



CITY OF TACOMA, WASHINGTON  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2014

# 2014

COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT



# **2014 Comprehensive Annual Financial Report**

of the City of Tacoma, Washington  
for the Year Ending December 31, 2014

Prepared by Department of Finance  
Andrew Cherullo, Finance Director



City of Tacoma, Washington  
Finance Department  
747 Market Street, Room 132  
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# SECTION 1

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## INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS

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**City of Tacoma**  
Finance Department

May 22, 2015

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, 2014, 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 2013 population was 203,446, an increase of 2.5% since the 2010 count of 198,397.

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 \$52.4 billion in international trade and an estimated \$21.9 billion in trade to China/Hong Kong in 2014. 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 2.6% for the first three months of 2015

compared to the same period in 2014. The average year-to-date unemployment rate for the Tacoma metropolitan area was 7.8% as of February 2015 compared to 8.4% and 9.7% for February 2014 and 2013, 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 2014, the City levied at the statutory limitation of \$3.23 per \$1,000 of assessed value.

## **MAJOR INITIATIVES**

### **Tacoma Avenue South Bridge Project**

The purpose of the Tacoma Avenue South Bridge project will be to rehabilitate it with a new bridge deck, streetlights, guardrails and the entire bridge will be painted. These improvements will make the bridge look like new once completed. The traffic lanes will be re-configured from the current four vehicular lanes to three vehicular lanes and two bicycle lanes and wider sidewalks. The \$11.5 million project will be funded from a combination of state, federal and local sources. A construction contract was awarded in 2014 and completion of the project is expected to end in December 2015.

### **Prairie Line Trail Phase 1**

This project will complete an important link in Tacoma's non-motorized transportation system, connecting the water front to downtown with multiple city and regional trails. Traversing the steep hills of Tacoma is a challenge-the gentle grade of this former rail corridor provides an easier walking and cycling alternative. Construction of this multiuse path includes wayfinding, lighting, stormwater improvements, landscaping, public art and amenities. The first phase of the project is located along the former BNSF rail line running between South 15<sup>th</sup> Street and Dock Street. The \$4.0 million project will be funded from a combination of state and local sources. The design phase was completed in 2014 and construction is scheduled to begin in July 2015.

### **Tacoma Police Department's "IF Project"**

The "IF-Project" reached out to runaways and juvenile offenders by helping them visualize the paths they might take if they had some level of stability and support. The project was awarded a \$43,344 U.S. Department of Justice Community Policing Development Micro Grant. Four "IF Project" Youth and Parent workshops were held by the Tacoma Police Department in partnership with Common Voice, along with two community youth summits which were hosted by the Tacoma Police Department and the Neighborhood and Community Services Department.

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

Construction on the Green River Filtration Facility continued through the year, and reached the point of substantial completion when filtered water entered the system on December 16, 2014. This project began construction in May 2012, and is expected to be in service in May 2015. In addition to satisfying regulatory requirements, the project will substantially improve the quality and reliability of Tacoma's primary water supply, 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 12/31/2014 were \$187 million. The project budget, originally estimated at \$211.0 million, has been lowered to \$190 million due to a favorable competitive bidding climate and high quality project management.

### **Customer Support Center**

In 2014 the City's Customer Support Center- a "one-stop shop" for City services offering a concierge feel in the way of reception, face-to-face interaction, 311 telephone support and online resources served thousands of residents to date. Its latest offering, mobile app connectivity, gives community members the ability to make and track non-emergent service requests, and find answers to frequently asked questions. The updated brand – TacomaFIRST 311- reflects the commitment made by the City through its Public Access, Service and Security initiative to providing residents and visitors with a level of access to services designed with an enhanced customer experience in mind.

## **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, 2013. 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-sixth 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 their 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 would like to 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**

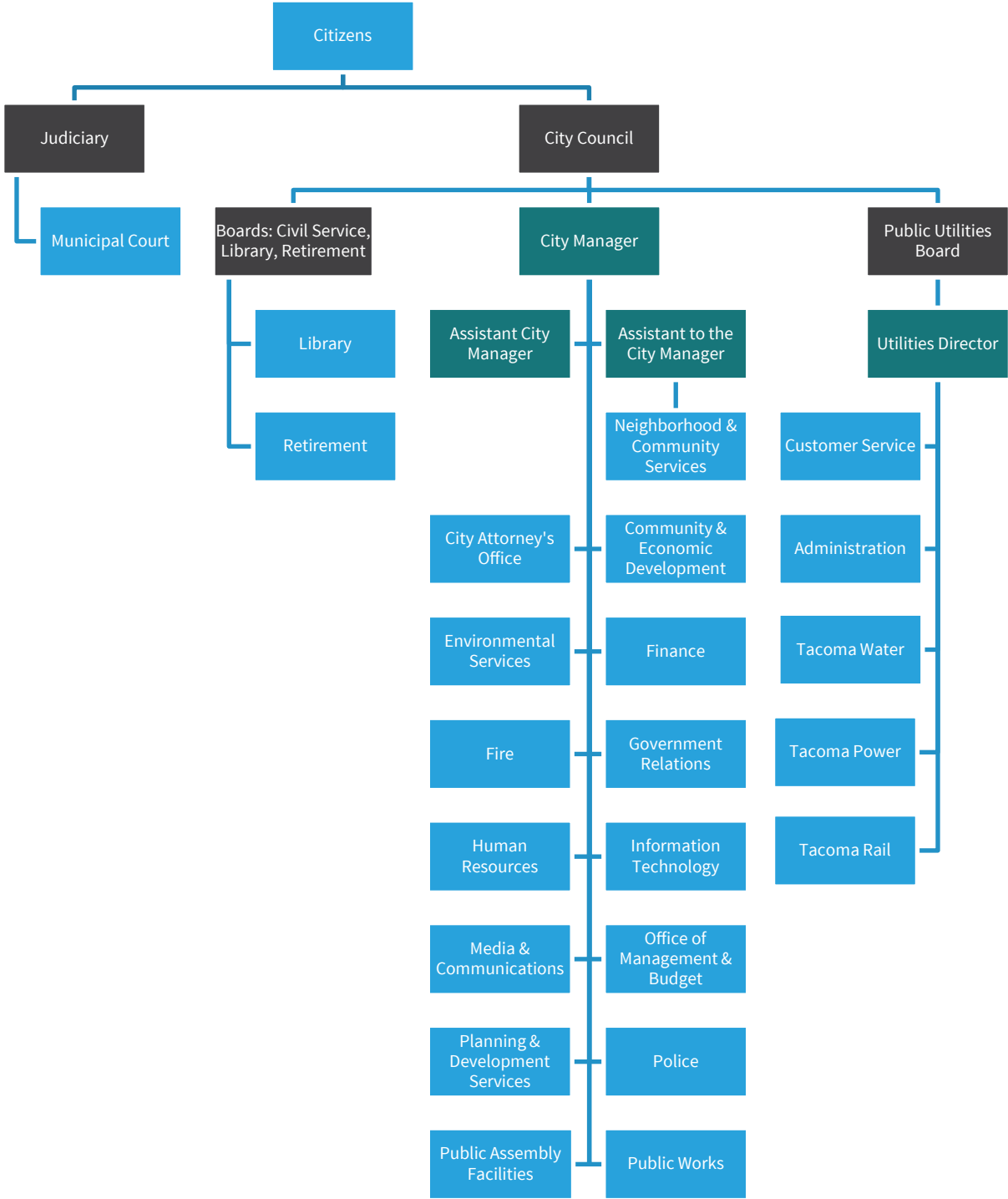
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

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# CITYWIDE ORGANIZATIONAL CHART



# 2014 CITY OF TACOMA MAYOR, CITY COUNCIL, AND CITY MANAGER



**Marilyn Strickland**  
Mayor



**Victoria Woodards**  
Deputy Mayor



**David Boe**  
At-Large



**Marty Campbell**  
District 4



**Anders Ibsen**  
District 1



**Joe Lonergan**  
District 5



**Ryan Mello**  
At-Large



**Robert Thoms**  
District 2



**Lauren Walker**  
District 3



**T.C. Broadnax**  
City Manager





**City Officials as of December 31, 2014****Council Members**

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

Mayor  
 Deputy Mayor

**Expiration of Term**

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

City Manager  
 Assistant City Manager  
 Assistant to the City Manager  
 City Attorney  
 Community and Economic Development  
 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  
 Mark Lauzier  
 Nadia Chandler Hardy  
 Elizabeth Pauli  
 Ricardo Noguera  
 Mike Slevin  
 Andrew Cherullo  
 James Duggan  
 Randy Lewis  
 Phyllis Macleod  
 Joy St. Germain  
 Jack Kelanic  
 Susan Odencrantz  
 Tadd Wille  
 Gwen Schuler  
 Michelle Petrich  
 Nadia Chandler Hardy  
 Peter Huffman  
 Don Ramsdell  
 Kim Bedier  
 Kurtis Kingsolver  
 Tim Allen

Director of Utilities/CEO  
 Tacoma Power Superintendent  
 Tacoma Water Superintendent  
 Tacoma Rail  
 Customer Service

William A. Gaines  
 Theodore C. Coates  
 Linda McCrea  
 Dale King  
 Steven Hatcher

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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's Office

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 18, 2015

Mayor and City Council  
City of Tacoma  
Tacoma, Washington

### REPORT ON THE 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, 2014, 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 88 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 seven 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, 2014, 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, 2014, the City has implemented the Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, Statement No. 69, *Government Combinations and Disposals of Government Operations* and Statement No. 70, *Nonexchange Financial Guarantees*. 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 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***

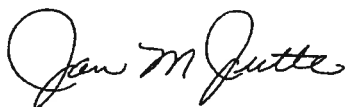
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 5-1 through 5-114 is presented for purposes 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 18, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan M. Jutte". The signature is fluid and cursive, with the first name "Jan" and last name "Jutte" clearly distinguishable.

JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

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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, 2014. 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 \$2.7 billion. Of this amount, \$287 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 \$64 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 \$23.7 million, up \$ 5.9 million from the change in 2013.
- Tacoma Water reported change in net position of \$36.4 million, up \$ 9.0 million from the change in 2013.

### 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.

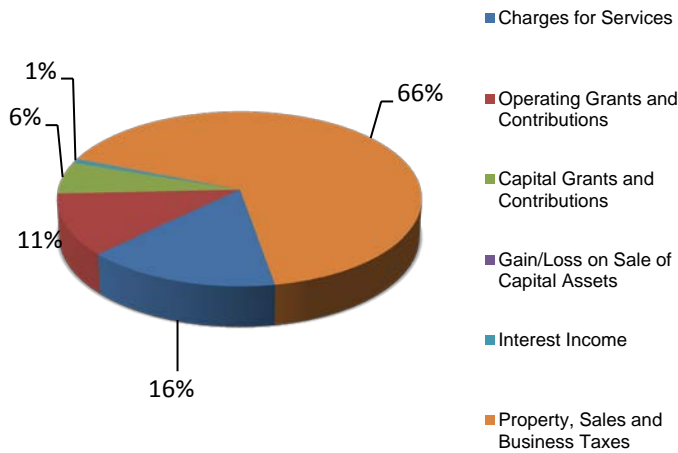
### Government-wide Financial Statements

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

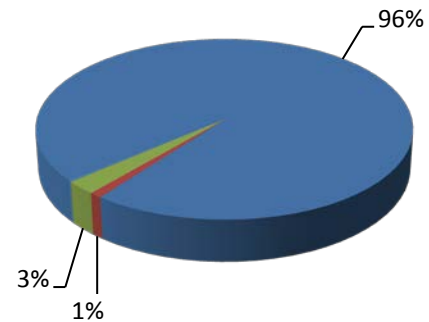


Figure 1. Comparison of Governmental and Business Activity Revenues

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

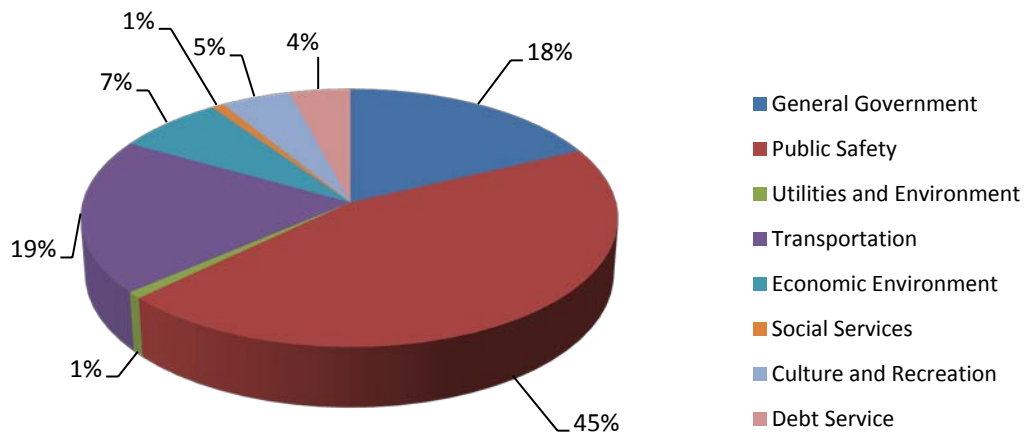


Figure 2. Governmental Activities Expenses

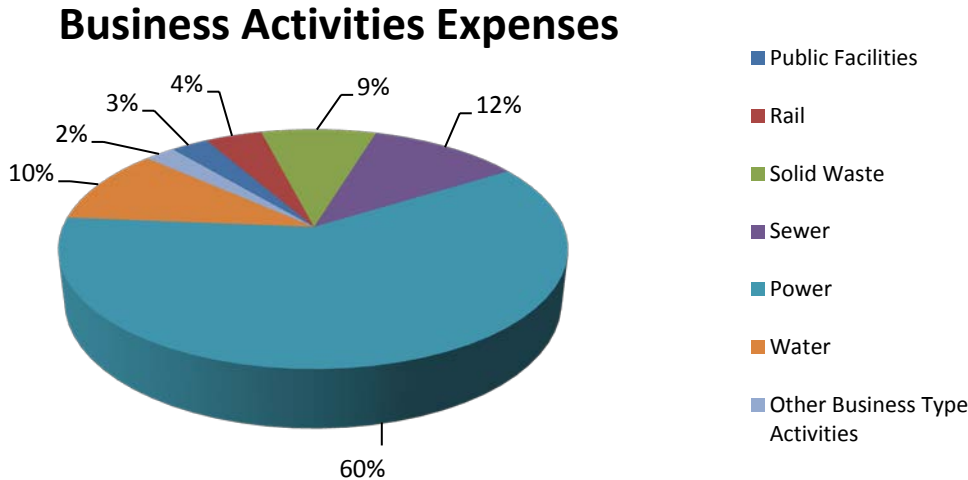


Figure 3. Business Activities Expenses

### **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 Transportation Capital and Engineering 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 \$2.7 billion at December 31, 2014. 82% 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. 11% of the City's net position is unrestricted, meaning they are available for meeting the City's ongoing obligations. The remaining 7% of net position is restricted for other purposes such as debt redemption and new capital construction. Governmental activities represent 27% of total net position and business activities represent 73% of total net position.

