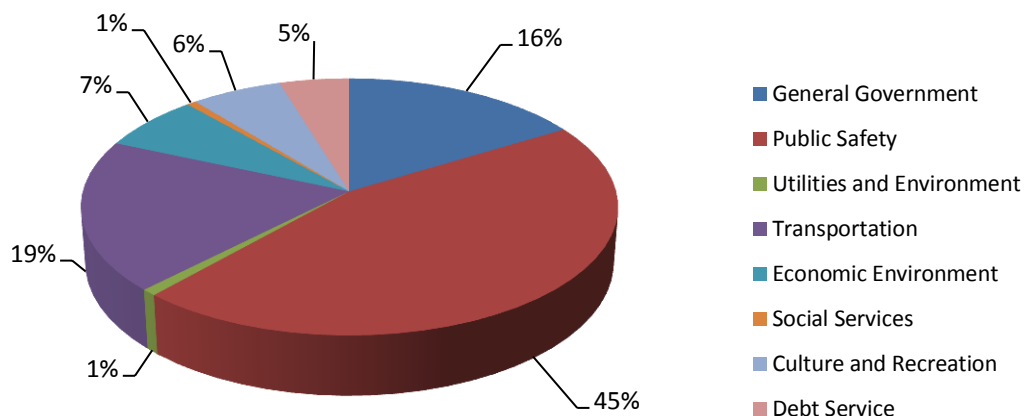


Figure 2. Governmental Activities Expenses



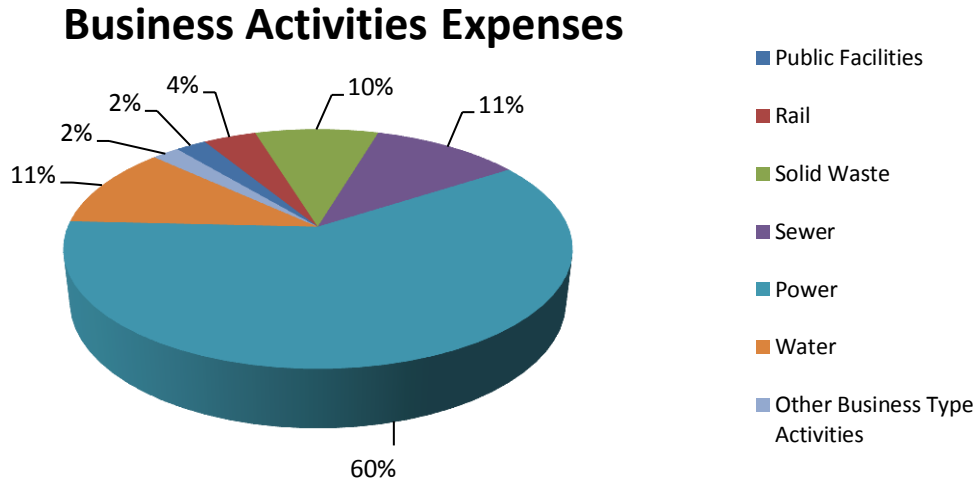


Figure 3. Business Activities Expenses

### **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 are two exceptions with the Self Insurance and Utility Fleet funds which only services utilities funds and are included within business type activities. Enterprise funds account for various utilities which provide services such as power, water, 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 3-83 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 4-5 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 5-109 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 5-112 to 5-114.

**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 \$2.6 billion at December 31, 2013. 84% 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. 4% of the City's net position is unrestricted, meaning they are available for meeting the City's ongoing obligations. The remaining 12% of net position are restricted for other purposes such as debt redemption and new capital construction. Governmental activities represent 28% of total net position and business activities represent 72% of total net position.

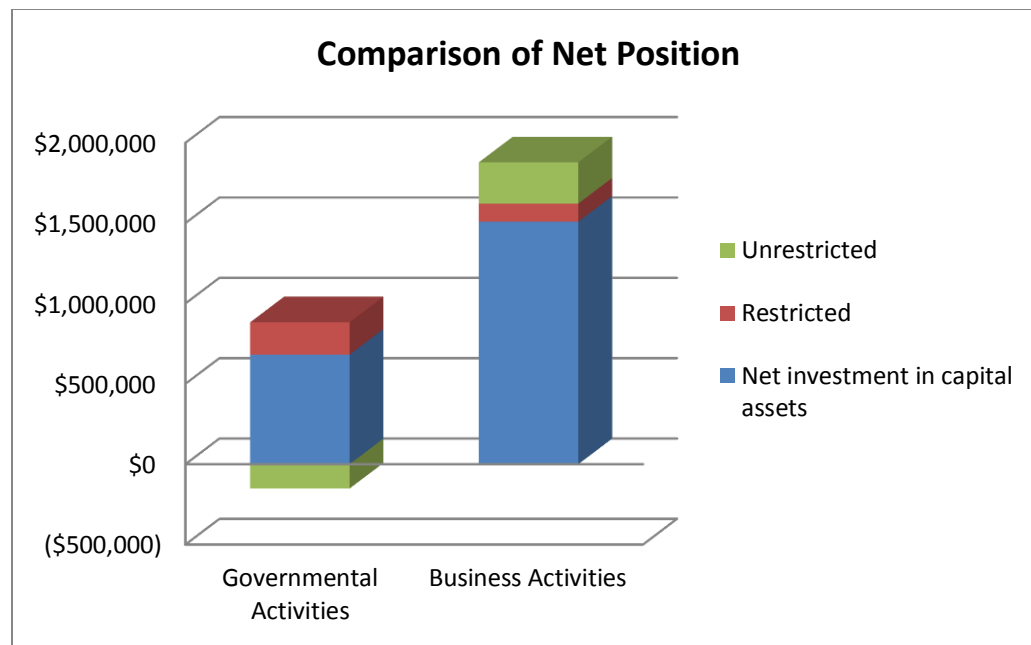


Figure 4. Comparison of Net Position, By Activity Type (Amounts expressed in thousands)

Table 1. Summary Statement of Net Position

**Statement of Net Position**

**For the Year Ended December 31, 2013**

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 272,098	\$ 227,307	\$ 977,710	\$ 985,763	\$ 1,249,808	\$ 1,213,070
Capital assets	847,508	855,746	2,626,269	2,494,084	3,473,777	3,349,830
Total assets	\$ 1,119,606	\$ 1,083,053	\$ 3,603,979	\$ 3,479,847	\$ 4,723,585	\$ 4,562,900
Deferred outflow of resources	\$ 4,226	\$ -	\$ 19,146	\$ -	\$ 23,372	\$ -
Current and other liabilities	\$ 105,258	\$ 112,310	\$ 187,620	\$ 306,648	\$ 292,878	\$ 418,958
Long-term liabilities outstanding	247,675	253,921	1,442,574	1,349,250	1,690,249	1,603,171
Total liabilities	\$ 352,933	\$ 366,231	\$ 1,630,194	\$ 1,655,898	\$ 1,983,127	\$ 2,022,129
Deferred inflow of resources	\$ 39,731	\$ -	\$ 114,575	\$ -	\$ 154,306	\$ -
Net Position:						
Net investment in capital assets	\$ 681,794	\$ 699,307	\$ 1,508,950	\$ 1,401,679	\$ 2,190,744	\$ 2,100,986
Restricted	200,675	82,405	112,925	103,350	313,600	185,755
Unrestricted	(151,301)	(64,890)	256,481	318,920	105,180	254,030
Total net position	\$ 731,168	\$ 716,822	\$ 1,878,356	\$ 1,823,949	\$ 2,609,524	\$ 2,540,771

In 2013, the City's net position increased by \$69 million. This is due to an increase in capital assets and a decrease in liabilities for business activities.

### Net Position - Governmental Activities

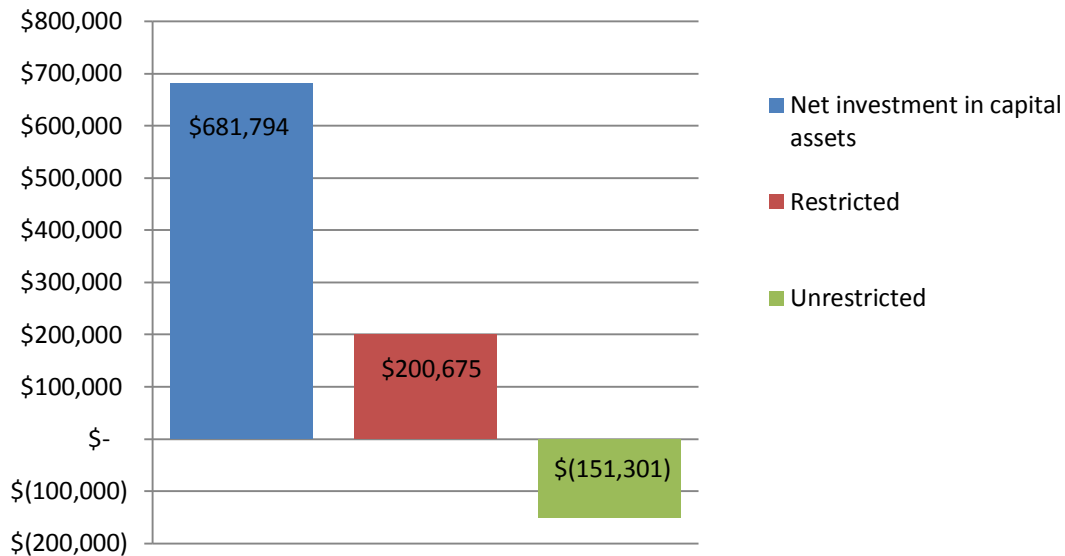


Figure 5. Composition of Net Position--Governmental Activities (Amounts expressed in thousands)

### Net Position - Business Activities

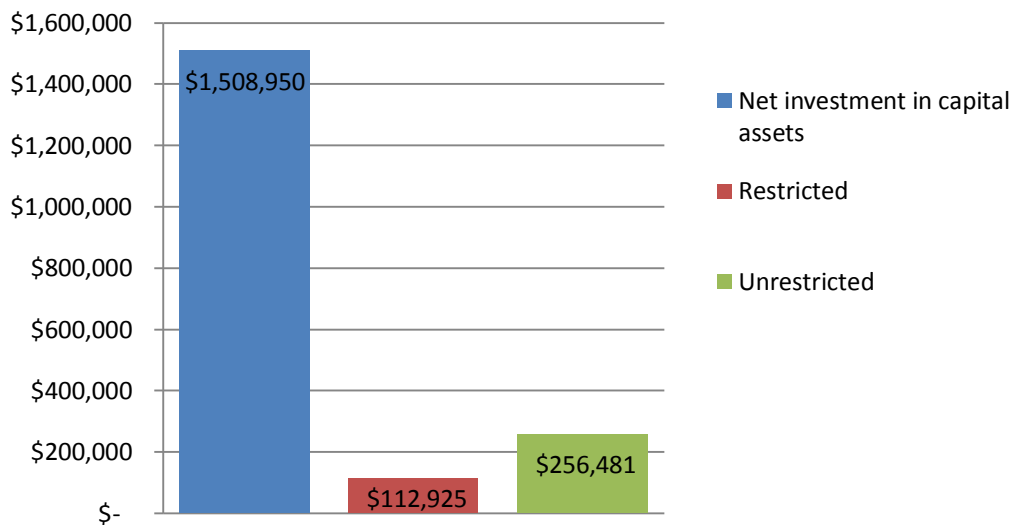


Figure 6. Composition of Net Position--Business Activities (Amounts expressed in thousands)

**City of Tacoma, Washington**  
**Changes in Net Position**

(Amounts expressed in thousands)

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues						
Charges for services	\$ 37,354	\$ 43,079	\$ 739,699	\$ 662,612	\$ 777,053	\$ 705,691
Operating grants and contributions	33,925	14,974	7,438	180	41,363	15,154
Capital grants and contributions	19,813	37,338	25,150	31,222	44,963	68,560
General revenues	-	-	-	-	-	-
Property taxes	62,487	64,900	-	-	62,487	64,900
Other taxes	149,374	137,448	-	-	149,374	137,448
Other	433	2,540	2,879	19,288	3,312	21,828
Total revenue	303,386	300,279	775,166	713,302	1,078,552	1,013,581
Expenses:						
General government	\$ 49,781	\$ 52,038	\$ -	\$ -	\$ 49,781	\$ 52,038
Public safety	138,368	150,575	-	-	138,368	150,575
Utilities and environment	2,477	2	-	-	2,477	2
Transportation	58,288	52,424	-	-	58,288	52,424
Social services	1,953	757	-	-	1,953	757
Economic Environment	21,255	23,510	-	-	21,255	23,510
Culture and recreation	18,832	10,690	-	-	18,832	10,690
Debt Service	14,401	6,351	-	-	14,401	6,351
Public assembly facilities	-	-	16,832	18,424	16,832	18,424
Rail	-	-	29,024	24,753	29,024	24,753
Solid waste	-	-	67,591	59,391	67,591	59,391
Waste water	-	-	81,286	83,294	81,286	83,294
Water	-	-	79,773	76,755	79,773	76,755
Power	-	-	432,321	396,331	432,321	396,331
Other business-type funds	-	-	14,979	14,408	14,979	14,408
Total expenses	305,355	296,347	721,806	673,356	1,027,161	969,703
Increase/(Decrease) in net position before transfers	(1,969)	3,932	53,360	39,946	51,391	43,878
Transfers	(2,153)	(10,186)	2,153	10,186	-	-
Increase/(Decrease) in net position	(4,122)	(6,254)	55,513	50,132	51,391	43,878
Net position--January 1, 2013	716,822	729,358	1,823,949	1,774,364	2,540,771	2,503,722
Prior Period Adjustments	18,468	(6,282)	(533)	(547)	17,935	(6,829)
Change in accounting principle	-	-	(573)	-	(573)	-
Net position--January 1, 2013	735,290	723,076	1,822,843	1,773,817	2,558,133	2,496,893
Net position--December 31, 2013	\$ 731,168	\$ 716,822	\$ 1,878,356	\$ 1,823,949	\$ 2,609,524	\$ 2,540,771

Table 2. Changes in Net Position

The governmental activities net position increased by \$14.3 million in 2013 due to an increase in assets and deferred outflows of resources by \$40.7 million and a decrease of liabilities and deferred inflows of resources of \$26.4 million.

Business activities net position increased by \$54.4 million in 2013 due to an increase in assets and deferred outflows of \$ \$143.3 million and a decrease of \$88.9 million in liabilities and deferred inflows of resources.

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 \$23.8 million in 2013 from an increase in revenues and a decrease in expenses. Fund balance for the Street fund decreased by \$1.2 million in 2013 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, decreased by \$6.9 million. The Non-Major governmental funds fund balance decreased from an increase in expenditures.

### ***Fund Balances***

At December 31, 2013, the City's governmental funds reported combined ending fund balances of \$161 million. Of this amount, \$17.8 million is nonspendable, either due to its form or legal constraints. \$74.8 million is restricted for specific programs by external constraints. \$22.7 million is committed for specific purposes as approved by City Council. \$11.1 million is assigned to specific purposes by management and the remaining \$34.6 million is unassigned.

### ***Proprietary Fund Statements***

The total net position for the enterprise funds increased by \$56.7 million in 2013. 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 \$17.8 million from a decrease in liabilities. The Water fund had a significant increase in their net position of \$27.4 million due to an increase in capital construction. The Sewer fund had an increase in net position of \$16.2 million from a decrease in liabilities. The Solid Waste fund had a decrease in net position of \$3.8 million from a decrease in assets. The non-major Enterprise funds had no significant change in activity. The total net position for internal service funds' increased by \$19.4 million in 2013. This is the result of decreased liabilities of \$22.7 million and a decrease of \$3.3 million in assets.

## **General Fund Budgetary Highlights**

In 2013, the City made budgetary adjustments as part of the 2013-2014 Mid-Biennium Budget Amendment. Budget revisions included a \$4.1 million reduction in the General Fund to move appropriations to the Transportation Benefit District Fund. The City's budget is a two year biennium budget which begins every odd year.

## **Capital Assets, Infrastructure, Bond Debt Administration**

### ***Capital Assets***

The City of Tacoma's capital assets net of accumulated depreciation for its governmental and business type activities as of December 31, 2013 is \$3.5 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**

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 28,201	\$ 34,726	\$ 158,386	\$ 149,491	\$ 186,587	\$ 184,217
Construction in progress	84,083	54,758	180,780	125,512	264,863	180,270
Property, plant and equipment	214,192	225,430	3,739,727	3,577,987	3,953,919	3,803,417
Infrastructure	1,303,768	1,303,723	-	-	1,303,768	1,303,723
Less accumulated depreciation	(782,736)	(762,891)	(1,452,624)	(1,358,906)	(2,235,360)	(2,121,797)
Other Non Current Assets	-	-	-	-	-	-
	<u>\$ 847,508</u>	<u>\$ 855,746</u>	<u>\$ 2,626,269</u>	<u>\$ 2,494,084</u>	<u>\$ 3,473,777</u>	<u>\$ 3,349,830</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, 2013 was \$1.82 billion. Approximately 82% of the bonded debt is related to utilities with repayment pledged by specific revenue sources generated by the utilities. Of the remaining 18% bonded debt, debt is either secured by voter approved special levies or general government resources. Additional information on the City of Tacoma's long-term debt can be found in Note 4-F and Note 12 of the Notes to the Financial Statements.

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

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Bonded debt and loans	\$ 225,653	\$ 224,243	\$ 1,403,305	\$ 1,314,094	\$ 1,628,958	\$ 1,538,337
Capital leases	-	626	35,058	35,831	35,058	36,457
Claims and judgments	24,236	40,589	1,178	1,516	25,414	42,105
Accrued landfill liability	-	-	25,691	27,936	25,691	27,936
Net Pension Obligation	9,643	5,000	-	-	9,643	5,000
Other Post Employment Benefits	42,145	35,179	13,952	11,291	56,097	46,470
Compensated absences	17,310	17,142	18,944	17,827	36,254	34,969
	<u>\$ 318,987</u>	<u>\$ 322,779</u>	<u>\$ 1,498,128</u>	<u>\$ 1,408,495</u>	<u>\$ 1,817,115</u>	<u>\$ 1,731,274</u>

Table 4. Schedule of Long Term Debt

The City's debt rating for 2013 is as follows:

Bond	Moody's	S&P	Fitch
GO	Aa2	AA	A+
LTGO	Aa3	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**

The following economic factors currently affect the City of Tacoma:

- The unemployment rate for the City of Tacoma is currently 7.4% which is a decrease of 1.1% from 2012.
- Taxable assessed values have shown a positive growth for the first time since the recession in 2008 with a change of 2.2 million over the prior year.
- Housing prices and sales have improved slightly over the prior year and continue to show gains.
- Revenues have been higher than projected and operating expenses have decreased resulting in an increase in the general fund's unassigned fund balance.
- The Transportation Benefit District, which was created in 2012 to collect motor vehicle license fees, has been collecting revenues as projected. The 2013-2014 biennium budget is \$4.1 million.
- B&O tax exemptions for medical facilities were phased out starting in 2012 resulting in an increase in B&O tax revenues of \$12.9 million from the prior year.
- Commercial vacancy has dropped to around 8% with the move of State Farm Insurance Company's claims center to downtown Tacoma. The building formerly occupied by Frank Russell Investments has the potential for up to 1,100 employees.

During the current fiscal year, the unassigned fund balance in the general fund was \$43.2 million, up \$19.6 million from 2012. There is still a projected deficit of \$12 million for the 2015-2016 biennium. The City will continue to evaluate revenues and expenditures during the 2015-2016 budget preparation to produce a balanced 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 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, 2013  
(amounts expressed in thousands)  
Page 1 of 2

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
ASSETS			
Cash and cash equivalents	\$ 173,126	\$ 434,577	\$ 607,703
Investments at fair value	4,021	-	4,021
Receivables (net of allowance for uncollectibles)	54,350	95,310	149,660
Due from other governmental units	23,150	1,448	24,598
Internal balances	11,262	(11,262)	-
Inventories	3,410	11,110	14,520
Prepays	2,269	7,802	10,071
Recoverable deposits	-	-	-
Other current assets	20	6	26
Temporarily restricted assets:			
Cash and cash equivalents	-	355,879	355,879
Investments at fair value	-	-	-
Notes and contracts receivable	-	895	895
Customer Deposits	-	69	69
Contracts, notes, non-current leases	-	81,876	81,876
Capital assets (not being depreciated):			
Land	28,201	158,386	186,587
Property, plant, and equipment	1,903	35,608	37,511
Construction in progress	84,083	180,780	264,863
Capital assets:			
Property, plant, and equipment	212,289	3,704,119	3,916,408
Infrastructure	1,303,768	-	1,303,768
Accumulated depreciation	(782,736)	(1,452,624)	(2,235,360)
Non-current assets			
Other non-current assets	490	-	490
Total assets	<u>1,119,606</u>	<u>3,603,979</u>	<u>4,723,585</u>
Deferred Outflow of Resources			
Unamortized loss on refunding	4,226	19,146	23,372
Total Deferred Outflow of Resources	<u>4,226</u>	<u>19,146</u>	<u>23,372</u>
LIABILITIES			
Accounts payable and			
other current liabilities	32,459	86,609	119,068
Deposits payable	109	3,649	3,758
Due to other governments	1,378	495	1,873
Unearned revenue	-	5,216	5,216
Payable from restricted assets			
current liabilities	-	4,771	4,771
Other liabilities	-	31,326	31,326
Special assessment debt with governmental commitment	32,106	-	32,106
Non-current liabilities:			
Due within one year	39,206	55,554	94,760
Due in more than one year	247,675	1,442,574	1,690,249
Total liabilities	<u>352,933</u>	<u>1,630,194</u>	<u>1,983,127</u>
Deferred Inflow of Resources			
Unavailable revenues	39,731	-	39,731
Rate stabilization	-	114,575	114,575
Total Deferred Inflow of Resources	<u>39,731</u>	<u>114,575</u>	<u>154,306</u>
NET POSITION			
Net investment in capital assets	681,794	1,508,950	2,190,744
Restricted for:			
Capital purchases	13,747	30,019	43,766
Debt Service	13,210	43,333	56,543
Water & assurance & system development	-	30,987	30,987
Culture and recreation	21,709	-	21,709
Self-insurance	-	2,579	2,579
Environmental services and programs	-	3,294	3,294
Inspections	-	215	215
Wynoochee reserve	-	2,498	2,498
Agreements with federal government	-	-	-
Public safety	22,751	-	22,751
Local improvement districts and neighborhoods	12,837	-	12,837
Transportation	24,316	-	24,316
Grants	8,836	-	8,836
Housing & economic development	83,269	-	83,269
Unrestricted	(151,301)	256,481	105,180
Total net position	<u>\$ 731,168</u>	<u>\$ 1,878,356</u>	<u>\$ 2,609,524</u>

Page 2 of 2

COMPONENT UNITS		
TCRA	GTRCC PFD	FWDA
\$ 3,559	\$ 751	\$ 1,709
-	524	-
898	-	155
1,655	-	5
-	-	-
-	-	-
3	-	38
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,357	-	8,408
-	-	-
-	-	2,524
6,127	-	19,386
-	-	80
(3,633)	-	(3,524)
45,036	-	-
<u>55,002</u>	<u>1,275</u>	<u>28,781</u>
-	-	-
-	-	-
1,307	-	56
-	-	29
-	1,275	10
-	-	-
-	-	-
-	-	-
-	-	-
493	-	58
2,336	-	4,100
<u>4,136</u>	<u>1,275</u>	<u>4,253</u>
-	-	26
-	-	26
3,851	-	22,774
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
47,015	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	1,728
<u>\$ 50,866</u>	<u>\$ -</u>	<u>\$ 24,502</u>



STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013  
(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	\$ 49,781	\$ 23,726	\$ 4,419	\$ 338
Public safety	138,368	8,153	15,913	3,209
Utilities	2,477	287	-	-
Transportation	58,288	1,168	7,303	15,946
Social Services	1,953	207	914	-
Natural & econ environment	21,255	3,396	5,360	-
Culture and recreation	18,832	417	16	320
Interest on long-term debt	14,401	-	-	-
Total governmental activities	<u>305,355</u>	<u>37,354</u>	<u>33,925</u>	<u>19,813</u>
Business-type activities:				
Permit Services	6,921	6,810	-	-
Mountain Rail	2,955	1,978	-	120
Parking Garage	5,812	5,787	-	-
Convention Center	7,879	5,162	-	-
Cheney Stadium	1,646	865	-	-
Tacoma Dome	5,581	4,739	-	-
Performing Arts	1,726	-	-	-
Solid Waste	67,591	62,026	174	446
Waste Water	81,286	85,493	-	12,431
Union Station	2,246	2,243	-	-
Tacoma Rail	26,069	27,948	-	-
Water	79,773	96,365	3,540	7,084
Power	432,114	438,444	3,724	5,069
Low income Assistance	-	-	-	-
Power - Conservation	207	1,839	-	-
Total business-type activities	<u>721,806</u>	<u>739,699</u>	<u>7,438</u>	<u>25,150</u>
Total primary government	<u>1,027,161</u>	<u>777,053</u>	<u>41,363</u>	<u>44,963</u>
Component units:				
TCRA	3,463	-	5,214	-
GRTCC PDF	2,930	-	-	-
FWDA	1,390	509	-	428
Total component units	<u>\$ 7,783</u>	<u>\$ 509</u>	<u>\$ 5,214</u>	<u>\$ 428</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  
Change in accounting principle  
Net position beginning (restated)  
Net position ending

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CHANGES IN NET POSITION			COMPONENT UNITS		
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TCRA	GTRCC PFD	FWDA
\$ (21,298)	\$ -	\$ (21,298)	\$ -	\$ -	\$ -
(111,093)	-	(111,093)	-	-	-
(2,190)	-	(2,190)	-	-	-
(33,871)	-	(33,871)	-	-	-
(832)	-	(832)	-	-	-
(12,499)	-	(12,499)	-	-	-
(18,079)	-	(18,079)	-	-	-
(14,401)	-	(14,401)	-	-	-
<u>(214,263)</u>	<u>-</u>	<u>(214,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(111)	(111)	-	-	-
-	(857)	(857)	-	-	-
-	(25)	(25)	-	-	-
-	(2,717)	(2,717)	-	-	-
-	(781)	(781)	-	-	-
-	(842)	(842)	-	-	-
-	(1,726)	(1,726)	-	-	-
-	(4,945)	(4,945)	-	-	-
-	16,638	16,638	-	-	-
-	(3)	(3)	-	-	-
-	1,879	1,879	-	-	-
-	27,216	27,216	-	-	-
-	15,123	15,123	-	-	-
-	-	-	-	-	-
-	1,632	1,632	-	-	-
<u>-</u>	<u>50,481</u>	<u>50,481</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(214,263)</u>	<u>50,481</u>	<u>(163,782)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	1,751	-	-
-	-	-	-	(2,930)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(453)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,751</u>	\$ <u>(2,930)</u>	\$ <u>(453)</u>
\$ 62,487	\$ -	\$ 62,487	\$ -	\$ -	\$ -
45,743	-	45,743	-	2,928	-
103,631	-	103,631	-	-	-
297	3,063	3,360	6	2	3
136	(184)	(48)	-	-	476
(2,153)	2,153	-	-	-	-
<u>210,141</u>	<u>5,032</u>	<u>215,173</u>	<u>6</u>	<u>2,930</u>	<u>479</u>
<u>(4,122)</u>	<u>55,513</u>	<u>51,391</u>	<u>1,757</u>	<u>-</u>	<u>26</u>
<u>716,822</u>	<u>1,823,949</u>	<u>2,540,771</u>	<u>50,571</u>	<u>-</u>	<u>24,476</u>
18,468	(533)	17,935	(1,462)	-	-
-	(573)	(573)	-	-	-
<u>735,290</u>	<u>1,822,843</u>	<u>2,558,133</u>	<u>49,109</u>	<u>-</u>	<u>24,476</u>
\$ <u>731,168</u>	\$ <u>1,878,356</u>	\$ <u>2,609,524</u>	\$ <u>50,866</u>	\$ <u>-</u>	\$ <u>24,502</u>

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)

	GENERAL FUND #0010	STREET FUND #1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 41,478	\$ 2	\$ 83,602	\$ 125,082
Investments at fair value	-	-	4,021	4,021
Accounts receivables (net)	12,599	191	41,405	54,195
Due from other funds	2,559	129	753	3,441
Due from other governments	16,815	1,971	4,025	22,811
Inventories	1,074	1,816	-	2,890
Prepayments	174	-	12	186
Other current assets	-	-	20	20
Advances to other funds	11,245	-	3,354	14,599
<b>TOTAL ASSETS</b>	<b>85,944</b>	<b>4,109</b>	<b>137,192</b>	<b>227,245</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 85,944</b>	<b>\$ 4,109</b>	<b>\$ 137,192</b>	<b>\$ 227,245</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,924	\$ 1,642	\$ 2,312	\$ 6,878
Due to other funds	2,127	229	588	2,944
Due to other governments	826	-	552	1,378
Accrued wages	3,977	477	729	5,183
Accrued taxes	29	-	76	105
Customer deposits	-	-	109	109
Other current liabilities	972	-	-	972
Advances from other funds	-	-	5,420	5,420
Unearned revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>10,855</b>	<b>2,348</b>	<b>9,786</b>	<b>22,989</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	8,595	33	34,584	43,212
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>8,595</b>	<b>33</b>	<b>34,584</b>	<b>43,212</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	15,961	1,816	17	17,794
Restricted	9	3,266	71,531	74,806
Committed	-	-	21,728	21,728
Committed - Council Contingencies	982	-	-	982
Assigned	6,364	-	4,722	11,086
Unassigned	43,178	(3,354)	(5,176)	34,648
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>66,494</b>	<b>1,728</b>	<b>92,822</b>	<b>161,044</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 85,944</b>	<b>\$ 4,109</b>	<b>\$ 137,192</b>	<b>\$ 227,245</b>

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEETS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITON - GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 161,044
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.	813,272
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 position.	43,892
Certain taxes will be collected after year-end and will not be available to pay for current year expenditures and are reported as unavailable revenue.	3,481
Long Term Liabilities are not reported in the governmental funds balance sheet.	(2,179)
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.	(279,189)
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.	(9,643)
Net Pension Obligation (NPO) is reported as an asset in the governmental activities and is not considered to represent a financial asset, therefore, it is not reported in the governmental funds balance sheet.	490
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>731,168</u></u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

	GENERAL FUND #0010	STREET FUND #1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 184,819	\$ -	\$ 27,247	\$ 212,066
Licenses and permits	3,086	139	10	3,235
Intergovernmental revenue	9,175	23,062	21,229	53,466
Charges for goods and services	17,084	362	5,877	23,323
Fines and penalties	1,423	4	4,968	6,395
Interest and other earnings	528	-	466	994
Miscellaneous revenues	34	299	2,458	2,791
TOTAL REVENUES	<u>216,149</u>	<u>23,866</u>	<u>62,255</u>	<u>302,270</u>
EXPENDITURES				
Current:				
General government	46,260	-	781	47,041
Public safety	107,519	-	25,264	132,783
Utilities and environment	-	-	2,477	2,477
Transportation	1,052	18,762	1,783	21,597
Economic environment	11,085	-	10,038	21,123
Mental and physical health	-	-	1,953	1,953
Culture and recreation	10,057	-	631	10,688
Debt service:				
Principal payments	-	-	34,263	34,263
Interest and other related costs	-	-	11,072	11,072
Capital expenditures	1,497	24,285	10,535	36,317
TOTAL EXPENDITURES	<u>177,470</u>	<u>43,047</u>	<u>98,797</u>	<u>319,314</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>38,679</u>	<u>(19,181)</u>	<u>(36,542)</u>	<u>(17,044)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	2,850	34,919	37,769
Premium on bonds sold	-	-	68	68
Proceeds of refunding long-term debt	-	-	-	-
Issuance discount on long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	(1,105)	(1,105)
Proceeds from sales of capital assets	8	4	480	492
Insurance recoveries	58	-	-	58
Transfer in	159	16,729	11,700	28,588
Transfer (out)	(15,675)	(154)	(16,316)	(32,145)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(15,450)</u>	<u>19,429</u>	<u>29,746</u>	<u>33,725</u>
NET CHANGE IN FUND BALANCE	23,229	248	(6,796)	16,681
FUND BALANCE - JANUARY 1	42,696	2,947	99,760	145,403
Prior period adjustment	569	(1,467)	(142)	(1,040)
FUND BALANCE - JANUARY 1, RESTATED	<u>43,265</u>	<u>1,480</u>	<u>99,618</u>	<u>144,363</u>
FUND BALANCE - DECEMBER 31	<u>\$ 66,494</u>	<u>\$ 1,728</u>	<u>\$ 92,822</u>	<u>\$ 161,044</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, 2013

(amounts expressed in thousands)

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 16,681
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.	(8,551)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(697)
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	(6,966)
Net pension obligation	(4,153)
Compensated absences	(1,683)
Accrued Interest Expense	(2,179)
The net revenue of certain activities of internal service funds is reported with governmental activities:	
Profit Loss reallocation that decrease expenditure	8,719
Debt proceeds provide current financial resources to governmental funds but issuing debt increases non-current liabilities in the statement of net position. Repayment of non-current debt is an expenditure in the governmental funds but on the statement of net position it reduces the liability:	
Bond Issuance Cost/Discount Amortization	(36,597)
Principal repayment	35,368
Street fund audit adjustments not material to the government-wide statements.	(4,064)
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(4,122)</u>

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2013  
 (amounts expressed in thousands)  
 Page 1 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTE WATER FUND #4300-01	WATER FUND #4600	POWER FUND #4700
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 30,171	\$ 60,771	\$ 39,622	\$ 257,668
Accounts receivable (net)	6,348	11,349	12,239	58,210
Due from other funds	107	108	8,816	1,859
Due from other governments	-	1,086	-	234
Inventory	-	894	2,337	6,727
Prepayments	-	574	555	4,272
Other current assets	-	-	-	6
Current restricted assets:				
C&CE - debt services, deposits and replacements	2,245	9,938	3,509	42,745
C&CE - construction accounts	-	8,293	46,471	110,343
C&CE - other special purposes	-	105	106,839	19,497
Notes and contracts receivable (current)	-	-	-	-
Customer deposits	69	-	-	-
Total restricted assets	2,314	18,336	156,819	172,585
Total current assets	38,940	93,118	220,388	501,561
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	39,117
Other non-current assets	687	3,517	4,680	1,308
Capital assets:				
Land	3,120	19,255	22,878	76,036
Property, plant, and equipment	187,298	675,606	826,118	1,698,333
Less: accumulated depreciation	(103,586)	(207,464)	(168,125)	(837,709)
Construction work in progress	1,302	21,434	132,673	23,407
Total capital assets net of depreciation	88,134	508,831	813,544	960,067
Total non-current assets	88,821	512,348	818,224	1,000,492
TOTAL ASSETS	127,761	605,466	1,038,612	1,502,053
DEFERRED OUTFLOW OF RESOURCES				
Unamortized loss on refunding	293	1,098	1,814	15,941
TOTAL DEFERRED OUTFLOW OF RESOURCES	293	1,098	1,814	15,941



STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2013  
 (amounts expressed in thousands)  
 Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTE WATER FUND #4300-01	WATER FUND #4600	POWER FUND #4700
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,654	\$ 3,623	\$ 16,913	\$ 23,294
Due to other funds	722	1,318	9,757	1,264
Due to other governments	-	493	-	-
Advances from other funds	-	-	-	-
Interest payable	-	269	1,793	14,445
Deposits payable	20	-	282	2,781
Accrued wages	759	1,545	1,213	5,109
Accrued benefits	-	-	-	-
Accrued taxes	612	690	1,630	7,389
Environmental liability - current	186	679	-	-
Notes, contracts & leases - current	151	4,199	-	-
Revenue bonds - current	2,828	-	10,893	28,295
Unearned revenue	140	188	-	2,767
Other	-	-	-	328
Current payables from restricted assets:				
Debt principal payable	257	-	-	-
Debt interest payable	260	365	-	-
Deposits and other payables	70	105	3,971	-
Total current liabilities	<u>7,659</u>	<u>13,474</u>	<u>46,452</u>	<u>85,672</u>
Non-current liabilities:				
Revenue bonds payable (net)	59,431	93,503	408,638	564,961
Advances from other funds	-	-	-	-
Unavailable revenues	-	-	8,889	-
Compensated absences	1,109	2,684	2,246	9,238
Environmental liability - non-current	25,505	500	-	-
Notes, contracts & leases payable - non-current	6,861	83,077	47,239	-
Net OPEB obligation	1,418	1,968	2,498	7,807
Other - non-current liabilities	-	-	8,600	3,237
Non-current payables from restricted assets:				
Accrued landfill liability	-	-	-	-
Total non-current liabilities	<u>94,324</u>	<u>181,732</u>	<u>478,110</u>	<u>585,243</u>
TOTAL LIABILITIES	<u>101,983</u>	<u>195,206</u>	<u>524,562</u>	<u>670,915</u>
DEFERRED INFLOW OF RESOURCES				
Rate stabilization	6,000	25,000	35,575	48,000
TOTAL DEFERRED INFLOW OF RESOURCES	<u>6,000</u>	<u>25,000</u>	<u>35,575</u>	<u>48,000</u>
NET POSITION				
Net investment in capital assets	28,488	379,250	409,638	541,805
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for debt	1,728	9,573	1,716	28,295
Restricted for waste assurance and systems development	-	-	30,987	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Restricted for reserves	-	-	-	2,498
Net position unclassified	-	-	-	-
Unrestricted	(10,145)	(2,465)	37,948	226,481
TOTAL NET POSITION	<u>\$ 20,071</u>	<u>\$ 386,358</u>	<u>\$ 480,289</u>	<u>\$ 799,079</u>

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2013  
 (amounts expressed in thousands)  
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	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 19,331	\$ 407,563	\$ 75,058
Accounts receivable (net)	7,164	95,310	155
Due from other funds	151	11,041	2,729
Advances to other funds - current	-	-	119
Due from other governments	128	1,448	339
Inventory	840	10,798	832
Prepayments	2,401	7,802	2,083
Other current assets	-	6	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	605	59,042	-
C&CE - construction accounts	-	165,107	-
C&CE - other special purposes	5,289	131,730	-
Notes and contracts receivable (current)	895	895	-
Customer deposits	-	69	-
Total restricted assets	<u>6,789</u>	<u>356,843</u>	<u>-</u>
Total current assets	<u>36,804</u>	<u>890,811</u>	<u>81,315</u>
Non-current assets:			
Notes and contracts receivable (non-current)	31,778	70,895	-
Other non-current assets	789	10,981	-
Capital assets:			
Land	37,097	158,386	357
Property, plant, and equipment	296,091	3,683,446	151,933
Less: accumulated depreciation	(98,558)	(1,415,442)	(102,787)
Construction work in progress	793	179,609	5,002
Total capital assets net of depreciation	<u>235,423</u>	<u>2,605,999</u>	<u>54,505</u>
Total non-current assets	<u>267,990</u>	<u>2,687,875</u>	<u>54,505</u>
TOTAL ASSETS	<u>304,794</u>	<u>3,578,686</u>	<u>135,820</u>
DEFERRED OUTFLOW OF RESOURCES			
Unamortized loss on refunding	-	19,146	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>19,146</u>	<u>-</u>

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2013  
 (amounts expressed in thousands)  
 Page 4 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 5,660	\$ 51,144	\$ 7,068
Due to other funds	359	13,420	847
Due to other governments	2	495	-
Advances from other funds	585	585	-
Interest payable	662	17,169	53
Deposits payable	566	3,649	-
Accrued wages	931	9,557	1,038
Accrued benefits	-	-	4
Accrued taxes	262	10,583	5
Environmental liability - current	-	865	-
Notes, contracts & leases - current	677	5,027	-
Revenue bonds - current	2,804	44,820	-
Unearned revenue	2,121	5,216	-
Other	1,993	2,321	25,554
Current payables from restricted assets:			
Debt principal payable	-	257	-
Debt interest payable	-	625	-
Deposits and other payables	-	4,146	-
Total current liabilities	<u>16,622</u>	<u>169,879</u>	<u>34,569</u>
Non-current liabilities:			
Revenue bonds payable (net)	112,993	1,239,526	-
Advances from other funds	8,206	8,206	507
Unavailable revenues	-	8,889	-
Compensated absences	1,541	16,818	1,683
Environmental liability - non-current	-	26,005	-
Notes, contracts & leases payable - non-current	-	137,177	-
Net OPEB obligation	262	13,953	-
Other - non-current liabilities	14,629	26,466	13,151
Total non-current liabilities	<u>137,631</u>	<u>1,477,040</u>	<u>15,341</u>
<b>TOTAL LIABILITIES</b>	<u>154,253</u>	<u>1,646,919</u>	<u>49,910</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Rate stabilization	-	114,575	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>114,575</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	132,697	1,491,878	53,662
Restricted:			
Restricted for capital purchases	4,725	4,725	25,294
Restricted for debt	2,021	43,333	-
Restricted for waste assurance and systems development	-	30,987	-
Restricted for self-insurance	-	-	2,579
Restricted for environmental services and programs	3,294	3,294	-
Restricted for inspections	215	215	-
Restricted for reserves	-	2,498	-
Unrestricted	7,589	259,408	4,375
<b>TOTAL NET POSITION</b>	<u>\$ 150,541</u>	<u>\$ 1,836,338</u>	<u>\$ 85,910</u>

RECONCILIATION OF TOTAL ENTERPRISE NET POSITON  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

December 31, 2013

(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$	1,836,338
---------------------------------------	----	-----------

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.

42,018

NET POSITION OF BUSINESS ACTIVITIES	\$	<u><u>1,878,356</u></u>
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## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

## PROPRIETARY FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

Page 1 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTE WATER FUND #4300-01	WATER FUND #4600	POWER FUND #4700
OPERATING REVENUES				
Charges for goods and services	\$ 57,230	\$ 85,108	\$ 96,365	\$ 435,164
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	53	-	-	1,079
TOTAL OPERATING REVENUES	<u>57,283</u>	<u>85,108</u>	<u>96,365</u>	<u>436,243</u>
OPERATING EXPENSES				
Salary and wages	13,307	18,524	13,124	63,752
Personnel benefits	6,379	10,851	8,276	34,147
Supplies	647	3,920	1,678	126,485
Services	29,513	24,608	18,913	70,438
Intergovernmental services (interfund taxes)	916	3,804	3,919	44,997
Depreciation expense	6,810	13,981	16,072	56,397
TOTAL OPERATING EXPENSES	<u>57,572</u>	<u>75,688</u>	<u>61,982</u>	<u>396,216</u>
OPERATING INCOME (LOSS)	<u>(289)</u>	<u>9,420</u>	<u>34,383</u>	<u>40,027</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	126	236	810	1,901
Interest and other related costs	(3,577)	(5,856)	(17,051)	(25,272)
Amortization of bond discount & expense	97	258	1,668	(5,221)
Operating contributions - interfund	-	-	5	-
Operating contributions - federal/state/local	174	-	3,535	3,724
Other non revenues and (expenses)	34	385	(2,408)	(2,042)
Gain(loss) on disposition of property	(86)	(225)	(55)	-
NON OPERATING REVENUE NET OF EXPENSE	<u>(3,232)</u>	<u>(5,202)</u>	<u>(13,496)</u>	<u>(26,910)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(3,521)</u>	<u>4,218</u>	<u>20,887</u>	<u>13,117</u>
Capital contributions - interfund	-	11,082	-	-
Capital contributions - federal/state/local	446	1,242	36	247
Capital contributions - private	-	107	7,048	4,822
Transfer in	-	396	91	126
Transfer (out)	(289)	(174)	(84)	(529)
Total contributions and transfers	157	12,653	7,091	4,666
CHANGE IN NET POSITION	<u>(3,364)</u>	<u>16,871</u>	<u>27,978</u>	<u>17,783</u>
NET POSITION				
NET POSITION - JANUARY 1	23,857	370,191	452,880	781,296
Prior period adjustments	(422)	(704)	-	-
Change in accounting principle	-	-	(569)	-
NET POSITION - JANUARY 1 RESTATED	<u>23,435</u>	<u>369,487</u>	<u>452,311</u>	<u>781,296</u>
NET POSITION - DECEMBER 31	<u>\$ 20,071</u>	<u>\$ 386,358</u>	<u>\$ 480,289</u>	<u>\$ 799,079</u>

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

For the Year Ended December 31, 2013

(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	\$ 50,017	\$ 723,884	\$ 38,448
Interfund insurance premiums	-	-	79,766
Miscellaneous revenues	120	1,252	2,030
TOTAL OPERATING REVENUES	<u>50,137</u>	<u>725,136</u>	<u>120,244</u>
OPERATING EXPENSES			
Salary and wages	17,046	125,753	11,563
Personnel benefits	6,690	66,343	72,474
Supplies	1,753	134,483	2,576
Services	21,557	165,029	26,204
Intergovernmental services (interfund taxes)	718	54,354	1,407
Depreciation expense	8,123	101,383	9,225
TOTAL OPERATING EXPENSES	<u>55,887</u>	<u>647,345</u>	<u>123,449</u>
OPERATING INCOME (LOSS)	<u>(5,750)</u>	<u>77,791</u>	<u>(3,205)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	75	3,148	197
Interest and other related costs	(5,184)	(56,940)	(148)
Amortization of bond discount & expense	23	(3,175)	-
Operating contributions - interfund	-	5	-
Operating contributions - federal/state/local	-	7,433	-
Other non revenues and (expenses)	7,231	3,200	182
Gain(loss) on disposition of property	17	(349)	301
NON OPERATING REVENUE NET OF EXPENSE	<u>2,162</u>	<u>(46,678)</u>	<u>532</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(3,588)</u>	<u>31,113</u>	<u>(2,673)</u>
Capital contributions - interfund	-	11,082	541
Capital contributions - federal/state/local	120	2,091	-
Capital contributions - private	-	11,977	-
Transfer in	6,154	6,767	2,060
Transfer (out)	(4,183)	(5,259)	(11)
CHANGE IN NET POSITION	<u>(1,497)</u>	<u>57,771</u>	<u>(83)</u>
NET POSITION			
NET POSITION - JANUARY 1	151,449	1,779,673	66,485
Prior period adjustments	593	(533)	19,508
Change in accounting principle	(4)	(573)	-
NET POSITION - JANUARY 1 RESTATED	<u>152,038</u>	<u>1,778,567</u>	<u>85,993</u>
NET POSITION - DECEMBER 31	<u>\$ 150,541</u>	<u>\$ 1,836,338</u>	<u>\$ 85,910</u>

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, 2013  
(amounts expressed in thousands)

NET CHANGES IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 57,771
Amounts reported for busnines activities in the statement of activities are different because:	
The net revenue of certain activities of internal service funds is reported with business activities:	
Profit Loss reallocation that decrease expenditure	(2,258)
CHANGES IN NET POSITION OF BUSINESS ACTIVITIES	<u>\$ 55,513</u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013  
 (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	\$ 56,758	\$ 84,391	\$ 99,111	\$ 414,885
Receipts from interfund services provided	-	-	-	-
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(26,327)	(25,253)	(14,796)	(184,106)
Payments to employees	(19,142)	(28,612)	(21,119)	(100,434)
Payments to insurance carriers	-	-	-	-
Payments for taxes	(5,567)	(8,351)	(9,724)	(44,190)
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues (expenses)	-	-	-	188
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,722	22,175	53,472	86,343
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	(1,429)
Transfers (to) other funds	(277)	(138)	(84)	-
Advances from other funds	-	-	-	-
Grants received	262	1	-	-
Debt service related to environmental	(452)	(1,915)	-	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(467)	(2,052)	(84)	(1,429)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Transfers (to) funds	-	-	-	-
Acquisition and construction of capital assets	(10,423)	(38,788)	(99,568)	(59,455)
System development charges	-	-	5,478	-
Proceeds from capital debt	-	-	155,298	217,230
Proceeds from the sale of capital assets	47	-	-	-
Proceeds from leased property	-	-	-	-
Lease and leaseback	-	-	-	-
Principal paid on capital debt	(2,605)	(3,532)	(111,973)	(189,680)
Interest and issuance costs paid on capital debt	(2,759)	(2,448)	(18,391)	(39,084)
Premium and net refunding from capital debt	-	-	12,889	25,029
Capital lease obligation	(522)	(2,087)	-	-
Change in deferred credits	-	-	-	1,611
Contributions and donations	-	-	-	4,930
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(16,262)	(46,855)	(56,267)	(39,419)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	127	237	808	1,900
Rental and other income	133	382	(5)	846
Investment long-term	4	122	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	264	741	803	2,746
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(10,743)	(25,991)	(2,076)	48,241
CASH & CASH EQUIVALENTS, JANUARY 1	43,228	105,098	198,517	382,012
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 32,485	\$ 79,107	\$ 196,441	\$ 430,253



STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013  
 (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)	\$ (289)	\$ 9,420	\$ 34,383	\$ 40,027
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	6,810	13,981	16,072	56,397
(increase) decrease in accounts receivable	(118)	(317)	3,233	611
(Increase) decrease in intergovernmental receivables	112	-	(7,869)	1,553
(Increase) decrease in due from other funds	(82)	(93)	-	-
(Increase) decrease in inventories	-	(38)	5	(973)
(Increase) decrease in prepaid items	-	(460)	47	-
(Increase) decrease in other current assets	1,668	-	-	(6,676)
Increase (decrease) in deposits payable	28	(6)	(6)	-
Increase (decrease) in accounts payable	(306)	(901)	-	535
Increase (decrease) in accrued wages payable	178	456	149	564
Increase (decrease) in compensated absences	-	-	124	597
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	(19)	8,386	(2,711)
Increase (decrease) in due to other funds	37	247	-	-
Increase (decrease) in unearned revenues	(72)	9	(241)	(56)
Increase (decrease) in other current liabilities	-	(41)	34	-
Increase (decrease) in notes, contracts, and leases payable	-	(63)	(845)	-
Increase (decrease) in other long-term liabilities	(2,244)	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	(3,525)
Total adjustments	6,011	12,755	19,089	46,316
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 5,722	\$ 22,175	\$ 53,472	\$ 86,343
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior period adjustment	\$ -	\$ -	\$ 2,262	\$ 270
Contributions of capital assets	-	11,472	-	-
Investment long-term	-	-	-	-

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013  
 (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	\$ 50,525	\$ 705,670	\$ 44,819
Receipts from interfund services provided	1,271	1,271	2,104
Contributions received - employee/employer	-	-	80,808
Payments to suppliers	(22,963)	(273,445)	(48,942)
Payments to employees	(23,960)	(193,267)	(90,602)
Payments to insurance carriers	-	-	17,205
Payments for taxes	(686)	(68,518)	(1,478)
Payments for interfund services used	(47)	(47)	(19)
Other operating or non-operating revenues (expenses)	109	297	1,436
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,249	171,961	5,331
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	5,548	4,119	566
Transfers (to) other funds	(3,623)	(4,122)	-
Advances from other funds	(431)	(431)	(364)
Grants received	-	263	-
Debt service related to environmental	-	(2,367)	-
Contributions and Donations	547	547	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	2,041	(1,991)	202
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	11
Transfers (to) funds	(906)	(906)	-
Acquisition and construction of capital assets	(3,859)	(212,093)	(5,345)
System development charges	-	5,478	-
Proceeds from capital debt	-	372,528	-
Proceeds from the sale of capital assets	-	47	369
Proceeds from leased property	4,544	4,544	-
Lease and leaseback	(83)	(83)	-
Principal paid on capital debt	(5,096)	(312,886)	(1,319)
Interest and issuance costs paid on capital debt	(3,460)	(66,142)	(70)
Premium and net refunding from capital debt	836	38,754	-
Capital lease obligation	-	(2,609)	-
Change in deferred credits	-	1,611	-
Contributions and donations	3,751	8,681	900
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(4,273)	(163,076)	(5,454)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	21	3,093	(26)
Rental and other income	-	1,356	10
Investment long-term	72	198	2
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	93	4,647	(14)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	2,110	11,541	65
CASH & CASH EQUIVALENTS, JANUARY 1	23,115	751,970	74,993
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	25,225	763,511	75,058

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)  
 Page 4 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (5,750)	\$ 77,791	\$ (3,205)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	8,123	101,383	9,225
(increase) decrease in accounts receivable	31	3,440	67
(Increase) decrease in intergovernmental receivables	68	(6,136)	298
(Increase) decrease in due from other funds	2,045	1,870	4,643
(Increase) decrease in inventories	(306)	(1,312)	312
(Increase) decrease in prepaid items	(43)	(456)	(1,448)
(Increase) decrease in other current assets	7	(5,001)	(20)
Increase (decrease) in deposits payable	(84)	(68)	-
Increase (decrease) in accounts payable	(196)	(868)	319
Increase (decrease) in accrued wages payable	89	1,436	62
Increase (decrease) in compensated absences	(4)	717	126
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	(12)	5,644	-
Increase (decrease) in due to other funds	(400)	(116)	(3,738)
Increase (decrease) in unearned revenues	(6)	(366)	(42)
Increase (decrease) in other current liabilities	(609)	(616)	(17,828)
Increase (decrease) in notes, contracts, and leases payable	(72)	(980)	-
Increase (decrease) in other long-term liabilities	1,252	(992)	-
Increase (decrease) in prior period adjustments	-	-	16,294
Miscellaneous non-operating revenues (expenditures)	116	(3,409)	266
Total adjustments	9,999	94,170	8,536
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 4,249	\$ 171,961	\$ 5,331
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Prior period adjustment	\$ -	\$ 2,532	\$ 16,790
Contributions of capital assets	136	11,608	-
Investment long-term	49	49	-

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

December 31, 2013

(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450	AGENCY FUNDS # 6790
<b>ASSETS</b>		
Cash and cash equivalents	\$ 25,068	\$ 16
Investments at fair value:		
Equities	723,844	-
Fixed income	409,547	-
Real estate	58,550	-
Venture capital and partnerships	190,982	-
Securities lending collateral	61,506	-
Receivables - net uncollectible accounts		
Contributions and other receivables	1,827	-
Due from other governments	733	-
Interest and dividends	2,301	-
Investment sales	277	-
Capital assets - net of accumulated depreciation	14	-
<b>TOTAL ASSETS</b>	<b>1,474,649</b>	<b>16</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,529	-
Accrued wages and benefits payable	592	-
Due to the governmental units	334	16
Investments purchase payable	20,432	-
Securities lending collateral	61,506	-
Other current liabilities	96	-
Total current liabilities	<b>84,489</b>	<b>16</b>
Non-current liabilities:		
Accrued employee leave benefits	12	-
Total non-current liabilities	12	-
<b>TOTAL LIABILITIES</b>	<b>84,501</b>	<b>16</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>		
Held in trust for pension benefits and other purposes	\$ <b>1,390,148</b>	\$ <b>-</b>

FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS	
Employer contributions	\$ 32,076
Member contributions	20,150
Other contributions	265
Total contributions	<u>52,491</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	171,741
Interest & dividends	23,831
Total investment income	<u>195,572</u>
Less investment expenses:	
Investment management fees	(4,827)
Securities lending - agent fees	(39)
Securities lending - broker rebates	(22)
Total investment expense	<u>(4,888)</u>
Net investment income	<u>190,684</u>
TOTAL ADDITIONS	<u>243,175</u>
DEDUCTIONS	
Wages and benefits	209
Benefit payments	67,807
Refunds of contributions	2,819
Administrative expense	1,792
TOTAL DEDUCTIONS	<u>72,627</u>
NET INCREASE (DECREASE)	<u>170,548</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,219,600
Net position - ending	<u>\$ 1,390,148</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013**NOTES TO FINANCIAL STATEMENTS**

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NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**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 required to be blended if: Management of the City has operational responsibility; or, Services are provided almost entirely to the City; or Debts are expected to be paid almost entirely by resources of the City. Discretely presented component units are separate legal entities for which the City is financially accountable and there is a financial benefit/burden relationship with the City. Exclusion of these entities would cause the City's financial statements to be misleading or incomplete. For related party transactions refer to Note 4 Section H.

*Blended Component Units:*

Tacoma Transportation Benefit District (TBD) is a blended component unit and is reported with the City's reporting entity as a Special Revenue Fund. The authority to form a TBD is granted under Washington State RCW 35.21.225 and RCW 36.73.020. During 2011 City Council created the TBD, by ordinance No. 28099, for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements consistent with state, regional, and local plans. RCW 82.80.140 gives the TBD the authority to impose taxes, fees, charges, and tolls. The TBD approved Resolution No. TBD001 imposing a \$20 vehicle registration fee within the district's boundaries, effective for 2012. Financial statements for the TPD can be found in the Combining Statements located in the Financial Section of this report.

*Discretely presented Component Units:*

Tacoma Community Redevelopment Authority (TCRA) is a separate public development authority established through City ordinances and the laws of the State of Washington. TCRA was created to administer Housing and Urban Development (HUD) and Economic Development Administration (EDA) funds assisting the City in housing rehabilitation and business economic development projects. 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.

NOTES TO THE FINANCIAL STATEMENTS  
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*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.

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.

GASB issued and the City implemented in 2013 the following:

- Statement No. 61, issued in November 2010, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, effective for financial statements for periods beginning after June 15, 2012;
- Statement No. 65, issued in March 2012, *Items Previously Reported as Assets and Liabilities*, effective for financial statements beginning after December 15, 2012; and,
- Statement No. 66, issued in March 2012, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, effective for financial statements beginning after December 15, 2012



NOTES TO THE FINANCIAL STATEMENTS  
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The City uses encumbrance accounting. Purchase orders, contracts and other commitments are recorded as encumbrances. Encumbrances at year-end are no longer specifically reported as reservations of fund balances for governmental type funds. They are included in the restricted, committed, or assigned fund balance as defined by GASB Statement No. 54. Encumbrances outstanding at the end of the biennium are reappropriated at the beginning of the next biennium. The amount of encumbrances, expressed in thousands, needed to pay commitments related to purchase orders and contracts that remain unperformed at year-end are as follows:

<b>General Fund</b>	<b>Street Fund</b>	<b>Non-major Funds</b>
\$ 6,364	\$ 9,074	\$ 15,704

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

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

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

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

The City reports the following major governmental funds:

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

NOTES TO THE FINANCIAL STATEMENTS  
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The City reports the following major proprietary funds:

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

Additionally, the City reports the following non-major fund types:

Special Revenue Funds:

- Courts fund (#1020) accounts for costs associated with the Court system.
- Contingency fund (#1030) establishes reserves for Council contingencies. This fund is reported within the General fund.
- 2014 Street fund (#1065) accounts for street engineering and administration services.
- Transportation Benefit District (#1070) accounts for revenues and disbursement to the City of funds collected within the Transportation Benefit District. These funds are transferred to the Street fund for the maintenance of City streets.
- GET Gross Earnings 2% Fund (#1080) accounts for the street maintenance funded through gross earnings taxes.
- Fire Department fund (#1090) accounts for expenditures related to the specific revenues or grants for fire services.
- PW Facilities/ROW Streets fund (#1100) accounts for costs associated with Public Works Facilities and Street Right-of-ways.
- LID Guarantee fund (#1110) provides for the guarantee of Local Improvement Bond obligations.
- Paths and Trails fund (#1140) was created for the purpose of creating and maintaining paths and trails within the City of Tacoma.
- Building and Land Use fund (#1145) was created for the purpose of managing code violations and preserving historical buildings.
- Fire EMS fund (#1155) accounts for costs associated with the emergency management.
- Tourism fund (#1180) was created to promote use of the convention center and to promote tourism for the City.
- Human Rights and Human Services fund (#1185) accounts for neighborhood and community services to protect human rights and provide services to improve neighborhoods and households.
- Economic Development fund (#1195) was created to promote economic development for the City.
- Library fund (#1200) accounts for costs associated with the operation of the Library system.
- Historically Underutilized Business (HUB) fund (#1236) accounts for activities which provide opportunities to qualified small businesses doing business with the City.
- Police fund (#1267) accounts for cost related to specific special revenues or grants for police services.
- Cable TV fund (#1431) supports the accounting for TV Tacoma, the City's television station.
- Human Resources fund (#1500) accounts for activities within the human resources department.
- Traffic Enforcement fund (#1650) manages the "red light" traffic camera program.
- Unclaimed Property fund (#1-6330) accounts for assets held by the City (primarily uncashed checks) until owners can be located.

Debt Service Funds:

- Voted Bonds fund (#2010) accounts for the debt service of unlimited general obligation bonds issued by the City of Tacoma.
- Non-voted Bonds fund (#2035) accounts for the debt service of limited general obligation bonds issued by the City of Tacoma.
- CED PWTF Loans fund (#2038) accounts for the debt service of obtaining public works trust fund loans.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

- 2001 LTGO Refunding fund (#2039) accounts for the debt service of the 2001 LTGO refunding bonds.
- 2009 LTGO Bonds Series A-F fund (#2040) accounts for the debt service of the 2009 LTGO bonds.
- 2010 LTGO Bonds fund (#2041) accounts for the debt service of the 2010 LTGO bonds.
- 2013 LTGO Bonds (#2042) accounts for the debt service of the 2013 LTGO Bonds.
- Consolidated LID Bond Redemption fund (#2-7999) accounts for the debt service related to LID No. 54.

Capital Project Funds:

- 1997 Bond Issue fund (#3209) accounts for the capital expenditures associated with the proceeds obtained from the 1997 Bond Issue.
- Capital Project funds (#3211) accounts for the various capital expenditures.
- 2002 Police Facility fund (#3216) accounts for the construction costs associated with the construction of the police facility.
- Parking Garage fund (#3217) accounts for construction costs associated with the parking garage.
- 2009 LTGO Capital Projects fund (#3118) accounts for the capital expenditures associated with the proceeds obtained from the 2009 LTGO Bond Issue.
- 2010 LTGO Capital Projects fund (#3220) accounts for various capital expenditures funded by the 2010 LTGO bond issue.
- LID Interim Financing fund (#3-7070) is used to provide interim financing during the formation and construction of local improvement district projects.

Enterprise Funds:

- Permit Services fund (#4110) was created to track the revenues generated from permits and expenditures incurred directly related to the permitting process.
- Tacoma Rail Mountain Division fund (#4120) accounts for operation costs of the rail system.
- Parking Garage fund (#4140) accounts for the City's parking facilities.
- Convention Center fund (#4165) accounts for activities associated with operating the Convention Center.
- Cheney Stadium fund (#4170) accounts for activities associated with operating Cheney Stadium.
- Tacoma Dome fund (#4180) accounts for activities associated with operating the Tacoma Dome.
- Performing Arts fund (#4190) was created to track costs associated with the Performing Arts Center, Rialto Theater, Broadway Theater District and Pantages.
- Union Station fund (#4450) accounts for the thirty year lease with the Federal Government who uses Union Station as a Federal Courthouse.
- Tacoma Rail Belt Line Div fund (#4500) accounts for costs for the operations of the rail system between Tacoma and the Olympia area.
- Low Income Assistance fund (#4805) was created to accept voluntary donations to help low income customers pay utility bills.
- Power Conservation fund (#4850) was created to account for power conservation projects and payment of debt issued.

Internal Service Funds:

- Finance fund (#5007) accounts for the operation of the Finance Division.
- Finance Budget and Research fund (#5016) accounts for the operations of the Budget Division.
- BSIP Project fund (#5027) accounts for the Business Systems Improvement Project.
- Graphics Services fund (#5042) accounts for the general government leased copiers.
- Fleet Services fund (#5050) accounts for costs of maintaining and replacing City vehicles for Business-type activities.
- Youth Build Tacoma fund (#5086) accounts for program costs to assist residents of the City ages 18-24 gain the necessary work ethics for sustainable employment.
- Equipment Rental fund (#5400) accounts for costs of maintaining and replacing City vehicles for General Government activities.
- Asphalt Plant fund (#5453) accounts for the manufacturing of asphalt sold to other funds within the City of Tacoma.
- Radio Communications fund (#5540) accounts for radio communication equipment.
- Third Party Liability Claims fund (#5550) was created to track costs related to our self-insurance program.
- Unemployment Compensation fund (#5560) accounts for the City's self-insurance unemployment compensation costs.
- Worker's Compensation fund (#5570) accounts for the City's self-insurance worker's compensation costs.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

- Facilities Management fund (#5700) accounts for maintenance and operation cost associated with all City of Tacoma buildings.
- Information Systems fund (#5800) provides computer and system support for all City departments.
- Health Benefits fund (#5-64xx) provides accounting for self-insurance to all City's cost for healthcare.
- Self-Insurance Claims fund (#5-4800) provides accounting for self-insurance to Business-type Activities of the City of Tacoma departments including provisions for losses on property, liability, workers compensation, unemployment compensation.

Trust Funds:

- Deferred Compensation fund (#6450) accounts for activities related to mandatory and optional payroll deductions.
- TERS fund (#6100) accounts for the activities of the City's retirement system, which accumulates resources for pension benefit payments to qualified City employees
- Relief & Pension Police fund (#6120) accounts for the activities related to the police LEOFF pension system.
- Relief & Pension Firefighters fund (#6150) accounts for the activities related to the fire LEOFF pension system.
- Payroll Clearing fund (#6450) accounts for monies held by the City but not yet disbursed related to various payroll deductions.

Agency Fund:

- Tacoma Urban Network fund (#6790) an agency fund for Tacoma Urban Network provides social services for children and youth.

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 included 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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.

### **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. The interest on bond proceeds for constructed capital assets is capitalized during the construction phase.

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	3-100 years
Water Plant	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

NOTES TO THE FINANCIAL STATEMENTS  
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choose to stay with the original policy or opt to convert to the new policy. The amount of PTO earned is based on years of service. The Tacoma Public Library has slightly different rules governing sick leave and vacation leave, but these differences are not considered material to the City's financial statements.

In governmental funds, vacation pay, sick leave or PTO are recorded as expenditures when paid which occurs when used or upon employee termination. In the entity-wide statements and the proprietary fund statements, vacation pay and PTO are recorded as a liability and expensed 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 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.

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:** Fund Balance can only be used for specific purposes as determined by formal action by the City Council. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation. The amount committed was adopted by City Council, Ordinance #19315, on March 30, 1971.
4. **Assigned:** Includes amounts that have been allocated by City Management for specific purposes. Fund balances of special revenue 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 as a positive fund balance. In other governmental funds, if the expenditures incurred for specific purposes exceeds the amounts, restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

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

NOTES TO THE FINANCIAL STATEMENTS  
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Use of resources will be spent in the following hierarchy:

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

For detailed information on fund balances of governmental funds, please refer to Note 4 I.

***Net position***

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

**Note 2 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	\$ (217,582)
Discount on bond issuance	73
Premium on bond issuance	(2,225)
Net other post employment benefits obligation	(42,145)
Compensated absences	<u>(17,310)</u>
Sub-total	(279,189)
Net pension obligation	<u>(9,643)</u>
Net adjustment to reduce fund balance for total governmental funds to arrive at net position for governmental activities	<u><u>\$ (288,832)</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.

NOTES TO THE FINANCIAL STATEMENTS  
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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	\$ 36,317
Depreciation Expense	<u>(44,868)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	     \$ <u>(8,551)</u>

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	\$ (6,966)
Net pension obligation	(4,153)
Compensated absences	(1,683)
Accrued interest	(2,179)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position	     \$ <u>(14,981)</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 1997 Bond Issue fund has a \$44 thousand deficit fund balance resulting from a transfer out of \$58 thousand in



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2010. This is being reduced when the Jefferson Street Property is sold.

The 2002 Police Facility has a fund balance deficit of \$4.2 million to a reclassification of reporting internal note proceeds as an interfund loan which was received in prior years. The 2002 Police Facility had a \$44 thousand decrease in fund balance due to interest charges. The fund is reviewed periodically to determine the necessary transfer amounts the General Fund needs to contribute.

The \$6.4 million deficit in the Convention Center fund resulted from expenses exceeding revenues decreasing net position by \$1.7 million. Operating losses however were \$ 3.7 million for the year as compared to \$4.5 for the prior year. The general fund decreased its contribution during 2013 to \$1 million. The fund is reviewed periodically to determine the necessary transfer amounts the General Fund needs to contribute.

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 2013 and reduced the prior year by \$1.7 million.

The Graphic Services fund had deficit in net position of \$6 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 2013 change in net position was \$255 thousand.

The Third Party Liability Claims Fund has a net position deficit of \$15 million, a decrease of \$17 million 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 positive net change in 2013 which decreased the deficit by \$619 thousand.

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

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

FUNDS	
1997 Bond Issue Fund (#3209)	(44)
2002 Police Facility (#3216)	(4,200)
Convention Center (#4165)	(6,354)
Power Conservation Fund (#4850)	(1,579)
Graphic Services (#5042)	(6)
Third Party Liability Claims (#5550)	(15,360)
Worker's Compensation (#5570)	(2,198)
	<u>\$ (29,741)</u>

**C. Legal and contractual compliance**

The City has complied, to the best of its knowledge, with all material finance related legal and contractual provisions. No related party transactions have been identified.

**Note 4 Detailed notes on all funds**

**A. Deposits and Investments**

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

**Certificates of deposit (CDs) and Demand Deposits:** The City places certificates of deposit and demand deposits only with State of Washington banks and savings and loan institutions approved as qualified public depositories

NOTES TO THE FINANCIAL STATEMENTS  
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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 \$24,039,947.

**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 2013, 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 2013.

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)

	2013		2012	
Type of Securities Lent	Fair Values of Securities Lent	Collateral	Fair Values of Securities Lent	Collateral
U.S. Government and Agencies	101,562	103,636	55,827	56,938
Total Securities Lent	101,562	103,636	55,827	56,938
Collateral	2013		2012	
U.S. Corporate Obligations	48,878		8,471	
U.S. Treasury Strips			-	
Government Sponsored Enterprises	3,300		1,500	
Asset Backed Securities	3,737		6,326	
Repurchase Agreements/Money Mkt	47,721		40,641	
Total Collateral	103,636		56,938	

**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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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 2013.

## 2. Deposits and investments – December 31, 2013

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

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

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

At December 31, 2013, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments  
December 31, 2013  
amounts expressed in thousands)

Reconciliation of Cash and Investments:

Investments (less Component Units)	\$ 2,405,791
Certificates of Deposit	7,169
Treasurer's Cash, net	16,565
Petty Cash Funds	306
Sub-total	<u>2,429,831</u>
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	1,616
TCRA - External Cash	1,970
Foss Waterway Development Authority (FWDA)	1,482
FWDA - External Cash	247
Public Facilities District (PFD)	751
Sub-total (Component Units)	<u>6,066</u>
Total	<u><u>\$ 2,435,897</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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

Investments:	Fair Value @ 12/31/13
<b>Financial Institutions</b>	
WA State Local Government Investment Pool	\$ 100,071
US Treasury Securities	1,037
Government Agencies (various)	842,119
Bankers Acceptances	-
Electric System Revenue Bond Investments	8,761
Equity in Pool Transferred to Component Units	(3,849)
<b>Total Investments with Financial Institutions</b>	<b>948,139</b>
<b>Component Units</b>	
TCRA Equity in Investment Pool	1,616
FWDA Equity in Investment Pool	1,482
PFD Equity in Investment Pool	751
<b>Total Component Unit Investments</b>	<b>3,849</b>
<b>Total</b>	<b>951,988</b>
<b>Pension Trust</b>	
Equities	733,043
Fixed Income	398,827
Real Estate	56,769
Venture Capital & Partnerships	186,159
Short Term Bill & Notes	3,444
Cash and Cash Equivalents	17,902
Securities Lending Collateral	61,508
<b>Total Other Investments - Pension Trust</b>	<b>1,457,652</b>
<b>Total</b>	<b>\$ 2,409,640</b>

### 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 \$100,070,511 with the State Treasurer's Local Government Investment Pool, \$7,169,424 in an interest bearing demand deposit account with a commercial bank and \$15,247,322 in the City's main demand deposit account with commercial banks. The monies from these accounts are available immediately.

Investment Type	Par	Maturing (in months)				
		Less than 12	13-24	25-36	37-48	49-60
Main Bank Demand Deposits	\$ 15,247,322	\$ 15,247,322	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	107,239,935	107,239,935	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	205,240,000	74,560,000	54,755,000	67,415,000	8,510,000	-
Fixed Rate Non-Callable Agency Securities	509,327,000	94,275,000	151,689,000	101,800,000	151,563,000	10,000,000
Fixed Rate Callable Agency Securities	115,300,000	-	10,000,000	29,000,000	41,300,000	35,000,000
<b>Totals</b>	<b>\$ 952,354,257</b>	<b>\$ 291,322,257</b>	<b>\$ 216,444,000</b>	<b>\$ 198,215,000</b>	<b>\$ 201,373,000</b>	<b>\$ 45,000,000</b>
Percent of Total		30.59%	22.73%	20.81%	21.14%	4.73%

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

#### 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 2013 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	\$ 122,487,257	FDIC & PDPC	\$ 122,487,257	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	205,240,000	A	-	31,630,000	161,630,000	11,980,000
Fixed Rate Non-Callable Agency Securities	509,327,000	AAA	-	509,327,000	-	-
Fixed Rate Callable Agency Securities	115,300,000	AAA	-	115,300,000	-	-
Total	<u>\$ 952,354,257</u>		<u>\$ 122,487,257</u>	<u>\$ 656,257,000</u>	<u>\$ 161,630,000</u>	<u>\$ 11,980,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**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
Washington State	Municipal Securities	\$ 49,205,000	8.0%
Federal Farm Credit Bank	Agency Securities	111,964,000	18.2%
Federal Home Loan Bank	Agency Securities	78,800,000	12.8%
Federal Home Mortgage Corporation	Agency Securities	173,800,000	28.3%
Federal National Mortgage Association	Agency Securities	200,063,000	32.6%
Total		<u>\$ 613,832,000</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)	\$ 12,599	\$ 191	\$ 41,405	\$ 6,348	\$ 11,349
Due from other Funds	2,559	129	753	107	108
Advances to other Funds	11,245		3,354		
Due from Other Governments	16,815	1,971	4,025		1,086
Interest Receivable (net short-term)	-	-	-	-	-
Loans Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net long-term)	-	-	-	-	-
TOTAL	<u>\$ 43,218</u>	<u>\$ 2,291</u>	<u>\$ 49,537</u>	<u>\$ 6,455</u>	<u>\$ 12,543</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)	\$ 12,239	\$ 58,210	\$ 7,164	\$ 155	\$ 1,827	\$ 151,487
Due from other Funds	8,816	1,859	151	2,729		
Advances to other Funds				119		
Due from Other Governments		234	128	339	733	
Interest Receivable (net short-term)	-	-	-	-	2,301	2,301
Loans Receivable (net short-term)	-	-	-	-	277	277
Notes and Contracts Receivable (net short-term)	-	-	895	-	-	895
Notes and Contracts Receivable (net long-term)	-	39,117	31,778	-	-	70,895
TOTAL	<u>\$ 21,055</u>	<u>\$ 99,420</u>	<u>\$ 40,116</u>	<u>\$ 3,342</u>	<u>\$ 5,138</u>	<u>\$ 225,855</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**C. Capital assets**

Capital asset activity for the year-ended December 31, 2013 was as follows (amounts expressed in thousands):

Governmental Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets not being depreciated:					
Land	\$ 34,726	\$ 1,718	\$ (8,243)	\$ -	\$ 28,201
Property, plant, and equipment	1,829	74	-	-	1,903
Construction work in progress	<u>54,758</u>	<u>33,120</u>	<u>(3,795)</u>	<u>-</u>	<u>84,083</u>
Total capital assets, not being depreciated	<u>91,313</u>	<u>34,912</u>	<u>(12,038)</u>	<u>-</u>	<u>114,187</u>
Capital assets, being depreciated:					
Property, plant, and equipment	223,601	14,609	(25,921)	-	212,289
Infrastructure	<u>1,303,723</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>1,303,768</u>
Total capital assets, being depreciated	<u>1,527,324</u>	<u>14,654</u>	<u>(25,921)</u>	<u>-</u>	<u>1,516,057</u>
Less accumulated depreciation:					
Property, plant, and equipment	(131,874)	(13,085)	25,643	-	(119,316)
Infrastructure	<u>(631,017)</u>	<u>(32,403)</u>	<u>-</u>	<u>-</u>	<u>(663,420)</u>
Total accumulated depreciation	<u>(762,891)</u>	<u>(45,488)</u>	<u>25,643</u>	<u>-</u>	<u>(782,736)</u>
Governmental activities, capital assets (net of accumulated depreciation)	<u>\$ 855,746</u>	<u>\$ 4,078</u>	<u>\$ (12,316)</u>	<u>\$ -</u>	<u>\$ 847,508</u>
Business-Type Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets not being depreciated:					
Land	\$ 149,651	\$ 9,486	\$ (751)	\$ -	\$ 158,386
Non-depreciable Property, plant and equip				35,608	35,608
Construction work in progress	<u>125,512</u>	<u>219,360</u>	<u>(164,092)</u>	<u>-</u>	<u>180,780</u>
Total capital assets, not being depreciated	<u>275,163</u>	<u>228,846</u>	<u>(164,843)</u>	<u>35,608</u>	<u>374,774</u>
Capital assets, being depreciated:					
Property, plant, and equipment	<u>3,577,827</u>	<u>184,009</u>	<u>(22,109)</u>	<u>(35,608)</u>	<u>3,704,119</u>
Total capital assets, being depreciated	<u>3,577,827</u>	<u>184,009</u>	<u>(22,109)</u>	<u>(35,608)</u>	<u>3,704,119</u>
Less accumulated depreciation:					
Property, plant, and equipment	<u>(1,358,906)</u>	<u>(103,953)</u>	<u>10,235</u>	<u>-</u>	<u>(1,452,624)</u>
Total accumulated depreciation	<u>(1,358,906)</u>	<u>(103,953)</u>	<u>10,235</u>	<u>-</u>	<u>(1,452,624)</u>
Business-type activities, capital assets (net of accumulated depreciation)	<u>\$ 2,494,084</u>	<u>\$ 308,902</u>	<u>\$ (176,717)</u>	<u>\$ -</u>	<u>\$ 2,626,269</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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

Governmental Activities:

General Government	\$ 331
Public Safety	3,348
Transportation	32,705
Economic Environment	48
Culture and Recreation	2,213
Capital assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>6,843</u>
Total depreciation expense - governmental activities	<u><u>45,488</u></u>

Business-type activities:

Permit	-
Mountain Rail	882
Parking Garage	1,326
Convention Center	2,195
Baseball Park	1,529
Tacoma Dome	625
Performing Arts	569
TPU Fleet	2,570
Solid Waste	6,810
Waste Water	13,981
Tacoma Rail	997
Water	16,072
Power	<u>56,397</u>
Total depreciation expense - business-type activities	<u><u>\$ 103,953</u></u>



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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

The City leases certain equipment under a capital lease agreement. Capital lease balances at December 31, 2013:

(amounts expressed in thousands)

**Business Activities**

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 at the time acquired was \$37,840. The interest rate ranges from 4.00% to 5.625% for an average of 5.1%.

Year Ending December 31	Principle	Interest	Total
2014	752	1,858	2,610
2015	782	1,828	2,610
2016	813	1,796	2,609
2017	848	1,763	2,611
2018	883	1,729	2,612
2019-2023	5,055	7,993	13,048
2024-2028	6,494	6,560	13,054
2029-2034	8,490	4,560	13,050
2035-2038	10,940	1,890	12,830
Totals	35,057	29,977	65,034

**E. Short-term debt**

Governmental activities: No short-term debt was issued or outstanding in 2013.

Business activities: No short term debt was issued or outstanding in 2013.