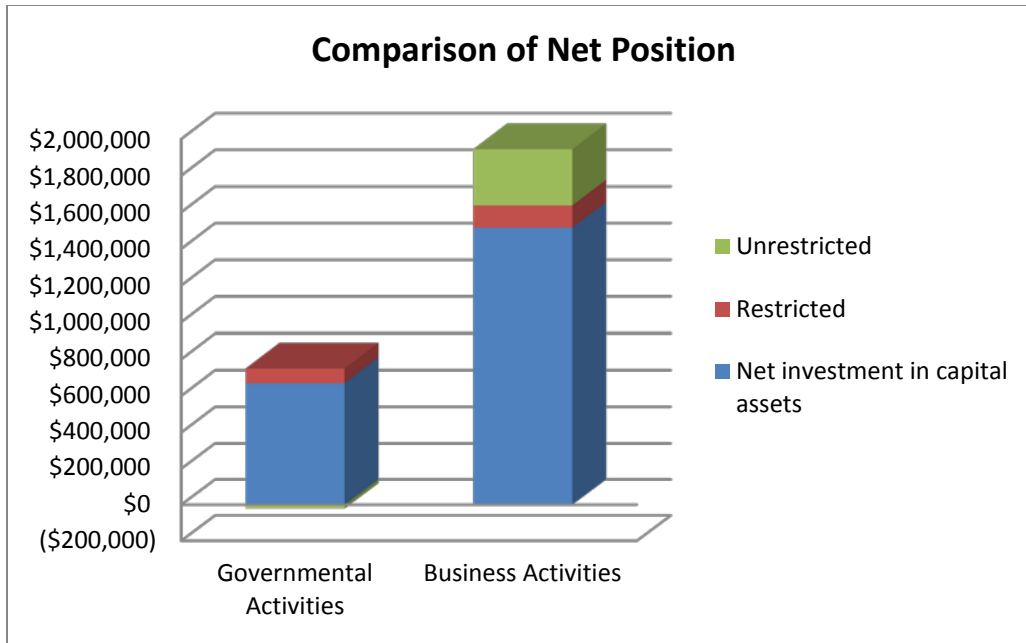


Figure 4. Comparison of Net Position, By Activity Type (Amounts expressed in thousands)

Table 1. Summary Statement of Net Position

**Statement of Net Position**

**For the Year Ended December 31, 2014**

(Amounts expressed in thousands)

	Governmental Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 276,795	\$ 272,098	\$ 931,897	\$ 977,710	\$ 1,208,692	\$ 1,249,808
Capital assets	828,035	847,508	2,723,738	2,626,269	3,551,773	3,473,777
Total assets	\$ 1,104,830	\$ 1,119,606	\$ 3,655,635	\$ 3,603,979	\$ 4,760,465	\$ 4,723,585
Deferred Outflow of Resources	\$ 4,226	\$ 4,226	\$ 13,898	\$ 19,146	\$ 18,124	\$ 23,372
Current and other liabilities	\$ 108,802	\$ 105,258	\$ 183,202	\$ 187,620	\$ 292,004	\$ 292,878
Long-term liabilities outstanding	232,123	247,675	1,427,425	1,442,574	1,659,548	1,690,249
Total liabilities	\$ 340,925	\$ 352,933	\$ 1,610,627	\$ 1,630,194	\$ 1,951,552	\$ 1,983,127
Deferred Inflows of Resources	\$ 39,117	\$ 39,731	\$ 114,575	\$ 114,575	\$ 153,692	\$ 154,306
Net Position:						
Net investment in capital assets	\$ 669,951	\$ 681,794	\$ 1,515,858	\$ 1,508,950	\$ 2,185,809	\$ 2,190,744
Restricted	79,630	74,670	121,369	112,925	200,999	187,595
Unrestricted	(20,567)	(25,296)	307,104	256,481	286,537	231,185
Total net position	\$ 729,014	\$ 731,168	\$ 1,944,331	\$ 1,878,356	\$ 2,673,345	\$ 2,609,524

In 2014, the City's net position increased by \$64 million. This is due to an increase in capital assets and a decrease in liabilities for governmental and business activities. The 2013 fund balances were restated in the fund balance categories.

### Net Position - Governmental Activities

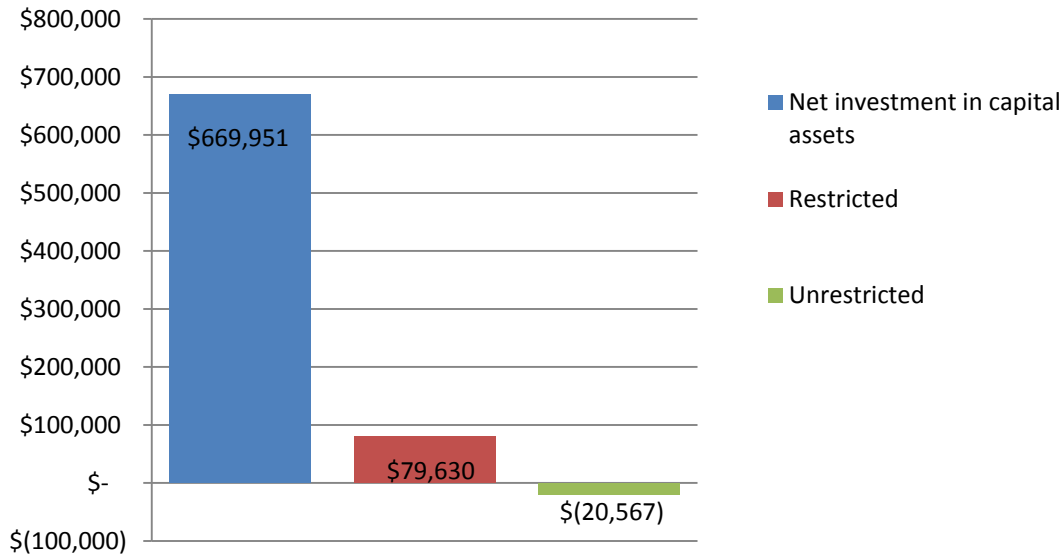


Figure 5. Composition of Net Position--Governmental Activities (Amounts expressed in thousands)

### Net Position - Business Activities

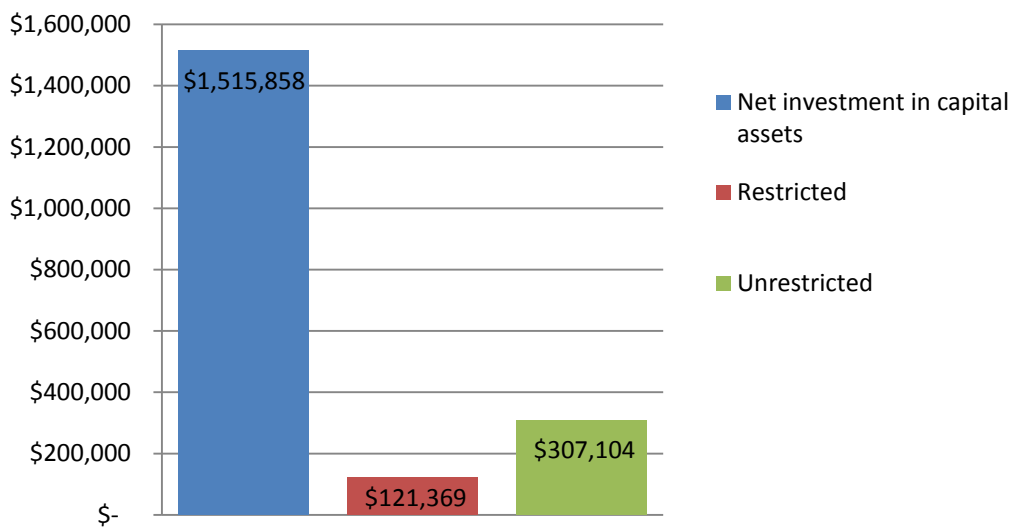


Figure 6. Composition of Net Position--Business Activities (Amounts expressed in thousands)

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

(Amounts expressed in thousands)

	Governmental Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues						
Charges for services	\$ 41,628	\$ 37,354	\$ 785,502	\$ 739,699	\$ 827,130	\$ 777,053
Operating grants and contributions	30,378	33,925	7,968	7,438	38,346	41,363
Capital grants and contributions	15,882	19,813	19,587	25,150	35,469	44,963
General revenues	-	-	-	-	-	-
Property taxes	64,204	62,487	-	-	64,204	62,487
Other taxes	111,945	149,374	-	-	111,945	149,374
Other	2,090	433	1,774	2,879	3,864	3,312
Total revenue	266,127	303,386	814,831	775,166	1,080,958	1,078,552
Expenses:						
General government	\$ 56,887	\$ 49,781	\$ -	\$ -	\$ 56,887	\$ 49,781
Public safety	142,097	138,368	-	-	142,097	138,368
Utilities and environment	2,580	2,477	-	-	2,580	2,477
Transportation	61,524	58,288	-	-	61,524	58,288
Social services	2,649	1,953	-	-	2,649	1,953
Economic Environment	22,856	21,255	-	-	22,856	21,255
Culture and recreation	14,823	18,832	-	-	14,823	18,832
Debt Service	13,001	14,401	-	-	13,001	14,401
Public assembly facilities	-	-	19,801	16,832	19,801	16,832
Rail	-	-	30,095	29,024	30,095	29,024
Solid waste	-	-	61,040	67,591	61,040	67,591
Waste water	-	-	80,343	81,286	80,343	81,286
Water	-	-	72,324	79,773	72,324	79,773
Power	-	-	422,265	432,321	422,265	432,321
Other business-type funds	-	-	16,005	14,979	16,005	14,979
Total expenses	316,417	305,355	701,873	721,806	1,018,290	1,027,161
Increase/(Decrease) in net position before transfers	(50,290)	(1,969)	112,958	53,360	62,668	51,391
Transfers	44,853	(2,153)	(44,853)	2,153	-	-
Increase/(Decrease) in net position	(5,437)	(4,122)	68,105	55,513	62,668	51,391
Net position--January 1	731,168	716,822	1,878,356	1,823,949	2,609,524	2,540,771
Prior Period Adjustments	3,283	18,468	(2,130)	(533)	1,153	17,935
Change in accounting principle	-	-	-	(573)	-	(573)
Net position--January 1	734,451	735,290	1,876,226	1,822,843	2,610,677	2,558,133
Net position--December 31	\$ 729,014	\$ 731,168	\$ 1,944,331	\$ 1,878,356	\$ 2,673,345	\$ 2,609,524

Table 2. Changes in Net Position

The governmental activities net position decreased by \$2.2 million in 2014 due to a decrease in assets and deferred outflows of resources by \$14.7 million and also a decrease of liabilities and deferred inflows of resources of \$12.5 million.

Business activities net position increased by \$66 million in 2014 due to an increase in assets and deferred outflows of \$46 million and a decrease of \$20 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 had no significant change. Fund balance for the Transportation Capital and Engineering fund increased by \$7.9 million in 2014 from a decrease in liabilities. Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, decreased by \$4.7 million from an increase in liabilities.

### **Fund Balances**

At December 31, 2014, the City's governmental funds reported combined ending fund balances of \$164 million. Of this amount, \$16.9 million is nonspendable, either due to its form or legal constraints. \$79.6 million is restricted for specific programs by external constraints. \$1.2 million is committed for specific purposes as approved by City Council. \$23.7 million is assigned to specific purposes by management and the remaining \$42.6 million is unassigned.

### **Proprietary Fund Statements**

Total net position for the enterprise funds increased by \$64.9 million in 2014. 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 \$23.7 million from a decrease in liabilities. The Water fund had a significant increase in their net position of \$36.4 million due to an increase in capital construction. The Sewer fund had an increase in net position of \$10 million from an increase in revenues. The Solid Waste fund had no significant change in net position. The non-major Enterprise funds had a decrease in net position of \$4.9 million from a decrease in revenues and slight increase in increase liabilities. The total net position for internal service funds' increased by \$2.8 million in 2014. This is the result of an increase of \$3.4 million in assets while also having an increase of liabilities of about \$500 thousand.

## **General Fund Budgetary Highlights**

In 2014, 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 in 2013. At mid biennium, a \$2.1 million increase to the General Fund was made for various expenditures and an additional increase of \$2.1 million was made in 2014 for various grants and contributions. At biennium-end 2014, the General Fund revenues came in under budget by \$39.7 million and expenditures came in under budget by \$19.9 million. \$42 million in transfers were made into the General Fund along with \$1.3 million in other financing sources which made the net change in fund balance increase by \$23.5 million. Transfers increased due to the re-classification of Gross Earnings Taxes from Taxes to Transfers in 2014. 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, 2014 is \$3.6 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 27,102	\$ 28,201	\$ 158,046	\$ 158,386	\$ 185,148	\$ 186,587
Construction in progress	84,113	84,083	266,764	180,780	350,877	264,863
Property, plant and equipment	219,833	214,192	3,844,414	3,739,727	4,064,247	3,953,919
Infrastructure	1,316,313	1,303,768	-	-	1,316,313	1,303,768
Less accumulated depreciation	(819,326)	(782,736)	(1,545,486)	(1,452,624)	(2,364,812)	(2,235,360)
	<u>\$ 828,035</u>	<u>\$ 847,508</u>	<u>\$ 2,723,738</u>	<u>\$ 2,626,269</u>	<u>\$ 3,551,773</u>	<u>\$ 3,473,777</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, 2014 was \$1.8 billion. Approximately 83% of the bonded debt is related to utilities with repayment pledged by specific revenue sources generated by the utilities. Of the remaining 17% 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	
	2014	2013	2014	2013	2014	2013
Bonded debt and loans	\$ 206,664	\$ 225,653	\$ 1,392,059	\$ 1,403,305	\$ 1,598,723	\$ 1,628,958
Capital leases	-	-	34,305	35,058	34,305	35,058
Claims and judgments	22,830	24,236	-	1,178	22,830	25,414
Accrued landfill liability	-	-	26,724	25,691	26,724	25,691
Net Pension Obligation	9,608	9,643	-	-	9,608	9,643
Other Post Employment Benefits	49,703	42,145	16,408	13,952	66,111	56,097
Compensated absences	16,218	17,310	19,147	18,944	35,365	36,254
	<u>\$ 305,023</u>	<u>\$ 318,987</u>	<u>\$ 1,488,643</u>	<u>\$ 1,498,128</u>	<u>\$ 1,793,666</u>	<u>\$ 1,817,115</u>

Table 4. Schedule of Long Term Debt

The City's debt rating for 2014 is as follows:

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

## **Economic Factors**

The following economic factors currently affect the City of Tacoma:

- The unemployment rate for the City of Tacoma is currently 6.1% which is a decrease of 1.3% from 2013.
- Taxable property value has increased by \$1.3 billion over 2013, which is a 7.8% increase.
- Housing prices and sales have continued to improve and show gains over the prior year.
- The Transportation Benefit District, which was created in 2012 to collect motor vehicle license fees, has been collecting revenues as projected. The 2015-2016 biennium budget is \$4.1 million.