**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 \$180 million. General obligation bonds were issued in 2013 in the amount of \$44 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:

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 6,426	\$ 5,667	\$ 390	\$ 2,689
2015	8,856	5,692	2,204	2,674
2016	8,888	5,647	2,432	2,609
2017	8,956	5,565	2,509	2,519
2018	9,091	5,423	2,602	2,424
2019-2023	46,173	21,062	13,984	10,335
2024-2028	29,393	26,910	14,341	7,106
2029-2033	27,341	24,837	17,873	3,708
2034-2038	14,306	3,777	5,995	367
2039-2043	990	90	-	-
Total	\$ 160,420	\$ 104,670	\$ 62,330	\$ 34,431

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%-7.20%	\$ 151,443
Business Activities	3.80%-4.45%	\$ 62,330

***Special assessment bonds***

The City has issued special assessment bonds for various capital construction purposes. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other foreclosure proceeds are received. As of December 31, 2013, the amount of LID Special Assessment delinquency equals \$146,167. The bond interest rates range from 3.93 to 5.75% and are payable over the next thirty years.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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
2014	\$ -	\$ 1,690
2015	-	1,829
2016	-	1,829
2017	-	1,829
2018	-	1,829
2019-2023	1,087	9,146
2024-2028	20	8,915
2029-2033	-	8,912
2034-2038	-	8,912
2039-2043	30,999	8,912
	<u>\$ 32,106</u>	<u>\$ 53,803</u>

**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, WA rail loans, and drinking water state revolving loans issued in prior years was \$927.3 million. During the year \$356.9 million were issued for refunding, construction and capital improvements in the Power, Water, and Rail funds.

Revenue Bonds and Loans (amounts expressed in thousands)		
Business-type activities		
	Principle	Interest
2014	\$ 51,399	\$ 60,144
2015	55,026	57,354
2016	63,047	54,707
2017	62,983	51,890
2018	64,084	49,193
2019-2023	258,681	206,788
2024-2028	159,852	166,604
2029-2033	191,044	128,696
2034-2038	208,109	65,367
2039-2043	169,943	19,944
Total	<u>\$ 1,284,168</u>	<u>\$ 860,687</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**Changes in long-term debt**

Governmental activities - long term (amounts expressed in thousands)	Beginning			Ending		Reconcile to Note 12
	Balance	Additions	Reductions	Balance	Due within one year	
General obligation Bonds	\$ 173,979	\$ 3,234	\$ (25,770)	\$ 151,443	\$ 5,315	\$ 151,443
Less: Unamortized discount	(78)	-	5	(73)	(5)	
Add: Unamortized premium	2,356	-	(131)	2,225	131	
Washington State Department of Transportation Loan	19,037	963	-	20,000	4,000	20,000
Public works trust fund loans	10,087	-	(1,110)	8,977	1,111	8,977
Bond anticipation notes	36,252	2,573	(27,850)	10,975	10,975	10,975
Special assessment debt	1,647	30,999	(540)	32,106	-	32,106
Capital leases	626	-	(626)	-	-	
Claims and judgments	40,589	1,912	(18,265)	24,236	15,945	
Other Post Employment Benefits	35,178	6,980	-	42,158	-	
Net Pension Obligation	5,000	17,653	(13,010)	9,643	-	
Accrued employee leave benefits	17,142	12,139	(11,971)	17,310	1,734	
Governmental activities - long term liabilities	<u>\$ 341,815</u>	<u>\$ 76,453</u>	<u>\$ (99,268)</u>	<u>\$ 319,000</u>	<u>\$ 39,206</u>	<u>\$ 223,501</u>
Business activities - long-term (amounts expressed in thousands)	Beginning			Ending		
	Balance	Additions	Reductions	Balance	Due within one year	
revenue bonds, water public works board, drinking water state revolving loans, and rail	\$ 1,226,401	\$ 373,711	\$ (315,944)	\$ 1,284,168	\$ 51,399	
Muckleshoot liability	8,536	-	(820)	7,716	200	
General obligation bonds	64,115	43,115	(44,900)	62,330	390	
Plus: Unamortized premium	15,310	50,358	(16,391)	49,277	-	
Less: Unamortized discount	(268)	(159)	241	(186)	-	
Capital leases	35,831	-	(773)	35,058	753	
Environmental liability	1,516	474	(812)	1,178	679	
Landfill closure cost liability	27,936	4,175	(6,420)	25,691	186	
Other Post Employment Benefits	11,291	11,180	(8,519)	13,952	-	
Accrued employee leave benefits	17,827	11,001	(9,884)	18,944	1,947	
Business activities - long-term liabilities	<u>\$ 1,408,495</u>	<u>\$ 493,855</u>	<u>\$ (404,222)</u>	<u>\$ 1,498,128</u>	<u>\$ 55,554</u>	

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$1.7 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 General fund respectively.

Additions for General Obligation Bonds (\$3,234), Special Assessment Bonds (\$30,999), Bond Anticipation Notes (\$2,573) and Washington State Department of Transportation Loan (\$963) listed above equals the Governmental Fund issuance of long-term debt (\$37,769).

Note 12 summarizes changes in long-term debt.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**Bonds issued in 2013**

The City issued the following bonds in 2013:

- Limited Tax General Obligation Refunding Bonds, 2013, dated March 5, 2013, in the amount of \$44,170,000 with a fixed interest rate of between 3% to 5% depending upon maturity. The proceeds of the Bonds, including premiums, were used (1) to refund, on a current basis, \$1,105,000 of the City's Limited Tax General Obligation Refunding Bonds, 2001, maturing on December 1 in the years 2013 and 2014 and to advance refund or defease \$44,525,000 of the City's Limited Tax General Obligation Bonds, 2004, maturing on December 1 in the years 2013 to 2026, inclusive, 2030 and 2034 to obtain the benefit of debt service savings and (2) to pay costs of issuance for the Bonds. The refunded bonds are considered defeased and the liability removed from the governmental activities column in the statement of net position. The aggregate cash flow savings produced by the refunding was \$4,907,643, which produced a net present value benefit to the City of \$4,752,917.
- Regional Water Supply System Revenue Refunding Bonds, 2013, dated April 16, 2013, in the amount of \$64,795,000 with fixed interest rates ranging from 4% to 5% depending upon terms. The proceeds of the Bonds, including premiums, were used to refund \$75,925,000 of the Regional Water Supply System Revenue Bonds, 2002 and to pay issuance costs. The refunded bonds are considered defeased and the liability removed from the Water Fund. The refinancing produced aggregate debt service savings of \$22,029,895 for a net present value benefit to the City of \$15,474,072.
- Consolidated Local Improvement District No. 65 Bonds, dated April 29, 2013, in the amount of \$30,999,358.40 with an interest rate of 5.75%. The proceeds of the Bonds will be used to (1) finance the costs of carrying out improvements in the Point Ruston LIDs, including without limitation, repayment of a bond anticipation note issued to provide interim financing (2) make a deposit into the Supplemental Reserve Fund, and (3) pay the costs of issuance and sale of the Bonds. The bonds are payable from special assessments levied against real property in the Point Ruston LIDs
- Water System Revenue and Refunding Bonds, 2013, dated May 5, 2013, in the amount of \$78,305,000 with fixed rates of interest ranging from 2% to 4% depending on the maturity of the bonds. The proceeds of the Bonds, including premiums, were used to pay for certain capital improvements to the Water System, to fund the Reserve Account for the Parity Bonds, to refund all of the outstanding 2003 Bonds, and to pay for the costs of issuance of the Bonds. The refunded bonds are considered defeased and the liability removed from the Water Fund. The restructuring produced a negative savings to the City of \$21,661,553 at a present value of \$402,178.
- Electric System Revenue and Refunding Bonds, Series 2013A, dated June 13, 2013, in the amount of \$181,610,000 with fixed rates of interest ranging from 4% to 5%, depending upon term. The proceeds of the Bonds were used to pay for and reimburse the City for certain capital improvements to the Electric System included in the 2013-2014 Capital Improvement Program, to refund a portion of the City's outstanding 2004A Bonds and to pay the costs of issuance of the 2013A Bonds. Included in the 2013-2014 Capital Improvement Program are projects involving additions, replacements and improvements to the distribution, transmission, and smart grid, telecommunications, power supply, utility technology and general plant systems, facilities and equipment and for conservation programs. The refunded bonds are considered defeased and the liability removed from the Power Fund. The aggregate reduction in debt service of \$7,994,017 produced a net present value savings of \$6,911,897.
- Electric System Revenue and Refunding Bonds, Series 2013B, dated June 13, 2013, in the amount of \$35,620,000 with fixed interest rates between 3.05% to 5%, depending on the maturity date of the bonds. The proceeds of the Bonds were used to refund a portion of the City's outstanding 2004A Bonds and 2005A Bonds and to pay the costs of issuance of the 2013B Bonds. The refunded bonds are considered defeased and the liability removed from the Power Fund. The aggregate increase in debt service affected through this restructuring was \$11,638,670 or \$1,746,975 on a net present value basis.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**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	59,042
Cash for construction	165,107
Cash for other special purposes	131,730
Notes and contracts receivable	895
Customer deposits	69
	<u>\$ 356,843</u>

**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 November 2012, as part of its examination into projects involving convention center financings, the IRS sent the City an Information Document Request related to the City's Convention Center and Parking Revenue Bonds, Series 2004. The City cooperated with the request and received correspondence from the IRS in August 2013 reflecting closure of the examination with no-change to the tax-exempt status of the bonds.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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

	Major Funds		Non-major Funds			
	General Fund	Street Fund (CPF)	Special Revenue	Debt Service	Capital Project	Total Funds
Fund balances:						
Nonspendable:						
Long-term receivables/advances	\$ 14,713	\$ -	\$ -	\$ -	\$ -	\$ 14,713
Inventory	1,074	1,816	-	-	-	2,890
Prepays	174	-	-	-	-	174
Trust	-	-	17	-	-	17
Total nonspendable	15,961	1,816	17	-	-	17,794
Restricted:						
Business districts	-	-	-	-	298	298
Capital purchases	-	-	-	-	1,823	1,823
Crime Prevention & Safety	-	-	10,889	-	-	10,889
Debt service	-	-	1,315	5,305	-	6,620
Facilities & Garages	-	-	-	-	6,581	6,581
Grants	-	3,266	1,152	-	-	4,418
Housing Development	-	-	2,470	-	332	2,802
Library, Arts & Preservation	-	-	4,893	-	58	4,951
Local Improvement District	-	-	4,231	-	1,348	5,579
Neighborhoods	-	-	-	-	473	473
Other capital	-	-	-	-	9,978	9,978
Parks & Recreation	-	-	-	-	5,018	5,018
Paths & Trails	-	-	378	-	749	1,127
Public services	9	-	6,770	-	-	6,779
Public Works projects	-	-	391	-	2,226	2,617
Sidewalk & Street projects	-	-	-	-	4,853	4,853
Total restricted	9	3,266	32,489	5,305	33,737	74,806
Committed:						
Business & Training Assistance	-	-	407	-	-	407
Council contingency	982	-	-	-	-	982
Crime Prevention & Safety	-	-	786	-	-	786
Demolitions	-	-	2,897	-	-	2,897
Economic development programs	-	-	12,442	-	-	12,442
Open Space Properties	-	-	867	-	-	867
Library, Arts & Preservation	-	-	1,652	-	-	1,652
Neighborhoods	-	-	1,034	-	86	1,120
Public services	-	-	1,557	-	-	1,557
Total committed	982	-	21,642	-	86	22,710
Assigned:						
Advances	-	-	-	-	3,230	3,230
Library	-	-	117	-	-	117
Municipal TV	-	-	1,220	-	-	1,220
Police activities	-	-	-	-	-	-
Public services	-	-	155	-	-	155
Other purposes	6,364	-	-	-	-	6,364
Total assigned	6,364	-	1,492	-	3,230	11,086
Unassigned:	43,178	(3,354)	(835)	(11)	(4,330)	34,648
Total fund balances:	\$ 66,494	\$ 1,728	\$ 54,805	\$ 5,294	\$ 32,723	\$ 161,044

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**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	\$ 13,747
Debt Service	13,210
Water & assurance & system development	-
Culture and recreation	21,709
Self-insurance	-
Environmental services and programs	-
Inspections	-
Wynoochee reserve	-
Public safety	22,751
Local improvement districts and neighborhoods	12,837
Transportation	24,316
Grants	8,836
Housing and economic development	83,269
	<u>\$ 200,675</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 cost-sharing, multiple-employer, defined benefit retirement plan covering substantially all employees of the City of Tacoma, with the exception of police officers, firefighters, Tacoma Rail employees who are covered by state and federal retirement plans. Employees of the Tacoma-Pierce County Health Department, as well as, certain employees of the Pierce Transit and Law Enforcement Support Agency who established membership in the system when these agencies were still City of Tacoma departments, are also members. The Board of Administration of the Tacoma Employees' Retirement System administers the plan and derives its authority in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code. There are currently 2,119 retirees and beneficiaries receiving benefits, 434 vested terminated employees entitled to future benefits; and 2,881 active members of Tacoma Employees' Retirement System, as of December 31, 2013.

**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, 2013

**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%

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

**8. Funding status and progress:** Historical trend information about TERS is presented with supplementary information and can be found in the required supplementary information section of the TERS annual report. This information is based on the most recent actuarial valuation performed, dated January 1, 2013, and 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
1/1/2011	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%
1/1/2013	1,187.1	1,306.6	119.5	90.9%	210.6	56.7%

Both the City and employees made the required contributions. The City's required contributions for the years ended December 31 were:

2011	\$ 20,850,233
2012	20,919,787
2013	21,188,984

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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

Valuation Date:	January 1, 2013
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	7.50%
Project Salary Increases	4.00%
Includes Inflation at	3.00%
Cost of Living Adjustments	2.125%

**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](http://www.drs.wa.gov). The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pension by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No 27*.

**2. Plan description:**

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included 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 2013, 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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 beneficiary of the estate 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 covered employment, if found eligible by the Department of Labor and Industries.

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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.

A one-time duty-related death benefit is provided to the beneficiary or estate 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.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

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.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans as of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	10,189
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	689
Active Plan Members Vested	14,273
Active Plan Members Nonvested	2,633
Total	<u>27,784</u>

### 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. This special funding situation is not mandated by the state constitution and could be changed by statute. For DRS' fiscal year 2013, the state contributed \$54.2 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, 2013, are as follows:

	LEOFF Plan 1	LEOFF Plan 2	
Employer*	0.18%	5.23%	**
Employee	0.00%	8.41%	
State	N/A	3.36%	

\* The employer rates include the employer administrative expense fee currently set at .18%.

\*\* The employee rate for ports and universities is 8.59%.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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
2013	n/a	n/a	\$ 3.58
2012	n/a	n/a	\$ 3.61
2011	n/a	n/a	\$ 3.79

### 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, 2013. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 161 for the PRP and 214 for the FRP as of December 31, 2013. 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, 2013, there were 206 retired law enforcement officers and 260 retired firefighters who are eligible for medical coverage.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

(this does not include active employees).

The post-employment 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 \$1.9 million and \$2.7 million were made for PRP officers and FRP officers, respectively, which equaled benefits paid; and the ending fund balance is zero.

**2. Basis of Accounting:**

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

**3. Investments:**

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

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

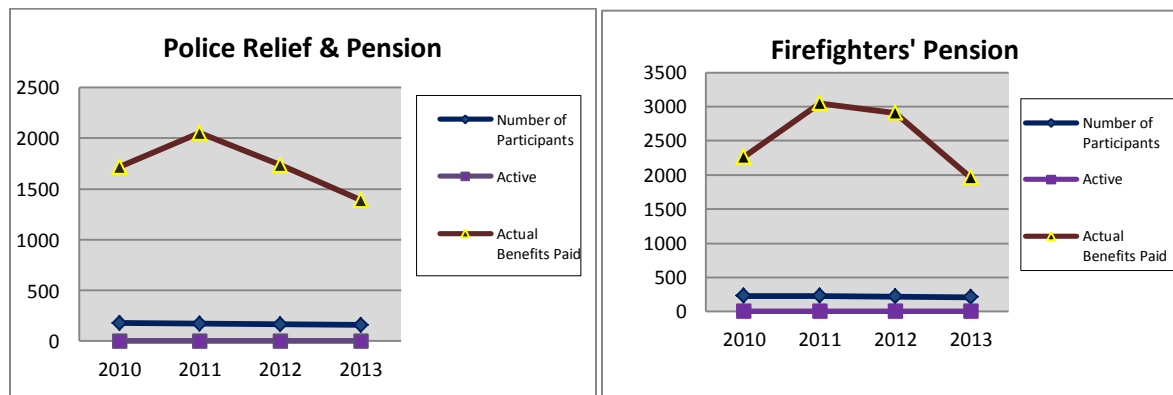
The PRP is funded entirely from a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. The General Fund is responsible for ensuring that the fund has adequate cash to pay its obligations each year. Total contributions to the PRP were \$3.7 million in 2013.

The FRP is funded from two sources: (1) 22-1/2 cents per \$1,000 of assessed valuation has been earmarked from property taxes as authorized by R.C.W. 41.16.060, and 25% of the tax on fire insurance premiums collected by the State is earmarked by State law for distribution to cities for this purpose. This amount was \$4.1 million in 2013; and (2) the balance of \$1.2 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 \$5.0 million in 2013. 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
12/31/2010	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
12/31/2013	161	0	1,391	12/31/2013	214	0	1,958

(Tables amounts for Actual Benefits Paid expressed in thousands)



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**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, 2013, 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	2011	2,332	77	8,774
	2012	2,676	86	9,145
	2013	2,629	81	9,643
Police Relief & Pension	2011	1,340	4	(473)
	2012	1,513	102	(496)
	2013	1,516	100	(490)

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

	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
Firefighter's Relief & Pension	\$ 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, 2012, based on the actuarial valuation as of January 1, 2013, 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, 2013

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

**For the Year Ended December 31, 2013**

**(In Thousands)**

	<b>Firefighter's Relief and Pension</b>			<b>Police Relief and Pension</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Annual Required Contribution (ARC)						
Annual Normal Cost - Beginning of Year	6	6	5	-	-	-
Amortization of UAAL - Beginning of Year	2,896	2,896	2,522	1,437	1,437	1,228
Interest to End of Year*	116	116	101	58	58	49
ARC at End of Year	3,018	3,018	2,628	1,495	1,495	1,277
Interest on NPO	366	351	330	(20)	(19)	(71)
Adjustment to ARC	(755)	(693)	(626)	41	37	134
Annual Pension Cost (APC)	2,629	2,676	2,332	1,516	1,513	1,340
Employer Contribution**	2,131	2,305	1,801	1,510	1,536	50
Change in NPO	498	371	531	6	(23)	1,290
NPO at Beginning of Year	9,145	8,774	8,243	(496)	(473)	(1,763)
NPO at End of Year	9,643	9,145	8,774	(490)	(496)	(473)

\*"I" is the assumed interest rate that year: 4.0% in 2011, 4.0% in 2012, and 4.0% in 2013.

\*\* Employer contributions for pensions are total contributions to the Fund net of disbursements from the Fund for medical expenses under RCW 41.26.150 and administrative expenses.

The net pension obligation of the Firefighter's Relief and Pension Fund is \$ \$9.6 million net pension liability at December 31, 2013. The net pension obligation of the Police Relief and Pension Fund is \$0.5 million net pension asset at December 31, 2013.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**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:

	<b>Firefighter Relief and Pension</b>	<b>Police Relief and Pension</b>
Valuation date	January 1, 2013	January 1, 2013
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%

**7. Individual financial statements:**

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**STATEMENT OF NET POSITION**  
**FIREFIGHTERS' AND POLICE RELIEF AND PENSION FUNDS**

**December 31, 2013**

(In Thousand)

	Firefighters' Relief and Pension	Police Relief and Pension	2013	2012
<b>ASSETS</b>				
Cash and cash equivalents	\$ 335	\$ 180	\$ 515	\$ 583
Due from other fund	400	330	730	665
Total Assets	735	510	1,245	1,248
<b>LIABILITY</b>				
Accounts Payable	27	17	44	260
Accrued wages and benefits payable	2	2	4	4
Due to other funds	182	152	334	358
Other current liabilities	66	30	96	158
Accrued employee leave benefits	6	6	12	10
Total Liability	283	207	490	790
<b>Net Position Held in Trust for Pension</b>	<b>\$ 452</b>	<b>\$ 303</b>	<b>\$ 755</b>	<b>\$ 458</b>

**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**FIREFIGHTERS' AND POLICE RELIEF AND PENSION FUNDS**

**For Year Ended December 31, 2013**

(In Thousand)

	Firefighters' Relief and Pension	Police Relief and Pension	2013	2012
<b>Addition</b>				
Employer Contributions	\$ 5,312	\$ 3,680	\$ 8,992	\$ 9,911
Member Contributions	-	-	-	(1)
Other Contributions	-	-	-	4
Interest and Dividend	2	1	3	11
Total Addition	5,314	3,681	8,995	9,925
<b>Deduction</b>				
Healthcare benefit payment	5,058	3,470	8,528	9,535
Wages and other benefit payable	46	62	108	125
Administrative expenses	34	28	62	150
Total Deduction	5,138	3,560	8,698	9,810
<b>Change in Net Position</b>	<b>176</b>	<b>121</b>	<b>297</b>	<b>115</b>
Net Position - Beginning of Year	276	182	458	343
<b>Net Position - End of Year</b>	<b>\$ 452</b>	<b>\$ 303</b>	<b>\$ 755</b>	<b>\$ 458</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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: the Tacoma Employees' Retirement System Fund (TERS), a cost sharing-multi employer plan and the Law Enforcement Officers' and Firefighters' Retirement System Plans (LEOFF Plans 1) administered by the City; the Law Enforcement Officers' and Firefighters' Retirement System Plan (LEOFF Plans 2), a cost sharing-multi employer plans administered by Washington State, 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 Plans and Railroad Retirement System plans are available at the addresses below. These reports may be obtained by writing at the following addresses:

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

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

##### **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 3.75% 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, 2013

Annual Required Contribution	TERS	LEOFF Plan 1	LEOFF Plan 2	Rail
Normal Cost at Year-end	\$ 3,740,479	\$ 194,111	\$ 1,456,052	\$ 93,945
Amortization of UAAL	1,914,968	11,646,791	951,968	60,446
Annual Required Contribution (ARC)	5,655,447	11,840,902	2,408,020	154,391
Net OPEB Obligation				
Annual Required Contribution (ARC)	5,655,447	11,840,902	2,408,020	154,391
Interest on prior year Net OPEB obligation	659,975	692,711	383,065	6,851
Less Adjustments to ARC	713,189	1,138,050	413,952	7,403
Annual OPEB Cost	5,602,233	11,395,563	2,377,133	153,839
Contributions made	1,574,030	7,549,987	688,345	74,972
Increase in Net OPEB Obligation	4,028,203	3,845,576	1,688,788	78,867
Net OPEB Obligation - Beginning of Year	17,599,345	18,472,271	10,215,066	182,685
Net OPEB Obligation - End of Year	<u>\$ 21,627,548</u>	<u>\$ 22,317,847</u>	<u>\$ 11,903,854</u>	<u>\$ 261,552</u>

## Value of Subsidy at 3.75% Interest Rate

	Total Value of Benefits	Member Paid Benefits	City-Paid Benefits
Present Value of Benefits	\$ 488,143,650	\$ 161,401,112	\$ 326,742,538
Actuarial Accrued Liability (AAL)	331,339,973	79,500,127	251,839,846
Normal Cost	11,227,919	5,743,332	5,484,587
Annual Benefit Payments	13,500,240	3,612,905	9,887,335

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		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	5,175,241	30.7%	14,408,271
12/31/2012	5,162,679	38.2%	17,599,345
12/31/2013	5,602,233	28.1%	21,627,548

LEOFF Plan 1		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	12,008,953	63.5%	13,503,582
12/31/2012	11,901,822	58.3%	18,472,271
12/31/2013	11,395,563	66.3%	22,317,847

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

<b>LEOFF Plan 2</b>		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2011	2,216,796	11.2%	8,391,671
12/31/2012	2,209,152	17.5%	10,215,066
12/31/2013	2,377,133	29.0%	11,903,854

<b>Rail</b>		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2011	195,430	55.5%	90,096
12/31/2012	195,524	52.6%	182,685
12/31/2013	153,839	48.7%	261,552

### 3. Funding Status and Funding Process:

The funded status of the plans as of December 31, 2013, were as follows:

	TERS	LEOFF 1	LEOFF 2	Rail
Annual City Benefit Payments	\$ 1,574,030	\$ 7,549,987	\$ 688,345	\$ 74,972
Discount Rate	3.75%	3.75%	3.75%	3.75%
Present Value of Benefits	96,389,255	182,595,000	44,409,087	3,349,196
Actuarial Accrued Liability Assets	45,547,570	182,212,000	22,642,572	1,437,704
Plan Assets	-	-	-	-
Unfunded Actuarial Liability (UAAL)	45,547,570	182,212,000	22,642,572	1,437,704
Funded Ratio	0.0%	0.0%	0.0%	0.0%
Covered Payroll	206,206,383	725,746	70,263,552	3,017,115
UAAL as a % of covered payroll	22%	25107%	32%	48%

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. (Premiums calculated only based on retiree health claims experience would likely have resulted in higher non-Medicare retiree premiums.) GASB 45 requires that the value of this subsidy be recognized as a liability in valuations of OPEB costs.

To account for the fact that per member health costs vary depending on age (higher health costs at older ages), number of dependents (higher costs for more dependents) and employment status (higher costs for retirees than for active employees), the consulting actuary (Milliman) calculated equivalent Per Member Per Month (PMPM) costs that vary by age based on the age distribution of covered members (employees/retirees and dependents). These costs are based on relative age/gender cost factors were developed from Milliman's Health Cost Guidelines database. Based on the 2013 premium rates and relative age cost factors assumptions, Milliman developed the following age adjusted monthly PMPM health costs for 2013.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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

Age	Retiree		Spouse	
	Male	Female	Male	Female
50	1,022.26	1,164.31	886.83	1,022.62
55	1,089.45	1,147.32	1,026.60	1,122.73
60	1,337.00	1,305.50	1,227.37	1,275.02
64	1,678.70	1,515.09	1,497.64	1,449.15

No retiree contributes toward the cost of retiree medical benefits for LEOFF 1. Based on the City's historical retiree medical cost experience from 2009 through 2011, the relative age cost factors assumptions, Milliman developed age adjusted monthly PMPM health costs for 2012 as follows:

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

Age	Police		Fire	
	Male	Female	Male	Female
45	\$ 704.93	\$ 934.64	\$ 553.85	\$ 733.55
50	924.98	1,091.24	725.93	855.99
55	1,208.64	1,269.17	947.46	994.95
60	1,550.80	1,483.25	1,214.52	1,162.09
64	1,934.27	1,762.68	1,513.66	1,380.02
65	851.24	859.98	562.14	568.02
70	951.36	951.13	627.23	626.95
75	1,046.49	1,035.83	689.01	681.95
80	1,117.03	1,095.59	734.81	720.76
85	1,157.87	1,124.74	761.34	739.69

**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, 2013

Significant methods and assumptions were as follows:

	TERS/LEOFF Plan 2/Rail	LEOFF Plan 1
Valuation Date	January 1, 2013	January 1, 2013
Census Date	January 1, 2013	January 1, 2013
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age
Amortization Method	Level percentage of expected salary	Level dollar amount
Remaining Amortization Period	24 year, closed	24 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	3.75%	3.75%
Health Cost Trend	2015, 6% in 2016-2020, 5.9% in 2021-2030, 5.8% in 2031-2040 and grading down to an ultimate of 4.8% in 2083 and beyond.	2015, 6% in 2016-2020, 5.9% in 2021-2030, 5.8% in 2031-2040 and grading down to an ultimate of 4.8% in 2083 and beyond.
Projected Payroll Increases	4.0%	4.0%

**5. Excise Tax for High Cost or “Cadillac” Health Plans in 2018 and Beyond:**

An excise tax for high cost health coverage or “Cadillac” health plans was included in the Affordable Care Act (ACA) passed into law in March 2010. The provision levies a 40% tax on the value of health plan costs that exceed certain thresholds for single coverage or family coverage. The 2018 annual thresholds for qualified retirees aged 55-64 are \$11,850 for single coverage and \$30,950 for a family plan. If, between 2010 and 2018, the cost of health care insurance rises more than 55%, the threshold for the excise tax will be adjusted.

The City believes the current provisions of ACA should be reflected in the projection of benefits and therefore, we do include the value of the excise tax in the valuation. The City assumes there will be no changes to the current tax law and that there will be no changes in the plan design to help mitigate the impact of the tax.

GASB Statement No. 45 indicates the projection of benefits should include all benefits to be provided to retirees in accordance with the current “substantive” plan. The substantive plan refers to the plan terms as understood by the employer and plan members at the time of the valuation. For this reason, we believe the current provisions of PPACA should be reflected in the projection of benefits and therefore, we do include the value of the excise tax in this valuation. The City assumes there will be no changes to the current tax law and that there will be no changes in the plan design to help mitigate the impact of the tax.

**Note 6 Deferred compensation**

The City offers its employees a deferred compensation plan the plan through a third party created in accordance with Internal Revenue Code Section 457. The plans, 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 2013 contribution limits are \$17,500 for regular deferral, \$35,000 for pre-retirement and \$23,000 for age 50 provision deferrals. The City has agreed through contract negotiation with the Police union and the Fire union to match contributions made by all Police Officers and Fire Officers up to a maximum of \$192 per pay period.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

Benefit Plan	Third Party Administrator	Pre-Tax Employer Contributions	Pre-Tax Employee Contributions	After-Tax Employee Contributions	Total by Plan
457 deferred compensation	ICMA	\$ 2,141,413.35	\$ 10,347,563.15	\$ 102,641.10	\$ 12,591,617.60
457 deferred compensation	Nationwide	<u>1,013,074.66</u>	<u>1,598,210.21</u>	<u>9,290.00</u>	<u>2,620,574.87</u>
Total		<u>\$ 3,154,488.01</u>	<u>\$ 11,945,773.36</u>	<u>\$ 111,931.10</u>	<u>\$ 15,212,192.47</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.

The composition of interfund balances (amounts expressed in thousands) at December 31, 2013 is as follows:

Interfund balances result when transactions are recorded in the accounting system and payments are made between funds after December 31, 2013.

Due To	Due From									
	General	Street	Solid Waste	Waste	Water	Power	Internal	Non-major	Non-major	Total
	Fund	Fund	Fund	Water	Fund	Fund	Service	Governmental	Enterprise	
General Fund	\$ -	\$ -	\$ 389	\$ 557	\$ -	\$ 33	\$ 675	\$ 473	\$ -	\$ 2,127
Street Fund	68	-	-	28	-	2	118	13	-	\$ 229
Solid Waste Fund	601	76	(389)	1	-	296	132	5	-	\$ 722
Waste Water Fund	757	2	61	(558)	-	622	361	73	-	\$ 1,318
Water Fund	127	13	25	2	8,593	732	258	7	-	\$ 9,757
Power Fund	354	-	19	48	1	-	840	1	1	\$ 1,264
Internal Service Funds	298	-	-	2	222	118	151	2	54	\$ 847
Non-major Governmental Funds	242	38	2	-	-	4	64	168	70	\$ 588
Non-major Enterprise Funds	112	-	-	28	-	52	130	11	26	\$ 359
Total	\$ 2,559	\$ 129	\$ 107	\$ 108	\$ 8,816	\$ 1,859	\$ 2,729	\$ 753	\$ 151	\$ 17,211

Advance Owed From	Advances Owed To			
	Major	Non-major	Internal	Total
	Governmental	Governmental	Service Funds	
Non-major Governmental	\$ 4,224	\$ 1,196	\$ -	\$ 5,420
Non-major Enterprise	6,633	2,158	-	8,791
Internal Service Funds	388	-	119	507
Total	\$ 11,245	\$ 3,354	\$ 119	\$ 14,718



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

The below information provides detail of the interfund payable transactions:

\$382,499 was authorized from the General Fund (#0010) to the Performing Arts Fund (#4190) to finance construction of improvements to the Pantages Theater.

\$387,557 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 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.

\$12,700 was authorized from the General Fund (#0010) to the Consolidated LID Fund (#2-7999) to establish LID #62.

\$ 11,000 was authorized from the General Fund (#0010) to the Consolidated LID Fund (#2-7999) to establish LID #61.

\$130,000 was authorized from the Economic Development Fund (#1195) to 1997 Bond Issue Fund (#3209) as an interfund loan secured by a land parcel.

\$2,157,652 was authorized from the Capital Projects Fund (#3211) to the Tacoma Dome (#4180) to finance various Tacoma Dome projects.

\$1,066,662 was authorized from the Capital Projects Fund (#3211) to the Fire Department Fund (#1090) to refit and renovate a fireboat.

\$118,989 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)										Transfer In	
Transfer Out	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	
General Fund	\$ -	\$ 7,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,513	\$ 2,091	\$ 15,675	
Street Fund	-	-	-	-	-	-	35	119		154	
Solid Waste Fund	-	-	-	-	-	-	289			289	
Waste Water Fund	-	-	-	-	-	-	174			174	
Water Fund	-	-	-	-	-	-	84			84	
Power Fund	-	-	-	-	-	-	529			529	
Internal Service Funds							11			11	
Non-major Governmental Funds	159	9,658	-	81	91	126	900	1,239	4,062	16,316	
Non-major Enterprise Funds	-	-	-	315	-	-	38	3,829	1	4,183	
Total	\$ 159	\$ 16,729	\$ -	\$ 396	\$ 91	\$ 126	\$ 2,060	\$ 11,700	\$ 6,154	\$ 37,415	

\$7,070,556 was transferred from the General fund to the Street fund for 2013 Street contributions.

\$6,512,617 was transferred from the General Fund to Non-Major Governmental funds for Traffic contributions, and debt service payments.

\$2,091,818 was transferred from the General fund to Non-Major Enterprise funds to assist the theaters (BCPA) throughout the year, for permit services, for Cheney Stadium, and for the Glass Museum.

\$35,002 was transferred from the Street fund to Internal Service funds for fleet services and for the return of prior period contributions.

\$118,599 was transferred from the Street fund to Non-Major Governmental funds for road capital projects and debt service payments.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

\$289,428 was transferred from the Solid Waste fund to Internal Service funds for a return of prior period contributions.

\$173,685 was transferred from the Waste Water fund to Internal Service funds for 2013 fleet services and a return of prior period contributions.

\$84,083 was transferred from the Water Fund to Internal Service funds for the 2013 Fleet Services contribution.

\$528,611 was transferred from the Power Fund to Internal Service funds for the 2011 Fleet Services contribution.

\$10,339 was transferred from Internal Service funds to Internal Service funds for a return of a prior period contribution.

\$159,250 was transferred from Non-Major Governmental funds to the General fund to fund Emergency Medical Services.

\$9,658,095 was transferred from Non-Major Governmental funds to the Street fund for capital road projects.

\$81,225 was transferred from Non-Major Governmental funds to the Waste Water fund for capital projects.

\$91,002 was transferred from Non-Major Governmental funds to the Water fund for LID installment notes.

\$126,153 was transferred from Non-Major Governmental funds to the Power fund for LID installment notes.

\$900,335 was transferred from Non-Major Governmental funds to Internal Service funds for Fleet capital purchases.

\$1,239,000 was transferred from Non-Major Governmental funds to Non-Major Governmental funds for various capital projects and debt service payments.

\$4,062,000 was transferred from Non-Major Governmental funds to Non-Major Enterprise funds for capital projects and for debt service.

\$314,370.00 was transferred from Non-Major Enterprise funds to the Waste Water fund for the return of prior period contributions.

\$38,432 was transferred from Non-Major Enterprise funds to Internal Service funds to record 2013 Fleet Services contributions, and for the return of prior period contributions.

\$3,829,000 was transferred from Non-Major Enterprise funds to Non-Major Governmental funds for debt service payments.

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

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

Accounting changes reported in 2013 are the result of implementing GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Detailed information is disclosed in Note 8C.

##### **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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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 \$15 million limit and a \$3 self-insured retention, renewable on August 13 of each year. This policy is provided to supplement the City's current self-insurance risk for settlements in excess of \$3 million.

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

The City carries property coverage with a maximum single occurrence limit of \$500,000,000 with sub-limits, and \$150,000 deductible per occurrence, with exceptions. This policy renews July 1<sup>st</sup> of each year.

The TPU Self-Insurance Claim Fund was established in 1979 to cover general liability claims of the Light and Water divisions. The Belt Line Rail became a participant in 1985. Total assets in this fund are \$5.7 million. Settlement payments were within amounts available for coverage for the last three years—2013, 2012 and 2011.

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	
	2013	2012	2013	2012	2013	2012
Balance 01/01/12	\$ 36,133	\$ 47,262	\$ 4,239	\$ 4,239	\$ 3,351	\$ 2,158
New Claims	492	988	2,942	2,585	541	960
Adjustments to Claims	(15,285)	(10,594)	2,638	1,627	1,427	918
Claims Payment	(1,502)	(1,523)	(5,421)	(4,212)	(417)	(685)
Balance 12/31/12	\$ 19,838	\$ 36,133	\$ 4,398	\$ 4,239	\$ 4,902	\$ 3,351

### 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, 2013 financial statements, prior period adjustments were made.

(amounts expressed in thousands)

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

## Governmental Funds

Fund Name	Amount	Description
General Fund #0010	\$ 569	\$733 - adjustment for COPs grant expenditures; (\$8) - correct invoice accrual; (\$156) - prior period T&L receivable write-off.
Street Fund #1060	(1,467)	(\$25) - prior year credit from copier vendor; \$25 - prior year insurance expense correction; (\$1467) - 2012 Contributed Asset from Fund 4301.
PW Facilities/ROW #1100	(206)	Prior year adjustment for TAGRO lease of Cavanugh Building.
Fire EMS #1155	(75)	Write-off of inventory from prior period.
Library #1200	3	Correction to sales taxes payable.
Police #1267	142	\$880 - correction of capitalized assets expensed in a prior period; (\$733) - reclass of prior year revenue to general fund; and (\$5) - adjusting preir year revenue to be recorded in 2013.
2009 LTGO Capital Projects #3218	(6)	2012 project coding correction.
Total	<u>\$ (1,040)</u>	

## Enterprise Funds

Fund Name	Amount	Description
Parking Garage #4140	27	\$36 - overstated prior period vendor payment; \$31 - understated unamortized discount; (\$40) - overstated unamortized issue costs.
Tacoma Dome #4180	21	\$17- post capitalization of exising real property not capitalized in 2012; \$4 - prior year retirement error.
Solid Waste #4200	(422)	Adjusted for a change in accounting principle.
Waste Water #4300-01	(704)	Adjusted for a change in accounting principle.
Tacoma Rail Belt Line #4500	(4)	Adjusted for a change in accounting principle.
Water #4600	(569)	Adjusted for a change in accounting principle.
Low Income Assistance #4805	545	Omissions from prior years
Total	<u>\$ (1,106)</u>	

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

## Internal Service Funds

Fund Name	Amount	Description
Finance Fund #5007	\$ 62	Adjustment to prior year compensated absenses.
Graphic Services #5042	12	Adjustment to prior year compensated absenses.
Asphalt Plant #5453	56	Adjustment to prior year compensated absenses.
Third Party Claims #5550	16,295	Adjusted prior year IBNR estimated claims.
Facilities Management #5700	474	Capital asset corrections.
Information Services #5800	2,609	Capital asset corrections.
Total	<u>\$ 19,508</u>	

## Government-wide Statements

Activity	Amount	Description
Governmental	\$ (1,040)	General Fund, Street Fund, ROW, Fire EMS, Library, Police and 2009 LTGO. (Described above.)
Governmental	19,508	Finance, Graphic Services, Asphalt, Third Party Claims, Facilities and Information Services. (Described above.)
Business	(1,106)	Refer to Enterprise Funds table above.
Total	<u>\$ 17,362</u>	

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**D. Segment Information**

The following are the four 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
<b>Assets:</b>				
Current assets	\$ 1,906	\$ 395	\$ 88	\$ 175
Accounts receivable (net)	6	\$ 192	\$ 4,052	
Due from other funds	-	-	-	-
Inventory	33			
Restricted assets	-	527	1,903	-
Capital assets (net)	52,321	67,422	-	-
Other non-current assets	170	483	31,636	136
<b>Total assets</b>	<b>54,436</b>	<b>69,019</b>	<b>37,679</b>	<b>311</b>
<b>Deferred outflow of resources.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>				
Current liabilities	1,381	655	4,630	1,797
Due to other funds	17	40	-	-
Current liabilities payable from restricted assets	-	-	-	-
Non-current liabilities	16,375	74,678	32,105	93
<b>Total liabilities</b>	<b>17,773</b>	<b>75,373</b>	<b>36,735</b>	<b>1,890</b>
<b>Deferred outflow of resources.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position;</b>				
Net investment in capital assets	35,380	(6,737)	-	-
Restricted	-	52	1,903	-
Unrestricted	1,283	331	(959)	(1,579)
<b>Total Net Position</b>	<b>\$ 36,663</b>	<b>\$ (6,354)</b>	<b>\$ 944</b>	<b>\$ (1,579)</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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	\$ 5,787	\$ 2,536	\$ -	\$ -
Depreciation expense	(1,326)	(2,195)	-	-
Other operating expenses	(3,653)	(4,036)	(4)	-
Operating income	808	(3,695)	(4)	-
Nonoperating revenues (expenses)				
Interest revenue	13	5	-	1
Interest expense	(856)	(1,695)	(2,242)	(160)
Other nonoperating revenues(expenses)	23	2,673	2,243	1,792
Capital contributions	-	-	-	-
Transfers	(951)	1,039	-	-
Change in net position	(963)	(1,673)	(3)	1,633
Beginning net position	37,599	(4,681)	947	(3,212)
Prior period adjustments	27	-	-	-
Ending net position	\$ 36,663	\$ (6,354)	\$ 944	\$ (1,579)

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	\$ 1,948	\$ (1,310)	\$ (5)	\$ -
Noncapital financing activities	(45)	1,039	-	-
Capital and related financing activities	(2,737)	302	2	-
Investing activities	13	7	-	1
Net increase (decrease)	(821)	38	(3)	1
Beginning cash and cash equivalents	2,727	848	1,994	174
Ending cash and cash equivalents	\$ 1,906	\$ 886	\$ 1,991	\$ 175

- Parking Garage fund (#4140) accounts for the City's parking facilities.
- Convention Center fund (#4165) accounts for activities associated with operating the Convention Center.
- Union Station fund (#4450) accounts for the thirty year lease with the Federal Government who uses Union Station as a Federal Courthouse.
- Power Conservation fund (#4850) was created to account for power conservation projects and payment of debt issued.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

**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):

2014	\$ 254
2015	236
2016	218
2017	202
2018-2022	640
2023-2027	345
2028	54

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):

2014	228
2015	211
2016	196
2017	181
2018-2022	392
2023-2027	85
2028	13

**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, 2013

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.

	LESA	HEALTH DEPARTMENT
	12/31/2012	12/31/2012
Balance Sheet Date		
Total Assets	\$ 6,788	\$ 9,033
Total Liabilities	657	3,543
Total Net Assets	6,131	5,490
Non-current Liabilities	-	314
Capital Assets (net of accumulated depreciation)	1,585	1,563
 Total Revenues	 17,266	 30,990
Total Expenditures/Expenses	20,129	32,382
Other Non-operating Revenues/Expenditures	-	-
Transfers	-	-
Net Increase/(Decrease) in Net Assets	(2,863)	(1,392)
 City Contribution	 7,202	 1,321

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, Christopher Schuler, Business Support Services, 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. If, in fact, any of this entity 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, 2013

**B. Construction Commitments**

The City has various construction projects as of December 31, 2013. 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
2013 (A) Wastewater Sewer Rehabilitation (CIPP) Project	\$ 442	\$ 399	\$ 43
2013 City of Tacoma Striping Contract	152	149	3
2013A Wastewater, Surface, and Water Main Replacement	1,617	1,324	293
303 East D Street Site Improvements	170	163	7
Arterial Street Improvement - Alaska Street S56 tp S72	4,280	3,993	287
Business District Sidewalk Improvement	404	391	13
Central Wastewater Treatment Plan High Purity Oxygen Generation S	1,911	1,723	188
Cheney Stadium LID Retrofit	1,722	1,329	393
Cheney Stadium Stormwater Project	1,399	1,242	157
City of Tacoma Stormwater Pipe Retrofit Project	846	592	254
Cured in Place Pipe (CIPP) Rehab. Basin C19-1 and Surface Water	1,364	948	416
Flett Creek Pump Station	1,349	1,183	166
Franklin Truckline Improvement	1,883	270	1,613
Hylebos Bridge Rehabilitation	16,974	16,806	168
Hylebos View and Vista View Pump Stations Upgrades	544	493	51
LID 659	1,228	1,019	209
Lincoln & Alexander Pump Station AN4102 Upgrade	3,369	2,728	641
Lincoln Avenue Bridge Rehabilitation and Painting	2,839	2,623	216
Marine Security Operations Center (MSOC)	3,492	2,283	1,209
North Wateview Street Road Repair	1,165	1,029	136
On-call Contractor Servuces for Landfill	175	6	169
Pacific Avenue Safety and Mobility Improvements - Phase 2	643	627	16
Pacific Avenue Streetscapes Phase I	7,698	7,067	631
Retaining Wall Stabilization on Vassault near 46th Street	55	26	29
S 9th Street Pederstrian Improvement - Market to Commerce	742	737	5
S. 25th Street Corridor Signal Improvements	838	592	246
Salmon Beach Pump Station AN1304 Rehabilitation	1,649	1,610	39
Sanitary Sewer Cured-In-Place-Pipe Rehabilitation	921	584	337
SCF - 11 Sidewalt Reconstruction, Abatement Program	312	260	52
Solid Waste Management West Lot Truck Parking Improvements	2,023	1,857	166
South 9th Street Pedestrian Improvements from Market to Commerce	743	738	5
South Tacoma Way from Pine to South 38th Street	2,281	2,091	190
Stadium Way Arterial	12,603	10,916	1,687
Stormwater Sewer Rehabilataion (CIPP) Project	1,344	989	355
Tacoma Landfill Stage 3 Closure	2,765	2,313	452
Tacoma Water Ditch Trail Traffic Signals	704	222	482
Titlow Beach Seawall Repair Project	200	80	120
Traffic Control for Wayfinding Sign Installation Altus	47	19	28
Wapato Perious Street Project	1,809	1,370	439
Wastewater & Water Main Replacment Project (Downtown)	1,919	1,414	505
Wastewater & Water Main Replacment Project (North Area 5)	1,815	1,527	288
Wastewater Sewer Replacement Project N49th to N42nd	1,948	1,642	306
Wastewater Sewer Replacement Project North End Area 4	3,430	3,046	384
Wastewater, Storm Water & Water Main Replacement Project Court A	1,919	1,414	505
Wastewater, Storm Water & Water Main Replacement Project Court D	1,602	1,183	419
Water Ditch Trail	957	934	23
	<b>\$ 98,292</b>	<b>\$ 83,951</b>	<b>\$ 14,341</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

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

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

The Solid Waste Utility (#4200) 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 under the Consent Decree to monitor the remediation work over the next 20 years, or more years to make sure it continues to be effective at protecting human health and the environment.

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, which the City did by late 2013. Remaining closure-related actions at the Landfill are expected to be completed in 2014.

The City Finance Department reports \$25,691,232 as landfill closure and post closure liability at December 31, 2013 based on 100% use of total capacity of the landfill. This compares to \$27,935,614 at December 31, 2012 based on 100% of capacity. Actual costs 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.

To meet the previous requirements of State and Federal laws and regulations, contributions were made to a reserve for financing costs. Solid Waste management had determined that the City satisfies the requirements of 40 CFR Part 258(f) - "Local government financial test.". Accordingly, there is no restricted cash reserves as of December 31, 2013 compared to a balance of \$2,780,404 in 2012.

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

The City is subject to various pending and threatened legal actions, which arise in the ordinary course of business. The City believes, based on information presently known, the ultimate liability for any legal actions, individually or in the aggregate, taking into account established accruals for estimated liabilities, will not be material to the financial position of the City, but could be material to results of operations or cash flows for a particular annual period. No assurance can be given, however, as to the ultimate outcome with respect to any particular claim.

**Note 10 Contingent liabilities**

**Solid Waste (#4200) Long-term Contract – Land Recovery, Inc.** – In February 2000, the Solid Waste fund entered into a 20-year contract with Land Recovery, Inc (LRI) to dispose of all "acceptable waste" collected or handled by Solid Waste (as that term is defined in the agreement), at the 304<sup>th</sup> Street landfill operated by LRI. Solid Waste entered into this agreement to extend the life of the Tacoma Landfill and to secure a long-term disposal arrangement at a favorable disposal cost. The agreement excludes solid waste that LRI is not authorized by law or permit to receive, or which could create or expose LRI for Solid Waste to potential liability, among other things. Recycling

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

and/or composting waste is not covered by the agreement. The agreement further provides that LRI charge a base rate per ton for disposal services, and that said rate shall decrease as the tonnage increases during each contract year. The agreement also provides that the base rate charged by LRI shall increase annually based on the Seattle-Tacoma-Bremerton CPI. The rate per ton is periodically increased by LRI to cover certain increased costs, including the increased cost of landfill closure liabilities. The rates adjustments are part of the existing agreements.

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

**Wastewater (#4300-01) Commencement Bay Natural Resource Damages – The** City has resolved federal, state, and tribal natural resource damage claims associated with municipal storm water discharges in Commencement Bay through a Consent Decree that became effective on December 30, 1997. The stated value of the City's settlement is approximately \$7,700,000. Under the Consent Decree (the NRDA Consent Decree), the City agreed to undertake five restoration projects within the Commencement Bay watershed and make certain cash payments. The construction has been completed on four projects and the City made a payment to the Port of Tacoma of \$134,692 to construct the fifth project.

The City hopes to close out the Consent Decree in 2014. Ongoing monitoring and maintenance of the various projects will continue through 2014. Included in the financial statements for are liabilities of \$272,234 for 2013 and \$310,000 for 2012. Although the City resolved its NRDA liability, the City indemnified certain parties when it purchased real property along the Thea Foss Waterway in the late 1980's and early 1990's. The City expects that any financial obligation it may have related to these indemnities will be de minimus given the historical uses of the indemnified properties and the limited potential for release from these properties to damage natural resources. The City's understanding is a Thea Foss Waterway NRDA settlement between non-City parties and the Commencement Bay Natural Resource Trustees could be reached in 2014.

**Wastewater (#4300-01) Hylebos Waterway Consent Decree** – In 2003 the City of Tacoma – General Government entered a Consent Decree settlement with EPA to resolve any liability it may have had for sediment contamination in the Hylebos Waterway. The majority of the City's potential liability was attributed to municipal storm water discharges. Under the terms of its settlement, the City paid \$459,663 to "cash out" its liability. This amount included a 50 percent premium, which obligated the City to pay a small percentage (i.e., 0.4397%) of any cost overruns if the remedial action work exceeded the project estimate of \$56,056,407 to complete such work. On January 11, 2012 the City was notified by the Hylebos Performing Party Group that the cost of the Hylebos Waterway remedial action project totaled \$110,994,511. This number has since been adjusted downward, setting the City's share of cost overruns at \$233,029. The City also anticipates making an additional payment to the Hylebos Performing Party Group for around \$63, 317, which would fully and finally resolve the City's liability for any post-2012 overruns under its 2003 Hylebos Waterway Consent Decree settlement with EPA. The City reported an expense and liability of \$306,346 as of December 31, 2013.

**Wastewater (#4300-01) Foss Consent Decree** – The City has an obligation under the Foss Consent Decree for continued monitoring until at least 2016. The results of this monitoring may result in additional cleanup efforts in the future. Obligations for future monitoring costs of \$600,000 in 2013 and \$900,000 in 2012 have been recolonized in the financial statements as environmental liabilities.

**Tacoma Rail (#4500) Link Petroleum Project Customer Deposit and Refund Agreement** - A contractual agreement was entered in 2009 between Tacoma Rail and Link Petroleum, Inc. Link Petroleum agreed to advance Tacoma Rail \$75,000 for track improvements on Tacoma Rail's property to efficiently and safely handle shipments leading to customer's services facility. In return, Tacoma Rail agreed to refund the advance to the customer at a rate of \$150 per carload for each of the first 500 carloads handled by the facility, or through December 31, 2016, whichever event first occurs. As of December 31, 2013 the remaining deposit is \$58,650.

**Tacoma Rail (#4500), 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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2013

Rail for Mountain Rail operations.

**Tacoma Water (#4600) Capital Improvements** – The financial requirement for Tacoma Water’s 2013-2014 biennial Capital Improvement program is approximately \$150.0 million and Tacoma Water has substantial contractual commitments relating the program. At December 31, 2013 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$80.1 million.

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

**Tacoma Power (#4700) Capital Improvements** – The financial requirement for Tacoma Power’s biennial Capital Improvement Program is approximately \$159.5 million. At December 31, 2013, the remaining financial requirement was approximately \$114.9 million. The remaining financial requirement of Capital Improvement Programs relating to prior biennium is approximately \$5.5 million.

**Grants**

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

**Note 11 Subsequent events**

There are no subsequent events.

CITY OF TACOMA, WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
FOR DECEMBER 31, 2013

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 01-01-13	ISSUED 2013	REDEEMED 2013	AMOUNT O/S 12/31/13	Rconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
<b>GENERAL OBLIGATION BONDS, LOANS, &amp; NOTES</b>											
Unlimited General Obligation Bonds											
Genl Obl Bonds 2010	Refunding 2002 Bonds	11/10/10	2011-2022	21,870	2.6323	21,785		1,795	19,990		19,990
Subtotal Unlimited (Voted)						<b>21,785</b>	<b>0</b>	<b>1,795</b>	<b>19,990</b>	<b>0</b>	<b>19,990</b>
Limited General Obligation Bonds											
Ltd. Genl Obl Bonds 1997 Ser B	Capital Improvements	08/05/97	2008-2018	16,100	5.4554	5,119		838	4,281		4281
Ltd. Genl Obl Bonds 1997 Ser B Accreted Interest		08/06/97	2008-2019	16,100	5.4554	6,644	656	1,162	6,138	656	6138
Ltd. Genl Obl Bonds 2001	Cap Imp & Ref '92 & '94 LTGO	07/15/01	2003-2014	17,390	4.4598	1,105		1,105	0		0
Ltd. Genl Obl Bonds 2004 Conv Ctr	Construction	08/05/04	2004-2034	51,900	4.8573	44,525		44,525	0		0
Ltd Genl Obl Bonds 2006A Conv Ctr	Improvements	09/10/06	2008-2036	16,475	4.4537	14,865		375	14,490		0
Ltd. Genl Obl Bonds 2006B	Refund 1997A LTGO	10/09/06	2004-2014	12,885	4.3942	12,885			12,885		12885
Ltd. Genl Obl Bonds 2007 Parking Structure	Retrofit Parking Structure	12/21/07	2008-2027	9,610	5.6328	8,050		355	7,695		7695
Ltd. Genl Obl Note 2009 ECMS	Software Purchase	07/13/09	2009-2013	1,739	2.6500	343		343	0		0
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011-2035	15,380	5.8600	15,185		135	15,050		15050
Ltd. Genl Obl Bonds 2009B Dock & Shalisahan	Capital Improvements	12/17/09	2035	3,320	3.5400	3,320			3,320		3320
Ltd. Genl Obl Bonds 2009C Cheney	Capital Improvements	12/17/09	2034	4,975	4.8800	4,975			4,975		4975
Ltd. Genl Obl Bonds 2009D Cheney	Capital Improvements	12/17/09	2010-2014	5,000	1.7400	2,000		1,000	1,000		1000
Ltd. Genl Obl Bonds 2009E Multiple Projects	Capital Improvements	12/17/09	2026-2035	13,526	5.7500	13,526			13,526		13526
Ltd. Genl Obl Bonds 2009E Accreted Interest		12/18/09	2026-2036	13,526	5.7500	2,441	923		3,364	923	3364
Ltd. Genl Obl Bonds 2009F Cheney & Env Remed	Capital Improvements	12/17/09	2023-2026	6,681	7.2020	6,681			6,681		6681
Ltd. Genl Obl Bonds 2009F Accreted Interest		12/18/09	2023-2027	6,681	7.2020	1,543	600		2,143	600	2143
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 1997B, 2001, 2004, 20	11/10/10	2015-2022	7,355	2.7966	7,355			7,355		7355
Ltd. Genl Obl Bonds 2010C Refunding Bonds	Refund 2001, 2007, 2009 LTGO	11/10/10	2015-2022	7,355	3.8076	7,355			7,355		2630
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015-2033	30,225	5.0399	30,225			30,225		30225
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015-2040	9,130	5.7155	9,130			9,130		9130
Ltd. Genl Obl Bonds 2013 Refunding Bonds	Refund 2001 & 2004	03/05/13	2015-2034	44,170		0	44,170		44,170	1,055	1055
Subtotal Limited (Councilmanic)						<b>197,272</b>	<b>46,349</b>	<b>49,838</b>	<b>193,783</b>	<b>3,234</b>	<b>131,453</b>
Washington State Public Works Trust Fund Loan											
CTED PWTF No. 98-791-065	Capital Improvements	08/17/98	1999-2018	9,000	1.0000	3,242		540	2,702		2702
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004-2024	4,500	0.5000	6,845		570	6,275		6275
Subtotal Washington State Loan (Councilmanic)						<b>10,087</b>	<b>0</b>	<b>1,110</b>	<b>8,977</b>	<b>0</b>	<b>8,977</b>

NAME OF BOND ISSUE		PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-13	ISSUED 2013	REDEEMED 2013	AMOUNT O/S 12/31/13	Rconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
Lease Purchases												
TAC0610-0001 Series F		Capital Improvements	12/01/01	2002-2013	436	4.9425	50		50	0		
San Storage & Cisco		Equip Purchase	12/31/08	2009-2013	3401	0.0000	626		626	0		
Subtotal Lease Purchase (Councilmanic)							676	0	676	0	-	-
Total General Obligation Bonds, Loans, & Notes							229,820	46,349	53,419	222,750	3,234	160,420
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		1,500	21,550		
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	1,500	26,565	-	-
Wastewater Utility												
State Revolving Fund (SRF) Loan #40006A		Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	44,031		2,542	41,489		
State Revolving Fund (SRF) Loan #40006B		Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	18,284		970	17,314		
Sewer Rev & Ref Bonds 2006		Improvements/Refunding	06/29/06	2006 - 2036	55,000	4.8852	54,950			54,950		
Sewer TES/Urban Waters Capital Lease		Property Agreement	01/20/09	2010 - 2038	16,558	5.2172	15,385		311	15,074		
Sewer Rev & Ref Bonds 2011		Refunding	10/12/11	2022 - 2031	34,315	3.8768	34,315			34,315		
Subtotal Sewer							166,965	0	3,823	163,142	-	-
Surface Water Utility												
Surface Water TES/Urban Waters Capital Lease		Property Agreement	01/20/09	2010 - 2038	14,248	5.2172	13,239		267	12,972		
DOE SFR Loan L-1000007		Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	446		19	427		
Subtotal Surface Water							13,685	0	286	13,399	-	-
Solid Waste Utility												
Solid Waste Revenue Bonds, 2006A		Capital Improvements	07/12/06	2013-2026	29,385		29,385		455	28,930		
Solid Waste Rev/Ref Bonds, 2006B		Refunding	09/27/06	2014-2021	22,315		22,315			22,315		
Solid Waste Rev/Ref Bonds, 2008		Refunding	09/05/08	2013-2017	12,055	3.8577	12,055		2,150	9,905		
Solid Waste TES/Urban Waters Capital Lease		Property Agreement	01/20/09	2010-2038	7,702	5.2172	7,157		145	7,012		
Subtotal Refuse							70,912	0	2,750	68,162	-	-
Electric System												
Electric System 1999 Revenue Bonds		Capital Improvements	08/01/99	2013	36,045	5.4900	13,500		13,500	0		
Electric System 2004A Revenue Bonds		Capital Improvements	06/08/04	2005-2017	82,655	4.6376	51,605		48,240	3,365		
Electric System 2005A Revenue Bonds		Capital Improvements	10/04/05	2010-2021	93,480	4.2200	92,945		92,815	130		
Electric System 2005B Revenue Bonds		Capital Improvements	10/04/05	2006-2021	156,425	4.2900	148,415		26,280	122,135		
Electric System 2007 Rev & Ref Bonds		Refunding	03/13/07	2008-2015	81,130	3.7949	50,715		12,485	38,230		
Electric System 2010A Revenue Bonds		Capital Improvements	07/27/10	2014-2015	16,000	1.8644	16,000			16,000		
Electric System 2010B Rev Bonds (BABS)		Capital Improvements	07/27/10	2031-2035	147,070	3.9071	147,070			147,070		
Electric System 2010C Rev Bonds (CREBS)		Capital Improvements	07/27/10	2027	24,185	1.9235	24,185			24,185		
Electric System 2013A Rev Ref Bonds		Refunding	06/13/13	2014-2042	0		0	181,610		181,610		
Electric System 2013B Rev Ref Bonds		Refunding	06/13/13	2014-2030	0		0	35,620		35,620		
Subtotal Electric System							544,435	217,230	193,320	568,345	-	-

										Rconcile to	
										Governmental	Reconcile to
NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-13	ISSUED 2013	REDEEMED 2013	AMOUNT O/S 12/31/13	Fund Statements	Changes in LTD in Notes
Water System											
PW-DWSRF-00-65120-031	Construction	10/07/02	2003-2021	3,060	2.5000	1,449		161	1,288		
PW -00-691-PRE-115	Construction	04/11/01	2003-2021	1,000	0.5000	474		53	421		
PW-01-691-061	Construction	08/27/01	2003-2021	10,000	0.5000	4,800		533	4,267		
PW -01-691-PRE-127	Construction	02/15/02	2003-2021	1,000	0.5000	488		54	434		
PW-02-691-056	Construction	04/15/02	2004-2022	10,000	0.5000	5,313		532	4,781		
Water Sys Rev Bonds 2002 (RWSS)	Construction Regional Supply	12/15/02	2005-2032	82,700	4.8820	75,925		75,925	0		
Water Sys Ref & Rev Bonds 2003	Construction & Refinance	09/01/03	2004-2023	51,380	4.2340	25,285		25,285	0		
PW-04-691-PRE-101	Construction	03/19/04	2006-2024	1,000	0.5000	640		53	587		
Water Sys Ref & Rev Bonds 2005	Construction & Refinance	10/11/05	2006-2025	46,550	4.6390	35,485		2,035	33,450		
PW-06-962-043	Construction	07/18/06	2008-2026	7,000	0.5000	5,188		370	4,818		
Water Sys Rev Bonds 2009 (Taxable BABS)	Capital Improvements	11/04/09	2033-2039	76,775	3.7780	76,775			76,775		
PC08-951-047	Construction	11/25/09	2010-2028	10,000	0.5000	8,734		546	8,188		
DM07-952-015	Construction	03/31/10	2010-2028	4,040	1.5000	3,442		215	3,227		
PW-DWSRF 09-952-074	Construction	04/09/10	2013-2032	6,579	1.0000	5,984	1,358	367	6,975		
Water Sys Rev & Ref Bonds 2010A	Refunding	08/24/10	2012-2023	29,100	3.2789	28,585		530	28,055		
Water Sys Rev Bonds 2010B (BABS)	Construction	08/24/10	2024-2040	74,985	5.5636	74,985			74,985		
Water RWSS Revenue Bonds 2010A	Construction	08/24/10	2013-2024	3,595	3.2460	3,595		260	3,335		
Water RWSS Revenue Bonds 2010B (BABS)	Construction	08/24/10	2025-2040	44,245	5.5636	44,245			44,245		
PW-DWSRF 10-952-026	Construction	06/17/11	2015-2034	6,060	1.5000	5,460	600	303	5,757		
PW-DWSRF 11-952-035	Construction	06/30/11	2016-2035	6,060	1.5000	0	60		60		
PW-DWSRF 11-952-036	Construction	06/30/11	2016-2035	6,060	1.5000	0	60		60		
PW-DWSRF 12-951-017	Construction	07/01/11	2011-2031	10,000	0.5000	0	10,000		10,000		
PW-DWSRF 12-952-088	Construction	01/22/13	2017-2036	12,120	1.5000	0	120		120		
Water Sys Rev Ref Bonds 2013 (RWSS)	Refinance	04/16/13	2013-2032	64,795	3.1477	0	64,795	960	63,835		
Water Sys Rev Ref Bonds 2013	Refinance	05/07/13	2013-2043	78,305		0	78,305	2970	75,335		
PW-DWSRF-13-952-133	Construction	10/07/13	2018-2037	12,120	1.5000	0	120		120		
Subtotal Water System						406,852	155,418	111,152	451,118	-	-
Tacoma Rail											
Rail Revenue Bond 2006 (BofA)	Capital Improvements	12/21/06	2007-2017	2,000	5.3900	983		211	772		
WA State Rail Loan RR00407 2009	Capital Improvements	08/04/09	2010-2024	26	0.0000	21		2	19		
WA State Rail Loan RR00408 2009	Capital Improvements	08/04/09	2011-2025	249	0.0000	216		16	200		
WA State Rail Loan RRB-1007	Capital Improvements	12/06/11	2013-2022	450	0.0000	450		45	405		
WA State Rail Loan RRB-1010	Capital Improvements	03/28/12	2013-2022	612	0.0000	612		61	551		
WA State Rail Loan RRB-1011	Capital Improvements	03/28/12	2013-2022	349	0.0000	245	104	35	314		
WA State Rail Loan RRB-1026	Capital Improvements	09/06/12	2014-2023	347	0.0000	0	347		347		
WA State Rail Loan RRB-1030	Capital Improvements	09/06/12	2014-2023	364	0.0000	0	364		364		
WA State Rail Loan RRB-1045	Capital Improvements	08/01/13	2015-2024	823	0.0000	0			0		
WA State Rail Loan RRB-1046	Capital Improvements	08/01/13	2015-2024	250	0.0000	0	248		248		
Subtotal Tacoma Rail						2,527	1,063	370	3,220	-	-
Lease Revenue											
Lease Revenue Bonds 1990	Construction	03/15/90	1992-2022	36,250	9.3476	22,470		1,555	20,915		
Lease Revenue Bonds 1992	Construction	12/15/92	1993-2022	4,695	7.4769	2,775		205	2,570		
Subtotal Lease Revenue						25,245	0	1,760	23,485	-	-



NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-13	ISSUED 2013	REDEEMED 2013	AMOUNT O/S 12/31/13	Rconcile to	
										Governmental Fund Statements	Reconcile to Changes in LTD in Notes
Conservation Revenue Bonds, guaranteed by BPA Conservation System 2003 Bonds	Conservation Project	06/02/03	2003-2014	17,065	4.1957	3,495		1,705	1,790		
Total Conservation Bonds`						3,495	0	1,705	1,790	-	-
Total Revenue Bonds						\$1,262,181	\$373,711	\$316,666	\$1,319,226	\$ -	\$ -
Total General Obligation & Revenue Bonds						\$1,492,001	\$420,060	\$370,085	\$1,541,976	\$ 3,234	\$ 160,420
<b>SPECIAL ASSESSMENT BONDS</b>											
Local Improvement District Bonds											
District #60 Bonds	Construction	04/01/04	2026	1,036	3.9290	90		70	20		20
District #63 Bonds	Construction	09/29/11	2023	1,557	4.1800	1,557		470	1,087		1,087
District #65 Bonds	Construction	04/29/13	2043	30,999	5.7500	0	30,999		30,999	30,999	30,999
Subtotal LID Bonds/Notes						1,647	30,999	540	32,106	30,999	32,106
Bond Anticipation Notes											
Revolving Line of Credit	LID Construction	06/30/00	At CLID Issue	\$13mm Max	Floating	10,975			10,975		10,975
Revolving Line of Credit - Point Ruston	LID Construction	08/29/11	2/28/2013	\$28mm Max	3.4500	25,277	2,573	27,850	0	2,573	
Subtotal Bond Anticipation Notes						36,252	2,573	27,850	10,975	2,573	10,975
Total Special Assessment Bonds						\$37,899	\$33,572	\$28,390	\$43,081	\$33,572	\$ 43,081
Washington State Dept of Transportaion Loan											
STP-STPUL-3268(003)	Capital Improvements	11/03/10	2015-2020	20,000	0.0000	19,037	963	0	20,000	963	20,000
Subtotal Washington State Dept of Transportation Loan (Councilmanic)						19,037	963	0	20,000	963	20,000
<b>Total All Bonds</b>						<b>\$1,548,937</b>	<b>\$454,595</b>	<b>\$398,475</b>	<b>\$1,605,057</b>	<b>\$37,769</b>	<b>\$ 223,501</b>

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. PW-DWSRF-09-952-074 - Draw from remaining loan balance.
5. PW-DWSRF-10-952-026 - Draw from remaining loan balance.
6. WA State Rail Loan RRB-1011 - Draw from remaining loan balance.
7. Revolving Line of Credit - Point Ruston - Short Term Financing for Point Ruston LIDs
8. WA State Dept of Transportation Loan was reclassified to Revenue Bonds per Amendment #1 of Local Agency Agreement LA 7269 between the State of Washington and the City of Tacoma.

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### 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)
	1/1/1998	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%
	1/1/2013	1,187.1	1,306.6	119.5	90.9%	210.6	56.7%

(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

#### 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 (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)
1/1/1998	\$ -	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 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)
1/1/2009	-	34.93	34.93	0.0%	NA	NA
1/1/2010	-	34.93	34.93	0.0%	NA	NA
1/1/2011	-	39.30	39.30	0.0%	NA	NA
1/1/2012	-	39.30	39.30	0.0%	210.60	19%
1/1/2013	-	45.50	45.50	0.0%	206.21	22%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2009	-	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%
1/1/2013	-	182.21	182.21	0.0%	0.73	25098%

## 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)
1/1/2009	-	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%
1/1/2013	-	22.64	22.64	0.0%	70.26	32%

## 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)
1/1/2009	-	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%
1/1/2013	-	1.43	1.43	0.0%	3.02	47.35%

## 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 re-appropriated at the beginning of the next biennium with budget's approval.

## B. Budget basis of accounting

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

## C. The budget process

The budget process begins with the City Council making appropriate revisions to the City's long-term strategic plan, identifying goals, and setting priorities. In early June, the initial revenue forecast is completed by the Office of Management, Budget and Analysis (OMBA) and City departments and agencies begin budget preparation.

Budget requests are due to OMBA in late July. OMBA reviews and revises budget requests in August. The revenue forecast is refined in early September and a preliminary budget is presented to the Executive Forum in early October. The preliminary budget is further refined during the month of October.

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

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

**D. Funds presented**

Budgetary information is displayed for all funds that are subject to the City's biennial budget process. The General Fund's budgetary information is located in the Required Supplementary Information section on page 4-5. All other major funds non-major governmental funds budgetary information are located in the Combining Statements Non-Major Funds section on pages 5-19 to 5-55.

**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, 2013  
(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 365,228	\$ 363,624	\$ 184,819	\$ (178,805)
Licenses and permits	5,784	5,910	3,086	(2,824)
Intergovernmental revenue	19,124	18,195	9,175	(9,020)
Charges for goods and services	1,584	2,336	17,084	14,748
Fines and penalties	2,770	2,739	1,423	(1,316)
Interest and other earnings	1,537	1,377	525	(852)
Miscellaneous revenues	274	117	34	(83)
TOTAL REVENUES	<u>396,301</u>	<u>394,298</u>	<u>216,146</u>	<u>(178,152)</u>
EXPENDITURES				
Current:				
General government	88,038	79,581	46,109	(33,472)
Public safety	232,461	225,528	107,519	(118,009)
Transportation	2,172	2,663	1,052	(1,611)
Economic environment	24,691	25,254	11,085	(14,169)
Culture and recreation	23,468	23,374	10,057	(13,317)
Capital expenditures	-	-	1,497	1,497
TOTAL EXPENDITURES	<u>370,830</u>	<u>356,400</u>	<u>177,319</u>	<u>(179,081)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>25,471</u>	<u>37,898</u>	<u>38,827</u>	<u>929</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	42	42	8	(34)
Insurance recoveries	-	-	58	58
Transfer in	315	315	159	(156)
Transfer (out)	(25,828)	(38,255)	(15,675)	22,580
TOTAL OTHER FINANCE SOURCES(USES)	<u>(25,471)</u>	<u>(37,898)</u>	<u>(15,450)</u>	<u>22,448</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>23,377</u>	<u>23,377</u>
FUND BALANCE - JANUARY 1	-	-	41,566	41,566
Prior period adjustment	-	-	569	569
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>-</u>	<u>42,135</u>	<u>42,135</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,512</u>	<u>\$ 65,512</u>

## Perspective Difference Reconciliation:

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

\$ 65,512

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

Contingency Fund #1030

982

Unclaimed Property Fund#(1)6330

0

TOTAL FUND BALANCE - GENERAL FUND BALANCE  
SHEET FOR GOVERNMENTAL FUNDS

\$ 66,494

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COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
Page 1 of 9

	SPECIAL REVENUE FUNDS		
	2014		
	COURTS FUND #1020	STREET FUND #1065	TBD FUND #1070
ASSETS			
Cash and cash equivalents	\$ 60	\$ -	\$ -
Investments at fair value	-	-	-
Accounts receivables (net)	-	-	391
Due from other funds	-	-	-
Due from other governments	-	-	-
Prepayments	-	-	-
Other current assets	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>60</u>	<u>-</u>	<u>391</u>
DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 391</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Due to other governments	-	-	-
Accrued wages	2	-	-
Accrued taxes	-	-	-
Customer deposits	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	<u>2</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	58	-	391
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>58</u>	<u>-</u>	<u>391</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 391</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
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	SPECIAL REVENUE FUNDS			
	GET 2% FUND #1080	FIRE DEPARTMENT FUND #1090	PW FACILITIES ROW STREETS FUND #1100	LID GUARANTEE FUND #1110
ASSETS				
Cash and cash equivalents	\$ -	\$ 1	\$ 1,471	\$ 1,324
Investments at fair value	-	-	-	4,021
Accounts receivables (net)	-	1,613	10	-
Due from other funds	-	4	-	-
Due from other governments	-	170	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	-	1,788	1,481	5,345
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 1,788	\$ 1,481	\$ 5,345
LIABILITIES				
Accounts payable	\$ -	\$ 57	\$ 7	\$ -
Due to other funds	-	-	1	1
Due to other governments	-	-	-	-
Accrued wages	-	137	1	3
Accrued taxes	-	54	1	-
Customer deposits	-	-	25	-
Advances from other funds	-	1,066	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	-	1,314	35	4
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	-	44	412	1,110
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	906	-	4,231
Committed	-	-	1,034	-
Assigned	-	-	-	-
Unassigned	-	(476)	-	-
TOTAL FUND BALANCES (DEFICITS)	-	430	1,034	4,231
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ -	\$ 1,788	\$ 1,481	\$ 5,345

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
Page 3 of 9

	SPECIAL REVENUE FUNDS			
	PATHS AND TRAILS FUND #1140	BUILDING AND LAND USE FUND #1145	FIRE EMS FUND #1155	TOURISM AND CONVENTIONS FUND #1180
ASSETS				
Cash and cash equivalents	\$ 358	\$ 1,811	\$ 7,392	\$ 960
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	1,109	398	-
Due from other funds	47	1	52	-
Due from other governments	25	-	430	355
Prepayments	-	-	10	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>430</u>	<u>2,921</u>	<u>8,282</u>	<u>1,315</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>\$ 430</u>	<u>\$ 2,921</u>	<u>\$ 8,282</u>	<u>\$ 1,315</u>
LIABILITIES				
Accounts payable	\$ 24	\$ 3	\$ 44	\$ -
Due to other funds	28	9	44	-
Due to other governments	-	-	-	-
Accrued wages	-	-	356	-
Accrued taxes	-	12	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>52</u>	<u>24</u>	<u>444</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>609</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	378	-	7,229	1,315
Committed	-	2,897	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>378</u>	<u>2,897</u>	<u>7,229</u>	<u>1,315</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 430</u>	<u>\$ 2,921</u>	<u>\$ 8,282</u>	<u>\$ 1,315</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
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	SPECIAL REVENUE FUNDS			
	HUMAN RIGHTS AND SERVICES FUND #1185	ECONOMIC DEVELOPMENT FUND #1195	LIBRARY FUND #1200	HUB FUND #1236
ASSETS				
Cash and cash equivalents	\$ 4,712	\$ 14,737	\$ 6,468	\$ 114
Investments at fair value	-	-	-	-
Accounts receivables (net)	223	3,123	-	-
Due from other funds	35	74	-	18
Due from other governments	1,041	282	-	-
Prepayments	2	-	-	-
Other current assets	-	20	-	-
Advances to other funds	-	130	-	-
TOTAL ASSETS	<u>6,013</u>	<u>18,366</u>	<u>6,468</u>	<u>132</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>\$ 6,013</u>	<u>\$ 18,366</u>	<u>\$ 6,468</u>	<u>\$ 132</u>
LIABILITIES				
Accounts payable	\$ 527	\$ 687	\$ 15	\$ -
Due to other funds	60	84	1	1
Due to other governments	-	-	-	-
Accrued wages	5	2	-	6
Accrued taxes	-	7	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>592</u>	<u>780</u>	<u>16</u>	<u>7</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>224</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	17	-
Restricted	5,266	3,909	4,810	-
Committed	-	13,453	1,508	125
Assigned	155	-	117	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>5,421</u>	<u>17,362</u>	<u>6,452</u>	<u>125</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 6,013</u>	<u>\$ 18,366</u>	<u>\$ 6,468</u>	<u>\$ 132</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
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	SPECIAL REVENUE FUNDS			
	POLICE FUND #1267	CABLE TV FUND #1431	CED LEA PROGRAM FUND #1500	TRAFFIC ENFORCEMENT FUND #1650
ASSETS				
Cash and cash equivalents	\$ 1,067	\$ 5,375	\$ 271	\$ 553
Investments at fair value	-	-	-	-
Accounts receivables (net)	18	10	8	-
Due from other funds	113	-	17	299
Due from other governments	980	-	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>2,178</u>	<u>5,385</u>	<u>296</u>	<u>852</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>\$ 2,178</u>	<u>\$ 5,385</u>	<u>\$ 296</u>	<u>\$ 852</u>
LIABILITIES				
Accounts payable	\$ 8	\$ 34	\$ 5	\$ 106
Due to other funds	184	38	2	4
Due to other governments	547	-	-	-
Accrued wages	71	73	7	66
Accrued taxes	-	-	-	-
Customer deposits	34	50	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>844</u>	<u>195</u>	<u>14</u>	<u>176</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	1,583	2,413	-	-
Committed	110	1,557	282	676
Assigned	-	1,220	-	-
Unassigned	(359)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>1,334</u>	<u>5,190</u>	<u>282</u>	<u>676</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 2,178</u>	<u>\$ 5,385</u>	<u>\$ 296</u>	<u>\$ 852</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
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	DEBT SERVICE FUNDS			
	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	CTED PWT LOANS FUND #2038	2001 LTGO REFUNDING FUND #2039
ASSETS				
Cash and cash equivalents	\$ 937	\$ -	\$ -	\$ -
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	135	-	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>1,072</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>\$ 1,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>103</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	969	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>969</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 1,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
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	DEBT SERVICE FUNDS			
	2009 LTGO BONDS SERIES A-F FUND #2040	2010 LTGO BONDS FUND #2041	2010 LTGO BONDS FUND #2040	2010 BOND REDEMPTION FUND # (2)7999
ASSETS				
Cash and cash equivalents	\$ 3	\$ -	\$ -	\$ 451
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	34,499
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>3</u>	<u>-</u>	<u>-</u>	<u>34,950</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>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,950</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	24
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>24</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,082</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	3	-	-	2,855
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(11)
TOTAL FUND BALANCES (DEFICITS)	<u>3</u>	<u>-</u>	<u>-</u>	<u>2,844</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,950</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
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	CAPITAL PROJECT FUNDS			
	1997 BOND ISSUE FUND #3209	CAPITAL PROJECTS FUND #3211	2002 POLICE FACILITY FUND #3216	PARKING GARAGE FUND #3217
ASSETS				
Cash and cash equivalents	\$ 86	\$ 6,557	\$ -	\$ 176
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	3	-	-
Due from other funds	-	51	-	-
Due from other governments	-	607	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	3,224	-	-
TOTAL ASSETS	<u>86</u>	<u>10,442</u>	<u>-</u>	<u>176</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>\$ 86</u>	<u>\$ 10,442</u>	<u>\$ -</u>	<u>\$ 176</u>
LIABILITIES				
Accounts payable	\$ -	\$ 214	\$ -	\$ -
Due to other funds	-	131	-	-
Due to other governments	-	5	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	2	-	-
Customer deposits	-	-	-	-
Advances from other funds	130	-	4,200	-
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>130</u>	<u>352</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	-	6,860	-	176
Committed	86	-	-	-
Assigned	-	3,230	-	-
Unassigned	(130)	-	(4,200)	-
TOTAL FUND BALANCES (DEFICITS)	<u>(44)</u>	<u>10,090</u>	<u>(4,200)</u>	<u>176</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 86</u>	<u>\$ 10,442</u>	<u>\$ -</u>	<u>\$ 176</u>



COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
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	CAPITAL PROJECT FUNDS			
	2009 LTGO CAPITAL PROJECTS FUND #3218	2010 LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND #(3)7070	NON-MAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 10,076	\$ 17,164	\$ 1,478	\$ 83,602
Investments at fair value	-	-	-	4,021
Accounts receivables (net)	-	-	-	41,405
Due from other funds	1	41	-	753
Due from other governments	-	-	-	4,025
Prepayments	-	-	-	12
Other current assets	-	-	-	20
Advances to other funds	-	-	-	3,354
TOTAL ASSETS	<u>10,077</u>	<u>17,205</u>	<u>1,478</u>	<u>137,192</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>\$ 10,077</u>	<u>\$ 17,205</u>	<u>\$ 1,478</u>	<u>\$ 137,192</u>
LIABILITIES				
Accounts payable	\$ 283	\$ 298	\$ -	\$ 2,312
Due to other funds	-	-	-	588
Due to other governments	-	-	-	552
Accrued wages	-	-	-	729
Accrued taxes	-	-	-	76
Customer deposits	-	-	-	109
Advances from other funds	-	-	-	5,420
Unearned revenue	-	-	-	-
TOTAL LIABILITIES	<u>283</u>	<u>298</u>	<u>-</u>	<u>9,786</u>
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,584</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	17
Restricted	9,794	16,907	1,478	71,531
Committed	-	-	-	21,728
Assigned	-	-	-	4,722
Unassigned	-	-	-	(5,176)
TOTAL FUND BALANCES (DEFICITS)	<u>9,794</u>	<u>16,907</u>	<u>1,478</u>	<u>92,822</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 10,077</u>	<u>\$ 17,205</u>	<u>\$ 1,478</u>	<u>\$ 137,192</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS		
	2014		
	COURT'S FUND #1020	STREET FUND #1065	TBD FUND #1070
REVENUES			
Taxes	\$ -	\$ -	\$ 1,533
Licenses and permits	-	-	-
Intergovernmental revenue	68	-	-
Charges for goods and services	-	-	-
Fines and penalties	4	-	-
Interest and other earnings	-	-	-
Miscellaneous revenues	1	-	-
TOTAL REVENUES	<u>73</u>	<u>-</u>	<u>1,533</u>
EXPENDITURES			
Current:			
General government	44	-	-
Public safety	-	-	-
Utilities and environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and other related costs	-	-	-
Capital expenditures	-	-	-
TOTAL EXPENDITURES	<u>44</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>29</u>	<u>-</u>	<u>1,533</u>
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	-	-
Premium on bonds sold	-	-	-
Payments to refunded debt escrow agent	-	-	-
Proceeds from sales of capital assets	-	-	-
Transfer in	-	-	-
Transfer (out)	-	-	(1,142)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>(1,142)</u>
NET CHANGE IN FUND BALANCE	<u>29</u>	<u>-</u>	<u>391</u>
FUND BALANCE - JANUARY 1	29	-	-
Prior period adjustment	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>29</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ 391</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	GET 2% FUND #1080	FIRE DEPARTMENT FUND #1090	PW FACILITIES ROW STREETS FUND #1100	LID GUARANTEE FUND #1110
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	10	-
Intergovernmental revenue	-	8,312	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	4	9	39
Miscellaneous revenues	-	2	206	-
TOTAL REVENUES	-	8,318	225	39
EXPENDITURES				
Current:				
General government	-	-	209	131
Public safety	-	4,645	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	12	-	4
Capital expenditures	-	3,308	-	-
TOTAL EXPENDITURES	-	7,965	209	135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	353	16	(96)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Premium on bonds sold	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	76	-
Transfer in	-	199	-	37
Transfer (out)	-	-	-	(28)
TOTAL OTHER FINANCE SOURCES(USES)	-	199	76	9
NET CHANGE IN FUND BALANCE	-	552	92	(87)
FUND BALANCE - JANUARY 1	-	(122)	1,148	4,318
Prior period adjustment	-	-	(206)	-
FUND BALANCE - JANUARY 1, RESTATED	-	(122)	942	4,318
FUND BALANCE - DECEMBER 31	\$ -	\$ 430	\$ 1,034	\$ 4,231

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	PATHS AND TRAILS FUND #1140	BUILDING AND LAND USE FUND #1145	FIRE EMS FUND #1155	TOURISM AND CONVENTIONS FUND #1180
REVENUES				
Taxes	\$ -	\$ -	\$ 7,990	\$ 3,186
Licenses and permits	-	-	-	-
Intergovernmental revenue	143	-	-	-
Charges for goods and services	-	278	3,175	-
Fines and penalties	-	267	-	-
Interest and other earnings	1	6	11	8
Miscellaneous revenues	-	25	2	-
TOTAL REVENUES	<u>144</u>	<u>576</u>	<u>11,178</u>	<u>3,194</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	12,027	-
Utilities and environment	-	-	-	-
Transportation	18	-	-	-
Economic environment	-	398	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	19	-	-	-
Capital expenditures	526	-	33	-
TOTAL EXPENDITURES	<u>563</u>	<u>398</u>	<u>12,060</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(419)</u>	<u>178</u>	<u>(882)</u>	<u>3,194</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Premium on bonds sold	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	279	-	50	-
Transfer (out)	-	-	(186)	(2,617)
TOTAL OTHER FINANCE SOURCES(USES)	<u>279</u>	<u>-</u>	<u>(136)</u>	<u>(2,617)</u>
NET CHANGE IN FUND BALANCE	<u>(140)</u>	<u>178</u>	<u>(1,018)</u>	<u>577</u>
FUND BALANCE - JANUARY 1	518	2,719	8,322	738
Prior period adjustment	-	-	(75)	-
FUND BALANCE - JANUARY 1, RESTATED	<u>518</u>	<u>2,719</u>	<u>8,247</u>	<u>738</u>
FUND BALANCE - DECEMBER 31	<u>\$ 378</u>	<u>\$ 2,897</u>	<u>\$ 7,229</u>	<u>\$ 1,315</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	HUMAN RIGHTS AND SERVICES FUND #1185	ECONOMIC DEVELOPMENT FUND #1195	LIBRARY FUND #1200	HUB FUND #1236
REVENUES				
Taxes	\$ 4,435	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	1,583	4,988	66	-
Charges for goods and services	156	970	9	219
Fines and penalties	-	-	-	-
Interest and other earnings	24	132	22	-
Miscellaneous revenues	21	12	80	-
TOTAL REVENUES	<u>6,219</u>	<u>6,102</u>	<u>177</u>	<u>219</u>
EXPENDITURES				
Current:				
General government	-	178	-	219
Public safety	450	913	-	-
Utilities and environment	-	-	-	-
Transportation	-	2	-	-
Economic environment	1,328	6,741	-	-
Mental and physical health	1,953	-	-	-
Culture and recreation	-	217	119	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	-	-	12	-
TOTAL EXPENDITURES	<u>3,731</u>	<u>8,051</u>	<u>131</u>	<u>219</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,488</u>	<u>(1,949)</u>	<u>46</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Premium on bonds sold	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	404	-	-
Transfer in	9	28	-	-
Transfer (out)	(50)	(171)	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(41)</u>	<u>261</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>2,447</u>	<u>(1,688)</u>	<u>46</u>	<u>-</u>
FUND BALANCE - JANUARY 1	2,974	19,050	6,403	125
Prior period adjustment	-	-	3	-
FUND BALANCE - JANUARY 1, RESTATED	<u>2,974</u>	<u>19,050</u>	<u>6,406</u>	<u>125</u>
FUND BALANCE - DECEMBER 31	<u>\$ 5,421</u>	<u>\$ 17,362</u>	<u>\$ 6,452</u>	<u>\$ 125</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	POLICE FUND #1267	CABLE TV FUND #1431	CED LEA PROGRAM FUND #1500	TRAFFIC ENFORCEMENT FUND #1650
REVENUES				
Taxes	\$ -	\$ 3,231	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	5,472	-	236	-
Charges for goods and services	199	231	166	-
Fines and penalties	64	-	4	2,690
Interest and other earnings	5	18	1	5
Miscellaneous revenues	560	38	-	-
TOTAL REVENUES	<u>6,300</u>	<u>3,518</u>	<u>407</u>	<u>2,695</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	4,314	-	-	2,915
Utilities and environment	-	2,477	-	-
Transportation	-	-	-	-
Economic environment	-	-	403	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	2,554	272	-	-
TOTAL EXPENDITURES	<u>6,868</u>	<u>2,749</u>	<u>403</u>	<u>2,915</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(568)</u>	<u>769</u>	<u>4</u>	<u>(220)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Premium on bonds sold	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	8	-	-	895
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>8</u>	<u>-</u>	<u>-</u>	<u>895</u>
NET CHANGE IN FUND BALANCE	<u>(560)</u>	<u>769</u>	<u>4</u>	<u>675</u>
FUND BALANCE - JANUARY 1	1,752	4,421	278	1
Prior period adjustment	142	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>1,894</u>	<u>4,421</u>	<u>278</u>	<u>1</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,334</u>	<u>\$ 5,190</u>	<u>\$ 282</u>	<u>\$ 676</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	DEBT SERVICE FUNDS			
	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	CTED PWT LOANS FUND #2038	2001 LTGO REFUNDING FUND #2039
REVENUES				
Taxes	\$ 2,764	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	30	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>2,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	1,795	838	1,110	-
Interest and other related costs	908	2,412	67	18
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>2,703</u>	<u>3,250</u>	<u>1,177</u>	<u>18</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>91</u>	<u>(3,250)</u>	<u>(1,177)</u>	<u>(18)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	656	-	1,055
Premium on bonds sold	-	-	-	68
Payments to refunded debt escrow agent	-	-	-	(1,105)
Proceeds from sales of capital assets	-	-	-	-
Transfer in	-	2,594	1,177	-
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>3,250</u>	<u>1,177</u>	<u>18</u>
NET CHANGE IN FUND BALANCE	<u>91</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	878	-	-	-
Prior period adjustment	-	-	-	-
FUND BALANCE - DECEMBER 31	<u>\$ 969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	DEBT SERVICE FUNDS			
	2009 LTGO BONDS SERIES A-F FUND #2040	2010 LTGO BONDS FUND #2041	2013 LTGO BONDS FUND #2042	CONSOLIDATED LID BOND REDEMPTION FUND # (2)7999
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for goods and services	-	-	-	474
Fines and penalties	-	-	-	1,939
Interest and other earnings	3	-	-	(2)
Miscellaneous revenues	1,000	54	-	294
TOTAL REVENUES	1,003	54	-	2,705
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	1,135	355	-	540
Interest and other related costs	2,898	2,953	1,436	66
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	4,033	3,308	1,436	606
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,030)	(3,254)	(1,436)	2,099
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	1,523	-	-	-
Premium on bonds sold	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	1,510	3,254	1,436	-
Transfer (out)	-	-	-	(9)
TOTAL OTHER FINANCE SOURCES(USES)	3,033	3,254	1,436	(9)
NET CHANGE IN FUND BALANCE	3	-	-	2,090
FUND BALANCE - JANUARY 1	-	-	-	754
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	-	-	-	754
FUND BALANCE - DECEMBER 31	\$ 3	\$ -	\$ -	\$ 2,844



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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	CAPITAL PROJECT FUNDS			
	1997 BOND ISSUE FUND #3209	CAPITAL PROJECTS FUND #3211	2002 POLICE FACILITY FUND #3216	PARKING GARAGE FUND #3217
REVENUES				
Taxes	\$ -	\$ 4,108	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	45	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	59	-	1
Miscellaneous revenues	-	70	-	-
TOTAL REVENUES	-	4,282	-	1
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	409	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	61	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	43	-
Capital expenditures	-	668	-	-
TOTAL EXPENDITURES	-	1,138	43	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	3,144	(43)	1
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Premium on bonds sold	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	-	126	6	-
Transfer (out)	-	(6,734)	-	-
TOTAL OTHER FINANCE SOURCES(USES)	-	(6,608)	6	-
NET CHANGE IN FUND BALANCE	-	(3,464)	(37)	1
FUND BALANCE - JANUARY 1	(44)	13,554	(4,163)	175
Prior period adjustment	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ (44)	\$ 10,090	\$ (4,200)	\$ 176

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	CAPITAL PROJECT FUNDS			NON-MAJOR GOVERNMENTAL FUNDS
	2009 LTGO CAPITAL PROJECTS FUND #3218	2010 LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND #(3)7070	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 27,247
Licenses and permits	-	-	-	10
Intergovernmental revenue	316	-	-	21,229
Charges for goods and services	-	-	-	5,877
Fines and penalties	-	-	-	4,968
Interest and other earnings	35	55	-	466
Miscellaneous revenues	-	-	93	2,458
TOTAL REVENUES	<u>351</u>	<u>55</u>	<u>93</u>	<u>62,255</u>
EXPENDITURES				
Current:				
General government	-	-	-	781
Public safety	-	-	-	25,264
Utilities and environment	-	-	-	2,477
Transportation	-	1,354	-	1,783
Economic environment	1,168	-	-	10,038
Mental and physical health	-	-	-	1,953
Culture and recreation	177	57	-	631
Debt service:				
Principal payments	-	-	28,490	34,263
Interest and other related costs	-	-	236	11,072
Capital expenditures	2,149	1,013	-	10,535
TOTAL EXPENDITURES	<u>3,494</u>	<u>2,424</u>	<u>28,726</u>	<u>98,797</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,143)</u>	<u>(2,369)</u>	<u>(28,633)</u>	<u>(36,542)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	31,685	34,919
Premium on bonds sold	-	-	-	68
Payments to refunded debt escrow agent	-	-	-	(1,105)
Proceeds from sales of capital assets	-	-	-	480
Transfer in	37	55	-	11,700
Transfer (out)	(64)	(3,625)	(1,690)	(16,316)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(27)</u>	<u>(3,570)</u>	<u>29,995</u>	<u>29,746</u>
NET CHANGE IN FUND BALANCE	<u>(3,170)</u>	<u>(5,939)</u>	<u>1,362</u>	<u>(6,796)</u>
FUND BALANCE - JANUARY 1	12,970	22,846	116	99,760
Prior period adjustment	(6)	-	-	(142)
FUND BALANCE - DECEMBER 31	<u>\$ 9,794</u>	<u>\$ 16,907</u>	<u>\$ 1,478</u>	<u>\$ 92,822</u>

## SPECIAL REVENUE FUND - COURTS (1020)

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

For the Year Ended December 31, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 208	\$ 208	\$ 68	\$ (140)
Fines and penalties	10	10	4	(6)
Miscellaneous revenues	-	-	1	1
TOTAL REVENUES	<u>218</u>	<u>218</u>	<u>73</u>	<u>(145)</u>
EXPENDITURES				
Current:				
General government	218	218	44	(174)
TOTAL EXPENDITURES	<u>218</u>	<u>218</u>	<u>44</u>	<u>(174)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</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>29</u>	<u>29</u>
FUND BALANCE - JANUARY 1	-	-	29	29
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58</u>	<u>\$ 58</u>

SPECIAL REVENUE FUND - CONTINGENCY (1030)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	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:				
General government	<u>753</u>	<u>753</u>	<u>151</u>	<u>(602)</u>
TOTAL EXPENDITURES	<u>753</u>	<u>753</u>	<u>151</u>	<u>(602)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(753)</u>	<u>(753)</u>	<u>(148)</u>	<u>605</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(753)</u>	<u>(753)</u>	<u>(148)</u>	<u>605</u>
FUND BALANCE - JANUARY 1	<u>753</u>	<u>753</u>	<u>1,130</u>	<u>377</u>
FUND BALANCE - DECEMBER 31	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>982</u></u>	<u><u>982</u></u>

SPECIAL REVENUE FUND - 2014 STREETS (1065)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ 1,903	\$ -	\$ (1,903)
EXPENDITURES				
TOTAL EXPENDITURES	-	15,155	-	(15,155)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(13,252)	-	13,252
OTHER FINANCING SOURCES (USES)				
Transfer in	-	13,252	-	(13,252)
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	-	13,252	-	(13,252)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

SPECIAL REVENUE FUND - TRANSPORTATION BENEFIT DISTRICT (1070)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ 4,098	\$ 1,533	\$ (2,565)
TOTAL REVENUES	<u>-</u>	<u>4,098</u>	<u>1,533</u>	<u>(2,565)</u>
EXPENDITURES				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>4,098</u>	<u>1,533</u>	<u>(2,565)</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	(4,098)	(1,142)	2,956
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(4,098)</u>	<u>(1,142)</u>	<u>2,956</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>391</u>	<u>391</u>
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391</u>	<u>\$ 391</u>

## SPECIAL REVENUE FUND - GET 2% (1080)

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

For the Year Ended December 31, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ 6,185	\$ -	\$ (6,185)
TOTAL REVENUES	<u>-</u>	<u>6,185</u>	<u>-</u>	<u>(6,185)</u>
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>6,185</u>	<u>-</u>	<u>(6,185)</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	(6,185)	-	6,185
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(6,185)</u>	<u>-</u>	<u>6,185</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>

SPECIAL REVENUE FUND - FIRE DEPARTMENT (1090)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	10,729	12,343	8,312	(4,031)
Interest and other earnings	16	17	4	(13)
Miscellaneous revenues	15	15	2	(13)
TOTAL REVENUES	<u>10,760</u>	<u>12,375</u>	<u>8,318</u>	<u>(4,057)</u>
EXPENDITURES				
Current:				
Public safety	10,393	12,375	4,645	(7,730)
Debt service:				
Principal payments	267	267	-	(267)
Interest and other related costs	100	100	12	(88)
Capital expenditures	-	-	3,308	3,308
TOTAL EXPENDITURES	<u>10,760</u>	<u>12,742</u>	<u>7,965</u>	<u>(4,777)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(367)</u>	<u>353</u>	<u>720</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	325	199	(126)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>172</u>	<u>199</u>	<u>27</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(195)</u>	<u>552</u>	<u>747</u>
FUND BALANCE - JANUARY 1	-	195	(122)	(317)
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 430</u>



SPECIAL REVENUE FUND - PUBLIC WORKS FACILITIES RIGHTS OF WAY (1100)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 150	\$ 150	\$ 10	\$ (140)
Interest and other earnings	-	-	9	9
Miscellaneous revenues	300	300	206	(94)
TOTAL REVENUES	<u>450</u>	<u>450</u>	<u>225</u>	<u>(225)</u>
EXPENDITURES				
Current:				
General government	465	1,365	209	(1,156)
TOTAL EXPENDITURES	<u>465</u>	<u>1,365</u>	<u>209</u>	<u>(1,156)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(15)</u>	<u>(915)</u>	<u>16</u>	<u>931</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	76	76
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>76</u>	<u>76</u>
NET CHANGE IN FUND BALANCE	<u>(15)</u>	<u>(915)</u>	<u>92</u>	<u>1,007</u>
FUND BALANCE - JANUARY 1	15	915	1,148	233
Prior period adjustment	-	-	(206)	(206)
FUND BALANCE - JANUARY 1, RESTATED	<u>15</u>	<u>915</u>	<u>942</u>	<u>27</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,034</u>	<u>\$ 1,034</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, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 39	\$ 39
Miscellaneous revenues	140	140	-	(140)
TOTAL REVENUES	<u>140</u>	<u>140</u>	<u>39</u>	<u>(101)</u>
EXPENDITURES				
Current:				
General government	132	140	131	(9)
Debt service:				
Interest and other related costs	8	-	4	4
TOTAL EXPENDITURES	<u>140</u>	<u>140</u>	<u>135</u>	<u>(5)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(96)</u>	<u>(96)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	37	37
Transfer (out)	-	-	(28)	(28)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(87)</u>	<u>(87)</u>
FUND BALANCE - JANUARY 1	-	-	4,318	4,318
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,231</u>	<u>\$ 4,231</u>

## SPECIAL REVENUE FUND - PATHS AND TRAILS (1140)

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

For the Year Ended December 31, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 176	\$ 2,001	\$ 143	\$ (1,858)
Interest and other earnings	-	-	1	1
Miscellaneous revenues	100	100	-	(100)
TOTAL REVENUES	<u>276</u>	<u>2,101</u>	<u>144</u>	<u>(1,957)</u>
EXPENDITURES				
Current:				
Transportation	276	3,717	18	(3,699)
Debt service:				
Interest and other related costs	-	-	19	19
Capital expenditures	-	-	526	526
TOTAL EXPENDITURES	<u>276</u>	<u>3,717</u>	<u>563</u>	<u>(3,154)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,616)</u>	<u>(419)</u>	<u>1,197</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,352	279	(1,073)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>1,352</u>	<u>279</u>	<u>(1,073)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(264)</u>	<u>(140)</u>	<u>124</u>
FUND BALANCE - JANUARY 1	-	264	518	254
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378</u>	<u>\$ 378</u>

SPECIAL REVENUE FUND - BUILDING AND LAND USE (1145)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 210	\$ 210	\$ 278	\$ 68
Fines and penalties	285	285	267	(18)
Interest and other earnings	10	10	6	(4)
Miscellaneous revenues	-	-	25	25
TOTAL REVENUES	<u>505</u>	<u>505</u>	<u>576</u>	<u>71</u>
EXPENDITURES				
Current:				
Economic environment	<u>2,005</u>	<u>2,005</u>	<u>398</u>	<u>(1,607)</u>
TOTAL EXPENDITURES	<u>2,005</u>	<u>2,005</u>	<u>398</u>	<u>(1,607)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,500)</u>	<u>(1,500)</u>	<u>178</u>	<u>1,678</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,500)</u>	<u>(1,500)</u>	<u>178</u>	<u>1,678</u>
FUND BALANCE - JANUARY 1	<u>1,500</u>	<u>1,500</u>	<u>2,719</u>	<u>1,219</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,897</u>	<u>\$ 2,897</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, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 16,526	\$ 16,526	\$ 7,990	\$ (8,536)
Intergovernmental revenue	50	50	-	(50)
Charges for goods and services	6,185	6,185	3,175	(3,010)
Interest and other earnings	-	-	11	11
Miscellaneous revenues	395	395	2	(393)
TOTAL REVENUES	<u>23,156</u>	<u>23,156</u>	<u>11,178</u>	<u>(11,978)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	25,823	25,981	12,027	(13,954)
Capital expenditures	-	-	33	33
TOTAL EXPENDITURES	<u>25,823</u>	<u>25,981</u>	<u>12,060</u>	<u>(13,921)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,667)</u>	<u>(2,825)</u>	<u>(882)</u>	<u>1,943</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	50	50
Transfer (out)	(313)	(314)	(186)	128
TOTAL OTHER FINANCE SOURCES(USES)	<u>(313)</u>	<u>(314)</u>	<u>(136)</u>	<u>178</u>
NET CHANGE IN FUND BALANCE	<u>(2,980)</u>	<u>(3,139)</u>	<u>(1,018)</u>	<u>2,121</u>
FUND BALANCE - JANUARY 1	2,980	3,139	8,322	5,183
Prior period adjustment	-	-	(75)	(75)
FUND BALANCE - JANUARY 1, RESTATED	<u>2,980</u>	<u>3,139</u>	<u>8,247</u>	<u>5,108</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,229</u>	<u>\$ 7,229</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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,421	\$ 6,421	\$ 3,186	\$ (3,235)
Interest and other earnings	-	-	8	8
TOTAL REVENUES	<u>6,421</u>	<u>6,421</u>	<u>3,194</u>	<u>(3,227)</u>
EXPENDITURES				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,421</u>	<u>6,421</u>	<u>3,194</u>	<u>(3,227)</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	<u>(6,421)</u>	<u>(6,421)</u>	<u>(2,617)</u>	<u>3,804</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>(6,421)</u>	<u>(6,421)</u>	<u>(2,617)</u>	<u>3,804</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>577</u>	<u>577</u>
FUND BALANCE - JANUARY 1	-	-	738	738
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,315</u>	<u>\$ 1,315</u>

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

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

For the Year Ended December 31, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,362	\$ 8,312	\$ 4,435	\$ (3,877)
Intergovernmental revenue	2,669	3,267	1,583	(1,684)
Charges for goods and services	1,474	1,473	156	(1,317)
Interest and other earnings	15	15	24	9
Miscellaneous revenues	174	174	21	(153)
TOTAL REVENUES	<u>9,694</u>	<u>13,241</u>	<u>6,219</u>	<u>(7,022)</u>
EXPENDITURES				
Current:				
General government	18	22	-	(22)
Public safety	2,280	2,281	450	(1,831)
Economic environment	4,298	4,892	1,328	(3,564)
Mental and physical health	5,362	8,312	1,953	(6,359)
TOTAL EXPENDITURES	<u>11,958</u>	<u>15,507</u>	<u>3,731</u>	<u>(11,776)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,264)</u>	<u>(2,266)</u>	<u>2,488</u>	<u>4,754</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	408	409	9	(400)
Transfer (out)	-	-	(50)	(50)
TOTAL OTHER FINANCE SOURCES(USES)	<u>408</u>	<u>409</u>	<u>(41)</u>	<u>(450)</u>
NET CHANGE IN FUND BALANCE	<u>(1,856)</u>	<u>(1,857)</u>	<u>2,447</u>	<u>4,304</u>
FUND BALANCE - JANUARY 1	1,856	1,857	2,974	1,117
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,421</u>	<u>\$ 5,421</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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 24,225	\$ 24,225	\$ 4,988	\$ (19,237)
Charges for goods and services	1,876	1,876	970	(906)
Interest and other earnings	300	300	132	(168)
Miscellaneous revenues	316	316	12	(304)
TOTAL REVENUES	<u>26,717</u>	<u>26,717</u>	<u>6,102</u>	<u>(20,615)</u>
EXPENDITURES				
Current:				
General government	1,090	1,030	178	(852)
Public safety	3,500	3,498	913	(2,585)
Transportation	237	237	2	(235)
Economic environment	32,343	32,343	6,741	(25,602)
Mental and physical health	50	50	-	(50)
Culture and recreation	704	705	217	(488)
TOTAL EXPENDITURES	<u>37,924</u>	<u>37,863</u>	<u>8,051</u>	<u>(29,812)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,207)</u>	<u>(11,146)</u>	<u>(1,949)</u>	<u>9,197</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	404	404
Transfer in	131	130	28	(102)
Transfer (out)	-	(60)	(171)	(111)
TOTAL OTHER FINANCE SOURCES(USES)	<u>131</u>	<u>70</u>	<u>261</u>	<u>191</u>
NET CHANGE IN FUND BALANCE	<u>(11,076)</u>	<u>(11,076)</u>	<u>(1,688)</u>	<u>9,388</u>
FUND BALANCE - JANUARY 1	11,076	11,076	19,050	7,974
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,362</u>	<u>\$ 17,362</u>



## SPECIAL REVENUE FUND - LIBRARY (1200)

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

For the Year Ended December 31, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ 66	\$ 66
Charges for goods and services	30	30	9	(21)
Interest and other earnings	250	250	22	(228)
Miscellaneous revenues	212	212	80	(132)
TOTAL REVENUES	<u>492</u>	<u>492</u>	<u>177</u>	<u>(315)</u>
EXPENDITURES				
Current:				
Culture and recreation	492	1,636	119	(1,517)
Capital expenditures	-	-	12	12
TOTAL EXPENDITURES	<u>492</u>	<u>1,636</u>	<u>131</u>	<u>(1,505)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,144)</u>	<u>46</u>	<u>1,190</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>(1,144)</u>	<u>46</u>	<u>1,190</u>
FUND BALANCE - JANUARY 1	-	1,144	6,403	5,259
Prior period adjustment	-	-	3	3
FUND BALANCE - JANUARY 1, RESTATED	<u>-</u>	<u>1,144</u>	<u>6,406</u>	<u>5,262</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,452</u>	<u>\$ 6,452</u>

## SPECIAL REVENUE FUND - HUB (1236)

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

For the Year Ended December 31, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 484	\$ 484	\$ 219	\$ (265)
TOTAL REVENUES	<u>484</u>	<u>484</u>	<u>219</u>	<u>(265)</u>
EXPENDITURES				
Current:				
General government	<u>484</u>	<u>484</u>	<u>219</u>	<u>(265)</u>
TOTAL EXPENDITURES	<u>484</u>	<u>484</u>	<u>219</u>	<u>(265)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>125</u>	<u>125</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125</u>	<u>\$ 125</u>

SPECIAL REVENUE FUND - POLICE DEPARTMENT (1267)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 6,262	\$ 8,592	\$ 5,472	\$ (3,120)
Charges for goods and services	191	221	199	(22)
Fines and penalties	426	1,034	64	(970)
Interest and other earnings	-	-	5	5
Miscellaneous revenues	48	48	560	512
TOTAL REVENUES	<u>6,927</u>	<u>9,895</u>	<u>6,300</u>	<u>(3,595)</u>
EXPENDITURES				
Current:				
Public safety	6,977	9,945	4,314	(5,631)
Capital expenditures	-	-	2,554	2,554
TOTAL EXPENDITURES	<u>6,977</u>	<u>9,945</u>	<u>6,868</u>	<u>(3,077)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(50)</u>	<u>(50)</u>	<u>(568)</u>	<u>(518)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	8	8
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
NET CHANGE IN FUND BALANCE	<u>(50)</u>	<u>(50)</u>	<u>(560)</u>	<u>(510)</u>
FUND BALANCE - JANUARY 1	50	50	1,752	1,702
Prior period adjustment	-	-	142	142
FUND BALANCE - JANUARY 1. RESTATED	<u>50</u>	<u>50</u>	<u>1,894</u>	<u>1,844</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,334</u>	<u>\$ 1,334</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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,462	\$ 6,461	\$ 3,231	\$ (3,230)
Charges for goods and services	727	727	231	(496)
Interest and other earnings	-	-	18	18
Miscellaneous revenues	-	-	38	38
TOTAL REVENUES	<u>7,189</u>	<u>7,188</u>	<u>3,518</u>	<u>(3,670)</u>
EXPENDITURES				
Current:				
Utilities and environment	7,690	9,252	2,477	(6,775)
Capital expenditures	-	-	272	272
TOTAL EXPENDITURES	<u>7,690</u>	<u>9,252</u>	<u>2,749</u>	<u>(6,503)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(501)</u>	<u>(2,064)</u>	<u>769</u>	<u>2,833</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(501)</u>	<u>(2,064)</u>	<u>769</u>	<u>2,833</u>
FUND BALANCE - JANUARY 1	501	2,064	4,421	2,357
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,190</u>	<u>\$ 5,190</u>

SPECIAL REVENUE FUND - CED LEA PROGRAM (1500)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 249	\$ 449	\$ 236	\$ (213)
Charges for goods and services	490	490	166	(324)
Fines and penalties	-	-	4	4
Interest and other earnings	-	-	1	1
TOTAL REVENUES	<u>739</u>	<u>939</u>	<u>407</u>	<u>(532)</u>
EXPENDITURES				
Current:				
General government	-	5	-	(5)
Economic environment	763	958	403	(555)
TOTAL EXPENDITURES	<u>763</u>	<u>963</u>	<u>403</u>	<u>(560)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(24)</u>	<u>(24)</u>	<u>4</u>	<u>28</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(24)</u>	<u>(24)</u>	<u>4</u>	<u>28</u>
FUND BALANCE - JANUARY 1	24	24	278	254
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282</u>	<u>\$ 282</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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Fines and penalties	\$ 4,245	\$ 4,245	\$ 2,690	\$ (1,555)
Interest and other earnings	-	-	5	5
TOTAL REVENUES	<u>4,245</u>	<u>4,245</u>	<u>2,695</u>	<u>(1,550)</u>
EXPENDITURES				
Public safety	<u>6,634</u>	<u>6,634</u>	<u>2,915</u>	<u>(3,719)</u>
TOTAL EXPENDITURES	<u>6,634</u>	<u>6,634</u>	<u>2,915</u>	<u>(3,719)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,389)</u>	<u>(2,389)</u>	<u>(220)</u>	<u>2,169</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>2,389</u>	<u>2,389</u>	<u>895</u>	<u>(1,494)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,389</u>	<u>2,389</u>	<u>895</u>	<u>(1,494)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>675</u>	<u>675</u>
FUND BALANCE - JANUARY 1	-	-	1	1
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676</u>	<u>\$ 676</u>

SPECIAL REVENUE FUND - UNCLAIMED PROPERTY (1-6330)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

DEBT SERVICE FUNDS - VOTED BONDS (2010)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,406	\$ 5,407	\$ 2,764	\$ (2,643)
Interest and other earnings	-	-	30	30
TOTAL REVENUES	<u>5,406</u>	<u>5,407</u>	<u>2,794</u>	<u>(2,613)</u>
EXPENDITURES				
Debt service:				
Principal payments	3,680	3,680	1,795	(1,885)
Interest and other related costs	1,726	1,727	908	(819)
TOTAL EXPENDITURES	<u>5,406</u>	<u>5,407</u>	<u>2,703</u>	<u>(2,704)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>91</u>	<u>91</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>91</u>	<u>91</u>
FUND BALANCE - JANUARY 1	-	-	878	878
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 969</u>	<u>\$ 969</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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal payments	1,626	3,693	838	(2,855)
Interest and other related costs	3,563	1,496	2,412	916
TOTAL EXPENDITURES	5,189	5,189	3,250	(1,939)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,189)	(5,189)	(3,250)	1,939
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	656	656
Transfer in	5,189	5,189	2,594	(2,595)
TOTAL OTHER FINANCE SOURCES(USES)	5,189	5,189	3,250	(1,939)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

DEBT SERVICE FUND - CTED PUBLIC WORKS TRUST FUND LOANS (2038)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service:				
Principal payments	2,145	2,144	1,110	(1,034)
Interest and other related costs	120	120	67	(53)
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>2,265</u>	<u>2,264</u>	<u>1,177</u>	<u>(1,087)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,265)</u>	<u>(2,264)</u>	<u>(1,177)</u>	<u>1,087</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	2,265	2,264	1,177	(1,087)
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,265</u>	<u>2,264</u>	<u>1,177</u>	<u>(1,087)</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 - 2001 LTGO REFUNDING BONDS (2039)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal payments	1,105	1,105	-	(1,105)
Interest and other related costs	79	79	18	(61)
TOTAL EXPENDITURES	1,184	1,184	18	(1,166)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,184)	(1,184)	(18)	1,166
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	1,055	1,055
Premium on bonds sold	-	-	68	68
Payments to refunded debt escrow agent	-	-	(1,105)	(1,105)
Transfer in	1,184	1,184	-	(1,184)
TOTAL OTHER FINANCE SOURCES(USES)	1,184	1,184	18	(1,166)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

DEBT SERVICE FUND - 2009 LTGO REFUNDING (SERIES A-F) (2040)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	-	-	3	3
Miscellaneous revenues	2,020	2,020	1,000	(1,020)
TOTAL REVENUES	<u>\$ 2,020</u>	<u>\$ 2,020</u>	<u>\$ 1,003</u>	<u>\$ (1,017)</u>
EXPENDITURES				
Debt service:				
Principal payments	2,295	2,295	1,135	(1,160)
Interest and other related costs	2,711	2,711	2,898	187
TOTAL EXPENDITURES	<u>5,006</u>	<u>5,006</u>	<u>4,033</u>	<u>(973)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,986)</u>	<u>(2,986)</u>	<u>(3,030)</u>	<u>(44)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	1,523	1,523
Transfer in	2,986	2,986	1,510	(1,476)
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,986</u>	<u>2,986</u>	<u>3,033</u>	<u>47</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</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>\$ 3</u></u>	<u><u>\$ 3</u></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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	-	-	54	54
TOTAL REVENUES	\$ -	\$ -	\$ 54	\$ 54
EXPENDITURES				
Debt service:				
Principal payments	730	730	355	(375)
Interest and other related costs	5,994	5,994	2,953	(3,041)
TOTAL EXPENDITURES	6,724	6,724	3,308	(3,416)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,724)	(6,724)	(3,254)	3,470
OTHER FINANCING SOURCES (USES)				
Transfer in	6,724	6,724	3,254	(3,470)
TOTAL OTHER FINANCE SOURCES(USES)	6,724	6,724	3,254	(3,470)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

DEBT SERVICE FUND - 2013 LTGO BONDS (2042)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Interest and other related costs	-	-	1,436	1,436
TOTAL EXPENDITURES	-	-	1,436	1,436
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,436)	(1,436)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	1,436	1,436
TOTAL OTHER FINANCE SOURCES(USES)	-	-	1,436	1,436
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	-	-	474	474
Fines and penalties	-	-	1,939	1,939
Interest and other earnings	-	-	(2)	(2)
Miscellaneous revenues	-	-	294	294
TOTAL REVENUES	\$ -	\$ -	\$ 2,705	\$ 2,705
EXPENDITURES				
Debt service:				
Principal payments	-	-	540	540
Interest and other related costs	-	-	66	66
TOTAL EXPENDITURES	-	-	606	606
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	2,099	2,099
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	(9)	(9)
TOTAL OTHER FINANCE SOURCES(USES)	-	-	(9)	(9)
NET CHANGE IN FUND BALANCE	-	-	2,090	2,090
FUND BALANCE - JANUARY 1	-	-	754	754
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 2,844	\$ 2,844

CAPITAL PROJECT FUND - STREET FUND (3-1060)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	23,621	83,176	23,062	(60,114)
Interest and other earnings	-	-	-	-
TOTAL REVENUES	<u>23,621</u>	<u>86,357</u>	<u>23,866</u>	<u>(62,491)</u>
EXPENDITURES				
Current:				
Transportation	47,790	131,768	18,762	(113,006)
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Capital expenditures	-	-	24,285	24,285
TOTAL EXPENDITURES	<u>47,790</u>	<u>131,768</u>	<u>43,047</u>	<u>(88,721)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(24,169)</u>	<u>(45,411)</u>	<u>(19,181)</u>	<u>26,230</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	24,022	29,135	16,729	(12,406)
Transfer (out)	-	-	(154)	(154)
TOTAL OTHER FINANCE SOURCES(USES)	<u>24,022</u>	<u>37,672</u>	<u>19,429</u>	<u>(18,243)</u>
NET CHANGE IN FUND BALANCE	<u>(147)</u>	<u>(7,739)</u>	<u>248</u>	<u>7,987</u>
FUND BALANCE - JANUARY 1	147	7,739	2,947	(4,792)
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,728</u>	<u>\$ 1,728</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, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	(44)	(44)
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ (44)	\$ (44)