During the current fiscal year, the unassigned fund balance in the general fund was \$48.3 million, up \$5.2 million from 2013. There is still a projected deficit of \$6 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, 2014  
(amounts expressed in thousands)  
Page 1 of 2

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	
	ACTIVITIES	ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 180,670	\$ 461,433	\$ 642,103
Investments at fair value	4,577	-	4,577
Receivables (net of allowance for uncollectibles)	53,552	99,168	152,720
Due from other governmental units	21,335	1,440	22,775
Internal balances	12,061	(12,061)	-
Inventories	3,450	10,170	13,620
Prepays	686	8,767	9,453
Other current assets	20	4	24
Temporarily restricted assets:			
Cash and cash equivalents	-	282,144	282,144
Customer Deposits	-	90	90
Contracts, notes, non-current leases	-	80,742	80,742
Capital assets (not being depreciated):			
Land	27,102	158,046	185,148
Property, plant, and equipment	1,903	35,658	37,561
Construction in progress	84,113	266,764	350,877
Capital assets:			
Property, plant, and equipment	217,930	3,808,756	4,026,686
Infrastructure	1,316,313	-	1,316,313
Accumulated depreciation	(819,326)	(1,545,486)	(2,364,812)
Non-current assets			
Other non-current assets	444	-	444
Total assets	<u>1,104,830</u>	<u>3,655,635</u>	<u>4,760,465</u>
Deferred Outflow of Resources			
Unamortized loss on refunding	4,226	13,898	18,124
Total Deferred Outflow of Resources	<u>4,226</u>	<u>13,898</u>	<u>18,124</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	26,058	74,916	100,974
Deposits payable	89	6,492	6,581
Due to other governments	779	491	1,270
Unearned revenue	1	13,740	13,741
Payable from restricted assets			
current liabilities	-	11,036	11,036
Other liabilities	8,975	15,309	24,284
Special assessment debt with governmental commitment	31,773	-	31,773
Non-current liabilities:			
Due within one year	41,127	61,218	102,345
Due in more than one year	232,123	1,427,425	1,659,548
Total liabilities	<u>340,925</u>	<u>1,610,627</u>	<u>1,951,552</u>
Deferred Inflow of Resources			
Deferred inflows of Special Assessments	39,117	-	39,117
Regulatory liability - rate stabilization	-	114,575	114,575
Total Deferred Inflow of Resources	<u>39,117</u>	<u>114,575</u>	<u>153,692</u>
<b>NET POSITION</b>			
Net investment in capital assets	669,951	1,515,858	2,185,809
Restricted for:			
Capital purchases	6,098	25,960	32,058
Debt Service	10,044	52,930	62,974
Water & assurance & system development	-	33,926	33,926
Culture and recreation	12,233	2,363	14,596
Self-insurance	-	233	233
Environmental services and programs	-	3,069	3,069
Inspections	-	367	367
Wynoochee reserve	-	2,521	2,521
Agreements with federal government	-	-	-
Public safety	11,002	-	11,002
Local improvement districts and neighborhoods	4,272	-	4,272
Transportation	11,540	-	11,540
Grants	2,690	-	2,690
Housing & economic development	21,751	-	21,751
Unrestricted	(20,567)	307,104	286,537
Total net position	<u>\$ 729,014</u>	<u>\$ 1,944,331</u>	<u>\$ 2,673,345</u>

Page 2 of 2

COMPONENT UNITS		
TCRA	GTRCC PFD	FWDA
\$ 4,583	\$ 1,183	\$ 2,292
-	539	-
579	-	111
1,484	-	10
-	-	-
-	-	-
3	-	28
-	-	-
-	-	-
-	-	-
1,357	-	7,002
-	-	-
-	-	1,851
6,165	-	20,140
-	-	80
(3,743)	-	(4,157)
44,714	-	-
<u>55,142</u>	<u>1,722</u>	<u>27,357</u>
-	-	-
-	-	-
1,726	-	42
-	-	29
-	1,722	10
-	-	-
-	-	-
-	-	-
-	-	58
500	-	3,457
<u>2,226</u>	<u>1,722</u>	<u>3,596</u>
-	-	13
-	-	13
3,779	-	21,461
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
49,138	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	2,287
<u>\$ 52,917</u>	<u>\$ -</u>	<u>\$ 23,748</u>

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2014  
(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	\$ 56,887	\$ 31,568	\$ 8,772	\$ 563
Public safety	142,097	6,439	7,219	1,598
Utilities	2,580	353	-	-
Transportation	61,524	1,097	6,761	13,363
Social Services	2,649	-	-	-
Natural & econ environment	22,856	2,096	7,500	-
Culture and recreation	14,823	75	126	358
Interest on long-term debt	13,001	-	-	-
Total governmental activities	<u>316,417</u>	<u>41,628</u>	<u>30,378</u>	<u>15,882</u>
Business-type activities:				
Permit Services	8,145	7,302	-	-
Mountain Rail	2,755	1,705	15	-
Parking Garage	5,707	6,682	-	219
Convention Center	7,084	4,623	-	-
Cheney Stadium	1,613	847	-	-
Tacoma Dome	6,109	5,463	-	-
Performing Arts	4,995	-	-	-
Solid Waste	61,040	64,642	513	1
Waste Water	80,343	90,648	-	6,234
Union Station	2,078	2,072	-	-
Tacoma Rail	27,340	31,232	82	-
Water	72,324	99,426	3,566	9,002
Power	422,265	468,988	3,792	4,131
Low income Assistance	-	-	-	-
Power - Conservation	75	1,872	-	-
Total business-type activities	<u>701,873</u>	<u>785,502</u>	<u>7,968</u>	<u>19,587</u>
Total primary government	<u>1,018,290</u>	<u>827,130</u>	<u>38,346</u>	<u>35,469</u>
Component units:				
TCRA	3,214	-	5,250	-
GRTCC PDF	3,073	-	-	-
FWDA	1,246	506	35	48
Total component units	<u>\$ 7,533</u>	<u>\$ 506</u>	<u>\$ 5,285</u>	<u>\$ 48</u>

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

Page 2 of 2

CHANGES IN NET POSITION			COMPONENT UNITS		
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TCRA	GTRCC PFD	FWDA
\$ (15,984)	\$ -	\$ (15,984)	\$ -	\$ -	\$ -
(126,841)	-	(126,841)	-	-	-
(2,227)	-	(2,227)	-	-	-
(40,303)	-	(40,303)	-	-	-
(2,649)	-	(2,649)	-	-	-
(13,260)	-	(13,260)	-	-	-
(14,264)	-	(14,264)	-	-	-
(13,001)	-	(13,001)	-	-	-
(228,529)	-	(228,529)	-	-	-
	(843)	(843)	-	-	-
-	(1,035)	(1,035)	-	-	-
-	1,194	1,194	-	-	-
-	(2,461)	(2,461)	-	-	-
-	(766)	(766)	-	-	-
-	(646)	(646)	-	-	-
-	(4,995)	(4,995)	-	-	-
-	4,116	4,116	-	-	-
-	16,539	16,539	-	-	-
-	(6)	(6)	-	-	-
-	3,974	3,974	-	-	-
-	39,670	39,670	-	-	-
-	54,646	54,646	-	-	-
-	-	-	-	-	-
-	1,797	1,797	-	-	-
-	111,184	111,184	-	-	-
(228,529)	111,184	(117,345)	-	-	-
-	-	-	2,036	-	-
-	-	-	-	(3,073)	-
-	-	-	-	-	(657)
\$ -	\$ -	\$ -	\$ 2,036	\$ (3,073)	\$ (657)
\$ 64,204	\$ -	\$ 64,204	\$ -	\$ -	\$ -
5,395	-	-	-	-	-
47,976	-	47,976	-	3,063	-
58,574	-	58,574	-	-	-
2,044	1,130	3,174	15	10	22
46	644	690	-	-	(119)
44,853	(44,853)	-	-	-	-
223,092	(43,079)	174,618	15	3,073	(97)
(5,437)	68,105	62,668	2,051	-	(754)
731,168	1,878,356	2,609,524	50,866	-	24,502
3,283	(2,130)	1,153	-	-	-
-	-	-	-	-	-
734,451	1,876,226	2,610,677	50,866	-	24,502
\$ 729,014	\$ 1,944,331	\$ 2,673,345	\$ 52,917	\$ -	\$ 23,748

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2014  
(amounts expressed in thousands)

	GENERAL FUND #0010	TRANS CAPITAL & ENGINEERING FUND #(3)1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 44,965	\$ 8,673	\$ 79,580	\$ 133,218
Investments at fair value	-	-	4,577	4,577
Accounts receivables (net)	11,793	367	41,134	53,294
Due from other funds	4,302	983	1,513	6,798
Due from other governments	15,010	1,403	4,583	20,996
Inventories	1,116	-	1,807	2,923
Prepayments	28	-	5	33
Other current assets	-	-	20	20
Advances to other funds	10,688	-	2,790	13,478
<b>TOTAL ASSETS</b>	<b>87,902</b>	<b>11,426</b>	<b>136,009</b>	<b>235,337</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>\$ 87,902</b>	<b>\$ 11,426</b>	<b>\$ 136,009</b>	<b>\$ 235,337</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,359	\$ 1,461	\$ 3,244	\$ 9,064
Due to other funds	2,958	111	4,025	7,094
Due to other governments	767	-	10	777
Accrued wages	4,524	-	1,303	5,827
Accrued benefits	66	-	-	66
Accrued taxes	3	-	10	13
Customer deposits	-	-	89	89
Other current liabilities	1,063	-	-	1,063
Advances from other funds	-	-	5,272	5,272
<b>TOTAL LIABILITIES</b>	<b>13,740</b>	<b>1,572</b>	<b>13,953</b>	<b>29,265</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	7,862	253	33,940	42,055
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>7,862</b>	<b>253</b>	<b>33,940</b>	<b>42,055</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	15,026	-	1,824	16,850
Restricted	9	1,978	77,644	79,631
Committed	-	-	237	237
Committed - Council Contingencies	973	-	-	973
Assigned	1,949	7,623	14,120	23,692
Unassigned	48,343	-	(5,709)	42,634
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>66,300</b>	<b>9,601</b>	<b>88,116</b>	<b>164,017</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 87,902</b>	<b>\$ 11,426</b>	<b>\$ 136,009</b>	<b>\$ 235,337</b>

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEETS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS  
December 31, 2014  
(amounts expressed in thousands)

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 164,017
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.	794,317
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.	45,630
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.	3,015
Long Term Liabilities are not reported in the governmental funds balance sheet.	(2,203)
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.	(266,598)
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.	(9,608)
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.	444
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>729,014</u></u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

	GENERAL FUND #0010	TRANS CAPITAL & ENGINEERING FUND #(3)1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 143,418	\$ -	\$ 33,197	\$ 176,615
Licenses and permits	3,395	163	94	3,652
Intergovernmental revenue	8,885	8,806	28,569	46,260
Charges for goods and services	18,428	707	6,705	25,840
Fines and penalties	1,565	2	6,194	7,761
Interest and other earnings	720	78	828	1,626
Miscellaneous revenues	111	192	2,474	2,777
TOTAL REVENUES	<u>176,522</u>	<u>9,948</u>	<u>78,061</u>	<u>264,531</u>
EXPENDITURES				
Current:				
General government	53,761	-	910	54,671
Public safety	115,710	31	24,837	140,578
Utilities and environment	-	-	2,571	2,571
Transportation	1,544	3,977	16,476	21,997
Economic environment	11,991	-	8,855	20,846
Mental and physical health	-	-	2,640	2,640
Culture and recreation	11,154	-	1,044	12,198
Debt service:				
Principal payments	-	-	15,652	15,652
Interest and other related costs	-	198	12,779	12,977
Capital expenditures	1,639	12,141	12,189	25,969
TOTAL EXPENDITURES	<u>195,799</u>	<u>16,347</u>	<u>97,953</u>	<u>310,099</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(19,277)</u>	<u>(6,399)</u>	<u>(19,892)</u>	<u>(45,568)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	2,203	2,203
Premium on bonds sold	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-
Issuance discount on long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	1,372	-	105	1,477
Insurance recoveries	120	-	1	121
Transfer in	42,184	17,472	35,404	95,060
Transfer (out)	(24,305)	(3,702)	(22,698)	(50,705)
TOTAL OTHER FINANCE SOURCES(USES)	<u>19,371</u>	<u>13,770</u>	<u>15,015</u>	<u>48,156</u>
NET CHANGE IN FUND BALANCE	94	7,371	(4,877)	2,588
FUND BALANCE - JANUARY 1	66,494	1,728	92,822	161,044
Prior period adjustment	(288)	502	171	385
FUND BALANCE - JANUARY 1, RESTATED	<u>66,206</u>	<u>2,230</u>	<u>92,993</u>	<u>161,429</u>
FUND BALANCE - DECEMBER 31	<u>\$ 66,300</u>	<u>\$ 9,601</u>	<u>\$ 88,116</u>	<u>\$ 164,017</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, 2014  
(amounts expressed in thousands)

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,588
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.	(18,955)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	1,132
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Net OPEB obligation	(7,558)
Net pension obligation	(11)
Compensated absences	(1,775)
Accrued Interest Expense	(2,203)
The net revenue of certain activities of internal service funds is reported with governmental activities:	
Profit Loss reallocation that decrease expenditure	7,901
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	(2,208)
Principal repayment	15,652
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (5,437)</u>



STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2014  
 (amounts expressed in thousands)  
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	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTEWATER & SURFACE WATER FUND #4300-01	TACOMA WATER FUND #4600	TACOMA POWER FUND #4700
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 26,085	\$ 49,138	\$ 48,086	\$ 287,950
Accounts receivable (net)	5,972	12,146	9,569	63,727
Due from other funds	498	445	292	2,509
Due from other governments	-	1,206	-	234
Inventory	-	1,014	2,401	5,544
Prepayments	-	291	707	5,205
Other current assets	-	-	-	4
Current restricted assets:				
C&CE - debt services, deposits and replacements	7,408	10,056	3,598	45,459
C&CE - construction accounts	-	911	39,509	51,137
C&CE - other special purposes	-	-	101,016	19,524
Notes and contracts receivable (current)	-	-	-	-
Customer deposits	90	-	-	-
Total restricted assets	<u>7,498</u>	<u>10,967</u>	<u>144,123</u>	<u>116,120</u>
Total current assets	<u>40,053</u>	<u>75,207</u>	<u>205,178</u>	<u>481,293</u>
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	42,599
Other non-current assets	687	4,226	3,769	1,877
Capital assets:				
Land	3,120	19,621	23,350	74,946
Property, plant, and equipment	187,683	714,534	843,422	1,743,134
Less: accumulated depreciation	(109,272)	(221,487)	(180,550)	(893,802)
Construction work in progress	550	23,323	186,353	54,789
Total capital assets net of depreciation	<u>82,081</u>	<u>535,991</u>	<u>872,575</u>	<u>979,067</u>
Total non-current assets	<u>82,768</u>	<u>540,217</u>	<u>876,344</u>	<u>1,023,543</u>
TOTAL ASSETS	<u>122,821</u>	<u>615,424</u>	<u>1,081,522</u>	<u>1,504,836</u>
DEFERRED OUTFLOW OF RESOURCES				
Unamortized loss on refunding	218	1,037	1,588	8,026
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>218</u>	<u>1,037</u>	<u>1,588</u>	<u>8,026</u>

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2014  
 (amounts expressed in thousands)  
 Page 2 of 4

	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTEWATER & SURFACE WATER FUND #4300-01	TACOMA WATER FUND #4600	TACOMA POWER FUND #4700
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,241	\$ 5,912	\$ 4,016	\$ 22,823
Due to other funds	1,168	1,783	1,339	2,970
Due to other governments	-	490	-	-
Advances from other funds	-	-	-	-
Interest payable	-	253	1,801	13,313
Deposits payable	20	-	276	2,884
Accrued wages	678	1,392	1,037	4,550
Accrued benefits	118	294	256	1,048
Accrued taxes	665	731	1,405	6,825
Environmental liability - current	907	604	-	-
Notes, contracts & leases - current	121	4,324	588	-
Revenue bonds - current	4,203	-	10,442	32,115
Unearned revenue	146	196	8,574	2,906
Other	-	-	-	234
Current payables from restricted assets:				
Debt principal payable	382	-	-	-
Debt interest payable	246	365	-	-
Deposits and other payables	91	-	4,339	-
Total current liabilities	9,986	16,344	34,073	89,668
Non-current liabilities:				
Revenue bonds payable (net)	54,538	93,183	400,992	530,581
Advances from other funds	-	-	-	-
Unavailable revenues	-	-	-	-
Compensated absences	1,062	2,646	2,300	9,435
Environmental liability - non-current	24,813	400	-	-
Notes, contracts & leases payable - non-current	5,196	80,297	82,550	-
Incurred but not reported	-	-	524	3,164
Net OPEB obligation	1,707	2,232	2,908	9,198
Other - non-current liabilities	-	-	7,515	13
Non-current payables from restricted assets:				
Accrued landfill liability	-	-	-	-
Total non-current liabilities	87,316	178,758	496,789	552,391
TOTAL LIABILITIES	97,302	195,102	530,862	642,059
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	-	-	-	-
Deferred liability - rate stabilization	6,000	25,000	35,575	48,000
TOTAL DEFERRED INFLOW OF RESOURCES	6,000	25,000	35,575	48,000
NET POSITION				
Net investment in capital assets	27,571	401,734	434,283	499,658
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for debt	6,780	9,691	1,797	32,146
Restricted for waste assurance and systems development	-	-	33,926	-
Restricted for culture and recreation	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Restricted for reserves	-	-	-	2,521
Unrestricted	(14,614)	(15,066)	46,667	288,478
TOTAL NET POSITION	\$ 19,737	\$ 396,359	\$ 516,673	\$ 822,803

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2014  
 (amounts expressed in thousands)  
 Page 3 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 22,225	\$ 433,484	\$ 75,401
Accounts receivable (net)	7,754	99,168	258
Due from other funds	147	3,891	6,578
Advances to other funds - current	-	-	-
Due from other governments	-	1,440	339
Inventory	885	9,844	853
Prepayments	2,564	8,767	653
Other current assets	-	4	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	579	67,100	-
C&CE - construction accounts	-	91,557	-
C&CE - other special purposes	2,947	123,487	-
Notes and contracts receivable (current)	-	-	-
Customer deposits	-	90	-
Total restricted assets	<u>3,526</u>	<u>282,234</u>	<u>-</u>
Total current assets	<u>37,101</u>	<u>838,832</u>	<u>84,082</u>
Non-current assets:			
Notes and contracts receivable (non-current)	27,584	70,183	-
Other non-current assets	-	10,559	-
Capital assets:			
Land	37,009	158,046	357
Property, plant, and equipment	298,708	3,787,481	150,170
Less: accumulated depreciation	(104,334)	(1,509,445)	(102,539)
Construction work in progress	1,255	266,270	7,116
Total capital assets net of depreciation	<u>232,638</u>	<u>2,702,352</u>	<u>55,104</u>
Total non-current assets	<u>260,222</u>	<u>2,783,094</u>	<u>55,104</u>
TOTAL ASSETS	<u>297,323</u>	<u>3,621,926</u>	<u>139,186</u>
DEFERRED OUTFLOW OF RESOURCES			
Unamortized loss on refunding	3,029	13,898	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>3,029</u>	<u>13,898</u>	<u>-</u>

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2014  
 (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	\$ 3,044	\$ 37,036	\$ 7,634
Due to other funds	851	8,111	2,062
Due to other governments	1	491	2
Advances from other funds	584	584	-
Interest payable	600	15,967	-
Deposits payable	3,312	6,492	-
Accrued wages	859	8,516	930
Accrued benefits	175	1,891	203
Accrued taxes	315	9,941	24
Environmental liability - current	-	1,511	-
Notes, contracts & leases - current	2,800	7,833	-
Revenue bonds - current	3,354	50,114	-
Unearned revenue	1,918	13,740	-
Other	1,744	1,978	24,055
Current payables from restricted assets:			
Debt principal payable	-	382	-
Debt interest payable	-	611	-
Deposits and other payables	-	4,430	-
Total current liabilities	<u>19,557</u>	<u>169,628</u>	<u>34,910</u>
Non-current liabilities:			
Revenue bonds payable (net)	113,913	1,193,207	-
Advances from other funds	7,622	7,622	-
Unavailable revenues	-	-	1
Compensated absences	1,578	17,021	1,775
Environmental liability - non-current	-	25,213	-
Notes, contracts & leases payable - non-current	-	168,043	-
Incurred but not reported	2,307	5,995	-
Net OPEB obligation	363	16,408	-
Other - non-current liabilities	9,356	16,884	13,690
Total non-current liabilities	<u>135,139</u>	<u>1,450,393</u>	<u>15,466</u>
<b>TOTAL LIABILITIES</b>	<u>154,696</u>	<u>1,620,021</u>	<u>50,376</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue	-	-	77
Deferred liability - rate stabilization	-	114,575	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>114,575</u>	<u>77</u>
<b>NET POSITION</b>			
Net investment in capital assets	131,226	1,494,472	55,104
Restricted:			
Restricted for capital purchases	14	14	25,946
Restricted for debt	2,516	52,930	-
Restricted for waste assurance and systems development	-	33,926	-
Restricted for culture and recreation	2,363	2,363	-
Restricted for self-insurance	-	-	233
Restricted for environmental services and programs	3,069	3,069	-
Restricted for inspections	367	367	-
Restricted for reserves	-	2,521	-
Unrestricted	6,101	311,566	7,450
<b>TOTAL NET POSITION</b>	<u>\$ 145,656</u>	<u>\$ 1,901,228</u>	<u>\$ 88,733</u>

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

December 31, 2014

(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$	1,901,228
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Amounts reported for business activities in the statement of net position assets are different because:

Internal service fund are used by management to charge the cost of support services to individual enterprise funds. In this case the support service is fleet management. The assets and liabilities of the fleet fund are included in the business activities in the government-wide statement of net position.

43,103

NET POSITION OF BUSINESS ACTIVITIES

\$	<u>1,944,331</u>
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## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

## PROPRIETARY FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

Page 1 of 2

	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTEWATER & SURFACE WATER FUND #4300-01	TACOMA WATER FUND #4600	TACOMA POWER FUND #4700
OPERATING REVENUES				
Charges for goods and services	\$ 56,750	\$ 90,232	\$ 98,593	\$ 466,126
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	1	-	-	1,144
TOTAL OPERATING REVENUES	<u>56,751</u>	<u>90,232</u>	<u>98,593</u>	<u>467,270</u>
OPERATING EXPENSES				
Salary and wages	13,023	21,804	14,050	69,942
Personnel benefits	6,286	9,591	8,373	35,402
Supplies	928	4,703	1,683	126,445
Services	22,456	20,618	14,159	83,352
Intergovernmental services (interfund taxes)	674	3,694	3,779	19,277
Depreciation expense	6,988	14,248	16,784	59,156
TOTAL OPERATING EXPENSES	<u>50,355</u>	<u>74,658</u>	<u>58,828</u>	<u>393,574</u>
OPERATING INCOME (LOSS)	<u>6,396</u>	<u>15,574</u>	<u>39,765</u>	<u>73,696</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	312	619	1,718	3,782
Interest and other related costs	(3,389)	(5,685)	(13,327)	(27,568)
Amortization of bond discount & expense	233	258	1,115	(7,412)
Operating contributions - interfund	-	-	4	-
Operating contributions - federal/state/local	513	-	3,562	3,792
Other non revenues and (expenses)	142	416	664	1,195
Gain(loss) on disposition of property	3	(44)	65	224
NON OPERATING REVENUE NET OF EXPENSE	<u>(2,186)</u>	<u>(4,436)</u>	<u>(6,199)</u>	<u>(25,987)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>4,210</u>	<u>11,138</u>	<u>33,566</u>	<u>47,709</u>
Capital contributions - interfund	-	3,680	-	-
Capital contributions - federal/state/local	1	2,345	195	25
Capital contributions - private	-	209	8,807	4,106
Transfer in	-	1	-	176
Transfer (out)	(4,545)	(7,372)	(6,353)	(27,175)
Total contributions and transfers	<u>(4,544)</u>	<u>(1,137)</u>	<u>2,649</u>	<u>(22,868)</u>
CHANGE IN NET POSITION	<u>(334)</u>	<u>10,001</u>	<u>36,215</u>	<u>24,841</u>
NET POSITION				
NET POSITION - JANUARY 1	20,071	386,358	480,289	799,079
Prior period adjustments	-	-	169	(1,117)
NET POSITION - JANUARY 1 RESTATED	<u>20,071</u>	<u>386,358</u>	<u>480,458</u>	<u>797,962</u>
NET POSITION - DECEMBER 31	<u>\$ 19,737</u>	<u>\$ 396,359</u>	<u>\$ 516,673</u>	<u>\$ 822,803</u>

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

## PROPRIETARY FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

Page 2 of 2

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
OPERATING REVENUES			
Charges for goods and services	\$ 54,005	\$ 765,706	\$ 50,468
Interfund insurance premiums	-	-	81,055
Miscellaneous revenues	16	1,161	1,098
TOTAL OPERATING REVENUES	54,021	766,867	132,621
OPERATING EXPENSES			
Salary and wages	18,356	137,175	19,532
Personnel benefits	7,524	67,176	76,206
Supplies	2,093	135,852	2,835
Services	20,767	161,352	28,150
Intergovernmental services (interfund taxes)	723	28,147	-
Depreciation expense	8,157	105,333	8,157
TOTAL OPERATING EXPENSES	57,620	635,035	134,880
OPERATING INCOME (LOSS)	(3,599)	131,832	(2,259)
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	233	6,664	524
Interest and other related costs	(7,556)	(57,525)	(15)
Amortization of bond discount & expense	166	(5,640)	-
Operating contributions - interfund	-	4	-
Operating contributions - federal/state/local	97	7,964	-
Other non revenues and (expenses)	7,052	9,469	5
Gain(loss) on disposition of property	(77)	171	519
NON OPERATING REVENUE NET OF EXPENSE	(85)	(38,893)	1,033
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(3,684)	92,939	(1,226)
Capital contributions - interfund	219	3,899	-
Capital contributions - federal/state/local	-	2,566	-
Capital contributions - private	-	13,122	-
Transfer in	7,307	7,484	1,156
Transfer (out)	(7,545)	(52,990)	(5)
CHANGE IN NET POSITION	(3,703)	67,020	(75)
NET POSITION			
NET POSITION - JANUARY 1	150,541	1,836,338	85,910
Prior period adjustments	(1,182)	(2,130)	2,898
NET POSITION - JANUARY 1 RESTATED	149,359	1,834,208	88,808
NET POSITION - DECEMBER 31	\$ 145,656	\$ 1,901,228	\$ 88,733

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, 2014  
(amounts expressed in thousands)

NET CHANGES IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 67,020
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	1,085
CHANGES IN NET POSITION OF BUSINESS ACTIVITIES	<u>\$ 68,105</u>



STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)  
 Page 1 of 4

	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTE WATER FUND #4300/4301	TACOMA WATER FUND #4600	TACOMA POWER FUND #4700
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 57,107	\$ 89,287	\$ 100,989	\$ 432,624
Receipts from interfund services provided	(391)	(336)	8,796	24,429
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(17,248)	(15,793)	(18,722)	(184,876)
Payments to employees	(19,030)	(31,028)	(21,878)	(103,267)
Payments to insurance carriers	-	-	-	-
Payments for taxes	(627)	(9,930)	(4,048)	(19,917)
Payments for interfund services used	(6,049)	(1,214)	(17,862)	(23,345)
Other operating or non-operating revenues (expenses)	149	416	778	1,033
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>13,911</u>	<u>31,402</u>	<u>48,053</u>	<u>126,681</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	(4,539)	(7,215)	(6,309)	(26,922)
Transfers (to) other funds	-	-	-	-
Advances from other funds	-	-	-	-
Grants received	514	11	3,562	3,747
Debt service related to environmental	(440)	(1,915)	-	-
Contributions and Donations	-	-	-	(956)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(4,465)</u>	<u>(9,119)</u>	<u>(2,747)</u>	<u>(24,131)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	3,564	66	-
Transfers (to) funds	-	-	-	-
Acquisition and construction of capital assets	(934)	(41,458)	(75,834)	(78,257)
System development charges	-	-	-	-
Proceeds from capital debt	-	-	-	-
Proceeds from the sale of capital assets	3	6	83	325
Proceeds from leased property	-	-	-	-
Lease and leaseback	-	-	-	-
Principal paid on capital debt	(3,085)	(3,597)	28,751	(28,295)
Interest and issuance costs paid on capital debt	(2,963)	(3,786)	(13,319)	(28,700)
Premium and net refunding from capital debt	-	-	-	(1,762)
Capital lease obligation	(1,694)	942	-	-
Change in deferred credits	-	-	-	-
Contributions and donations	-	2,424	9,002	4,176
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(8,673)</u>	<u>(41,905)</u>	<u>(51,251)</u>	<u>(132,513)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	298	611	1,671	3,700
Rental and other income	-	-	-	-
Investment long-term	6	9	42	80
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>304</u>	<u>620</u>	<u>1,713</u>	<u>3,780</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	1,077	(19,002)	(4,232)	(26,183)
CASH & CASH EQUIVALENTS, JANUARY 1	32,416	79,107	196,441	430,253
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31 \$	<u><u>33,493</u></u>	<u><u>60,105</u></u>	<u><u>192,209</u></u>	<u><u>404,070</u></u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)  
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	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTE WATER FUND #4300/4301	TACOMA WATER FUND #4600	TACOMA POWER FUND #4700
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 6,396	\$ 15,574	\$ 39,765	\$ 73,696
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	6,988	14,248	16,784	59,156
(increase) decrease in accounts receivable	356	(946)	2,669	(9,564)
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	(391)	(336)	8,523	(651)
(Increase) decrease in inventories	-	(120)	(65)	1,182
(Increase) decrease in prepaid items	-	283	(151)	(933)
(Increase) decrease in other current assets	-	(563)	910	1
Increase (decrease) in deposits payable	21	(105)	368	103
Increase (decrease) in accounts payable	(368)	2,287	(13,164)	(1,110)
Increase (decrease) in accrued wages payable	37	141	80	489
Increase (decrease) in compensated absences	242	226	465	1,588
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	446	466	(8,418)	1,706
Increase (decrease) in unearned revenues	6	8	(316)	139
Increase (decrease) in other current liabilities	721	(77)	-	(94)
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in other long-term liabilities	(692)	(100)	(175)	(60)
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	149	416	778	1,033
Total adjustments	7,515	15,828	8,288	52,985
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 13,911	\$ 31,402	\$ 48,053	\$ 126,681
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	3,314	-	-