## CAPITAL PROJECT FUND - CAPITAL PROJECTS (3211)

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

For the Year Ended December 31, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,600	\$ 5,600	\$ 4,108	\$ (1,492)
Intergovernmental revenue	400	400	45	(355)
Interest and other earnings	-	-	59	59
Miscellaneous revenues	164	164	70	(94)
TOTAL REVENUES	<u>6,164</u>	<u>6,164</u>	<u>4,282</u>	<u>(1,882)</u>
EXPENDITURES				
Current:				
Transportation	1,095	2,322	409	(1,913)
Culture and recreation	164	164	61	(103)
Debt service:				
Capital expenditures	-	-	668	668
TOTAL EXPENDITURES	<u>1,259</u>	<u>2,486</u>	<u>1,138</u>	<u>(1,348)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,905</u>	<u>3,678</u>	<u>3,144</u>	<u>(534)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	5,660	5,660	126	(5,534)
Transfer (out)	(13,480)	(20,357)	(6,734)	13,623
TOTAL OTHER FINANCE SOURCES(USES)	<u>(7,820)</u>	<u>(14,697)</u>	<u>(6,608)</u>	<u>8,089</u>
NET CHANGE IN FUND BALANCE	<u>(2,915)</u>	<u>(11,019)</u>	<u>(3,464)</u>	<u>7,555</u>
FUND BALANCE - JANUARY 1	2,931	11,019	13,554	2,535
FUND BALANCE - DECEMBER 31	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 10,090</u>	<u>\$ 10,090</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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ 28	\$ 28	\$ -	\$ (28)
TOTAL REVENUES	<u>28</u>	<u>28</u>	<u>-</u>	<u>(28)</u>
EXPENDITURES				
Debt service:				
Interest and other related costs	<u>102</u>	<u>102</u>	<u>43</u>	<u>(59)</u>
TOTAL EXPENDITURES	<u>102</u>	<u>102</u>	<u>43</u>	<u>(59)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(74)</u>	<u>(74)</u>	<u>(43)</u>	<u>31</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>74</u>	<u>74</u>	<u>6</u>	<u>(68)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>74</u>	<u>74</u>	<u>6</u>	<u>(68)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>(37)</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>(4,163)</u>	<u>(4,163)</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (4,200)</u></u>	<u><u>\$ (4,200)</u></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, 2013

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 1	\$ 1
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</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>1</u>	<u>1</u>
FUND BALANCE - JANUARY 1	-	-	175	175
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ 176</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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 2,135	\$ 316	\$ (1,819)
Interest and other earnings	-	-	35	35
TOTAL REVENUES	<u>-</u>	<u>2,135</u>	<u>351</u>	<u>(1,784)</u>
EXPENDITURES				
Current:				
Economic environment	-	-	1,168	1,168
Culture and recreation	-	16,257	177	(16,080)
Capital expenditures	-	-	2,149	2,149
TOTAL EXPENDITURES	<u>-</u>	<u>16,257</u>	<u>3,494</u>	<u>(12,763)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(14,122)</u>	<u>(3,143)</u>	<u>10,979</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,700	37	(1,663)
Transfer (out)	-	-	(64)	(64)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>1,700</u>	<u>(27)</u>	<u>(1,727)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(12,422)</u>	<u>(3,170)</u>	<u>9,252</u>
FUND BALANCE - JANUARY 1	-	12,422	12,970	548
Prior period adjustment	-	-	(6)	(6)
FUND BALANCE - JANUARY 1, RESTATED	<u>-</u>	<u>12,422</u>	<u>12,964</u>	<u>542</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,794</u>	<u>\$ 9,794</u>

CAPITAL PROJECT 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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES	\$	\$	\$	\$
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	-	273	55	(218)
EXPENDITURES				
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
TOTAL EXPENDITURES	-	22,104	2,424	(19,680)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(21,831)	(2,369)	19,462
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Transfer (out)	-	-	(3,625)	(3,625)
TOTAL OTHER FINANCE SOURCES(USES)	-	333	(3,570)	(3,903)
NET CHANGE IN FUND BALANCE	-	(21,498)	(5,939)	15,559
FUND BALANCE - JANUARY 1	-	21,498	22,846	1,348
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 16,907	\$ 16,907

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, 2013  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2013	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES	\$	\$	\$	\$
Miscellaneous revenues	-	-	93	93
TOTAL REVENUES	-	-	93	93
EXPENDITURES				
Debt service:				
Principal payments	-	-	28,490	28,490
Interest and other related costs	-	-	236	236
TOTAL EXPENDITURES	-	-	28,726	28,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(28,633)	(28,633)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	31,685	31,685
Transfer (out)	-	-	(1,690)	(1,690)
TOTAL OTHER FINANCE SOURCES(USES)	-	-	29,995	29,995
NET CHANGE IN FUND BALANCE	-	-	1,362	1,362
FUND BALANCE - JANUARY 1	-	-	116	116
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 1,478	\$ 1,478

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 4,259	\$ 892	\$ 1,906
Accounts receivable (net)	65	283	6
Due from other funds	-	-	-
Due from other governments	-	128	-
Inventory	-	-	-
Prepayments	-	62	33
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	13	-
C&CE - other special purposes	-	-	-
Notes and contracts receivable (current)	-	-	-
Total restricted assets	<u>-</u>	<u>13</u>	<u>-</u>
Total current assets	<u>4,324</u>	<u>1,378</u>	<u>1,945</u>
Non-current assets:			
Notes and contracts receivable (non-current)	-	-	-
Other non-current assets	-	-	170
Capital assets:			
Land	-	1,361	11,806
Property, plant, and equipment	57	28,498	51,319
Less: accumulated depreciation	(57)	(6,436)	(10,804)
Construction work in progress	-	92	-
Total capital assets net of depreciation	<u>-</u>	<u>23,515</u>	<u>52,321</u>
Total non-current assets	<u>-</u>	<u>23,515</u>	<u>52,491</u>
<b>TOTAL ASSETS</b>	<u>4,324</u>	<u>24,893</u>	<u>54,436</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR ENTERPRISE FUNDS  
 December 31, 2013  
 (amounts expressed in thousands)  
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 39	\$ 211	\$ 79
Due to other funds	102	40	17
Due to other governments	1	-	-
Advances from other funds	-	-	-
Interest payable	-	13	-
Deposits payable	107	67	-
Accrued wages	206	-	39
Accrued taxes	-	14	6
Notes, contracts & leases - current	-	-	223
Revenue bonds - current	-	-	1,014
Unearned revenue	-	-	20
Other	-	-	-
Current payables from restricted assets:			
Debt principal payable	-	-	-
Deposits and other payables	-	-	-
Total current liabilities	<u>455</u>	<u>345</u>	<u>1,398</u>
Non-current liabilities:			
Revenue bonds payable (net)	-	-	16,346
Advances from other funds	-	6,250	-
Compensated absences	360	-	29
Notes, contracts & leases payable - non-current	-	-	-
Net OPEB obligation	-	-	-
Other - non-current liabilities	-	-	-
Total non-current liabilities	<u>360</u>	<u>6,250</u>	<u>16,375</u>
<b>TOTAL LIABILITIES</b>	<u><b>815</b></u>	<u><b>6,595</b></u>	<u><b>17,773</b></u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow of resources	-	-	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>NET POSITION</b>			
Net investment in capital assets	-	17,265	35,380
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	-	-	-
Restricted for environmental services and programs	3,294	-	-
Restricted for inspections	215	-	-
Unrestricted	-	1,033	1,283
<b>TOTAL NET POSITION</b>	<u><b>\$ 3,509</b></u>	<u><b>\$ 18,298</b></u>	<u><b>\$ 36,663</b></u>

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
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	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 359	\$ 331	\$ 2,376	\$ 420
Accounts receivable (net)	192	4	83	-
Due from other funds	-	-	-	70
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Prepayments	36	20	43	20
Current restricted assets:				
C&CE - debt services, deposits and replacements	527	-	-	-
C&CE - other special purposes	-	-	-	3,386
Notes and contracts receivable (current)	-	-	-	895
Total restricted assets	<u>527</u>	<u>-</u>	<u>-</u>	<u>4,281</u>
Total current assets	<u>1,114</u>	<u>355</u>	<u>2,502</u>	<u>4,791</u>
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	142
Other non-current assets	483	-	-	-
Capital assets:				
Land	15,298	224	6,161	2,087
Property, plant, and equipment	73,741	38,706	51,085	20,246
Less: accumulated depreciation	(21,617)	(5,622)	(32,416)	(6,321)
Construction work in progress	-	-	-	-
Total capital assets net of depreciation	<u>67,422</u>	<u>33,308</u>	<u>24,830</u>	<u>16,012</u>
Total non-current assets	<u>67,905</u>	<u>33,308</u>	<u>24,830</u>	<u>16,154</u>
<b>TOTAL ASSETS</b>	<u>69,019</u>	<u>33,663</u>	<u>27,332</u>	<u>20,945</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
December 31, 2013  
(amounts expressed in thousands)  
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	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 211	\$ -	\$ 3,144	\$ 79
Due to other funds	40	-	22	4
Due to other governments	-	-	-	-
Advances from other funds	-	-	432	153
Interest payable	-	-	-	-
Deposits payable	302	-	36	-
Accrued wages	127	-	108	-
Accrued taxes	5	-	7	-
Notes, contracts & leases - current	-	-	-	-
Revenue bonds - current	-	-	-	-
Unearned revenue	-	2	26	-
Other	10	-	35	-
Current payables from restricted assets:				
Debt principal payable	-	-	-	-
Deposits and other payables	-	-	-	-
Total current liabilities	<u>695</u>	<u>2</u>	<u>3,810</u>	<u>236</u>
Non-current liabilities:				
Revenue bonds payable (net)	74,446	-	-	-
Advances from other funds	-	-	1,726	230
Compensated absences	232	-	222	-
Notes, contracts & leases payable - non-current	-	-	-	-
Net OPEB obligation	-	-	-	-
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>74,678</u>	<u>-</u>	<u>1,948</u>	<u>230</u>
<b>TOTAL LIABILITIES</b>	<u><b>75,373</b></u>	<u><b>2</b></u>	<u><b>5,758</b></u>	<u><b>466</b></u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflow of resources	-	-	-	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>NET POSITION</b>				
Net investment in capital assets	(6,737)	33,309	22,672	16,011
Restricted:				
Restricted for capital purchases	-	303	-	4,422
Restricted for debt	52	1	-	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Unrestricted	331	48	(1,098)	46
<b>TOTAL NET POSITION</b>	<u><b>\$ (6,354)</b></u>	<u><b>\$ 33,661</b></u>	<u><b>\$ 21,574</b></u>	<u><b>\$ 20,479</b></u>

COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR ENTERPRISE FUNDS  
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	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 88	\$ 7,374	\$ 1,151
Accounts receivable (net)	4,052	2,479	-
Due from other funds	-	81	-
Due from other governments	-	-	-
Inventory	-	840	-
Prepayments	-	2,187	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	65	-
C&CE - other special purposes	1,903	-	-
Notes and contracts receivable (current)	-	-	-
Total restricted assets	<u>1,903</u>	<u>65</u>	<u>-</u>
Total current assets	<u>6,043</u>	<u>13,026</u>	<u>1,151</u>
Non-current assets:			
Notes and contracts receivable (non-current)	31,636	-	-
Other non-current assets	-	-	-
Capital assets:			
Land	-	160	-
Property, plant, and equipment	-	32,439	-
Less: accumulated depreciation	-	(15,285)	-
Construction work in progress	-	701	-
Total capital assets net of depreciation	<u>-</u>	<u>18,015</u>	<u>-</u>
Total non-current assets	<u>31,636</u>	<u>18,015</u>	<u>-</u>
TOTAL ASSETS	<u>37,679</u>	<u>31,041</u>	<u>1,151</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -	\$ -

COMBINING STATEMENT OF NET POSITION  
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	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 1,897	\$ -
Due to other funds	-	134	-
Due to other governments	-	1	-
Advances from other funds	-	-	-
Interest payable	632	10	-
Deposits payable	-	54	-
Accrued wages	-	451	-
Accrued taxes	-	230	-
Notes, contracts & leases - current	-	454	-
Revenue bonds - current	-	-	-
Unearned revenue	2,073	-	-
Other	1,925	-	23
Current payables from restricted assets:			
Debt principal payable	-	-	-
Deposits and other payables	-	-	-
Total current liabilities	<u>4,630</u>	<u>3,231</u>	<u>23</u>
Non-current liabilities:			
Revenue bonds payable (net)	21,560	548	-
Advances from other funds	-	-	-
Compensated absences	-	698	-
Notes, contracts & leases payable - non-current	-	-	-
Net OPEB obligation	-	262	-
Other - non-current liabilities	10,545	4,084	-
Total non-current liabilities	<u>32,105</u>	<u>5,592</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><u>36,735</u></u>	<u><u>8,823</u></u>	<u><u>23</u></u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow of resources	-	-	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	14,797	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	1,903	65	-
Restricted for environmental services and programs	-	-	-
Restricted for inspections	-	-	-
Unrestricted	(959)	7,356	1,128
<b>TOTAL NET POSITION</b>	<u><u>\$ 944</u></u>	<u><u>\$ 22,218</u></u>	<u><u>\$ 1,128</u></u>

COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR ENTERPRISE FUNDS  
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	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 175	\$ 19,331
Accounts receivable (net)	-	7,164
Due from other funds	-	151
Due from other governments	-	128
Inventory	-	840
Prepayments	-	2,401
Current restricted assets:		
C&CE - debt services, deposits and replacements	-	605
C&CE - other special purposes	-	5,289
Notes and contracts receivable (current)	-	895
Total restricted assets	<u>-</u>	<u>6,789</u>
Total current assets	<u>175</u>	<u>36,804</u>
Non-current assets:		
Notes and contracts receivable (non-current)	-	31,778
Other non-current assets	136	789
Capital assets:		
Land	-	37,097
Property, plant, and equipment	-	296,091
Less: accumulated depreciation	-	(98,558)
Construction work in progress	-	793
Total capital assets net of depreciation	<u>-</u>	<u>235,423</u>
Total non-current assets	<u>136</u>	<u>267,990</u>
<b>TOTAL ASSETS</b>	<u>311</u>	<u>304,794</u>
DEFERRED OUTFLOW OF RESOURCES		
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
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	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 5,660
Due to other funds	-	359
Due to other governments	-	2
Advances from other funds	-	585
Interest payable	7	662
Deposits payable	-	566
Accrued wages	-	931
Accrued taxes	-	262
Notes, contracts & leases - current	-	677
Revenue bonds - current	1,790	2,804
Unearned revenue	-	2,121
Other	-	1,993
Current payables from restricted assets:		
Debt principal payable	-	-
Deposits and other payables	-	-
Total current liabilities	<u>1,797</u>	<u>16,622</u>
Non-current liabilities:		
Revenue bonds payable (net)	93	112,993
Advances from other funds	-	8,206
Compensated absences	-	1,541
Notes, contracts & leases payable - non-current	-	-
Net OPEB obligation	-	262
Other - non-current liabilities	-	14,629
Total non-current liabilities	<u>93</u>	<u>137,631</u>
<b>TOTAL LIABILITIES</b>	<u>1,890</u>	<u>154,253</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred inflow of resources	-	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>\$ -</u>
<b>NET POSITION</b>		
Net investment in capital assets	-	132,697
Restricted:		
Restricted for capital purchases	-	4,725
Restricted for debt	-	2,021
Restricted for environmental services and programs	-	3,294
Restricted for inspections	-	215
Unrestricted	(1,579)	7,589
<b>TOTAL NET POSITION</b>	<u>\$ (1,579)</u>	<u>\$ 150,541</u>

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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
OPERATING REVENUES			
Charges for goods and services	\$ 6,694	\$ 1,600	\$ 5,767
Miscellaneous revenues	-	94	20
TOTAL OPERATING REVENUES	<u>6,694</u>	<u>1,694</u>	<u>5,787</u>
OPERATING EXPENSES			
Salary and wages	3,926	581	944
Personnel benefits	1,347	-	397
Supplies	138	96	21
Services	1,504	1,306	2,240
Intergovernmental services (interfund taxes)	-	31	51
Depreciation expense	-	882	1,326
TOTAL OPERATING EXPENSES	<u>6,915</u>	<u>2,896</u>	<u>4,979</u>
OPERATING INCOME (LOSS)	<u>(221)</u>	<u>(1,202)</u>	<u>808</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	18	6	13
Interest and other related costs	(6)	(59)	(856)
Amortization of bond discount & expense	-	-	23
Other non revenues and (expenses)	116	284	-
Gain(loss) on disposition of property	-	20	-
NON OPERATING REVENUE NET OF EXPENSE	<u>128</u>	<u>251</u>	<u>(820)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(93)</u>	<u>(951)</u>	<u>(12)</u>
Capital contributions - interfund	-	-	-
Capital contributions - federal/state/local	-	120	-
Capital contributions - private	-	-	-
Transfer in	546	-	3
Transfer (out)	-	-	(954)
CHANGE IN NET POSITION	<u>453</u>	<u>(831)</u>	<u>(963)</u>
NET POSITION			
NET POSITION - JANUARY 1	3,056	19,129	37,599
Prior period adjustments	-	-	27
Change in accounting principle	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>3,056</u>	<u>19,129</u>	<u>37,626</u>
NET POSITION - DECEMBER 31	<u>\$ 3,509</u>	<u>\$ 18,298</u>	<u>\$ 36,663</u>



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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2013

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	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
OPERATING REVENUES				
Charges for goods and services	\$ 2,533	\$ 865	\$ 4,739	\$ -
Miscellaneous revenues	3	-	-	-
TOTAL OPERATING REVENUES	<u>2,536</u>	<u>865</u>	<u>4,739</u>	<u>-</u>
OPERATING EXPENSES				
Salary and wages	1,090	-	1,882	-
Personnel benefits	442	-	737	-
Supplies	200	4	267	32
Services	2,238	48	1,971	1,042
Intergovernmental services (interfund taxes)	66	64	69	-
Depreciation expense	2,195	1,529	625	569
TOTAL OPERATING EXPENSES	<u>6,231</u>	<u>1,645</u>	<u>5,551</u>	<u>1,643</u>
OPERATING INCOME (LOSS)	<u>(3,695)</u>	<u>(780)</u>	<u>(812)</u>	<u>(1,643)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	5	3	8	-
Interest and other related costs	(1,695)	(1)	(27)	(92)
Amortization of bond discount & expense	47	-	-	-
Other non revenues and (expenses)	2,626	-	(3)	-
Gain(loss) on disposition of property	-	-	(3)	-
NON OPERATING REVENUE NET OF EXPENSE	<u>983</u>	<u>2</u>	<u>(25)</u>	<u>(92)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(2,712)</u>	<u>(778)</u>	<u>(837)</u>	<u>(1,735)</u>
Capital contributions - interfund	-	-	-	-
Capital contributions - federal/state/local	-	-	-	-
Capital contributions - private	-	-	-	-
Transfer in	2,617	593	-	2,395
Transfer (out)	(1,578)	(1,325)	(294)	-
CHANGE IN NET POSITION	<u>(1,673)</u>	<u>(1,510)</u>	<u>(1,131)</u>	<u>660</u>
NET POSITION				
NET POSITION - JANUARY 1	(4,681)	35,171	22,684	19,819
Prior period adjustments	-	-	21	-
Change in accounting principle	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>(4,681)</u>	<u>35,171</u>	<u>22,705</u>	<u>19,819</u>
NET POSITION - DECEMBER 31	<u>\$ (6,354)</u>	<u>\$ 33,661</u>	<u>\$ 21,574</u>	<u>\$ 20,479</u>

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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
OPERATING REVENUES			
Charges for goods and services	\$ -	\$ 27,819	\$ -
Miscellaneous revenues	-	3	-
TOTAL OPERATING REVENUES	-	27,822	-
OPERATING EXPENSES			
Salary and wages	-	8,623	-
Personnel benefits	-	3,767	-
Supplies	4	991	-
Services	-	11,208	-
Intergovernmental services (interfund taxes)	-	437	-
Depreciation expense	-	997	-
TOTAL OPERATING EXPENSES	4	26,023	-
OPERATING INCOME (LOSS)	(4)	1,799	-
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	-	21	-
Interest and other related costs	(2,242)	(46)	-
Amortization of bond discount & expense	-	-	-
Other non revenues and (expenses)	2,243	126	-
Gain(loss) on disposition of property	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	1	101	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(3)	1,900	-
Capital contributions - interfund	-	-	-
Capital contributions - federal/state/local	-	-	-
Capital contributions - private	-	-	-
Transfer in	-	-	-
Transfer (out)	-	(32)	-
CHANGE IN NET POSITION	(3)	1,868	-
NET POSITION			
NET POSITION - JANUARY 1	947	20,354	583
Prior period adjustments	-	-	545
Change in accounting principle	-	(4)	-
NET POSITION - JANUARY 1 RESTATED	947	20,350	1,128
NET POSITION - DECEMBER 31	\$ 944	\$ 22,218	\$ 1,128

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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
OPERATING REVENUES		
Charges for goods and services	\$ -	\$ 50,017
Miscellaneous revenues	-	120
TOTAL OPERATING REVENUES	-	50,137
OPERATING EXPENSES		
Salary and wages	-	17,046
Personnel benefits	-	6,690
Supplies	-	1,753
Services	-	21,557
Intergovernmental services (interfund taxes)	-	718
Depreciation expense	-	8,123
TOTAL OPERATING EXPENSES	-	55,887
OPERATING INCOME (LOSS)	-	(5,750)
NON-OPERATING REVENUES (EXPENSES)		
Interest and other earnings	1	75
Interest and other related costs	(160)	(5,184)
Amortization of bond discount & expense	(47)	23
Other non revenues and (expenses)	1,839	7,231
Gain(loss) on disposition of property	-	17
NON OPERATING REVENUE NET OF EXPENSE	1,633	2,162
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,633	(3,588)
Capital contributions - interfund	-	-
Capital contributions - federal/state/local	-	120
Capital contributions - private	-	-
Transfer in	-	6,154
Transfer (out)	-	(4,183)
CHANGE IN NET POSITION	1,633	(1,497)
NET POSITION		
NET POSITION - JANUARY 1	(3,212)	151,449
Prior period adjustments	-	593
Change in accounting principle	-	(4)
NET POSITION - JANUARY 1 RESTATED	(3,212)	152,038
NET POSITION - DECEMBER 31	(1,579)	150,541

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For the Year Ended December 31, 2013  
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 6,731	\$ 1,952	\$ 5,776
Receipts from interfund services provided	4	-	-
Payments to suppliers	(1,618)	(1,542)	(2,413)
Payments to employees	(5,229)	(581)	(1,337)
Payments for taxes	-	(34)	(32)
Payments for interfund services used	(5)	-	(46)
Other operating or non-operating revenues (expenses)	117	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>(205)</u>	<u>1,948</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	546	1	-
Transfers (to) other funds	-	-	(45)
Advances from other funds	-	-	-
Contributions and Donations	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>546</u>	<u>1</u>	<u>(45)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Transfers (to) funds	-	-	(906)
Acquisition and construction of capital assets	-	(214)	-
Proceeds from capital debt	-	-	-
Proceeds from leased property	-	493	-
Lease and leaseback	-	-	-
Principal paid on capital debt	-	-	(975)
Interest and issuance costs paid on capital debt	(6)	(64)	(856)
Premium and net refunding from capital debt	-	-	-
Contributions and donations	-	486	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(6)</u>	<u>701</u>	<u>(2,737)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	18	5	13
Rental and other income	-	-	-
Investment long-term	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>18</u>	<u>5</u>	<u>13</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	558	502	(821)
CASH & CASH EQUIVALENTS, JANUARY 1	3,701	403	2,727
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,259</u>	<u>\$ 905</u>	<u>\$ 1,906</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For the Year Ended December 31, 2013  
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (221)	\$ (1,202)	\$ 808
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	882	1,326
(increase) decrease in accounts receivable	-	189	(5)
(Increase) decrease in intergovernmental receivables	-	69	-
(Increase) decrease in due from other funds	4	-	2
(Increase) decrease in inventories	-	(83)	-
(Increase) decrease in prepaid items	-	(15)	(3)
(Increase) decrease in other current assets	-	7	-
Increase (decrease) in deposits payable	37	-	-
Increase (decrease) in accounts payable	25	(44)	(114)
Increase (decrease) in accrued wages payable	37	-	5
Increase (decrease) in compensated absences	7	-	-
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	(5)	-	(9)
Increase (decrease) in unearned revenues	-	-	(35)
Increase (decrease) in other current liabilities	-	-	32
Increase (decrease) in notes, contracts, and leases payable	-	-	(59)
Increase (decrease) in other long-term liabilities	-	(8)	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	116	-	-
Total adjustments	221	997	1,140
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ (205)	\$ 1,948
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, 2013  
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	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	\$ 2,387	\$ 865	\$ 4,737	\$ -
Receipts from interfund services provided	321	60	886	-
Payments to suppliers	(2,151)	(115)	(2,989)	(576)
Payments to employees	(1,871)	-	(2,626)	-
Payments for taxes	-	-	-	-
Payments for interfund services used	4	-	-	-
Other operating or non-operating revenues (expenses)	-	-	(8)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,310)</u>	<u>810</u>	<u>-</u>	<u>(576)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	1,039	592	-	1,129
Transfers (to) other funds	-	(1,299)	(6)	-
Advances from other funds	-	-	-	(431)
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,039</u>	<u>(707)</u>	<u>(6)</u>	<u>698</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Transfers (to) funds	-	-	-	-
Acquisition and construction of capital assets	-	-	(97)	(795)
Proceeds from capital debt	-	-	-	-
Proceeds from leased property	-	-	-	-
Lease and leaseback	-	-	-	(83)
Principal paid on capital debt	302	-	(482)	-
Interest and issuance costs paid on capital debt	-	-	(27)	-
Premium and net refunding from capital debt	-	-	-	-
Contributions and donations	-	-	-	1,267
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>302</u>	<u>-</u>	<u>(606)</u>	<u>389</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	7	3	9	(56)
Rental and other income	-	-	-	-
Investment long-term	-	-	-	72
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>7</u>	<u>3</u>	<u>9</u>	<u>16</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	38	106	(603)	527
CASH & CASH EQUIVALENTS, JANUARY 1	848	225	2,979	3,279
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 886</u>	<u>\$ 331</u>	<u>\$ 2,376</u>	<u>\$ 3,806</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
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	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)	\$ (3,695)	\$ (780)	\$ (812)	\$ (1,643)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	2,195	1,529	625	569
(increase) decrease in accounts receivable	(149)	47	40	-
(Increase) decrease in intergovernmental receivables	(1)	-	-	-
(Increase) decrease in due from other funds	322	13	844	506
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	(2)	(2)	(5)	(2)
(Increase) decrease in other current assets	-	-	-	-
Increase (decrease) in deposits payable	(104)	-	(10)	-
Increase (decrease) in accounts payable	92	-	(641)	(6)
Increase (decrease) in accrued wages payable	(13)	-	3	-
Increase (decrease) in compensated absences	55	-	(10)	-
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	-	(12)	-
Increase (decrease) in due to other funds	4	-	(8)	-
Increase (decrease) in unearned revenues	-	3	26	-
Increase (decrease) in other current liabilities	(1)	-	(40)	-
Increase (decrease) in notes, contracts, and leases payable	(13)	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	-
Total adjustments	2,385	1,590	812	1,067
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,310)	\$ 810	\$ -	\$ (576)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -
Investments long-term				49,041

COMBINING STATEMENT OF CASH FLOWS  
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	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	\$ -	\$ 28,077	\$ -
Receipts from interfund services provided	-	-	-
Payments to suppliers	(4)	(11,555)	-
Payments to employees	-	(12,316)	-
Payments for taxes	-	(620)	-
Payments for interfund services used	-	-	-
Other operating or non-operating revenues (expenses)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(4)</u>	<u>3,586</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	2,241	-
Transfers (to) other funds	-	(2,273)	-
Advances from other funds	-	-	-
Contributions and Donations	-	-	547
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(32)</u>	<u>547</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Transfers (to) funds	-	-	-
Acquisition and construction of capital assets	-	(2,753)	-
Proceeds from capital debt	-	-	-
Proceeds from leased property	4,051	-	-
Lease and leaseback	-	-	-
Principal paid on capital debt	(1,760)	(476)	-
Interest and issuance costs paid on capital debt	(2,290)	(50)	-
Premium and net refunding from capital debt	-	836	-
Contributions and donations	-	126	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>1</u>	<u>(2,317)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	-	21	-
Rental and other income	-	-	-
Investment long-term	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>21</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(3)	1,258	547
CASH & CASH EQUIVALENTS, JANUARY 1	1,994	6,181	604
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31 \$	<u><u>1,991</u></u>	<u><u>7,439</u></u>	<u><u>1,151</u></u>



COMBINING STATEMENT OF CASH FLOWS  
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	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)	\$ 1,799	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	997	-
(increase) decrease in accounts receivable	-	(91)	-
(Increase) decrease in intergovernmental receivables	-	-	-
(Increase) decrease in due from other funds	-	354	-
(Increase) decrease in inventories	-	(223)	-
(Increase) decrease in prepaid items	-	(14)	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in deposits payable	-	(7)	-
Increase (decrease) in accounts payable	-	492	-
Increase (decrease) in accrued wages payable	-	57	-
Increase (decrease) in compensated absences	-	(56)	-
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	-	(382)	-
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	-	(600)	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-
Increase (decrease) in other long-term liabilities	-	1,260	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-
Total adjustments	-	1,787	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (4)	\$ 3,586	\$ -
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS  
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	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ -	\$ 50,525
Receipts from interfund services provided	-	1,271
Payments to suppliers	-	(22,963)
Payments to employees	-	(23,960)
Payments for taxes	-	(686)
Payments for interfund services used	-	(47)
Other operating or non-operating revenues (expenses)	-	109
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>4,249</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	5,548
Transfers (to) other funds	-	(3,623)
Advances from other funds	-	(431)
Contributions and Donations	-	547
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>2,041</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	-
Transfers (to) funds	-	(906)
Acquisition and construction of capital assets	-	(3,859)
Proceeds from capital debt	-	-
Proceeds from leased property	-	4,544
Lease and leaseback	-	(83)
Principal paid on capital debt	(1,705)	(5,096)
Interest and issuance costs paid on capital debt	(167)	(3,460)
Premium and net refunding from capital debt	-	836
Contributions and donations	1,872	3,751
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(4,273)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	1	21
Rental and other income	-	-
Investment long-term	-	72
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1</u>	<u>93</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	1	2,110
CASH & CASH EQUIVALENTS, JANUARY 1	174	23,115
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 175</u>	<u>\$ 25,225</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
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	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ -	\$ (5,750)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	-	8,123
(increase) decrease in accounts receivable	-	31
(Increase) decrease in intergovernmental receivables	-	68
(Increase) decrease in due from other funds	-	2,045
(Increase) decrease in inventories	-	(306)
(Increase) decrease in prepaid items	-	(43)
(Increase) decrease in other current assets	-	7
Increase (decrease) in deposits payable	-	(84)
Increase (decrease) in accounts payable	-	(196)
Increase (decrease) in accrued wages payable	-	89
Increase (decrease) in compensated absences	-	(4)
Increase (decrease) in deferred credits	-	-
Increase (decrease) in intergovernmental payables	-	(12)
Increase (decrease) in due to other funds	-	(400)
Increase (decrease) in unearned revenues	-	(6)
Increase (decrease) in other current liabilities	-	(609)
Increase (decrease) in notes, contracts, and leases payable	-	(72)
Increase (decrease) in other long-term liabilities	-	1,252
Increase (decrease) in prior period adjustments	-	-
Miscellaneous non-operating revenues (expenditures)	-	116
Total adjustments	-	9,999
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ 4,249
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of capital assets	\$ -	\$ 136

COMBINING STATEMENT OF NET POSITION  
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,799	\$ 744	\$ 142
Accounts receivable (net)	30	-	-
Due from other funds	146	88	-
Advances to other funds - current	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Prepayments	-	-	-
Total restricted assets	-	-	-
Total current assets	<u>1,975</u>	<u>832</u>	<u>142</u>
Capital assets:			
Land	-	-	-
Property, plant, and equipment	5	54	-
Less: accumulated depreciation	(5)	(16)	-
Construction work in progress	-	12	-
Total capital assets net of depreciation	<u>-</u>	<u>50</u>	<u>-</u>
Total non-current assets	<u>-</u>	<u>50</u>	<u>-</u>
TOTAL ASSETS	<u>1,975</u>	<u>882</u>	<u>142</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 7	\$ 34	\$ -
Due to other funds	9	9	-
Interest payable	-	-	53
Accrued wages	36	18	-
Accrued benefits	-	-	-
Accrued taxes	-	-	-
Other	-	-	-
Total current liabilities	<u>52</u>	<u>61</u>	<u>53</u>
Non-current liabilities:			
Advances from other funds	-	-	-
Compensated absences	67	-	-
Other - non-current liabilities	-	-	-
Total non-current liabilities	<u>67</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>119</u>	<u>61</u>	<u>53</u>
 DEFERRED INFLOW OF RESOURCES			
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>NET POSITION</b>			
Net investment in capital assets	1	50	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for self-insurance	-	-	-
Unrestricted	1,855	771	89
<b>TOTAL NET POSITION</b>	<u>\$ 1,856</u>	<u>\$ 821</u>	<u>\$ 89</u>

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	GRAPHICS SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 21,332	\$ 137	\$ 5,459
Accounts receivable (net)	40	-	-	61
Due from other funds	76	363	86	17
Advances to other funds - current	-	-	-	-
Due from other governments	1	-	-	-
Inventory	-	312	-	409
Prepayments	-	-	-	25
Total restricted assets	-	-	-	-
Total current assets	117	22,007	223	5,971
Capital assets:				
Land	-	-	-	-
Property, plant, and equipment	-	56,281	-	48,729
Less: accumulated depreciation	-	(37,183)	-	(31,553)
Construction work in progress	-	1,171	-	2,411
Total capital assets net of depreciation	-	20,269	-	19,587
Total non-current assets	-	20,269	-	19,587
<b>TOTAL ASSETS</b>	<b>117</b>	<b>42,276</b>	<b>223</b>	<b>25,558</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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	GRAPHICS SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ -	\$ 290	\$ 86	\$ 1,069
Due to other funds	4	447	-	89
Interest payable	-	-	-	-
Accrued wages	-	121	-	172
Accrued benefits	-	-	-	-
Accrued taxes	-	-	-	3
Other	-	-	-	-
Total current liabilities	<u>4</u>	<u>858</u>	<u>86</u>	<u>1,333</u>
Non-current liabilities:				
Advances from other funds	119	-	-	-
Compensated absences	-	180	-	228
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>119</u>	<u>180</u>	<u>-</u>	<u>228</u>
<b>TOTAL LIABILITIES</b>	<u>123</u>	<u>1,038</u>	<u>86</u>	<u>1,561</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	20,270	-	19,587
Restricted:				
Restricted for capital purchases	-	25,294	-	-
Restricted for self-insurance	-	-	-	-
Net position unclassified	-	-	-	-
Unrestricted	<u>(6)</u>	<u>(4,326)</u>	<u>137</u>	<u>4,410</u>
<b>TOTAL NET POSITION</b>	<u>\$ (6)</u>	<u>\$ 41,238</u>	<u>\$ 137</u>	<u>\$ 23,997</u>

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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 68	\$ 3,615	\$ 4,579	\$ 877
Accounts receivable (net)	-	15	-	-
Due from other funds	5	-	-	-
Advances to other funds - current	-	-	-	-
Due from other governments	-	-	-	-
Inventory	91	-	-	-
Prepayments	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	164	3,630	4,579	877
Capital assets:				
Land	11	-	-	-
Property, plant, and equipment	258	2,954	-	-
Less: accumulated depreciation	(256)	(2,933)	-	-
Construction work in progress	-	359	-	-
Total capital assets net of depreciation	13	380	-	-
Total non-current assets	13	380	-	-
<b>TOTAL ASSETS</b>	177	4,010	4,579	877
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	\$ -	\$ -	\$ -	\$ -



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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 34	\$ 6	\$ 18	\$ 110
Due to other funds	12	11	82	1
Interest payable	-	-	-	-
Accrued wages	9	35	1	-
Accrued benefits	-	-	-	-
Accrued taxes	-	-	-	-
Other	-	118	11,547	-
Total current liabilities	<u>55</u>	<u>170</u>	<u>11,648</u>	<u>111</u>
Non-current liabilities:				
Advances from other funds	-	-	-	-
Compensated absences	23	92	-	-
Other - non-current liabilities	-	-	8,291	-
Total non-current liabilities	<u>23</u>	<u>92</u>	<u>8,291</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>78</u>	<u>262</u>	<u>19,939</u>	<u>111</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	380	-	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for environmental services and programs	-	-	-	-
Unrestricted	99	3,368	(15,360)	766
<b>TOTAL NET POSITION</b>	<u>\$ 99</u>	<u>\$ 3,748</u>	<u>\$ (15,360)</u>	<u>\$ 766</u>

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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,615	\$ 3,223	\$ -	\$ 24,786
Accounts receivable (net)	-	-	-	9
Due from other funds	4	2	1,880	62
Advances to other funds - current	-	-	119	-
Due from other governments	-	-	8	330
Inventory	-	20	-	-
Prepayments	-	82	1,976	-
Total restricted assets	-	-	-	-
Total current assets	<u>2,619</u>	<u>3,327</u>	<u>3,983</u>	<u>25,187</u>
Non-current assets:				
Capital assets:				
Land	-	346	-	-
Property, plant, and equipment	-	19,582	24,070	-
Less: accumulated depreciation	-	(13,401)	(17,440)	-
Construction work in progress	-	605	444	-
Total capital assets net of depreciation	-	<u>7,132</u>	<u>7,074</u>	-
Total non-current assets	-	<u>7,132</u>	<u>7,074</u>	-
<b>TOTAL ASSETS</b>	<u>2,619</u>	<u>10,459</u>	<u>11,057</u>	<u>25,187</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 368	\$ 105	\$ 477	\$ 4,430
Due to other funds	13	52	54	56
Interest payable	-	-	-	-
Accrued wages	38	99	509	-
Accrued benefits	-	-	-	4
Accrued taxes	-	2	-	-
Other	4,398	-	-	9,491
Total current liabilities	<u>4,817</u>	<u>258</u>	<u>1,040</u>	<u>13,981</u>
Non-current liabilities:				
Advances from other funds	-	388	-	-
Compensated absences	-	147	946	-
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>535</u>	<u>946</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>4,817</u>	<u>793</u>	<u>1,986</u>	<u>13,981</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	6,744	6,630	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Unrestricted	(2,198)	2,922	2,441	11,206
<b>TOTAL NET POSITION</b>	<u>\$ (2,198)</u>	<u>\$ 9,666</u>	<u>\$ 9,071</u>	<u>\$ 11,206</u>

## COMBINING STATEMENT OF NET POSITION

## INTERNAL SERVICE FUNDS

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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,682	\$ 75,058
Accounts receivable (net)	-	155
Due from other funds	-	2,729
Advances to other funds - current	-	119
Due from other governments	-	339
Inventory	-	832
Prepayments	-	2,083
Total restricted assets	-	-
Total current assets	5,682	81,315
Capital assets:		
Land	-	357
Property, plant, and equipment	-	151,933
Less: accumulated depreciation	-	(102,787)
Construction work in progress	-	5,002
Total capital assets net of depreciation	-	54,505
Total non-current assets	-	54,505
TOTAL ASSETS	5,682	135,820
DEFERRED OUTFLOW OF RESOURCES		
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -