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2014  
 (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	\$ 57,473	\$ 737,480	\$ 23,085
Receipts from interfund services provided	5	32,503	19,295
Contributions received - employee/employer	-	-	80,955
Payments to suppliers	(18,569)	(255,208)	(90,935)
Payments to employees	(25,429)	(200,632)	(21,391)
Payments to insurance carriers	-	-	-
Payments for taxes	(636)	(35,158)	(1,586)
Payments for interfund services used	(2,525)	(50,995)	(2,118)
Other operating or non-operating revenues (expenses)	2,478	4,854	1
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	12,797	232,844	7,306
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	5,635	(39,350)	-
Transfers (to) other funds	(493)	(493)	(269)
Advances from other funds	-	-	(119)
Grants received	15	7,849	-
Debt service related to environmental	-	(2,355)	-
Contributions and Donations	-	(956)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	5,157	(35,305)	(388)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	4,038	7,668	1,151
Transfers (to) funds	-	-	-
Acquisition and construction of capital assets	(5,460)	(201,943)	(8,235)
System development charges	-	-	-
Proceeds from capital debt	-	-	-
Proceeds from the sale of capital assets	11	428	-
Proceeds from leased property	-	-	-
Lease and leaseback	-	-	-
Principal paid on capital debt	(10,270)	(16,496)	-
Interest and issuance costs paid on capital debt	(7,856)	(56,624)	(14)
Premium and net refunding from capital debt	426	(1,336)	-
Capital lease obligation	-	(752)	-
Change in deferred credits	-	-	-
Contributions and donations	204	15,806	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(18,907)	(253,249)	(7,098)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	423	6,703	494
Rental and other income	-	-	-
Investment long-term	1,056	1,193	29
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,479	7,896	523
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	526	(47,814)	343
CASH & CASH EQUIVALENTS, JANUARY 1	25,225	763,442	75,058
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	25,751	715,628	75,401

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)  
 Page 4 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (3,599)	\$ 131,832	\$ (2,259)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	8,157	105,333	8,157
(increase) decrease in accounts receivable	3,466	(4,019)	(108)
(Increase) decrease in intergovernmental receivables	6	6	5
(Increase) decrease in due from other funds	4	7,149	(3,846)
(Increase) decrease in inventories	(46)	951	(20)
(Increase) decrease in prepaid items	(163)	(964)	1,431
(Increase) decrease in other current assets	-	348	-
Increase (decrease) in deposits payable	(271)	116	-
Increase (decrease) in accounts payable	368	(11,987)	(1,787)
Increase (decrease) in accrued wages payable	174	921	92
Increase (decrease) in compensated absences	325	2,846	93
Increase (decrease) in deferred credits	367	367	-
Increase (decrease) in intergovernmental payables	(187)	(187)	-
Increase (decrease) in due to other funds	127	(5,673)	1,215
Increase (decrease) in unearned revenues	(17)	(180)	78
Increase (decrease) in other current liabilities	546	1,096	817
Increase (decrease) in notes, contracts, and leases payable	(81)	(81)	-
Increase (decrease) in other long-term liabilities	1,203	176	539
Increase (decrease) in prior period adjustments	(60)	(60)	2,898
Miscellaneous non-operating revenues (expenditures)	2,478	4,854	1
Total adjustments	16,396	101,012	9,565
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 12,797	\$ 232,844	\$ 7,306
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	-	3,314	-

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

December 31, 2014

(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450	AGENCY FUNDS # 6790
ASSETS		
Cash and cash equivalents	\$ 31,920	\$ -
Investments at fair value:		
Equities	830,574	-
Fixed income	502,847	-
Other assets	20	-
Real estate	65,267	-
Venture capital and partnerships	68,106	-
Securities lending collateral	66,466	-
Receivables - net uncollectible accounts		
Contributions and other receivables	-	-
Due from other funds	2	-
Due from other governments	2,688	-
Interest and dividends	2,399	-
Investment sales	5,627	-
Capital assets - net of accumulated depreciation	13	-
TOTAL ASSETS	<u>1,575,929</u>	<u>-</u>
DEFERRED OUTFLOW OF RESOURCES		
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,565	-
Accrued wages and benefits payable	963	-
Due to other funds	-	-
Due to the governmental units	353	-
Investments purchase payable	26,941	-
Securities lending collateral	66,466	-
Other current liabilities	133	-
Total current liabilities	<u>96,421</u>	<u>-</u>
Non-current liabilities:		
Accrued employee leave benefits	81	-
Total non-current liabilities	<u>81</u>	<u>-</u>
TOTAL LIABILITIES	<u>96,502</u>	<u>-</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>\$ 1,479,427</u>	<u>\$ -</u>

FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
For the Year Ended December 31, 2014  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS	
Employer contributions	\$ 33,350
Member contributions	20,700
Other contributions	134
Total contributions	<u>54,184</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	89,862
Interest & dividends	26,543
Total investment income	<u>116,405</u>
Less investment expenses:	
Investment management fees	(5,343)
Securities lending - agent fees	(49)
Securities lending - broker rebates	8
Total investment expense	<u>(5,384)</u>
Net investment income	<u>111,021</u>
TOTAL ADDITIONS	<u>165,205</u>
DEDUCTIONS	
Wages and benefits	1,232
Benefit payments	71,687
Refunds of contributions	2,151
Administrative expense	556
TOTAL DEDUCTIONS	<u>75,626</u>
NET INCREASE (DECREASE)	<u>89,579</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,390,148
Prior period adjustment	(300)
Net position - beginning (restated)	<u>1,389,848</u>
Net position - ending	<u>\$ 1,479,427</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**NOTES TO FINANCIAL STATEMENTS**

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NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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. Areas under City Council include:

1. City Manager functions: City Attorney, Community & Economic Development, Environmental Policy & Sustainability, Environmental Services, Finance, Fire, Governmental Relations, Hearing Examiner, Human Services, Information Technology, Library, Media & Communications, Neighborhood & Community Services, Planning & Development Services, Police, Public Assembly Facilities, and Public Works; and,
2. Utility functions: Power, Rail, and Water.

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. City management has operational responsibility and services are provided entirely to the City. 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



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

Authority can be obtained from: Foss Waterway Development Authority, c/o the City of Tacoma Finance Department, 747 Market Street, Room 132, Tacoma, Washington 98402-3773.

*Joint Ventures:*

The City participates in two joint ventures: the South Sound 911 and the Tacoma-Pierce County Health Department.

South Sound 911

On November 8, 2011, voters in Pierce County approved a county-wide one-tenth of one percent local sales and use tax to fund costs associated with regional 911 system and facility improvements. Development of the regional system is being managed by South Sound 911, an interlocal agency created by Pierce County, the City of Tacoma, the City of Lakewood, the City of Fife and West Pierce Fire and Rescue pursuant to RCW 39.34. All services previously provided by the Law Enforcement Support Agency (LESA) are now being provided by South Sound 911. On December 17, 2012, all LESA employees were transitioned to the new agency. All assets and liabilities were transferred to South Sound 911 on the official transition date of January 1, 2013. During the next few years, Public Safety Answering Points (PSAP's) managed by the City of Tacoma, City of Fife and West Pierce Fire and Rescue will transition to South Sound 911.

In 2012, South Sound 911 established its first Policy Board consisting of nine voting members.

Members of the Policy Board include:

- One member of the Pierce County Council;
- The Pierce County Executive;
- The Mayor of Tacoma;
- One member of the Tacoma City Council;
- The Mayor or one member of the Lakewood City Council;
- The Pierce County Sheriff;
- The Mayor or one member of the Fife City Council;
- One Fire Commissioner of West Pierce Fire & Rescue;
- One Mayor or Councilmember of a city or town within Pierce County with a population under (50,000) fifty-thousand residents, provided that such city or town contracts with South Sound 911 or a Member Agency. Such position shall be filled for a two-year term by appointment through a vote of the Policy Board.

South Sound 911 also established an Operations Board under the authority of the Policy Board. The members of the Operations Board are the members of the Law Enforcement Services and Fire Services Committees. Each committee will have (1) one vote. If the Operations Board cannot reach consensus, the deciding vote will be cast by the Policy Board.

Tacoma-Pierce County Health Department

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

Financial information for both entities is included in Note 8 Section G. The City of Tacoma however, does not report an equity interest in the Government-wide financial statements.

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

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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 2014 (*as applicable*), the following:

- Statement No. 67, issued in June 2012, *Financial Reporting for Pension Plans; an amendment for GASB Statement No 25*, effective for financial statements for periods beginning after June 15, 2013.
- Statement No. 69, issued in January 2013, *Government Combinations and Disposals of Government Operations*, effective for financial statements beginning after December 15, 2013; and,
- Statement No. 70, issued in April 2013, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for financial statements beginning after June 15, 2013.

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>Transportation Capital &amp; Engineering</b>		
<b>General Fund</b>	<b>Capital &amp; Engineering</b>	<b>Non-major Funds</b>
\$ 1,949	\$ 16,870	\$ 23,515

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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 Transportation Capital and Engineering fund (#3-1060) accounts for maintenance, engineering, and construction of city streets.

The City reports the following major proprietary funds:

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

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

Special Revenue Funds:

- Courts Special Revenue fund (#1020) accounts for costs associated with the Court system.
- Council Contingency fund (#1030) establishes reserves for Council contingencies. This fund is reported within the General fund.
- Public Works Street fund (#1065) accounts for street engineering and administration services.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

- 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 Transportation Capital and Engineering fund for the maintenance of City streets.
- 2% Gross Earnings Tax 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.
- Property Management/Street Vacation fund (#1100) accounts for costs associated with Public Works Facilities and Street Right-of-ways.
- Local Improvement Guarantee fund (#1110) provides for the guarantee of Local Improvement Bond obligations.
- Public Works Paths and Trails fund (#1140) was created for the purpose of creating and maintaining paths and trails within the City of Tacoma.
- Building and Land Use Services fund (#1145) was created for the purpose of managing code violations and preserving historical buildings.
- Fire Department EMS fund (#1155) accounts for costs associated with the emergency management.
- Tourism fund (#1180) was created to promote use of the convention center and to promote tourism for the City.
- Neighborhood and Community Services fund (#1185) accounts for neighborhood and community services to protect human rights and provide services to improve neighborhoods and households.
- Community and Economic Development fund (#1195) was created to promote economic development for the City.
- Library fund (#1200) accounts for costs associated with the operation of the Library system.
- Finance 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.
- Municipal Cable fund (#1431) supports the accounting for TV Tacoma, the City's television station.
- Human Resources Special Revenue fund (#1500) accounts for activities within the human resources department.
- Traffic Enforcement, Engineering and Education 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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 Operating 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 Division fund (#4500) accounts for costs for the operations of the rail system between Tacoma and the Olympia area.
- Low Income Assistance fund (#4805) was created to accept voluntary donations to help low income customers pay utility bills.
- Power Conservation fund (#4850) was created to account for power conservation projects and payment of debt issued.

**Internal Service Funds:**

- Finance Department fund (#5007) accounts for the operation of the Finance Division.
- 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.
- TPU 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.
- Public Works Equipment Rental fund (#5400) accounts for costs of maintaining and replacing City vehicles for General Government activities.
- Asphalt Plant fund (#5453) accounts for the manufacturing of asphalt sold to other funds within the City of Tacoma.
- Communications Equipment – Replacement Reserves fund (#5540) accounts for radio communication equipment.
- Third Party Liability Claims fund (#5550) was created to track costs related to our self-insurance program.
- Unemployment Compensation fund (#5560) accounts for the City's self-insurance unemployment compensation costs.
- Worker's Compensation fund (#5570) accounts for the City's self-insurance worker's compensation costs.
- Facilities Operations and Telecommunications fund (#5700) accounts for maintenance and operation cost associated with all City of Tacoma buildings.
- Information Systems fund (#5800) provides computer and system support for all City departments.
- Health Benefits Trust fund (#5-64xx) provides accounting for self-insurance to all City's cost for healthcare.
- Self-Insurance Claims fund (#5-4800) provides accounting for self-insurance to Business-type Activities of the City of Tacoma departments including provisions for losses on property, liability, workers compensation, unemployment compensation.

**Trust Funds:**

- Deferred Compensation fund (#6450) accounts for activities related to mandatory and optional payroll deductions.
- Tacoma Employee Retirement Systems 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.

NOTES TO THE FINANCIAL STATEMENTS  
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**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.

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. Prepaid items accounted for under the consumption method and are expensed over the period the services are provided rather than when purchased.

**4. Restricted assets**

Restricted assets in the enterprise funds are monies which are restricted by legal or contractual requirements. These assets are generally intended for either construction of capital assets or for the repayment of debt. See Note 4-G for further information.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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 in the utility funds are 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 allows employees to accrue vacation based on the number of years worked with a maximum accrual equal to the amount earned in a two-year period. These employees also accrue one day of sick leave per month without any ceiling on the maximum accrued. An employee is entitled to 100% of the value of the vacation leave; 25% of the value of the sick leave at retirement or death, or 10% of the value of the sick leave upon termination for any other reason. Under a revised City policy, employees earn Personal Time off (PTO) without distinction between vacation and sick leave with a maximum accrual of 960 hours. Employees who worked for the City prior to the change, or are covered by a collective bargaining agreement that provides only for vacation and sick leave could choose to stay with the original policy or may opt to convert to the new policy. The amount of leave earned is based on years of service. The Tacoma Public Library has slightly different rules governing sick leave and vacation leave, but these differences are not considered material to the City's financial statements.

**7. Long-term obligations**

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

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

## 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 in the General Fund was adopted by City Council, Ordinance #19315, on March 30, 1971 and revised by Ordinance #22569, on November 24, 1981. The amount committed in the 2% Gross Earnings Tax Fund was adopted by City Council, Ordinance #28173 on September 24, 2013.
4. Assigned: Includes amounts that have been allocated by the General Fund through the encumbrance process, previously classified as unassigned. The authority to assign funds is delegated to City Management through the adoption of the biennium budget by the City Council. Fund balances of special revenue funds, debt service funds, capital project funds, that are not classified as nonspendable, restricted, or committed will be classified as assigned for the purpose of the fund. The authority to create funds is determined by formal action by the City Council, by adoption of an ordinance, or by state statute.
5. Unassigned: Includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category as a positive fund balance. In other governmental funds, if the expenditures incurred for specific purposes exceeds the amounts, restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

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

Use of resources will be spent in the following hierarchy:

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

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

### Net position

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



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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	\$ (198,852)
Discount on bond issuance	68
Premium on bond issuance	(1,893)
Net other post employment benefits obligation	(49,703)
Compensated absences	<u>(16,218)</u>
Sub-total	(266,598)
Net pension obligation	<u>(9,608)</u>
Net adjustment to reduce fund balance for total governmental funds to arrive at net position for governmental activities	<u><u>\$ (276,206)</u></u>

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

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

One element of the reconciliation explains:

“Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

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

Capital Outlay	\$ 25,969
Depreciation Expense	<u>(44,924)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (18,955)</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
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Another element of the reconciliation states:

“Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds,”

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

OPEB	\$ (7,558)
Net pension obligation	(11)
Compensated absences	(1,775)
Accrued interest	<u>(2,203)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position	   <u>\$ (11,547)</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 debt service funds, 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 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.

For budgetary tracking purposes, in the General Fund, assessments are budgeted as negative revenues. These negative revenues are considered a budgetary authority increase to both revenues and expenditures for reporting purposes in the original and final adopted budgets. The amount totaled \$36,043,664 for 2013-2014.

#### 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 \$43 thousand deficit fund balance resulting from a transfer out of \$58 thousand in 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 \$8.4 million deficit in the Convention Center fund resulted from cumulative expenses exceeding revenues/transfers and increase \$1.3 million over the previous year. Operating losses were \$ 4.0 million for the year as compared to \$3.7 for

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

the prior year. The general fund decreased its contribution during 2014 to \$1 million. The fund is reviewed periodically to determine the necessary transfer amounts the General Fund needs to contribute.

The Third Party Liability Claims Fund has a net position deficit of \$11.4 million, a decrease of \$3.6 million over the prior year, due to a decrease in claims.

The Worker's Compensation Fund has a net position deficit of \$3.2 million due to insufficient contributions from the departments, and an excess of accrued and IBNR claims over total assets. The Worker's Compensation fund has a negative net change in 2014 which increased the deficit by \$1.0 million.

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)	(43)
2002 Police Facility (#3216)	(4,200)
Convention Center (#4165)	(8,406)
Third Party Liability Claims (#5550)	(11,446)
Worker's Compensation (#5570)	(3,229)
	<u>\$ (27,324)</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 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 \$89,862,354

**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 2014, there was no significant loss potential, and there were no significant or recurring violations of administrative, legal or contractual provisions.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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 2014.

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

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

Type of Securities Lent	2014		2013	
	Fair Values of Securities Lent	Collateral	Fair Values of Securities Lent	Collateral
U.S. Government and Agencies	179,219	182,911	101,562	103,636
Total Securities Lent	<u>179,219</u>	<u>182,911</u>	<u>101,562</u>	<u>103,636</u>

Collateral	2014	2013
U.S. Corporate Obligations	63,380	48,878
U.S. Treasury Strips	-	-
Government Sponsored Enterprises	6,440	3,300
Asset Backed Securities	1,192	3,737
Repurchase Agreements/Money Mkt	<u>111,599</u>	<u>47,721</u>
Total Collateral	<u>182,611</u>	<u>103,636</u>

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

1. **Bankers Acceptances:** City investment policy allows for purchases of bankers acceptances from the top 50 world banks as published by American Banker. Portfolio mix guidelines suggest a maximum of 40% of the total portfolio with no more than 10% of the total portfolio in any one bank.
2. **U.S. Treasury Bills, Certificates, Notes and Bonds:** Portfolio mix guidelines allow for a maximum of 100% of the total portfolio to be invested in these securities.
3. **U.S. Government Agency Securities:** Portfolio mix guidelines suggest a maximum of 90% of the total portfolio with no more than 50% of the total portfolio per agency.
4. **Commercial Paper:** Portfolio mix guidelines require the highest rating by at least two nationally recognized rating agencies for purchase with no more than 10% of the portfolio invested in commercial paper with an additional limit of no more than 3% in any one issuer.
5. **Repurchase Agreements:** Portfolio mix guidelines suggest repurchase agreements be limited to maximum of 15% of the total portfolio. The market value of collateral must exceed the dollar amount of the repurchase agreement by 2% over the term of the agreement. The collateral must be an investment instrument which the City is authorized to purchase.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

6. Reverse Repurchase Agreements: The City did not participate in any reverse repurchase agreements in 2014.

## 2. Deposits and investments – December 31, 2014

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, 2014, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments  
December 31, 2014  
amounts expressed in thousands)

Reconciliation of Cash and Investments:

Investments (less Component Units)	\$ 2,413,544
Certificates of Deposit	7,172
Treasurer's Cash, net	82,389
Petty Cash Funds	302
Sub-total	<u>2,503,407</u>

Component Units:

Tacoma Community Redevelopment Authority (TCRA)	1,531
TCRA - External Cash	3,004
Foss Waterway Development Authority (FWDA)	2,050
FWDA - External Cash	265
Public Facilities District (PFD)	1,178
Sub-total (Component Units)	<u>8,028</u>

Total	<u><u>\$ 2,511,435</u></u>
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NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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

Investments:	Fair Value @ 12/31/14
Financial Institutions	
WA State Local Government Investment Pool	\$ 65,159
US Treasury Securities	-
Government Agencies (various)	783,002
Bankers Acceptances	-
Electric System Revenue Bond Investments	8,761
Equity in Pool Transferred to Component Units	<u>(4,758)</u>
Total Investments with Financial Institutions	852,164
Component Units	
TCRA Equity in Investment Pool	1,531
FWDA Equity in Investment Pool	2,050
PFD Equity in Investment Pool	<u>1,178</u>
Total Component Unit Investments	4,759
Total	856,923
Pension Trust	
Equities	830,574
Fixed Income	502,847
Real Estate	65,267
Venture Capital & Partnerships	68,106
Short Term Bill & Notes	9,953
Cash and Cash Equivalents	18,169
Securities Lending Collateral	<u>66,466</u>
Total Other Investments - Pension Trust	1,561,382
Total	<u>\$ 2,418,305</u>

### 3. GASB 40 - General Disclosure and Disclosure Relating to Interest Rate Risk/Segmented Time Distribution Method

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. City of Tacoma Investment Policy allows for authorized investments up to 60 months to maturity. One way the City manages its exposure to interest rate risk is by timing cash flows from maturities so that portions of the portfolio are maturing over time to provide cash flow and liquidity needed for operations. The City has deposits of \$65,269,007 with the State Treasurer's Local Government Investment Pool, \$7,171,934 in an interest bearing demand deposit account with a commercial bank and \$70,426,178 in the City's deposit account with commercial banks. The monies from these accounts are available immediately.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2014

Investment Type	Par	Maturing (in months)				
		Less than 12	13-24	25-36	37-48	49-60
Main Bank Demand Deposits	\$ 70,426,178	\$ 70,426,178	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	72,330,941	72,330,941	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	151,205,000	66,265,000	68,910,000	15,030,000	1,000,000	-
Fixed Rate Non-Callable Agency Securities	506,502,000	126,689,000	153,250,000	196,563,000	20,000,000	10,000,000
Fixed Rate Callable Agency Securities	117,000,000	10,000,000	-	57,000,000	40,000,000	10,000,000
Totals	\$ 917,464,119	\$ 345,711,119	\$ 222,160,000	\$ 268,593,000	\$ 61,000,000	\$ 20,000,000
Percent of Total		37.68%	24.21%	29.28%	6.65%	2.18%

#### 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 2014 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	\$ 142,757,120	FDIC & PDPC	\$ 142,757,120	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	151,205,000	A	-	20,915,000	105,595,000	24,695,000
Fixed Rate Non-Callable Agency Securities	506,502,000	AAA	-	506,502,000	-	-
Fixed Rate Callable Agency Securities	117,000,000	AAA	-	117,000,000	-	-
Total	\$ 917,464,120		\$ 142,757,120	\$ 644,417,000	\$ 105,595,000	\$ 24,695,000

#### 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	\$ 44,205,000	7.9%
Federal Farm Credit Bank	Agency Securities	59,189,000	10.6%
Federal Home Loan Bank	Agency Securities	177,000,000	31.6%
Federal Home Mortgage Corporation	Agency Securities	100,500,000	18.0%
Federal National Mortgage Association	Agency Securities	178,563,000	31.9%
Total		\$ 559,457,000	100.0%

#### 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**B. Receivables**

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

Accounts Receivable (amounts expressed in thousands)	Trans Capital		Non-Major		Waste Water
	General	& Engineering	Governmental	Solid Waste	
	Fund	Fund	Funds	Fund	Fund
Accounts Receivable (net short-term)	\$ 11,793	\$ 367	\$ 41,134	\$ 5,972	\$ 12,146
Due from other Funds	4,302	983	1,513	498	445
Advances to other Funds	10,688	-	2,790	-	-
Due from Other Governments	15,010	1,403	4,583	-	1,206
Interest Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net long-term)	-	-	-	-	-
TOTAL	<u>\$ 41,793</u>	<u>\$ 2,753</u>	<u>\$ 50,020</u>	<u>\$ 6,470</u>	<u>\$ 13,797</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)	\$ 9,569	\$ 63,727	\$ 7,754	\$ 258	\$ -	\$ 152,720
Due from other Funds	292	2,509	147	6,578	2	17,269
Advances to other Funds	-	-	-	-	-	13,478
Due from Other Governments	-	234	-	339	2,688	25,463
Interest Receivable (net short-term)	-	-	-	-	2,399	2,399
Notes and Contracts Receivable (net long-term)	-	42,599	27,584	-	-	70,183
TOTAL	\$ 9,861	\$ 109,069	\$ 35,485	\$ 7,175	\$ 5,089	\$ 281,512



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**C. Capital assets**

Capital asset activity for the year-ended December 31, 2014 was as follows (amounts expressed in thousands):

Governmental Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets not being depreciated:					
Land	\$ 28,201	\$ 403	\$ (1,502)	\$ -	\$ 27,102
Property, plant, and equipment	1,903	-	-	-	1,903
Construction work in progress	84,083	19,498	(19,468)	-	84,113
Total capital assets, not being depreciated	<u>114,187</u>	<u>19,901</u>	<u>(20,970)</u>	<u>-</u>	<u>113,118</u>
Capital assets, being depreciated:					
Property, plant, and equipment	212,289	14,143	(8,502)	-	217,930
Infrastructure	1,303,768	12,548	(3)	-	1,316,313
Total capital assets, being depreciated	<u>1,516,057</u>	<u>26,691</u>	<u>(8,505)</u>	<u>-</u>	<u>1,534,243</u>
Less accumulated depreciation:					
Property, plant, and equipment	(119,316)	(11,427)	7,261	-	(123,482)
Infrastructure	(663,420)	(32,424)	-	-	(695,844)
Total accumulated depreciation	<u>(782,736)</u>	<u>(43,851)</u>	<u>7,261</u>	<u>-</u>	<u>(819,326)</u>
Governmental activities, capital assets (net of accumulated depreciation)	\$ <u>847,508</u>	\$ <u>2,741</u>	\$ <u>(22,214)</u>	\$ <u>-</u>	\$ <u>828,035</u>
Business-Type Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets not being depreciated:					
Land	\$ 158,386	\$ 1,040	\$ (214)	\$ (1,166)	\$ 158,046
Non-depreciable Property, plant and equip	35,608	250	(200)		35,658
Construction work in progress	180,780	220,667	(134,683)		266,764
Total capital assets, not being depreciated	<u>374,774</u>	<u>221,957</u>	<u>(135,097)</u>	<u>(1,166)</u>	<u>460,468</u>
Capital assets, being depreciated:					
Property, plant, and equipment	3,704,119	123,483	(20,012)	1,166	3,808,756
Total capital assets, being depreciated	<u>3,704,119</u>	<u>123,483</u>	<u>(20,012)</u>	<u>1,166</u>	<u>3,808,756</u>
Less accumulated depreciation:					
Property, plant, and equipment	(1,452,624)	(108,103)	15,241	-	(1,545,486)
Total accumulated depreciation	<u>(1,452,624)</u>	<u>(108,103)</u>	<u>15,241</u>	<u>-</u>	<u>(1,545,486)</u>
Business-type activities, capital assets (net of accumulated depreciation)	\$ <u>2,626,269</u>	\$ <u>237,337</u>	\$ <u>(139,868)</u>	\$ <u>-</u>	\$ <u>2,723,738</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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

Governmental Activities:

General Government	\$ 365
Public Safety	3,361
Transportation	32,590
Economic Environment	48
Culture and Recreation	2,099
Capital Assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>5,388</u>
Total depreciation expense - governmental activities	<u><u>43,851</u></u>

Business-type activities:

Permit	6
Mountain Rail	886
Parking Garage	1,325
Convention Center	2,189
Baseball Park	1,497
Tacoma Dome	608
Performing Arts	576
TPU Fleet	2,769
Solid Waste	6,988
Waste Water	14,248
Tacoma Rail	1,069
Water	16,784
Power	<u>59,156</u>
Total depreciation expense - business-type activities	<u><u>\$ 108,101</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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

The City leases certain equipment under a capital lease agreement. Capital lease balances at December 31, 2014:

(amounts expressed in thousands)

Business Activities

TES/Urban Waters Capital Lease, \$34,305:

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
2015	783	1,827	2,610
2016	813	1,796	2,609
2017	848	1,763	2,611
2018	883	1,729	2,612
2019	918	1,692	2,610
2020-2024	5,302	7,745	13,047
2025-2029	6,846	6,208	13,054
2030-2034	8,967	4,084	13,051
2035-2038	8,945	1,275	10,220
Totals	34,305	28,119	62,424

**E. Short-term debt**

Governmental activities: No short-term debt was issued or outstanding in 2014.

Business activities: No short term debt was issued or outstanding in 2014.