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(amounts expressed in thousands)  
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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 34	\$ 7,068
Due to other funds	8	847
Interest payable	-	53
Accrued wages	-	1,038
Accrued benefits	-	4
Accrued taxes	-	5
Other	-	25,554
Total current liabilities	<u>42</u>	<u>34,569</u>
Non-current liabilities:		
Advances from other funds	-	507
Compensated absences	-	1,683
Other - non-current liabilities	4,860	13,151
Total non-current liabilities	<u>4,860</u>	<u>15,341</u>
TOTAL LIABILITIES	<u>4,902</u>	<u>49,910</u>
DEFERRED INFLOW OF RESOURCES		
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	-	53,662
Restricted:		
Restricted for capital purchases	-	25,294
Restricted for self-insurance	2,579	2,579
Unrestricted	(1,799)	4,375
TOTAL NET POSITION	<u>\$ 780</u>	<u>\$ 85,910</u>

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
OPERATING REVENUES			
Charges for goods and services	\$ 2,187	\$ 568	\$ -
Interfund insurance premiums	-	-	-
Miscellaneous revenues	56	-	-
TOTAL OPERATING REVENUES	<u>2,243</u>	<u>568</u>	<u>-</u>
OPERATING EXPENSES			
Salary and wages	540	280	-
Personnel benefits	199	108	-
Supplies	9	3	-
Services	1,425	190	-
Intergovernmental services (interfund taxes)	-	-	-
Depreciation expense	1	5	-
TOTAL OPERATING EXPENSES	<u>2,174</u>	<u>586</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>69</u>	<u>(18)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	5	2	-
Interest and other related costs	-	-	-
Other non revenues and (expenses)	(26)	-	-
Gain(loss) on disposition of property	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>(21)</u>	<u>2</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>48</u>	<u>(16)</u>	<u>-</u>
Capital contributions - interfund	-	-	-
Transfer in	-	-	-
Transfer (out)	-	-	-
CHANGE IN NET POSITION	<u>48</u>	<u>(16)</u>	<u>-</u>
NET POSITION			
NET POSITION - JANUARY 1	1,746	837	89
Prior period adjustments	62	-	-
NET POSITION - JANUARY 1 RESTATED	<u>1,808</u>	<u>837</u>	<u>89</u>
NET POSITION - DECEMBER 31	<u>\$ 1,856</u>	<u>\$ 821</u>	<u>\$ 89</u>

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	GRAPHICS SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
OPERATING REVENUES				
Charges for goods and services	\$ 795	\$ 2,847	\$ 243	\$ 5,357
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	-	32	-	-
TOTAL OPERATING REVENUES	<u>795</u>	<u>2,879</u>	<u>243</u>	<u>5,357</u>
OPERATING EXPENSES				
Salary and wages	3	(162)	-	(571)
Personnel benefits	2	940	-	1,423
Supplies	-	112	-	80
Services	540	1,249	242	3,147
Intergovernmental services (interfund taxes)	-	-	-	3
Depreciation expense	-	2,570	-	3,023
TOTAL OPERATING EXPENSES	<u>545</u>	<u>4,709</u>	<u>242</u>	<u>7,105</u>
OPERATING INCOME (LOSS)	<u>250</u>	<u>(1,830)</u>	<u>1</u>	<u>(1,748)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	-	-	-	18
Interest and other related costs	(5)	(100)	-	-
Other non revenues and (expenses)	10	-	-	(76)
Gain(loss) on disposition of property	-	165	-	250
NON OPERATING REVENUE NET OF EXPENSE	<u>5</u>	<u>65</u>	<u>-</u>	<u>192</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>255</u>	<u>(1,765)</u>	<u>1</u>	<u>(1,556)</u>
Capital contributions - interfund	-	-	-	541
Transfer in	-	645	-	911
Transfer (out)	-	-	-	(8)
CHANGE IN NET POSITION	<u>255</u>	<u>(1,120)</u>	<u>1</u>	<u>(112)</u>
NET POSITION				
NET POSITION - JANUARY 1	(273)	42,358	136	24,109
Prior period adjustments	12	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>(261)</u>	<u>42,358</u>	<u>136</u>	<u>24,109</u>
NET POSITION - DECEMBER 31	<u>\$ (6)</u>	<u>\$ 41,238</u>	<u>\$ 137</u>	<u>\$ 23,997</u>

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
OPERATING REVENUES				
Charges for goods and services	\$ 978	\$ 2,182	\$ -	\$ -
Interfund insurance premiums	-	-	3,603	307
Miscellaneous revenues	-	46	3	-
TOTAL OPERATING REVENUES	<u>978</u>	<u>2,228</u>	<u>3,606</u>	<u>307</u>
OPERATING EXPENSES				
Salary and wages	133	540	36	-
Personnel benefits	70	170	10	-
Supplies	641	86	1	-
Services	251	543	3,052	595
Intergovernmental services (interfund taxes)	33	-	-	-
Depreciation expense	1	82	-	-
TOTAL OPERATING EXPENSES	<u>1,129</u>	<u>1,421</u>	<u>3,099</u>	<u>595</u>
OPERATING INCOME (LOSS)	<u>(151)</u>	<u>807</u>	<u>507</u>	<u>(288)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	-	12	17	7
Interest and other related costs	-	-	-	-
Other non revenues and (expenses)	-	7	-	-
Gain(loss) on disposition of property	3	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>3</u>	<u>19</u>	<u>17</u>	<u>7</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(148)</u>	<u>826</u>	<u>524</u>	<u>(281)</u>
Capital contributions - interfund	-	-	-	-
Transfer in	-	504	-	-
Transfer (out)	(3)	-	-	-
CHANGE IN NET POSITION	<u>(151)</u>	<u>1,330</u>	<u>524</u>	<u>(281)</u>
NET POSITION				
NET POSITION - JANUARY 1	194	2,418	(32,179)	1,047
Prior period adjustments	56	-	16,295	-
NET POSITION - JANUARY 1 RESTATED	<u>250</u>	<u>2,418</u>	<u>(15,884)</u>	<u>1,047</u>
NET POSITION - DECEMBER 31	<u>\$ 99</u>	<u>\$ 3,748</u>	<u>\$ (15,360)</u>	<u>\$ 766</u>



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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64x
OPERATING REVENUES				
Charges for goods and services	\$ -	\$ 6,185	\$ 17,106	\$ -
Interfund insurance premiums	9,089	-	-	66,767
Miscellaneous revenues	1	-	-	853
TOTAL OPERATING REVENUES	<u>9,090</u>	<u>6,185</u>	<u>17,106</u>	<u>67,620</u>
OPERATING EXPENSES				
Salary and wages	719	1,716	8,329	-
Personnel benefits	233	718	3,085	65,516
Supplies	19	1,064	561	-
Services	6,161	2,283	4,080	245
Intergovernmental services (interfund taxes)	1,346	25	-	-
Depreciation expense	-	765	2,778	-
TOTAL OPERATING EXPENSES	<u>8,478</u>	<u>6,571</u>	<u>18,833</u>	<u>65,761</u>
OPERATING INCOME (LOSS)	<u>612</u>	<u>(386)</u>	<u>(1,727)</u>	<u>1,859</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	7	8	-	97
Interest and other related costs	-	(33)	(10)	-
Other non revenues and (expenses)	-	267	-	-
Gain(loss) on disposition of property	-	(56)	(61)	-
NON OPERATING REVENUE NET OF EXPENSE	<u>7</u>	<u>186</u>	<u>(71)</u>	<u>97</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>619</u>	<u>(200)</u>	<u>(1,798)</u>	<u>1,956</u>
Capital contributions - interfund	-	-	-	-
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
CHANGE IN NET POSITION	<u>619</u>	<u>(200)</u>	<u>(1,798)</u>	<u>1,956</u>
NET POSITION				
NET POSITION - JANUARY 1	(2,817)	9,392	8,260	9,250
Prior period adjustments	-	474	2,609	-
NET POSITION - JANUARY 1 RESTATED	<u>(2,817)</u>	<u>9,866</u>	<u>10,869</u>	<u>9,250</u>
NET POSITION - DECEMBER 31	<u>\$ (2,198)</u>	<u>\$ 9,666</u>	<u>\$ 9,071</u>	<u>\$ 11,206</u>

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2013

(amounts expressed in thousands)

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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES		
Charges for goods and services	\$ -	\$ 38,448
Interfund insurance premiums	-	79,766
Miscellaneous revenues	1,039	2,030
TOTAL OPERATING REVENUES	<u>1,039</u>	<u>120,244</u>
OPERATING EXPENSES		
Salary and wages	-	11,563
Personnel benefits	-	72,474
Supplies	-	2,576
Services	2,201	26,204
Intergovernmental services (interfund taxes)	-	1,407
Depreciation expense	-	9,225
TOTAL OPERATING EXPENSES	<u>2,201</u>	<u>123,449</u>
OPERATING INCOME (LOSS)	<u>(1,162)</u>	<u>(3,205)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and other earnings	24	197
Interest and other related costs	-	(148)
Other non revenues and (expenses)	-	182
Gain(loss) on disposition of property	-	301
NON OPERATING REVENUE NET OF EXPENSE	<u>24</u>	<u>532</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(1,138)</u>	<u>(2,673)</u>
Capital contributions - interfund	-	541
Transfer in	-	2,060
Transfer (out)	-	(11)
CHANGE IN NET POSITION	<u>(1,138)</u>	<u>(83)</u>
NET POSITION		
NET POSITION - JANUARY 1	1,918	66,485
Prior period adjustments	-	19,508
NET POSITION - JANUARY 1 RESTATED	<u>1,918</u>	<u>85,993</u>
NET POSITION - DECEMBER 31	<u>\$ 780</u>	<u>\$ 85,910</u>

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COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 1,156	\$ 568	\$ -
Receipts from interfund services provided	1,264	(48)	-
Contributions received - employee/employer	-	-	-
Payments to suppliers	(1,434)	(161)	-
Payments to employees	(750)	(383)	-
Payments to insurance carriers	-	-	-
Payments for taxes	-	-	-
Payments for interfund services used	-	-	-
Other operating or non-operating revenues (expenses)	(9)	5	(133)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>227</u>	<u>(19)</u>	<u>(133)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	61	-	-
Advances from other funds	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>61</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	-	-
Proceeds from the sale of capital assets	-	-	-
Principal paid on capital debt	-	-	-
Interest and issuance costs paid on capital debt	(25)	-	-
Contributions and donations	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(25)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	5	-	(1)
Rental and other income	-	-	-
Investment long-term	-	2	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>5</u>	<u>2</u>	<u>(1)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>268</u>	<u>(17)</u>	<u>(134)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	1,531	761	276
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,799</u>	<u>\$ 744</u>	<u>\$ 142</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 69	\$ (18)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1	5	-
(increase) decrease in accounts receivable	(2)	1	-
(Increase) decrease in intergovernmental receivables	279	-	-
(Increase) decrease in due from other funds	(100)	(48)	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in accounts payable	-	32	-
Increase (decrease) in accrued wages payable	9	4	-
Increase (decrease) in compensated absences	(20)	-	-
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	(9)	5	(133)
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-
Total adjustments	<u>158</u>	<u>(1)</u>	<u>(133)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 227</u>	<u>\$ (19)</u>	<u>\$ (133)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Prior period adjustment	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	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	\$ 763	\$ 6,993	\$ -	\$ 8,793
Receipts from interfund services provided	58	-	305	-
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(647)	(4,409)	(281)	(2,244)
Payments to employees	(17)	(2,726)	-	(4,209)
Payments to insurance carriers	-	-	-	-
Payments for taxes	-	-	-	-
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues (expenses)	(112)	-	-	9
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>45</u>	<u>(142)</u>	<u>24</u>	<u>2,349</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	12	-	-	(8)
Advances from other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>12</u>	<u>-</u>	<u>-</u>	<u>(8)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	11
Acquisition and construction of capital assets	-	(1,997)	-	(2,903)
Proceeds from the sale of capital assets	-	165	-	257
Principal paid on capital debt	(350)	-	-	-
Interest and issuance costs paid on capital debt	(3)	-	-	-
Contributions and donations	-	-	-	900
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(353)</u>	<u>(1,832)</u>	<u>-</u>	<u>(1,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	(2)	(254)	1	18
Rental and other income	10	-	-	-
Investment long-term	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>8</u>	<u>(254)</u>	<u>1</u>	<u>18</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(288)</u>	<u>(2,228)</u>	<u>25</u>	<u>624</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>288</u>	<u>23,560</u>	<u>112</u>	<u>4,835</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 21,332</u></u>	<u><u>\$ 137</u></u>	<u><u>\$ 5,459</u></u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	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)	\$ 250	\$ (1,830)	\$ 1	\$ (1,748)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	2,570	-	3,023
(increase) decrease in accounts receivable	(31)	8	(1)	(4)
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	58	2,320	63	23
(Increase) decrease in inventories	-	309	-	(10)
(Increase) decrease in prepaid items	-	-	-	(2)
(Increase) decrease in other current assets	-	-	-	9
Increase (decrease) in accounts payable	(103)	(994)	-	980
Increase (decrease) in accrued wages payable	(8)	-	(39)	55
Increase (decrease) in compensated absences	(4)	51	-	-
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	(112)	(2,576)	-	23
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	(205)	1,688	23	4,097
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 45	\$ (142)	\$ 24	\$ 2,349
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior period adjustment	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 981	\$ 2,272	\$ -	\$ -
Receipts from interfund services provided	(1)	(7)	-	-
Contributions received - employee/employer	-	-	3,603	307
Payments to suppliers	(860)	(651)	(19,324)	402
Payments to employees	(255)	(689)	(46)	-
Payments to insurance carriers	-	-	16,295	-
Payments for taxes	-	-	-	-
Payments for interfund services used	(27)	-	-	-
Other operating or non-operating revenues (expenses)	55	-	4	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(107)	925	532	709
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	(3)	504	-	-
Advances from other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(3)	504	-	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Acquisition and construction of capital assets	-	(100)	-	-
Proceeds from the sale of capital assets	3	-	-	-
Principal paid on capital debt	-	-	-	-
Interest and issuance costs paid on capital debt	-	-	-	-
Contributions and donations	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	3	(100)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	-	19	16	8
Rental and other income	-	-	-	-
Investment long-term	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	19	16	8
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(107)	1,348	548	717
CASH & CASH EQUIVALENTS, JANUARY 1	175	2,267	4,031	160
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 68	\$ 3,615	\$ 4,579	\$ 877



COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
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	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)	\$ (151)	\$ 807	\$ 507	\$ (288)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1	82	-	-
(increase) decrease in accounts receivable	-	45	1	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	(1)	-	-	1,000
(Increase) decrease in inventories	15	-	-	-
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other current assets	-	-	-	-
Increase (decrease) in accounts payable	16	(23)	10	(2)
Increase (decrease) in accrued wages payable	-	5	-	(1)
Increase (decrease) in compensated absences	-	16	-	-
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	6	(7)	14	-
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in other current liabilities	-	-	(16,295)	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	16,295	-
Miscellaneous non-operating revenues (expenditures)	7	-	-	-
Total adjustments	44	118	25	997
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (107)	\$ 925	\$ 532	\$ 709
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior period adjustment	\$ -	\$ -	\$ 16,295	\$ -

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ -	\$ 6,187	\$ 17,106	\$ -
Receipts from interfund services provided	-	9	524	-
Contributions received - employee/employer	9,091	-	-	66,767
Payments to suppliers	(7,184)	(4,119)	(6,266)	(1,764)
Payments to employees	(952)	(2,361)	(11,371)	(66,843)
Payments to insurance carriers	-	-	-	1,327
Payments for taxes	(1,346)	(23)	-	(109)
Payments for interfund services used	-	-	8	-
Other operating or non-operating revenues (expenses)	1	267	-	853
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(390)	(40)	1	231
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Advances from other funds	-	(364)	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(364)	-	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Acquisition and construction of capital assets	-	37	(382)	-
Proceeds from the sale of capital assets	-	(56)	-	-
Principal paid on capital debt	-	-	(969)	-
Interest and issuance costs paid on capital debt	-	(33)	(9)	-
Contributions and donations	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	(52)	(1,360)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	7	8	(1)	97
Rental and other income	-	-	-	-
Investment long-term	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	7	8	(1)	97
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(383)	(448)	(1,360)	328
CASH & CASH EQUIVALENTS, JANUARY 1	2,998	3,671	1,360	24,458
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 2,615	\$ 3,223	\$ -	\$ 24,786

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 612	\$ (386)	\$ (1,727)	\$ 1,859
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	765	2,778	-
(increase) decrease in accounts receivable	1	10	-	39
(Increase) decrease in intergovernmental receivables	-	-	19	-
(Increase) decrease in due from other funds	(2)	(1)	505	(24)
(Increase) decrease in inventories	-	(2)	-	-
(Increase) decrease in prepaid items	-	(51)	(1,395)	-
(Increase) decrease in other current assets	-	-	-	-
Increase (decrease) in accounts payable	55	(575)	(198)	(341)
Increase (decrease) in accrued wages payable	4	30	3	-
Increase (decrease) in compensated absences	-	43	41	(1)
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	(1,001)	10	8	36
Increase (decrease) in unearned revenues	-	-	(33)	(9)
Increase (decrease) in other current liabilities	(58)	(142)	-	(1,328)
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in prior period adjustments	(1)	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	259	-	-
Total adjustments	(1,002)	346	1,728	(1,628)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (390)	\$ (40)	\$ 1	\$ 231
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Prior period adjustment	\$ -	\$ 474	\$ -	\$ 21

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	SELF INSURANCE CLAIMS FUND #(5) 4800	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ -	\$ 44,819
Receipts from interfund services provided	-	2,104
Contributions received - employee/employer	1,040	80,808
Payments to suppliers	-	(48,942)
Payments to employees	-	(90,602)
Payments to insurance carriers	(417)	17,205
Payments for taxes	-	(1,478)
Payments for interfund services used	-	(19)
Other operating or non-operating revenues (expenses)	496	1,436
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,119</u>	<u>5,331</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	566
Advances from other funds	-	(364)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>202</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	11
Acquisition and construction of capital assets	-	(5,345)
Proceeds from the sale of capital assets	-	369
Principal paid on capital debt	-	(1,319)
Interest and issuance costs paid on capital debt	-	(70)
Contributions and donations	-	900
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(5,454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	53	(26)
Rental and other income	-	10
Investment long-term	-	2
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>53</u>	<u>(14)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>1,172</u>	<u>65</u>
CASH & CASH EQUIVALENTS, JANUARY 1	4,510	74,993
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 5,682</u>	<u>\$ 75,058</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)  
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	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)	\$ (1,162)	\$ (3,205)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	-	9,225
(increase) decrease in accounts receivable	-	67
(Increase) decrease in intergovernmental receivables	-	298
(Increase) decrease in due from other funds	850	4,643
(Increase) decrease in inventories	-	312
(Increase) decrease in prepaid items	-	(1,448)
(Increase) decrease in other current assets	(29)	(20)
Increase (decrease) in accounts payable	1,462	319
Increase (decrease) in accrued wages payable	-	62
Increase (decrease) in compensated absences	-	126
Increase (decrease) in deferred credits	-	-
Increase (decrease) in intergovernmental payables	-	-
Increase (decrease) in due to other funds	(2)	(3,738)
Increase (decrease) in unearned revenues	-	(42)
Increase (decrease) in other current liabilities	-	(17,828)
Increase (decrease) in notes, contracts, and leases payable	-	-
Increase (decrease) in prior period adjustments	-	16,294
Miscellaneous non-operating revenues (expenditures)	-	266
Total adjustments	<u>2,281</u>	<u>8,536</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,119</u>	<u>\$ 5,331</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Prior period adjustment	\$ -	\$ 16,790

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2013  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450	AGENCY FUNDS # 6790
ASSETS		
Cash and cash equivalents	\$ 25,068	\$ 16
Investments at fair value:		
Equities	723,844	-
Fixed income	409,547	-
Real estate	58,550	-
Venture capital and partnerships	190,982	-
Securities lending collateral	61,506	-
Receivables - net uncollectible accounts		
Contributions and other receivables	1,827	-
Due from other governments	733	-
Interest and dividends	2,301	-
Investment sales	277	-
Capital assets - net of accumulated depreciation	14	-
TOTAL ASSETS	<u>1,474,649</u>	<u>16</u>
DEFERRED OUTFLOW OF RESOURCES		
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,529	-
Accrued wages and benefits payable	592	-
Due to other funds	-	-
Due to the governmental units	334	16
Investments purchase payable	20,432	-
Securities lending collateral	61,506	-
Other current liabilities	96	-
Total current liabilities	<u>84,489</u>	<u>16</u>
Non-current liabilities:		
Accrued employee leave benefits	12	-
Total non-current liabilities	<u>12</u>	<u>-</u>
TOTAL LIABILITIES	<u>84,501</u>	<u>16</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>\$ 1,390,148</u>	<u>\$ -</u>

FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
For the Year Ended December 31, 2013  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS	
Employer contributions	\$ 32,076
Member contributions	20,150
Other contributions	265
Total contributions	<u>52,491</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	171,741
Interest & dividends	23,831
Total investment income	<u>195,572</u>
Less investment expenses:	
Investment management fees	(4,827)
Securities lending - agent fees	(39)
Securities lending - broker rebates	(22)
Total investment expense	<u>(4,888)</u>
Net investment income	<u>190,684</u>
TOTAL ADDITIONS	<u>243,175</u>
DEDUCTIONS	
Wages and benefits	209
Benefit payments	67,807
Refunds of contributions	2,819
Administrative expense	1,792
TOTAL DEDUCTIONS	<u>72,627</u>
NET INCREASE (DECREASE)	<u>170,548</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,219,600
Prior period adjustment	-
Net position - beginning (restated)	1,219,600
Net position - ending	<u>\$ 1,390,148</u>

## COMBINING STATEMENT OF NET POSITION

## TRUST FUNDS

December 31, 2013

(amounts expressed in thousands)

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	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND #6120
<b>ASSETS</b>			
Cash and cash equivalents	\$ 526	\$ 23,439	\$ 180
Investments at fair value:			
Equities	-	723,844	-
Fixed income	-	409,547	-
Real estate	-	58,550	-
Venture capital and partnerships	-	190,982	-
Securities lending collateral	-	61,506	-
Receivables - net uncollectible accounts			
Contributions and other receivables	-	1,827	-
Due from other governments	-	-	330
Interest and dividends	-	2,301	-
Investment sales	-	277	-
Capital assets - net of accumulated depreciation	-	14	-
<b>TOTAL ASSETS</b>	<u>526</u>	<u>1,472,287</u>	<u>510</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	1,478	17
Accrued wages and benefits payable	4	-	2
Due to the governmental units	-	-	152
Investments purchase payable	-	20,432	-
Securities lending collateral	-	61,506	-
Other current liabilities	-	-	30
<b>Total current liabilities</b>	<u>4</u>	<u>83,416</u>	<u>201</u>
Non-current liabilities:			
Accrued employee leave benefits	-	-	6
<b>Total non-current liabilities</b>	<u>-</u>	<u>-</u>	<u>6</u>
<b>TOTAL LIABILITIES</b>	<u>4</u>	<u>83,416</u>	<u>207</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Held in trust for pension benefits and other purposes	<u>\$ 522</u>	<u>\$ 1,388,871</u>	<u>\$ 303</u>



## COMBINING STATEMENT OF NET POSITION

## TRUST FUNDS

December 31, 2013

(amounts expressed in thousands)

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	RELIEF & PENSION FIREFIGHTERS FUND #6150	PAYROLL CLEARING FUND #6450	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ASSETS			
Cash and cash equivalents	\$ 335	\$ 588	\$ 25,068
Investments at fair value:			
Equities	-	-	723,844
Fixed income	-	-	409,547
Real estate	-	-	58,550
Venture capital and partnerships	-	-	190,982
Securities lending collateral	-	-	61,506
Receivables - net uncollectible accounts			\
Contributions and other receivables	-	-	1,827
Due from other governments	400	3	733
Interest and dividends	-	-	2,301
Investment sales	-	-	277
Capital assets - net of accumulated depreciation	-	-	14
TOTAL ASSETS	<u>735</u>	<u>591</u>	<u>1,474,649</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	27	7	1,529
Accrued wages and benefits payable	2	584	592
Due to the governmental units	182	-	334
Investments purchase payable	-	-	20,432
Securities lending collateral	-	-	61,506
Other current liabilities	66	-	96
Total current liabilities	<u>277</u>	<u>591</u>	<u>84,489</u>
Non-current liabilities:			
Accrued employee leave benefits	6	-	12
Total non-current liabilities	<u>6</u>	<u>-</u>	<u>12</u>
TOTAL LIABILITIES	<u>283</u>	<u>591</u>	<u>84,501</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>\$ 452</u>	<u>\$ -</u>	<u>\$ 1,390,148</u>

FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 For the Year Ended December 31, 2013  
 (amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND #6120
ADDITIONS			
Employer contributions	\$ -	\$ 23,085	\$ 3,680
Member contributions	-	20,149	-
Other contributions	265	-	-
Total contributions	<u>265</u>	<u>43,234</u>	<u>3,680</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(5)	171,753	(3)
Interest & dividends	7	23,814	4
Total investment income	<u>2</u>	<u>195,567</u>	<u>1</u>
Less investment expenses:			
Investment management fees	-	(4,827)	-
Securities lending - agent fees	-	(39)	-
Securities lending - broker rebates	-	(22)	-
Total investment expense	<u>-</u>	<u>(4,888)</u>	<u>-</u>
Net investment income	<u>2</u>	<u>190,679</u>	<u>1</u>
TOTAL ADDITIONS	<u>267</u>	<u>233,913</u>	<u>3,681</u>
	-	-	-
DEDUCTIONS			
Wages and benefits	100	-	62
Benefit payments	-	59,279	3,470
Refunds of contributions	-	2,819	-
Administrative expense	71	1,660	28
TOTAL DEDUCTIONS	<u>171</u>	<u>63,758</u>	<u>3,560</u>
	-	-	-
NET INCREASE (DECREASE)	96	170,155	121
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Net position - beginning	426	1,218,716	182
Prior period adjustment	-	-	-
Net position - beginning (restated)	426	1,218,716	182
Net position - ending	<u>\$ 522</u>	<u>\$ 1,388,871</u>	<u>\$ 303</u>

FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 For the Year Ended December 31, 2013  
 (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	\$ 5,311	\$ -	\$ 32,076
Member contributions	1	-	20,150
Other contributions	-	-	265
Total contributions	<u>5,312</u>	<u>-</u>	<u>52,491</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(4)	-	171,741
Interest & dividends	6	-	23,831
Total investment income	<u>2</u>	<u>-</u>	<u>195,572</u>
Less investment expenses:			
Investment management fees	-	-	(4,827)
Securities lending - agent fees	-	-	(39)
Securities lending - broker rebates	-	-	(22)
Total investment expense	<u>-</u>	<u>-</u>	<u>(4,888)</u>
Net investment income	<u>2</u>	<u>-</u>	<u>190,684</u>
TOTAL ADDITIONS	<u>5,314</u>	<u>-</u>	<u>243,175</u>
	-	-	-
DEDUCTIONS			
Wages and benefits	47	-	209
Benefit payments	5,058	-	67,807
Refunds of contributions	-	-	2,819
Administrative expense	33	-	1,792
TOTAL DEDUCTIONS	<u>5,138</u>	<u>-</u>	<u>72,627</u>
	-	-	-
NET INCREASE (DECREASE)	176	-	170,548
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Net position - beginning	276	-	1,219,600
Prior period adjustment	-	-	-
Net position - beginning (restated)	276	-	1,219,600
Net position - ending	<u>\$ 452</u>	<u>\$ -</u>	<u>\$ 1,390,148</u>

COMBINING STATEMENT OF NET POSITION  
 AGENCY FUNDS  
 December 31, 2013  
 (amounts expressed in thousands)

	TACOMA URBAN NETWORK FUND #6790	TOTAL AGENCY FUND #6790
ASSETS		
Cash and cash equivalents	\$ 16	\$ 16
Receivables - net uncollectible accounts	-	-
TOTAL ASSETS	<u>16</u>	<u>16</u>
LIABILITIES		
Current liabilities:		
Accrued wages and benefits payable	-	-
Due to the governmental units	<u>16</u>	<u>16</u>
Total current liabilities	<u>16</u>	<u>16</u>
TOTAL LIABILITIES	<u>\$ 16</u>	<u>\$ 16</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 December 31, 2013  
 (amounts expressed in thousands)

	TACOMA URBAN NETWORK (FUND #6790)			
	BALANCE 12/31/2012	INCREASES	DECREASES	BALANCE 12/31/2013
ASSETS				
Cash and cash equivalents	\$ 16	\$ -	\$ -	\$ 16
Receivables - net uncollectible accounts	-	-	-	-
TOTAL ASSETS	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>
LIABILITIES				
Accounts payable	-	15	-	15
Due to the governmental units	16	-	15	1
Total current liabilities	<u>16</u>	<u>15</u>	<u>15</u>	<u>16</u>
Non-current liabilities:				
TOTAL LIABILITIES	<u>\$ 16</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 16</u>

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

<b>Governmental Funds Capital Assets:</b>	<b>2013</b>	<b>2012</b>
Land	\$ 27,844	\$ 34,369
Parks	5,233	5,180
Buildings	63,016	63,016
Improvements other than Buildings	13,515	11,094
Machinery and Equipment	27,744	31,522
Intangible Assets	1,441	1,164
Library Materials	5,806	6,510
Works of Art	1,903	1,829
Infrastructure	1,303,649	1,303,604
Work in Progress	80,254	51,999
Total Governmental Funds Capital Assets	<u>\$ 1,530,405</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 Internal Service Funds****TABLE 2**  
(amounts expressed in thousands)

<b>Internal Service Funds Capital Assets:</b>	<b>2013</b>	<b>2012</b>
Land	\$ 357	\$ 357
Parks	-	-
Buildings	21,580	21,580
Improvements other than Buildings	275	275
Machinery and Equipment	63,198	72,918
Intangible Assets	10,481	10,342
Library Materials	-	-
Works of Art	-	-
Infrastructure	119	119
Work in Progress	2,918	2,759
Total Governmental Funds Capital Assets	<u>\$ 98,928</u>	<u>\$ 108,350</u>

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

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

<b>Total Capital Assets:</b>	<b>2013</b>	<b>2012</b>
Land	\$ 28,201	\$ 34,726
Parks	5,233	5,180
Buildings	84,596	84,596
Improvements other than Buildings	13,790	11,369
Machinery and Equipment	90,942	104,440
Intangible Assets	11,922	11,506
Library Materials	5,806	6,510
Works of Art	1,903	1,829
Infrastructure	1,303,768	1,303,723
Work in Progress	83,172	54,758
Total Governmental Funds Capital Assets	<u>\$ 1,629,333</u>	<u>\$ 1,618,637</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 1/1/2013	Increases	Decreases	Prior Year Adjustments	Prior Year Reclass	Capital Assets 12/31/2013
General Government	\$ 16,840	\$ 28	\$ (1,212)	\$ -	\$ -	\$ 15,656
Public Safety	73,136	4,701	(7,071)	-	-	70,766
Transportation	1,311,563	336	(600)	-	-	1,311,299
Culture and Recreation	52,841	5,164	(9,366)	-	-	48,639
Economic Environment	3,908	-	(117)	-	-	3,791
Work In Progress	51,999	30,618	(2,363)	-	-	80,254
Total Capital Assets	<u>\$ 1,510,287</u>	<u>\$ 40,847</u>	<u>\$ (20,729)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,530,405</u>

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

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

Governmental Funds Capital Assets:	General Government	Public Safety	Transportation	Culture and Recreation	Economic Environment	Total Capital Assets
Land	\$ 7,283	\$ 4,581	\$ 2,998	\$ 11,722	\$ 1,260	\$ 27,844
Parks	-	-	-	5,233	-	5,233
Buildings	1,997	42,851	991	15,784	1,393	63,016
Improvements other than Buildings	2,626	1,303	3,075	6,511	-	13,515
Machinery and Equipment	3,441	20,932	2,883	395	93	27,744
Intangible Assets	259	760	-	422	-	1,441
Library Materials	-	-	-	5,806	-	5,806
Works of Art	50	339	-	469	1,045	1,903
Infrastructure	-	-	1,301,352	2,297	-	1,303,649
Work In Progress	1,261	4,679	73,103	1,110	101	80,254
Total Governmental Funds Capital Assets:	<u>\$ 16,917</u>	<u>\$ 75,445</u>	<u>\$ 1,384,402</u>	<u>\$ 49,749</u>	<u>\$ 3,892</u>	<u>\$ 1,530,405</u>

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

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

<b>Fiscal Year Ending 31-Dec</b>	<b>Assessments Levied</b>	<b>Assessments Collected</b>	<b>Total Assessments Outstanding</b>
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
2013	31,566,484	898,967	32,115,220

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

# SECTION 3

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## STATISTICAL SECTION

### FINANCIAL TRENDS

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

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

### REVENUE CAPACITY

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

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

### DEBT CAPACITY

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

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

### DEMOGRAPHIC AND ECONOMIC INFORMATION

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

16. DEMOGRAPHIC AND ECONOMIC STATISTICS
17. PRINCIPAL EMPLOYERS

### OPERATING INFORMATION

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

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

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Governmental activities</b>					
Net investment in capital assets	\$90,360 (2)	\$104,725 (3)	\$722,581 (5)	\$715,358 (6)	\$716,586
Restricted	37,491	30,321	26,101	22,297	23,144
Unrestricted	<u>79,407</u>	<u>98,602</u>	<u>148,214</u>	<u>146,240</u>	<u>120,151 (7)</u>
Total governmental activities net position	<u>207,258</u>	<u>233,648</u>	<u>896,896</u>	<u>883,895</u>	<u>859,881</u>
<b>Business-type activities</b>					
Net investment in capital assets	831,187 (1)	924,107 (4)	958,079 (4)	1,117,908 (4)	1,202,761
Restricted	86,922	82,341	202,206	61,950	54,137
Unrestricted	<u>175,822</u>	<u>156,933</u>	<u>117,707</u>	<u>228,300</u>	<u>269,378</u>
Total business-type activities net position	<u>1,093,931</u>	<u>1,163,381</u>	<u>1,277,992</u>	<u>1,408,158</u>	<u>1,526,276</u>
<b>Primary government</b>					
Net investment in capital assets	921,547	1,028,832	1,680,660	1,833,266	1,919,347
Restricted	124,413	112,662	228,307	84,247	77,281
Unrestricted	<u>255,229</u>	<u>255,535</u>	<u>265,921</u>	<u>374,540</u>	<u>389,529</u>
Total primary government net position	<u>\$1,301,189</u>	<u>\$1,397,029</u>	<u>\$2,174,888</u>	<u>\$2,292,053</u>	<u>\$2,386,157</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><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2011</b></u>	<u><b>2012</b></u>	<u><b>2013</b></u>
<b>Governmental activities</b>					
Net investment in capital assets	\$697,653	\$729,601 (10)	\$732,174	\$699,307	\$681,794 (13)
Restricted	48,852 (8)	36,943	84,842	82,405	200,675
Unrestricted	<u>32,193 (9)</u>	<u>44,682 (12)</u>	<u>(87,658)</u>	<u>(64,890)</u>	<u>(151,301)</u>
Total governmental activities net position	<u>778,698</u>	<u>811,226</u>	<u>729,358</u>	<u>716,822</u>	<u>731,168</u>
<b>Business-type activities</b>					
Net investment in capital assets	1,286,616	1,355,118 (11)	1,365,324	1,401,679	1,508,950 (13)
Restricted	94,139	93,429	126,952	103,350	112,925
Unrestricted	<u>276,939</u>	<u>246,032</u>	<u>282,088</u>	<u>318,920</u>	<u>256,481</u>
Total business-type activities net position	<u>1,657,694</u>	<u>1,694,579</u>	<u>1,774,364</u>	<u>1,823,949</u>	<u>1,878,356</u>
<b>Primary government</b>					
Net investment in capital assets	1,984,269	2,084,719	2,097,498	2,100,986	2,190,744
Restricted	142,991	130,372	211,794	185,755	313,600
Unrestricted	<u>309,132</u>	<u>290,714</u>	<u>194,430</u>	<u>254,030</u>	<u>105,180</u>
Total primary government net position	<u><u>\$2,436,392</u></u>	<u><u>\$2,505,805</u></u>	<u><u>\$2,503,722</u></u>	<u><u>\$2,540,771</u></u>	<u><u>\$2,609,524</u></u>

(8) EMS uncollectible accounts were recorded in 2005 and prior years as bad debt expense. In 2006 an 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.

(13) Limited General Obligation Bonds 2013 were issued to refund the 2001 and 2004 LTGO Bonds.