**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 \$162 million. General obligation bonds were issued in 2014 in the amount of \$2.2 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 8,744	\$ 5,470	\$ 1,334	\$ 2,809
2016	7,717	5,445	2,616	2,728
2017	7,784	5,381	2,687	2,625
2018	7,864	5,275	2,826	2,492
2019	8,903	4,543	2,632	2,335
2020-2024	40,816	22,027	13,595	9,857
2025-2029	29,037	25,439	15,290	6,571
2030-2034	29,051	20,480	19,065	2,957
2035-2039	7,805	2,604	1,895	129
2040-2043	505	30	-	-
Total	\$ 148,226	\$ 96,694	\$ 61,940	\$ 32,503

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%	\$ 148,226
Business Activities	3.80%-4.45%	\$ 61,940

***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, 2014, the amount of LID Special Assessment delinquency equals \$441,616. 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, 2014

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
2015	157	1,817
2016	-	1,820
2017	-	1,820
2018	-	1,820
2019	-	1,820
2020-2024	617	9,063
2025-2029	-	8,912
2030-2034	-	8,912
2035-2039	-	8,912
2040-2043	30,999	7,130
	<u>\$ 31,773</u>	<u>\$ 52,026</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 there were no issues 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
2015	\$ 55,482	\$ 57,507
2016	63,935	55,003
2017	64,411	52,600
2018	66,283	50,422
2019	67,475	47,044
2020-2024	235,381	198,454
2025-2029	161,291	161,229
2030-2034	232,140	118,464
2035-2039	191,152	54,467
2040-2043	136,815	12,711
Total	<u>\$ 1,274,365</u>	<u>\$ 807,901</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**Changes in long-term debt**

Governmental activities - long term (amounts expressed in thousands)				Reconcile to		
	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year	Note 12
General obligation Bonds	\$ 151,443	\$ 2,203	\$ (5,420)	\$ 148,226	\$ 8,744	\$ 148,226
Less: Unamortized discount	(73)	-	5	(68)	(5)	
Add: Unamortized premium	2,225	-	(332)	1,893	332	
Washington State Department of Transportation Loan	20,000	-	(14,000)	6,000	3,000	6,000
Public works trust fund loans	8,977	-	(1,112)	7,865	1,111	7,865
Bond anticipation notes	10,975	-	-	10,975	10,975	10,975
Special assessment debt	32,106	-	(333)	31,773	157	31,773
Capital leases	-	-	-	-	-	
Claims and judgments	24,236	3,701	(5,107)	22,830	15,080	
Other Post Employment Benefits	42,158	7,545	-	49,703	-	
Net Pension Obligation	9,643	1,823	(1,858)	9,608	-	
Accrued employee leave benefits	17,310	8,892	(9,984)	16,218	1,733	
Governmental activities - long term liabilities	<u>\$ 319,000</u>	<u>\$ 24,164</u>	<u>\$ (38,141)</u>	<u>\$ 305,023</u>	<u>\$ 41,127</u>	<u>\$ 204,839</u>
Business activities - long-term (amounts expressed in thousands)						
	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year	
Revenue Bonds, water public works board, drinking water state revolving loans, and rail	\$ 1,284,168	\$ 41,720	(51,523)	\$ 1,274,365	\$ 55,482	
Muckleshoot liability	7,716	-	(201)	7,515	195	
General obligation bonds	62,330	-	(390)	61,940	1,334	
Plus: Unamortized premium	49,277	3,692	(4,701)	48,268	-	
Less: Unamortized discount	(186)	-	157	(29)	-	
Capital leases	35,058	2,436	(3,189)	34,305	782	
Environmental liability	1,178	-	(174)	1,004	604	
Landfill closure cost liability	25,691	1,123	(1,094)	25,720	907	
Other Post Employment Benefits	13,952	3,585	(1,129)	16,408	-	
Accrued employee leave benefits	18,944	10,654	(10,451)	19,147	1,914	
Business activities - long-term liabilities	<u>\$ 1,498,128</u>	<u>\$ 63,210</u>	<u>\$ (72,695)</u>	<u>\$ 1,488,643</u>	<u>\$ 61,218</u>	

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$1.8 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 (\$2,203) listed above equals the Governmental Fund issuance of long-term debt (\$2,203).

Note 12 summarizes changes in long-term debt.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**Bonds issued in 2014**

There were no new bond issues in 2014.

**G. Restricted assets**

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

Cash for debt service	67,100
Cash for construction	91,557
Cash for other special purposes	123,487
Customer deposits	90
	\$ 282,234

**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.

**J. Fund balances**

The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54. Balances previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned, and unassigned. Please refer to Note 1 D-8 for fund balance descriptions.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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

	Major Funds		Non-major Funds			
	General Fund	Transp Capital & Engr	Special Revenue	Debt Service	Capital Project	Total Funds
Fund balances:						
Nonspendable:						
Long-term receivables/advances	\$ 13,883	\$ -	\$ -	\$ -	\$ -	\$ 13,883
Inventory	1,116	-	1,807	-	-	2,923
Prepays	27	-	-	-	-	27
Trust	-	-	17	-	-	17
Total nonspendable	<u>15,026</u>	<u>-</u>	<u>1,824</u>	<u>-</u>	<u>-</u>	<u>16,850</u>
Restricted:						
Business & Training Assistance	-	-	125	-	-	125
Capital purchases	-	-	-	-	969	969
Crime Prevention & Safety	-	-	11,002	-	-	11,002
Debt service	-	-	1,735	8,309	-	10,044
Economic development programs	-	-	12,524	-	-	12,524
Facilities & Garages	-	-	-	-	1,828	1,828
Grants	-	1,978	570	-	142	2,690
Housing Development	-	-	834	-	-	834
Library, Arts & Preservation	-	-	4,713	-	25	4,738
Local Improvement District	-	-	4,272	-	-	4,272
Other capital	-	-	-	-	3,301	3,301
Parks & Recreation	-	-	-	-	7,495	7,495
Paths & Trails	-	-	370	-	-	370
Public services	9	-	8,384	-	-	8,393
Public Works projects	-	-	411	-	10,236	10,647
Sidewalk & Street projects	-	-	-	-	399	399
Total restricted	<u>9</u>	<u>1,978</u>	<u>44,940</u>	<u>8,309</u>	<u>24,395</u>	<u>79,631</u>
Committed:						
Council contingency	973	-	-	-	-	973
Neighborhoods	-	-	-	-	87	87
Public Works projects	-	-	150	-	-	150
Total committed	<u>973</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>87</u>	<u>1,210</u>
Assigned:						
Advances	-	-	-	-	2,659	2,659
Business & Training Assistance	-	-	272	-	-	272
Demolitions	-	-	3,194	-	-	3,194
Library	-	-	1,884	-	-	1,884
Municipal TV	-	-	3,377	-	-	3,377
Neighborhoods	-	-	800	-	-	800
Open Space Properties	-	-	794	-	-	794
Police activities	-	-	-	-	-	-
Public services	-	7,623	416	-	-	8,039
Crime Prevention & Safety	-	-	722	-	-	722
Other purposes	1,949	-	-	-	2	1,951
Total assigned	<u>1,949</u>	<u>7,623</u>	<u>11,459</u>	<u>-</u>	<u>2,661</u>	<u>23,692</u>
Unassigned:	<u>48,343</u>	<u>-</u>	<u>(1,372)</u>	<u>(17)</u>	<u>(4,330)</u>	<u>42,634</u>
Total fund balances:	<u>\$ 66,300</u>	<u>\$ 9,601</u>	<u>\$ 57,001</u>	<u>\$ 8,292</u>	<u>\$ 22,813</u>	<u>\$ 164,017</u>



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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	\$ 6,098
Debt Service	10,044
Culture and recreation	12,233
Public safety	11,002
Local improvement districts and neighborhoods	4,272
Transportation	11,540
Grants	2,690
Housing and economic development	21,751
	\$ 79,630

**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 Pension 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 2,166 retirees and beneficiaries receiving benefits, 459 vested terminated employees entitled to future benefits; and 2,884 active members of Tacoma Employees' Retirement System, as of December 31, 2014.

**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 assets available for benefits.

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

**5. Benefits:** 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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, 2014, 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
1/1/2012	\$ 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%
1/1/2014	1,297.0	1,400.0	103.0	92.6%	213.8	48.2%

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

2012	20,919,787
2013	21,188,984
2014	22,149,246

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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

Valuation Date:	January 1, 2014
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	7.25%
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 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, 2014

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 benefit 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 benefit 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, 2014

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, 2013:

Retirees and Beneficiaries Receiving Benefits	10,511
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	699
Active Plan Members Vested	16,830
Active Plan Members Nonvested	<u>1,600</u>
Total	29,640

### 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 2014, the state contributed \$55.6 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, 2014, 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, 2014

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
2014	n/a	n/a	\$ 3.80
2013	n/a	n/a	\$ 3.58
2012	n/a	n/a	\$ 3.61

### 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, 2014. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 153 for the PRP and 202 for the FRP as of December 31, 2014. 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, 2014, there were 202 retired law enforcement officers and 249 retired firefighters who are eligible for medical coverage (this does not include active employees).

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2014

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 \$2.2 million and \$2.6 million were made for PRP officers and FRP officers, respectively, which equaled benefits paid; and the ending fund balance is zero.

**2. Basis of Accounting:**

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

**3. Investments:**

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

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

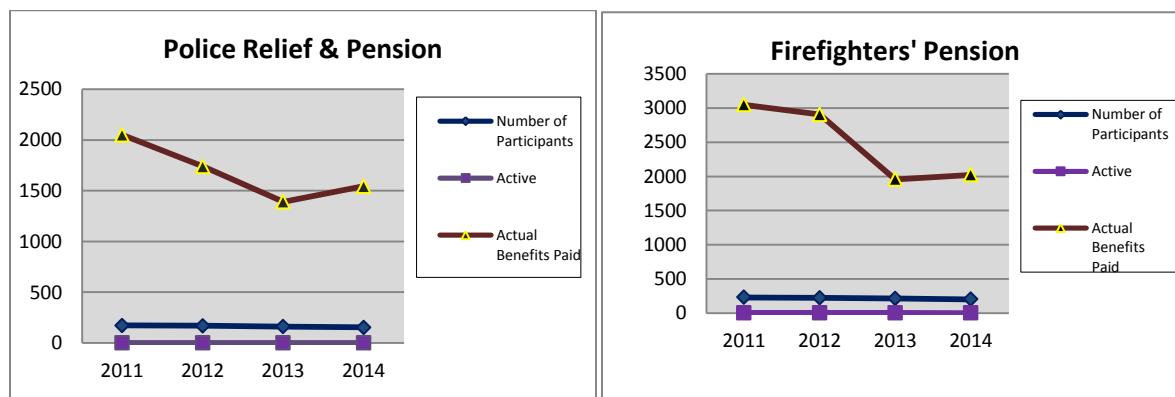
The PRP is funded entirely from a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. The General Fund is responsible for ensuring that the fund has adequate cash to pay its obligations each year. Total contributions to the PRP were \$4.2 million in 2014.

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 \$4.4 million in 2014; and (2) the balance of \$866 thousand 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 \$4.9 million in 2014. 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
12/31/2014	153	0	1,544	12/31/2014	202	0	2,024

(Tables amounts for Actual Benefits Paid expressed in thousands)



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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	2012	2,676	86	9,145
	2013	2,629	81	9,643
	2014	1,823	102	9,608
Police Relief & Pension	2012	1,513	102	(496)
	2013	1,516	100	(490)
	2014	1,318	97	(444)

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 Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
Firefighter's Relief & Pension	\$ 452	\$ 26,275	\$ 25,823	2%	0	n/a
Police Relief and Pension	303	14,947	14,644	2%	0	n/a

The AAL as of December 31, 2014, based on the actuarial valuation as of January 1, 2014, was \$26.3 million for Firefighters' Relief and Pension and \$14.9 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, 2014

**ANNUAL PENSION COST AND NET PENSION OBLIGATION**  
**FIREFIGHTER'S POICE RELIEF AND PENSION FUNDS**  
**For the Year Ended December 31, 2014**  
**(In Thousands)**

	Firefighter's Relief and Pension			Police Relief and Pension		
	2014	2013	2012	2014	2013	2012
Annual Required Contribution (ARC)						
Annual Normal Cost - Beginning of Year	-	6	6	-	-	-
Amortization of UAAL - Beginning of Year	2,200	2,896	2,896	1,247	1,437	1,437
Interest to End of Year*	82	116	116	47	58	58
ARC at End of Year	2,282	3,018	3,018	1,294	1,495	1,495
Interest on NPO	362	366	351	(18)	(20)	(19)
Adjustment to ARC	(821)	(755)	(693)	42	41	37
Annual Pension Cost (APC)	1,823	2,629	2,676	1,318	1,516	1,513
Employer Contribution**	1,858	2,131	2,305	1,272	**** 1,510	1,536
Change in NPO	(35)	498	371	46	**** 6	(23)
NPO at Beginning of Year	9,643	9,145	8,774	(490)	(496)	(473)
NPO at End of Year	9,608	9,643	9,145	(444)	**** (490)	(496)

\*"I" is the assumed interest rate that year: 4.0% in 2012, 4.0% in 2013, and 3.75 in 2014.

\*\* 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.

\*\*\*\* Assumed amounts replaced at year-end with actual amounts

The net pension obligation of the Firefighter's Relief and Pension Fund is \$ \$9.6 million net pension liability at December 31, 2014. The net pension obligation of the Police Relief and Pension Fund is \$0.4 million net pension asset at December 31, 2014.

**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:

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

	<b>Firefighter Relief and Pension</b>	<b>Police Relief and Pension</b>
Valuation date	January 1, 2014	January 1, 2014
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	15 years	15 years
Amortization method	30-years, closed as of January 1, 1999	30-years, closed as of January 1, 1999
Actuarial assumptions		
Investment rate of return (discount rate)	3.75%	3.75%
Projected salary increase	3.50%	3.50%
Inflation	2.50%	2.50%
Cost-of-living Adjustment	Based upon salary increase assumption, for FRP benefits	Based upon salary increase assumption, for PRP benefits

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**7. Individual financial statements:**

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

December 31, 2014

(In Thousand)

	Firefighters' Relief and Pension	Police Relief and Pension	2014	2013
<b>Assets</b>				
Cash and cash equivalents	\$ 345	\$ 216	\$ 561	\$ 515
Due from other fund	340	320	660	730
Total Assets	685	536	1,221	1,245
<b>Liabilities</b>				
Accounts Payable	40	21	61	44
Accrued wages and benefits payable	2	2	4	4
Due to other funds	138	183	321	334
Other current liabilities	82	50	132	96
Accrued employee leave benefits	5	5	10	12
Total Liability	267	261	528	490
<b>Net Position Held in Trust for Pension</b>	<b>\$ 418</b>	<b>\$ 275</b>	<b>\$ 693</b>	<b>\$ 755</b>

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

For Year Ended December 31, 2014

(In Thousand)

	Firefighters' Relief and Pension	Police Relief and Pension	2014	2013
<b>Addition</b>				
Employer Contributions	\$ 5,246	\$ 4,200	\$ 9,446	\$ 8,992
Interest and Dividend	4	2	6	3
Total Addition	5,250	4,202	9,452	8,995
<b>Deduction</b>				
Healthcare benefit payment	5,128	4,072	9,200	8,528
Wages and other benefit payable	98	102	200	108
Administrative expenses	58	56	114	62
Total Deduction	5,284	4,230	9,514	8,698
<b>Change in Net Position</b>	<b>(34)</b>	<b>(28)</b>	<b>(62)</b>	<b>297</b>
Net Position - Beginning of Year	452	303	755	458
<b>Net Position - End of Year</b>	<b>\$ 418</b>	<b>\$ 275</b>	<b>\$ 693</b>	<b>\$ 755</b>

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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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 Plan 1) administered by the City; the Law Enforcement Officers' and Firefighters' Retirement System Plan (LEOFF Plan 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, 2014

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	1,893,979	11,646,791	951,968	60,446
Annual Required Contribution (ARC)	5,634,458	11,840,902	2,408,020	154,391
Net OPEB Obligation				
Annual Required Contribution (ARC)	5,634,458	11,840,903	2,408,020	154,390
Interest on prior year Net OPEB obligation	810,497	836,919	446,395	9,808
Less Adjustments to ARC	915,039	1,412,281	503,973	11,073
Annual OPEB Cost	5,529,916	11,265,541	2,350,442	153,125
Contributions made	1,828,282	6,570,000	834,533	51,612
Increase in Net OPEB Obligation	3,701,634	4,695,541	1,515,909	101,513
Net OPEB Obligation - Beginning of Year	21,613,250	22,317,845	11,903,854	261,551
Net OPEB Obligation - End of Year	\$ 25,314,884	\$ 27,013,386	\$ 13,419,763	\$ 363,064