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

	2004	2005	2006	2007
<b>Expenses</b>				
Governmental activities:				
General government	\$ 32,177	\$ 21,087	\$ 20,100	\$ 19,992
Public Safety	134,733 (2)	129,447	115,572	146,328 (5)
Utilities	- (1)	491	465	653
Transportation	- (1)	18,871	44,744	52,706
Social Services	- (1)	1,686	20,968 (6)	2,121
Public Works	18,765 (1)	-	-	-
Natural & Econ Environment	23,774	23,281	1,816 (6)	29,253
Culture and Recreation	16,867	13,046	13,409	17,643
Interest on long-term debt	3,984	3,432	4,005	3,157
Total governmental activities expense	<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	54,623	41,607	46,930	54,008
Water	43,260	46,016	54,695	55,310
Power	292,608	302,482	323,555	319,777
Other business-type funds	76,294	7,581	7,254	7,427
Total business-type activities	<u>466,785</u>	<u>480,188</u>	<u>513,175</u>	<u>525,229</u>
Total primary government expenses	<u>\$ 697,085</u>	<u>\$ 691,529</u>	<u>\$ 734,254</u>	<u>\$ 797,082</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 12,903	\$ 3,019	\$ 5,651	\$ 8,396
Public Safety	5,981	8,192	5,331	3,917
Utilities	-	-	-	75
Transportation	-	5,226	4,036	4,050
Social Services	-	40	280	426
Public Works	5,968	-	-	-
Natural & Econ Environment	908	6,337	7,729	7,208
Culture and Recreation	2,506	452	422	447
Interest on long-term debt	1,352	1,493	657	606
Operating grants and contributions:	14,320	20,137	35,142 (4)	32,655
Capital grants and contributions	5,393	8,139	11,430	15,602
Total governmental activities program revenues	<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	54,891	57,600	62,989	66,145
Water	41,035	45,892	53,232	54,494
Power	329,574	344,450	399,716	401,899
Other business-type funds	71,815	3,604	3,591	4,031
Operating grants and contributions:	2,285	631	1,113	1,412
Capital grants and contributions	42,430	54,870	45,430	34,724
Total business-type activities program revenues	<u>542,030</u>	<u>579,759</u>	<u>642,495</u>	<u>651,348</u>
Total primary government program revenues	<u>\$ 591,361</u>	<u>\$ 632,794</u>	<u>\$ 713,173</u>	<u>\$ 724,730</u>
<b>Net (expense)/revenue</b>				
Governmental activities	\$ (180,969)	\$ (158,306)	\$ (150,401)	\$ (198,471)
Business-type activities	75,245	99,571	129,320	126,119
Total primary government net expense	<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 Svcs and Econ Environ 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	2013
<b>Expenses</b>						
Governmental activities:						
General government	\$ 24,504	\$ 27,788	\$ 28,806	\$ 34,732	\$ 52,038	\$ 49,781
Public Safety	143,922	168,059	157,488	163,575	150,575	138,368
Utilities	622	-	-	102	2	2,477
Transportation	53,007	37,608	19,609	75,692	52,424	58,288
Social Services	2,051	2,369	2,513	3,129	757	1,953
Public Works	-	-	-	-	-	-
Natural & Econ Environment	26,947	30,332	28,602	24,023	23,510	21,255
Culture and Recreation	22,815	30,052	21,777	43,460	10,690	18,832
Interest on long-term debt	3,905	3,777	8,186	6,121	6,351	14,401
Total governmental activities expense	<u>277,773</u>	<u>299,985</u>	<u>266,981</u>	<u>350,834</u>	<u>296,347</u>	<u>305,355</u>
Business-type activities:						
Public Assembly Facilities	18,562	19,051	18,764	23,797	24,062	16,832
Rail	20,286	16,986	19,162	22,089	24,753	29,024
Solid Waste	52,530	51,563	47,746	54,518	59,391	67,591
Sewer	55,121	61,681	75,758	79,390	83,294	81,286
Water	58,685	61,769	73,866	76,161	76,755	79,773
Power	334,180	317,481	383,424	371,829	395,954	432,321
Other business-type funds	6,922	3,017	9,691	7,335	9,147	14,979
Total business-type activities	<u>546,286</u>	<u>531,548</u>	<u>628,411</u>	<u>635,119</u>	<u>673,356</u>	<u>721,806</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>	<u>\$ 1,027,161</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
General government	\$ 12,482	\$ 11,747	\$ 13,861	\$ 8,780	\$ 6,607	\$ 23,726
Public Safety	8,202	12,409	9,201	8,133	20,306	8,153
Utilities	82	-	-	82	93	287
Transportation	9,426	7,820	7,968	8,959	9,434	1,168
Social Services	744	815	235	761	421	207
Public Works	-	-	-	-	-	-
Natural & Econ Environment	5,899	5,372	4,477	1,111	2,380	3,396
Culture and Recreation	447	411	390	415	1,180	417
Interest on long-term debt	-	-	-	1,010	2,658	-
Operating grants and contributions:	12,516	24,245	22,276	13,138	14,974	33,925
Capital grants and contributions	8,244	5,058	13,996	38,445	37,338	19,813
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>	<u>91,092</u>
Business-type activities:						
Charges for services:						
Public Assembly Facilities	14,410	9,864	9,966	15,274	14,863	10,766
Rail	20,612	17,579	18,940	23,164	25,969	29,926
Solid Waste	56,076	55,928	56,812	57,781	57,541	62,026
Sewer	67,850	75,098	77,988	78,318	81,582	85,493
Water	57,086	65,622	66,247	70,235	81,508	96,365
Power	407,664	361,699	375,688	373,962	395,105	438,444
Other business-type funds	3,995	3,509	6,764	4,376	6,044	16,679
Operating grants and contributions:	11,252 (8)	3,821	2,007	601	180	7,438
Capital grants and contributions	35,600	43,784	32,102	61,585	31,222	25,150
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>	<u>772,287</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>	<u>\$ 863,379</u>
Net (expense)/revenue						
Governmental activities	\$ (219,731)	\$ (232,108)	\$ (194,577)	\$ (270,000)	\$ (200,956)	\$ (214,263)
Business-type activities	128,259	105,356	18,103	50,177	20,658	50,481
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>	<u>\$ (163,782)</u>

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

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

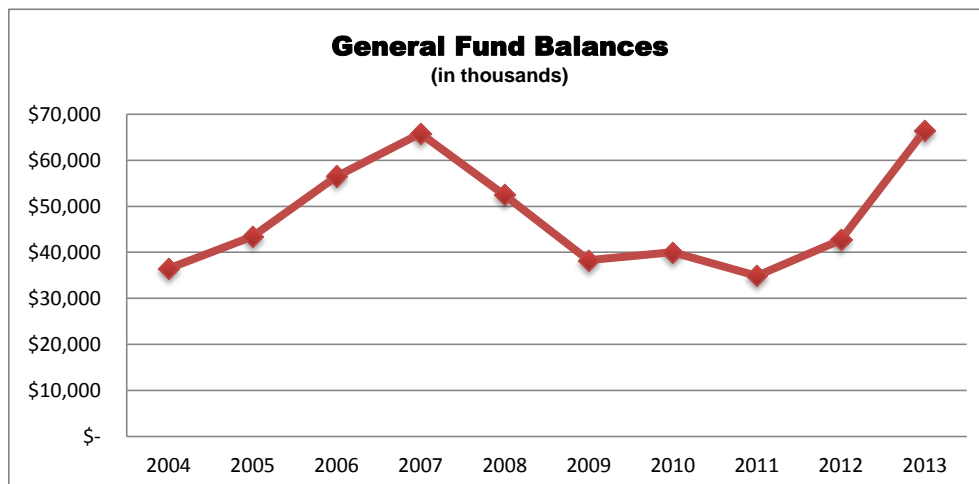


**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Table 2**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 4 of 4**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Revenues and Other Changes in Net Position</b>						
Governmental activities:						
Taxes:						
Property taxes	\$ 58,498	\$ 62,564	\$ 61,900	\$ 60,733	\$ 64,900	\$ 62,487
Sales taxes	47,681	42,256	41,942	42,643	46,738	45,743
Business taxes	49,039	43,052	84,094 (12)	87,029 (12)	90,710 (12)	103,631
Unrestricted investment earnings	6,566	5,699	3,907	6,133	856	297
Gain on sale of capital assets	2,705	344	(1,648)	(184)	1,684	136
Transfers	35,212	34,383	(6,021)	(6,320)	(10,186)	(2,153)
Total governmental activities	<u>199,701</u>	<u>188,298</u>	<u>184,174</u>	<u>190,034</u>	<u>194,702</u>	<u>210,141</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	3,063
Gain on sale of capital assets	(8,099) (10)	133 (10)	(1,222)	(84)	341	(184)
Transfers	(35,212)	(34,383)	6,021	6,320	10,186	2,153
Total business-type activities	<u>(10,922)</u>	<u>(15,823)</u>	<u>19,858</u>	<u>29,644</u>	<u>29,474</u>	<u>5,032</u>
Total primary government	<u>\$ 188,779</u>	<u>\$ 172,475</u>	<u>\$ 204,032</u>	<u>\$ 219,678</u>	<u>\$ 224,176</u>	<u>\$ 215,173</u>
<b>Change in Net Position</b>						
Governmental activities	\$ (20,030) (11)	\$ (43,810) (11)	\$ (10,403)	\$ (79,966)	\$ (6,254)	\$ (4,122)
Business-type activities	117,337	89,533	37,961	79,821	50,132	55,513
Total primary government	<u>\$ 97,307</u>	<u>\$ 45,723</u>	<u>\$ 27,558</u>	<u>\$ (145)</u>	<u>\$ 43,878</u>	<u>\$ 51,391</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**

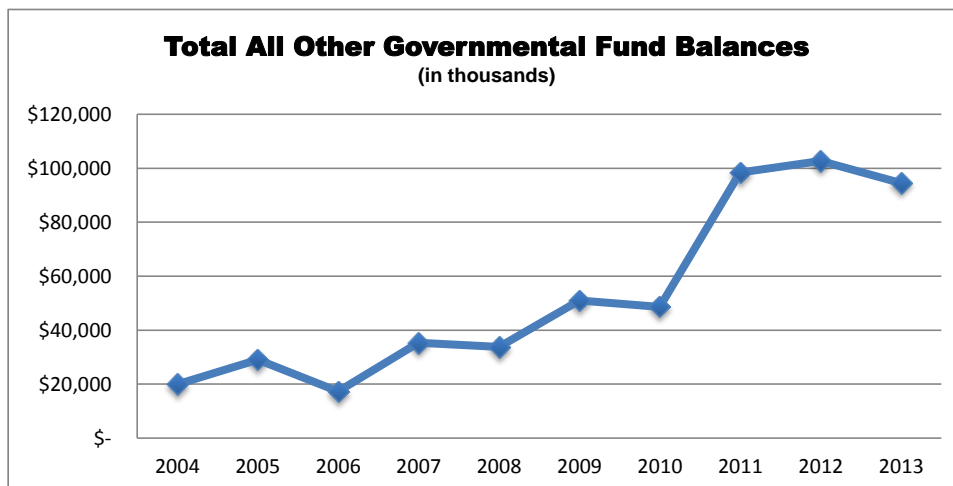
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Reserved	\$ 8,118	\$ 6,855	\$ 9,553	\$ 19,526	\$ 24,871
Unreserved	28,374	36,572	46,955	46,308	27,534 (2)
Nondspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Committed - Council Contingencies	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 36,492</u>	<u>\$ 43,427</u>	<u>\$ 56,508</u>	<u>\$ 65,834</u>	<u>\$ 52,405</u>
All other governmental funds					
Reserved	\$ 19,976	\$ 29,055	\$ 17,307	\$ 35,286	\$ 33,763
Unreserved	-	-	-	-	-
Nondspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Committed - Council Contingencies	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 19,976</u>	<u>\$ 29,055</u>	<u>\$ 17,307</u>	<u>\$ 35,286</u>	<u>\$ 33,763</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>2009</u>	<u>2010</u>	<u>2011</u> <sup>(4)</sup>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 24,517	\$ 20,947	\$ -	\$ -	\$ -
Unreserved	13,744	19,048	-	-	-
Nonspendable	-	-	17,361	16,719	15,961
Restricted	-	-	2	-	9
Committed	-	-	-	-	-
Committed - Council Contingencies	-	-	1,117	1,130	982
Assigned	-	-	2,133	1,274	6,364
Unassigned	-	-	14,239	23,573	43,178
Total General Fund	<u>\$ 38,261</u>	<u>\$ 39,995</u>	<u>\$ 34,852</u>	<u>\$ 42,696</u>	<u>\$ 66,494</u>
All other governmental funds					
Reserved	\$ 50,960	\$ 48,665	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	-	-	1,920	1,913	1,833
Restricted	-	-	85,191	78,341	74,797
Committed	-	-	18,928	20,669	21,728
Committed - Council Contingencies	-	-	-	-	-
Assigned	-	-	36,261	6,863	4,722
Unassigned	-	-	(43,860)	(5,079)	(8,530)
Total all other governmental funds	<u>\$ 50,960</u>	<u>\$ 48,665</u>	<u>\$ 98,440</u>	<u>\$ 102,707</u>	<u>\$ 94,550</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues</b>					
Taxes	\$ 138,146 (1)	\$ 150,370	\$ 153,477	\$ 158,320	\$155,129
Licenses and permits	5,072	3,572 (4)	9,558	9,731	6,168
Intergovernmental revenue	28,043	28,276	46,510 (7)	48,257 (7)	31,461
Charges for services	9,568	13,749 (3)	8,984 (8)	9,557 (8)	10,663
Fines and forfeitures	2,793	4,088	2,829	3,869	4,366
Interest	4,174	3,193	6,869	8,976	6,566
Miscellaneous revenues	3,856	3,347	2,734	1,968	3,805
Total revenues	<u>191,652</u>	<u>206,595</u>	<u>230,961</u>	<u>240,678</u>	<u>218,158</u>
<b>Expenditures</b>					
General government	26,985	20,200	21,118	18,243	23,728
Security of persons & property	114,320 (2)	123,998	121,423	133,933	142,967
Physical environment	485	471	488	605	628
Transportation	16,119	18,076	18,029	22,828	24,670
Economic environment	20,826	22,302	22,028	27,046	27,055
Mental and physical health	1,782	1,614	1,909	1,965	2,138
Culture and recreation	13,923	12,497	14,087	14,795	16,212
Capital outlay	28,147 (2)	29,819	32,681	38,091	34,813
Debt Service:					
Principal retirement	10,136	7,493	17,730 (6)	5,521 (6)	4,934
Interest and fiscal charges	3,809	3,537	3,487	3,254	3,899
Total expenditures	<u>236,532</u>	<u>240,007</u>	<u>252,980</u>	<u>266,281</u>	<u>281,044</u>
Excess of revenues over (under) expenditures	(44,880)	(33,412)	(22,019)	(25,603)	(62,886)
<b>Other financing sources (uses)</b>					
Sale of capital asset	-	2,402	1,567	43	2,705
Transfers in	37,944 (1)	37,346	42,523	53,605	52,657
Transfers (out)	(11,029)	(4,426)	(9,319)	(15,775)	(17,788)
Insurance recoveries	-	-	-	-	-
Proceeds from bonds issues	5,785	-	19,675 (10)	10,145 (10)	4,468
Issuance of debt refunding bonds	-	-	-	-	-
Payment to escrow - refunded bonds	-	-	-	-	-
Contributions from property owners	-	-	-	-	11
Premium on issuance of debt	-	-	-	-	-
Discount on issuance of debt	-	-	-	(35)	-
Total other financing sources and (uses)	<u>32,700</u>	<u>35,322</u>	<u>54,446</u>	<u>47,983</u>	<u>42,053</u>
Net change in fund balances	<u>\$ (12,180)</u>	<u>\$ 1,910</u>	<u>\$ 32,427</u>	<u>\$ 22,380</u>	<u>\$(20,833)</u>
Debt service as a percentage of noncapital expenditures	7.2%	5.5%	10.7%	4.0%	3.7%

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

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

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

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

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

(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.

**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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>					
Taxes	\$ 145,101 (9)	\$ 187,904 (12)	\$ 190,362 (12)	\$ 203,028	\$ 212,066
Licenses and permits	5,382	3,823	3,539	3,043	3,235
Intergovernmental revenue	40,991	48,259	61,376	52,295	53,466
Charges for services	10,836	9,473	9,512	24,115	23,323
Fines and forfeitures	4,617	6,080	3,612	3,772	6,395
Interest	4,131	2,982	4,657	2,658	994
Miscellaneous revenues	2,606	4,642	4,382	6,441	2,791
Total revenues	<u>213,664</u>	<u>263,163</u>	<u>277,440</u>	<u>295,352</u>	<u>302,270</u>
<b>Expenditures</b>					
General government	37,148	25,553	25,116	49,208	47,041
Security of persons & property	135,269	139,371	144,949	138,406	132,783
Physical environment	(2)	-	-	-	2,477
Transportation	24,066	26,220	33,525	21,379	21,597
Economic environment	28,682	25,972	21,892	19,633	21,123
Mental and physical health	2,256	2,093	2,109	684	1,953
Culture and recreation	13,185	13,339	13,266	14,133	10,688
Capital outlay	40,172	49,514	71,860	55,395	36,317
Debt Service:					
Principal retirement	4,949	5,490	5,924	3,991	34,263 (13)
Interest and fiscal charges	3,777	7,635	6,499	6,117	11,072
Total expenditures	<u>289,502</u>	<u>295,187</u>	<u>325,140</u>	<u>308,946</u>	<u>319,314</u>
Excess of revenues over (under) expenditures	(75,838)	(32,024)	(47,700)	(13,594)	(17,044)
<b>Other financing sources (uses)</b>					
Sale of capital asset	170	19	(91)	1,684	492
Transfers in	56,635	6,407 (12)	24,526 (12)	28,755	28,588
Transfers (out)	(16,612)	(13,330)	(32,419)	(33,023)	(32,145)
Insurance recoveries	-	-	-	43	58
Proceeds from bonds issues	56,335	43,305	-	30,235	37,769
Issuance of debt refunding bonds	-	29,671	16,539	-	-
Payment to escrow - refunded bonds	-	(29,152)	-	-	(1,105)
Contributions from property owners	-	-	-	-	-
Premium on issuance of debt	226	2,618	-	-	68
Discount on issuance of debt	(154)	(59)	-	(3)	-
Total other financing sources and (uses)	<u>96,600</u>	<u>39,479</u>	<u>8,555</u>	<u>27,691</u>	<u>33,725</u>
Net change in fund balances	<u>\$ 20,762</u>	<u>\$ 7,455</u>	<u>\$ (39,145)</u>	<u>\$ 14,097</u>	<u>\$ 16,681</u>
Debt service as a percentage of noncapital expenditures	3.6%	5.6%	5.2%	4.2%	19.1%

(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.

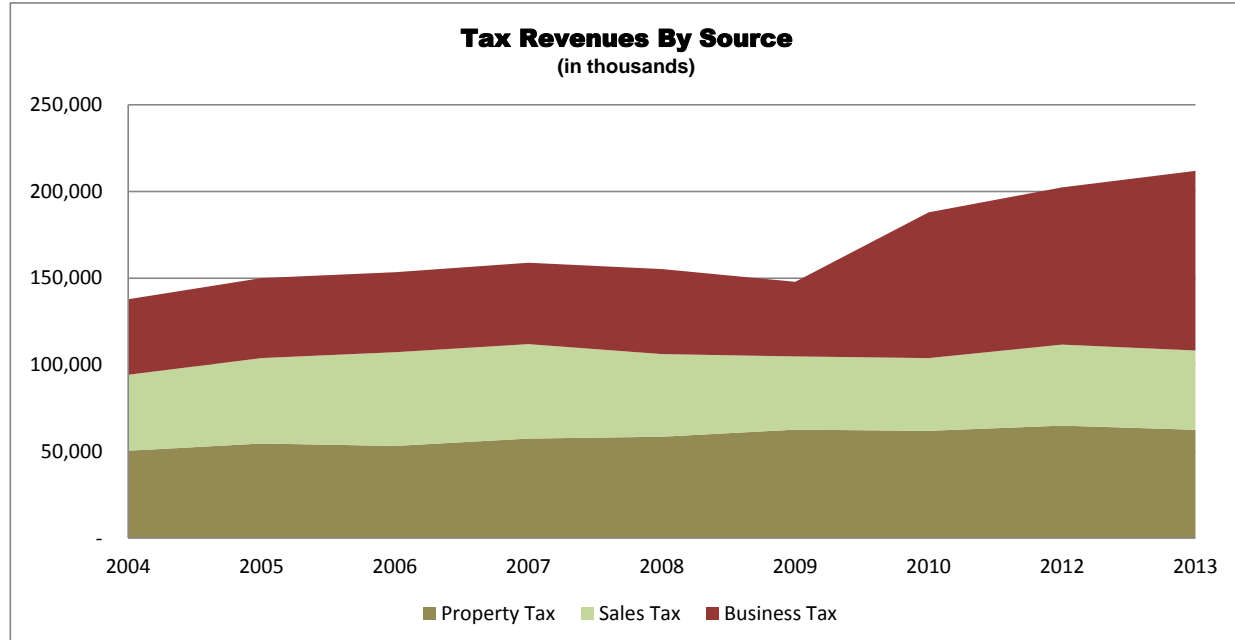
(11) Limited General Obligation Bonds were issued to retrofit one of the City's downtown public parking garages.

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

(13) Limited General Obligation Bonds 2013 were issued to refund the 2001 and 2004 LTGO Bonds.

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Business Tax</b>	<b>Total</b>
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
2013	62,487	45,743	103,631	211,861



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

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

**Table 6**

<b>Fiscal Year</b>		<b>Real Property Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)</b>	<b>Personal Property Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)</b>	<b>Total Assessed Value/ Estimated Actual Value (\$ in Thousands)</b>	<b>Total Direct Tax Rate</b>	<b>Growth Increase (Decrease) Dollars (\$ in Thousands)</b>	<b>Percent Increase</b>	<b>Assessed Value Per Capita</b>
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
2013		15,420,785	1,172,721	16,593,506	3.90	579,561	3.62%	82,968

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

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

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

<b>Fiscal Year Ended 31-Dec</b>	<b>City of Tacoma</b>	<b>Tacoma School District #10</b>	<b>Pierce County</b>	<b>Port of Tacoma</b>	<b>Metro Park District</b>	<b>Washington State</b>	<b>Total</b>
DOLLARS PER \$1,000 OF ASSESSED VALUE							
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
2013	3.90	7.76	1.50	0.18	1.14	2.53	17.01

## "CITY" TAX RATE BREAKDOWN:

	<u>2012</u>	<u>2013</u>
General Fund	\$3.04	\$3.02
Councilmanic Nonvoted Bonds	0.22	0.21
EMS Levy	0.50	0.50
G.O. Bonds	0.18	0.17
<b>TOTAL CITY</b>	<u>\$3.94</u>	<u>\$3.90</u>

- Above schedule includes both regular and voted excess tax levies. Property is being assessed at 100% of true and fair market value.
- In the State of Washington property taxes, by statute, are assessed and collected by the counties for the various taxing districts with distribution of collections made in accordance with taxes levied.
- First half property tax payments must be paid on or before April 30, after which date, if unpaid, the total annual tax becomes delinquent. The second half payment is payable on or before October 31, becoming delinquent November 1.
- Each year listed represents the levy year (i.e., the year 2003 represents 2004 tax rates).



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

<b>Fiscal Year ended December 31</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percentage of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Tax Levy Adjustment</b>	<b>Total Tax Collections</b>	<b>Total Tax Collected as a Percentage of Total Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes as a Percent of Total Levy</b>
2004	53,334	51,186	95.97%	1,900	(247)	53,086	99.54%	1	0.00%
2005	54,626	52,817	96.69%	1,547	(261)	54,364	99.52%	1	0.00%
2006	53,258	51,517	96.73%	1,439	(301)	52,956	99.43%	1	0.00%
2007	57,549	55,255	96.01%	1,875	(416)	57,130	99.27%	3	0.01%
2008	59,033	56,650	95.96%	2,117	(253)	58,767	99.55%	13	0.02%
2009	60,752	57,981	95.44%	2,164	(550)	60,145	99.00%	57	0.09%
2010	61,918	59,115	95.47%	1,767	(618)	60,882	98.33%	418	0.68%
2011	61,823	58,881	95.24%	1,296	(792)	60,177	97.34%	854	1.38%
2012	63,821	61,484	96.34%	1,164	(276)	62,648	98.16%	2,061	3.23%
2013	63,031	60,795	96.45%	-	(284)	60,795	96.45%	1,952	3.10%

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 2013**

<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	0.0%	Cellular
Comcast of Tacoma Inc.	13	0.1%	Telecommunications
Multicare Health System	6,076	56.4%	Medical
Puget Sound Energy Inc.	198	1.8%	Natural Gas
Qwest Corporation	0	0.0%	Telecommunications
Sprint PCS	0	0.0%	Telecommunications
St Joseph Hospital	4,467	41.5%	Medical
T Mobile West LLC	0	0.0%	Cellular
US Oil Trading LLC	10	0.1%	Petroleum Refinery
Verizon Wireless	11	0.1%	Cellular
Total	10,775	100.0%	

Total 2013 Aggregate B &amp; O Tax

Collections of the Top Ten Taxpayers      \$16,648

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2004**

<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 2004 Aggregate B &amp; O Tax

Collections of the Top Ten Taxpayers      \$11,715

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 2004.

**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 2013**

<u>TAXPAYERS</u>	<u>RANK</u>	2013	PERCENTAGE
		<u>ASSESSED VALUE</u>	<u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$188,237	24.5%
U S Oil & Refining Co	2	106,372	13.8%
CSC of Tacoma LLC	3	75,951	9.9%
Puget Sound Energy / Gas	4	73,043	9.5%
AT&T Mobility LLC	5	69,691	9.1%
Qwest Corporation	6	59,596	7.7%
Simpson Lumber Company LLC	7	59,153	7.7%
Simpson Tacoma Kraft Co	8	50,358	6.5%
ERP Operating LP	9	44,565	5.8%
Fairfield Fairways WA LLC	10	42,442	5.5%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$769,408</u>	<u>100.0%</u>

**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2004**

<u>TAXPAYERS</u>	<u>RANK</u>	2004	PERCENTAGE
		<u>ASSESSED VALUE</u>	<u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership #9600	1	\$126,774	19.6%
Simpson Tacoma Kraft Co	2	104,690	16.1%
Qwest Corporation	3	102,236	15.8%
Simspon Timber Co	4	64,159	9.9%
Puget Sound Energy/Gas	5	57,669	8.9%
Hokold Oscar	6	44,141	6.8%
AT&T Wireless	7	39,855	6.1%
Elman Centennial Associates LP	8	37,302	5.8%
Jonsson Security LLC	9	36,108	5.6%
Sprint Corp	10	35,505	5.5%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$648,439</u>	<u>100.0%</u>

**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Table 10**  
**(amounts expressed in thousands, except per capita amount)**  
**Page 1 of 2**

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Public Works Trust Fund Loan	Housing & Urban Dev Loan	Bond Anticipation Notes	Special Assessment Bonds	Capital Leases
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
2013	253,405	8,977	-	10,975	32,106 (6)	-

(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 of computer data storage equipment. At the end of the 5 yr lease the City will own the equipment.

(5) A new LTGO Bond was issued for the Cheney Stadium renovation and other capital projects.

(6) A new special assessment bond for Point Ruston was issued for \$30,999

(7) A new LTGO Bond was issued to refund the 2004 LTGO Convention Center bonds.

**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Table 10**  
**(amounts expressed in thousands, except per capita amount)**  
**Page 2 of 2**

Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Revenue Bonds & Loans (3)	General Obligation Bonds	Capital Leases			
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	4.78%	7,957
2012	1,226,401	64,115	50	1,513,157	4.29%	7,566
2013	-	- (7)	-	305,463	N/A	1,527

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund (1)</b>	<b>Total</b>	<b>% of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
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%	1,182
2013	253,405	970	252,435	1.52%	1,262

Note: Details regarding the City's outstanding debt can be found in the notes to the financials.

(1) The fund balance for debt service funds can be found in the Combining Statements - Non-Major Funds section.

(2) See Table 6 (Assessed and Estimated Actual Value of Taxable Property) for property tax value.

(3) See the Schedule of Demographic and Economic Statistics on Table 16 for population data.

**Computation of Direct and Overlapping Debt**  
**As of December 31**  
**Table 12**

	<b>Net Bonded Debt Outstanding (1)</b>	<b>Percentage Applicable To City (2)</b>	<b>City Residents Share of Debt</b>
City of Tacoma	\$262,382	100.000%	\$262,382
<b><u>OVERLAPPING DEBT</u></b>			
Tacoma School District #10	306,285	92.823%	284,303
Metropolitan Park District	85,339	94.445%	80,599
Port of Tacoma	189,110	23.192%	43,859
Pierce County	183,069	23.192%	42,458
Franklin Pierce School District	11,935	0.662%	79
Fife School District	23,288	9.782%	2,278
Clover Park School District	149,575	2.347%	3,511
University Place School District	74,915	3.221%	2,413
TOTAL OVERLAPPING DEBT	<u>1,023,516</u>		<u>459,499</u>
GRAND TOTAL	<u><u>\$ 1,285,898</u></u>		<u><u>721,881</u></u>
Population			200,000
Direct and Overlapping Debt per Capita			3.61

(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**

	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
Assessed Value of Property	\$13,212,371	\$15,739,885	\$18,556,278	\$20,590,387	\$21,625,087
Debt Limit, 7.5% of Assessed Value	990,928	1,180,491	1,391,721	1,544,279	1,621,882
Total Net Debt Applicable to Limit	143,775	139,801	158,905	160,216	156,200
Legal Debt Margin	<u>\$847,153</u>	<u>\$1,040,690</u>	<u>\$1,232,816</u>	<u>\$1,384,063</u>	<u>\$1,465,682</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.5%	11.8%	11.4%	10.4%	9.6%

**Legal Debt Margin Calculation for Fiscal Year 2013**  
**(amounts expressed in thousands)**

Assessed Value	\$16,593,506
Debt Limit (7.5% of assessed value)	1,244,513
Debt Applicable to Limit:	
General Obligation bonds and loans	262,382
Capital leases	0
Less: Assets available from Debt Svc Fund	(937)
Total Net Debt Applicable to Limit	261,445
Legal Debt Margin	<u>\$983,068</u>



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

	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
Assessed Value of Property	\$20,717,201	\$19,033,503	\$17,650,446	\$16,013,945	\$16,593,506
Debt Limit, 7.5% of Assessed Value	1,553,790	1,427,513	1,323,783	1,201,046	1,244,513
Total Net Debt Applicable to Limit	191,701	227,060	223,278	247,953	261,445
Legal Debt Margin	<u>\$1,362,089</u>	<u>\$1,200,453</u>	<u>\$1,100,505</u>	<u>\$953,093</u>	<u>\$983,068</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.3%	15.9%	16.9%	20.6%	21.0%

**Computation of Constitutional Limit of Indebtedness**  
**As of December 31, 2013**  
**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 2014) (PV)		\$	16,593,506,428
<b>GENERAL PURPOSE INDEBTEDNESS</b>			
Non-Voted General Purpose Indebtedness and Capital Leases			
Legal Limit 1.5% of Total Taxable Property Value	248,902,596		
Indebtedness (Liabilities)			
Non-Voted General Obligation Bonds	242,392,000		
Capital Leases Payable	-		
Less Assets Available	-		
Indebtedness Incurred - Non-Voted General Purposes	242,392,000		
Remaining Legally Available Non-Voted Debt Capacity - General Purposes			6,510,596.42
Less Required Reserve (10% of Non-Voted Debt Capacity)			(24,890,260)
Available Non-Voted Debt Capacity - net of Required Reserve		\$	(18,379,663)
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)			
Legal Limit 2.5% of Total Taxable Property Value			414,837,661
Less: Indebtedness Incurred - Non-Voted General Purposes			(242,392,000)
		\$	172,445,661
Indebtedness (Liabilities)			
Voted General Obligation Bonds	19,990,000		
Less Assets Available	(937,166)		
Indebtedness Incurred - Voted General Purposes			19,052,834
Total Remaining Debt Capacity - General Purposes		\$	153,392,827
<b>UTILITY PURPOSE INDEBTEDNESS</b>			
Indebtedness For Utility Purposes With 3/5 Vote of the People			
Legal Limit 2.5% of Total Taxable Property Value		\$	414,837,661
Remaining Debt Capacity - Utility Purposes		\$	414,837,661
<b>OPEN SPACES AND PARKS FACILITIES INDEBTEDNESS</b>			
Indebtedness For Open Space And Parks Facilities With 3/5 Vote of the People			
Legal Limit 2.5% of Total Taxable Property Value		\$	414,837,661
Remaining Debt Capacity - Open Spaces and Parks Facilities		\$	414,837,661
<b>SUMMARY</b>			
Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value		1,244,512,982
Less: Indebtedness Incurred - General Purposes	1.5756%		261,444,834
Less: Indebtedness Incurred - Utility Purposes			-
Less: Indebtedness Incurred - Open Space And Parks Facilities			-
Remaining Debt Capacity	5.9244%	\$	983,068,148

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

Sewer Revenue Bonds						
	Sewer	Less:	Net			
Fiscal	Charges	Operating	Available			
Year	and Other	Expenses	Revenue	Principal	Interest	Coverage
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
2013	85,740	54,574	31,166	720	6,266	4.46

Power Revenue Bonds						
	Power	Less:	Net			
Fiscal	Charges	Operating	Available			
Year	and Other	Expenses	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
2013	418,841	296,121	122,720	28,295	24,113	2.34

Solid Waste Revenue Bonds						
	Solid Waste	Less:	Net			
Fiscal	Charges	Operating	Available			
Year	and Other	Expenses	Revenue	Principal	Interest	Coverage
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
2013	56,022	43,697	12,325	2,605	3,262	2.10

Water Revenue Bonds						
	Water	Less:	Net			
Fiscal	Charges	Operating	Available			
Year	and Other	Expenses	Revenue	Principal	Interest	Coverage
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
2013	100,840	39,825	61,015	8,486	19,562	2.18

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

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

<b>Tacoma Rail Bond Anticipation Notes</b>						
	<b>Rail</b>	<b>Less:</b>	<b>Net</b>			
<b>Fiscal</b>	<b>Charges</b>	<b>Operating</b>	<b>Available</b>			
<b>Year</b>	<b>and Other</b>	<b>Expenses</b>	<b>Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
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
2013	27,923	22,785	5,138	212	49	19.73

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

(1) The issue date for the Tacoma Rail Bond Anticipation Notes was in 2003 and the first principal payment

did not occur until 2004.

(2) In 2007 the 2003 Tacoma Rail Bond Anticipation Notes were excluded; they are now reported as interfund loans.

<b>Convention Center and Parking Revenue Bonds</b>					
	<b>Net</b>		<b>Total</b>	<b>Total</b>	
<b>Fiscal</b>	<b>Parking</b>	<b>District</b>	<b>Pledged</b>	<b>Bond Debt</b>	
<b>Year</b>	<b>Revenues</b>	<b>Contribution</b>	<b>Revenues</b>	<b>Service</b>	<b>Interest</b>
2004	N/A	N/A	N/A	N/A	N/A
2005	2,242	2,495	4,737	2,630	1.80
2006	2,194	3,192	5,386	2,651	2.03
2007	2,712	3,071	5,783	2,640	2.19
2008	2,455	2,887	5,342	2,638	2.03
2009	2,303	2,543	4,846	2,635	1.84
2010	2,132	2,599	4,731	1,216	3.89
2011	2,637	2,571	5,208	1,328	3.92
2012	2,593	2,939	5,532	1,317	4.20
2013	3,339	2,928	6,267	2,817	2.22

Note: The Convention Center and Parking Revenue Bonds do not contain a Coverage Requirement for the Bonds.

It does contain a Rate Covenant for the portion of the Bonds that relate to the financing of the A Street Garage.

<b>Parking System Rate Covenant</b>			
	<b>Net</b>		
<b>Fiscal</b>	<b>Parking</b>	<b>District</b>	
<b>Year</b>	<b>Revenues</b>	<b>Contribution</b>	<b>Coverage</b>
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
2013	3,339	311	10.73

Note: Net Parking Revenues represent Parking Operating Revenues less Parking

Expenses plus Gross Enforcement Revenues. The rate covenant is a coverage of at least 1.5 times.

**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Table 16**

<b>Fiscal Year Ended 31-Dec</b>	<b>Population (in Thousands) (1)</b>	<b>Personal Income (2) (in Thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3) (in Thousands)</b>	<b>Unemployment % Rate (4)</b>
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	35,232,946	43,407	30	8.5
2013	200	N/A	N/A	30	7.4

**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 2013 (PIERCE COUNTY)**

	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Joint Base Lewis McChord	63,501	59.3%	Military
Local Public School Districts (K-12)	13,133	12.3%	Education
MultiCare Health System	6,776	6.3%	Health Care
Washington State	6,209	5.8%	Public Sector
Franciscan Health System	5,814	5.4%	Health Care
Pierce County Government	2,873	2.7%	Public Sector
Fred Meyer Stores	2,328	2.2%	Retail
Washington State Higher Education	2,196	2.1%	Education
City of Tacoma	2,125	2.0%	Public Sector
Walmart	2,102	2.0%	Retail
Total	107,057	100.0%	

2013 Pierce County Population                      811,681

**TOP TEN EMPLOYERS FOR 2004 (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
Total	76,398	100.0%	

2004 Pierce County Population                      740,137

**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 (2013 Population Data)  
 Pierce County web site (2004 Population Data)

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

<b>Function</b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
<b>General government</b>	410	414	296	294	304	300	257	287	260	265
<b>Public Safety</b>										
Police	402	409	412	416	418	429	418	415	389	370
Fire	439	431	434	434	434	426	414	431	401	376
Law Enforcement Support Agency	152	157	155	162	165	160	151	159	160	N/A (4)
<b>Economic Environment</b>										
Community & Economic Development	44	39	41	42	43	42	92	89	77	26 (3)
Planning and Development Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51
Hearing Examiner	4	4	4	3	3	3	3	4	3	3
Human Rights Human Services	37	34	34	29	33	38	37	33	31	54
<b>Culture and Recreation</b>	194	197	204	203	207	202	213	202	179	159
<b>Transportation</b>										
Public Works	684	693	750 (1)	777	773	800	744 (2)	743	691	707
<b>Information Systems</b>	94	85	108 (1)	113	114	139	136	136	112	109
<b>Retirement</b>	9	8	8	9	9	9	9	9	10	10
<b>Tacoma Public Utilities</b>										
Administration	9	9	9	8	8	9	9	11	10	10
Customer Service	142	132	165	174	174	157	153	153	153	140
Geographic Info System	8	9	9	9	9	12	N/A	N/A	N/A	N/A
Rail	91	102	101	98	99	99	95	91	99	107
Power	786	799	767	791	792	872	874	829	805	839
Water	245	254	257	266	267	267	259	248	240	240
<b>Total</b>	3,750	3,776	3,754	3,828	3,852	3,964	3,864	3,840	3,620	3,466

(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.

(3) Community & Economic Development was reorganized and employees were moved to Planning and Development Services

(4) Law Enforcement Support Agency became South Sound 911 at the end of 2012. The City doesn't provide any services for the new entity.



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## Operating Indicators by Function

Last Ten Fiscal Years

Table 19

Page 1 of 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Function</b>					
<i>Public Safety</i>					
Police					
Violent Crimes	2,021	2,014	2,076	2,091	1,965
Property Crimes	16,657	16,903	16,663	14,736	14,813
Fire					
Incidents	27,836	29,290	30,354	37,182	37,844
<i>Utilities</i>					
Power customers	162,852	159,182	162,589	165,122	166,307
Power service units - MWH	6,077,318	5,915,164	6,689,448	6,794,354	6,652,547
Water customers	93,906	94,033	95,103	96,278	95,587
Water service units	27,219,270	24,929,840	25,292,615	24,760,182	24,400,467
Wastewater customers	64,612	81,727	60,412	60,694	60,698
Surface Water customers	72,139	63,983	68,363	69,091	70,120
Solid Waste customers	59,203	58,834	58,086	58,449	58,550
<i>Rail</i>					
Miles of track	38	38	38	38	38
Number of cars switched	97,417	118,512	100,074	83,416	77,194
<i>Parking Garages</i>					
Number of parking stalls - garages	2,244	2,219	2,219	2,219	2,282
Number of parking stalls - surface lots	480	480	480	235	73

**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**Table 19**  
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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Function</b>					
<i>Public Safety</i>					
Police					
Violent Crimes	1,883	1,703	1,786	1,542	1,780
Property Crimes	13,337	12,405	14,148	12,210	17,900
Fire					
Incidents	38,534	38,232	38,239	39,810	39,244
<i>Utilities</i>					
Power customers	168,207	169,413	169,112	169,112	171,506
Power service units - MWH	6,618,995	6,781,964	7,237,792	7,885,213	7,050,749
Water customers	96,983	97,137	96,734	96,333	97,854
Water service units	24,720,956	23,229,748	23,074,632	23,201,613	23,886,864
Wastewater customers	60,651	60,705	60,673	60,591	60,758
Surface Water customers	70,422	70,204	70,544	70,479	70,459
Solid Waste customers	58,549	58,637	58,451	58,517	58,265
<i>Rail</i>					
Miles of track	38	38	57.5	57.5	57.5
Number of cars switched	60,924	73,175	68,953	92,117	138,410
<i>Parking Garages</i>					
Number of parking stalls - garages	2,384	2,384	2,384	2,362	2,362
Number of parking stalls - surface lots	73	73	102	108	108
Number of on-street metered spaces				1,403	1,403

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Function</b>					
Public Safety					
Police					
Number of Stations	7	6	N/A	6	6
Vehicles:					
Marked Cars	228	225	N/A	236	249
Unmarked Cars - (includes seized vehicles)	133	112	N/A	94	99
Motorcycles	29	29	N/A	25	21
Fire					
Number of Stations	16	16	16	16	16
Pumpers	16	16	16	16	17
Trucks	4	4	4	4	4
Rescue Vehicles	6	5	5	5	5
Fireboats	1	1	1	1	1
Squad Vehicles	N/A	N/A	N/A	N/A	N/A
Training Towers	1	1	1	1	1
Fire Rating	N/A	3	3	3	3
Transportation					
Streets					
Miles of Paved Streets	612.71	612.71	615.57	642.52 (1)	642.52
Miles of Unpaved Streets	229.38	229.38	352.69	208.10 (1)	208.10
Total	<u>842.09</u>	<u>842.09</u>	<u>968.26</u>	<u>850.62</u>	<u>850.62</u>

1)The 2007 change in miles of Unpaved Streets is due to the arterial survey done in 2007 and excluding alleys which were included in prior years.

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

<b>Function</b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	245	247	256	269	290
Unmarked Cars - (includes seized vehicles)	113	123	119	101	125
Motorcycles	22	22	22	16	16
Fire					
Number of Stations	16	16	16	15	15
Pumpers	16	16	16	13	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	1	1	2	2
Squad Vehicles	N/A	N/A	N/A	1.5	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>

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**Table 21**

The following individuals contributed to the successful completion of the City of Tacoma's 2013 Comprehensive Annual Financial Report:

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