Value of Subsidy at 3.75% Interest Rate (Includes Health & Transit)

	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
12/31/2012	5,162,679	38.2%	17,599,345
12/31/2013	5,602,233	28.1%	21,627,548
12/31/2014	5,529,916	28.5%	25,314,884

LEOFF Plan 1		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	11,901,822	58.3%	18,472,271
12/31/2013	11,395,563	66.3%	22,317,847
12/31/2014	11,265,541	67.0%	27,013,386

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

<b>LEOFF Plan 2</b>		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2012	2,209,152	17.5%	10,215,066
12/31/2013	2,377,133	29.0%	11,903,854
12/31/2014	2,350,442	29.3%	13,419,763

<b>Rail</b>		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
Year Ended	Cost	Contributed	Obligation
12/31/2012	195,524	52.6%	182,685
12/31/2013	153,839	48.7%	261,552
12/31/2014	153,125	49.0%	363,064

### 3. Funding Status and Funding Process:

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

	TERS w/Health and Transit		LEOFF 1		LEOFF 2		Rail
Annual City Benefit Payments	\$	1,836,394	\$	6,570,000	\$	834,533	\$ 51,612
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		216,468,374		206,870		72,486,494	9,879,808
UAAL as a % of covered payroll		21%		88080%		31%	15%

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, 2014

**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 2013 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, 2014

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 Payrol 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 two deferred compensation plans 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, permit 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 2014 contribution limits are \$18,000 for regular deferral, \$36,000 for pre-retirement and \$24,000 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, 2014

Benefit Plan	Third Party Administrator	Pre-Tax Employer Contributions	Pre-Tax Employee Contributions	After-Tax Employee Contributions	Total by Plan
<b>401a Plan</b>					
457 deferred compensation	ICMA	\$ 2,110,295.96	\$ 11,385,577.81	\$ 219,675.79	\$ 13,715,549.56
457 deferred compensation	Nationwide	1,190,279.58	1,684,604.53	49,875.33	2,924,759.44
<b>401a Plan</b>	New England Ben Admin	-	372.30	-	372.30
Total		<u>\$ 3,300,575.54</u>	<u>\$ 13,070,554.64</u>	<u>\$ 269,551.12</u>	<u>\$ 16,640,681.30</u>

**Note 7 Interfund activity**

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

The composition of interfund balances (amounts expressed in thousands) at December 31, 2014 is as follows:

Due To	Due From									
	Trans Cap &			Waste			Internal	Non-major	Non-major	Total
	General	Engineer	Solid Waste	Water	Water	Power	Service	Governmental	Enterprise	
	Fund	Fund	Fund	Fund	Fund	Fund	Funds	Funds	Funds	
General Fund	\$ -	\$ -	\$ 395	\$ 597	\$ 134	\$ 35	\$ 1,524	\$ 273	\$ -	\$ 2,958
Trans Cap & Engineer Fund	41	-	-	47	-	2	11	10	-	\$ 111
Solid Waste Fund	591	-	-	-	-	226	216	135	-	\$ 1,168
Waste Water Fund	682	66	57	(417)	-	504	671	220	-	\$ 1,783
Water Fund	151	-	23	1	40	658	447	19	-	\$ 1,339
Power Fund	424	-	18	91	19	-	2,416	1	1	\$ 2,970
Internal Service Funds	389	-	5	74	99	1,031	343	25	96	\$ 2,062
Non-major Governmental Funds	1,891	911	-	9	-	6	368	806	34	\$ 4,025
Non-major Enterprise Funds	133	6	-	43	-	47	582	24	16	\$ 851
Total	\$ 4,302	\$ 983	\$ 498	\$ 445	\$ 292	\$ 2,509	\$ 6,578	\$ 1,513	\$ 147	\$ 17,267

Due To and Due From balances result when transactions are recorded in the accounting system and payments are made between funds after December 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

Advance Owed From	Advances Owed To			
	Major Governmental	Non-major Governmental	Internal Service Funds	Total
Non-major Governmental	\$ 4,209	\$ 1,063	\$ -	\$ 5,272
Non-major Enterprise	6,480	1,726	-	8,206
Internal Service Funds	-	-	-	-
Total	\$ 10,689	\$ 2,789	\$ -	\$ 13,478

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

\$229,500 was authorized from the General Fund (#0010) to the Performing Arts Fund (#4190) to finance construction of improvements to the Pantages Theater.

\$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.

\$8,800 was authorized from the General Fund (#0010) to the Consolidated LID Fund (#2-7999) to establish LID #62.

\$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.

\$1,726,122 was authorized from the Capital Projects Fund (#3211) to the Tacoma Dome (#4180) to finance various Tacoma Dome projects.

\$933,328 was authorized from the Capital Projects Fund (#3211) to the Fire Department Fund (#1090) to refit and renovate a fireboat.

Transfer Out	Transfer In									Total
	General Fund	Trans Cap & Engineer Fund	Solid Waste Fund	Waste Water Fund	Water Fund	Power Fund	Internal Service Funds	Non-major Governmental Funds	Non-major Enterprise Funds	
General Fund	\$ -	\$ 12,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,998	\$ 3,487	\$ 24,305
Trans Cap & Engineer Fund	-	-	-	-	-	-	-	3,702	-	3,702
Solid Waste Fund	3,409	-	-	-	-	-	-	1,136	-	4,545
Waste Water Fund	5,442	-	-	-	-	-	117	1,813	-	7,372
Water Fund	4,616	-	-	-	-	-	78	1,659	-	6,353
Power Fund	26,451	-	-	-	-	-	314	410	-	27,175
Internal Service Funds	-	-	-	-	-	-	5	-	-	5
Non-major Governmental Funds	186	4,652	-	1	-	-	381	13,658	3,820	22,698
Non-major Enterprise Funds	2,080	-	-	-	-	176	261	5,028	-	7,545
Total	\$ 42,184	\$ 17,472	\$ -	\$ 1	\$ -	\$ 176	\$ 1,156	\$ 35,404	\$ 7,307	\$ 103,700

The information below provides detail of the interfund transfer transactions:

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

\$12,819,825 was transferred from the General fund to the Street fund for 2014 Street contributions.

\$7,997,783 was transferred from the General Fund to Non-Major Governmental funds for Traffic contributions and debt service payments.

\$3,487,928 was transferred from the General fund to Non-Major Enterprise funds to assist the theaters (BCPA) throughout the year, for permit services, for Tacoma Rail, for the Glass Museum, for Cheney Stadium, and for the Tacoma Dome.

\$3,702,563 was transferred from the Street fund to Non-Major Governmental funds for road capital projects and debt service payments.

\$3,408,695 was transferred from the Solid Waste Fund to the General Fund for 2014 Gross Earnings Tax.

\$1,136,232 was transferred from the Solid Waste Fund to Non-Major Government funds for 2014 Gross Earnings Tax.

\$5,441,748 was transferred from the Waste Water Fund to the General Fund for 2014 Gross Earnings Tax.

\$117,120 was transferred from the Waste Water Fund to Internal Service funds for 2014 fleet services.

\$1,813,916 was transferred from the Waste Water Fund to Non-Major Government funds for 2014 Gross Earnings Tax.

\$4,615,959 was transferred from the Water Fund to the General Fund for 2014 Gross Earnings Tax.

\$78,067 was transferred from the Water Fund to Internal Service funds for 2014 fleet services.

\$1,658,535 was transferred from the Water Fund to Non-Major Governmental funds for 2014 Gross Earnings Tax.

\$26,450,629 was transferred from the Power Fund to the General Fund for 2014 Gross Earnings Tax.

\$314,105 was transferred from the Power Fund to Internal Service funds for 2014 Fleet Services contribution.

\$410,020 was transferred from the Power Fund to Non-Major Governmental funds for 2014 Gross Earnings Tax.

\$5,000 was transferred from Internal Service funds to Internal Service funds for 2014 fleet services.

\$186,343 was transferred from Non-Major Governmental funds to the General Fund to fund Emergency Medical Services.

\$4,652,413 was transferred from Non-Major Governmental funds to the Street fund for capital road projects.

\$750 was transferred from Non-Major Governmental funds to the Waste Water Fund for capital projects.

\$380,782 was transferred from Non-Major Governmental funds to Internal Service funds for Fleet capital purchases.

\$13,658,406 was transferred from Non-Major Governmental funds to Non-Major Governmental funds for various capital projects and debt service payments.

\$3,819,542 was transferred from Non-Major Governmental funds to Non-Major Enterprise funds for capital projects and for debt service.

\$2,080,473 was transferred from Non-Major Enterprise funds to the General Fund for 2014 Gross Earnings Tax and contributions to a Fire Department study.

\$176,339 was transferred from Non-Major Enterprise funds to the Power Fund for BPA bond project.

\$260,529 was transferred from Non-Major Enterprise funds to Internal Service funds for 2014 Fleet Services contribution.

\$5,027,245 was transferred from Non-Major Enterprise funds to Non-Major Governmental funds for 2014 Gross Earnings Tax and debt service payments.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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

There are no Accounting changes reported in 2014.

**B. Risk management**

The City is self-insured for general liability, medical benefits, unemployment and worker's compensation and records its claims and liabilities in the accrual basis of accounting. Liabilities include an estimate for "Incurred but Not Reported" (IBNR) claims. The estimate for reported claims is based on Risk Management and Legal Departments' projections and is adjusted annually. The IBNR for the self-insured employee's benefits is based on an average of 2-months claims from the reporting year. The General IBNR liabilities are calculated by a periodic actuarial study. The handling and paying of all general liability claims for which the City is found legally liable is accounted for in either the Self-Insurance Claim Fund or the TPU Self Insurance Claim Fund. Monies are appropriated from various cost centers based on prior claims history and paid to these funds.

The Self-Insurance Program is maintained in conformity with all laws, rules and regulations pertaining thereto and in accordance with the Revised Code of Washington in RCW 35.21.085 (2). The City carries a supplemental general liability policy with a \$15 million limit and a \$3 million self-insured retention, renewable on August 12 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 \$6.2 million. Settlement payments were within amounts available for coverage for the last three years—2014, 2013 and 2012.

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	
	2014	2013	2014	2013	2014	2013
Balance 01/01	\$ 19,838	\$ 36,133	\$ 4,398	\$ 4,239	\$ 4,902	\$ 3,351
New Claims	828	492	2,873	2,942	22	541
Adjustments to Claims	(2,619)	(15,285)	4,132	2,638	1,365	1,427
Claims Payment	(1,066)	(1,502)	(5,554)	(5,421)	(295)	(417)
Balance 12/31	\$ 16,981	\$ 19,838	\$ 5,849	\$ 4,398	\$ 5,994	\$ 4,902

**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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

Subsequent to the issuance of the December 31, 2014 financial statements, prior period adjustments were made.

(amounts expressed in thousands)

Governmental Funds

Fund Name	Amount	Description
General Fund #0010	\$ (288)	(\$164) - Write-off the balance of old AP; \$10 - adjustment of prepaid expenses error; (\$165) - prior year prepaid expenses correction; (\$4) - prior year wage expenditure correction; \$35 - adjustment of 2012 port security grant
Trans Capital and Engineering # (3)1060	502	\$780 - Adjustment of capital outlay and CWIP; (\$237) - correction of grant advance; \$6 - correct old inventory receipts; (\$47) - writeoff allowance for uncollectible
Fire Department #1090	(292)	(\$292) - Adjustment for 2012 port security grant expenditures; \$ 29 - Adjustment for fire station grant capital assets; (\$29) - correction of 2013 expenditures
Local Imp Guarantee #1110	22	Balance adjustment for wage expenditures
Fire EMS #1155	697	\$401 - writeoffs and adjustment of 2013 and older uncollectibles; \$296 - correction of capitalized assets expensed in a prior year
Community & Econ Development #1195	64	\$45 - Prior year wage expenditure correction; \$19 - Adj. of overstated expenditures
Police #1267	(313)	(\$139) - Reclass of 2012 port security grant correction; (\$174) - reclass of grant revenue refund
Municipal Cable #1431	(10)	2013 invoice reversed in 2014
Traffic Enforcement/Eng/Education #1650	3	Prior year wage expenditure correction
Total	<u>\$ 385</u>	

Enterprise Funds

Fund Name	Amount	Description
Permit Services #4110	\$ (59)	(\$15) - Revenue recorded in Error; (\$44) - Correction of wage expense
Convention Center #4165	(711)	\$255 - Adjustment to prior year compensated absenses; (\$514) - Adj 2013 unamortized premium & discount; (\$301) - overstated unamortized issue costs; (\$151) - Refunding amortized loss
Tacoma Rail Belt Line # 4500	716	Adjustment for elimination of fund 4800
Water # 4600	169	Adjustment for elimination of fund 4800
Power # 4700	(1,117)	Adjustment for elimination of fund 4800
Low Income Assistance	(1,128)	Adjustment for 2013 fund balance
Total	<u>\$ (2,130)</u>	

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

## Internal Service Funds

Fund Name	Amount	Description
BSIP Project #5027	53	Reclass of fund balance to prior period adjustment
Third Party Claims #5550	2,857	Adjusted prior year IBNR estimated claims.
Worker's Compensation	(12)	Correction to 2012 payroll ded payable
Total	<u>2,898</u>	

## Government-wide Statements

Activity	Amount	Description
Governmental	\$ 385	General fund, Street fund, Fire, LID, Fire EMS, CED, Police, Cable TV and Traffic enforcement
Governmental	2,898	Finance, Third Party Claims, and Workers Compensations
Business	(2,130)	Refer to Enterprise Funds table above
Total	<u>\$ 1,153</u>	

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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	\$ 2,196	\$ 406	\$ 84	\$ 1,693
Accounts receivable (net)	16	\$ 160	\$ 4,052	
Due from other funds	35	2	-	-
Inventory	-			
Prepayments	187	211		
Restricted assets	-	501	1,905	-
Capital assets (net)	51,215	65,164	-	-
Other non-current assets	11	-	27,584	-
<b>Total assets</b>	<b>53,660</b>	<b>66,444</b>	<b>33,625</b>	<b>1,693</b>
Deferred outflow of resources.	-	3,029	-	-
<b>Liabilities:</b>				
Current liabilities	1,641	2,785	4,573	1,693
Due to other funds	23	66	-	-
Current liabilities payable from restricted assets	-	-	-	-
Non-current liabilities	15,031	75,028	28,114	-
<b>Total liabilities</b>	<b>16,695</b>	<b>77,879</b>	<b>32,687</b>	<b>1,693</b>
Deferred outflow of resources.	-	-	-	-
<b>Net position;</b>				
Net investment in capital assets	34,918	(8,658)	-	-
Restricted	-	544	1,905	-
Unrestricted	2,047	(292)	(967)	-
<b>Total Net Position</b>	<b>\$ 36,965</b>	<b>\$ (8,406)</b>	<b>\$ 938</b>	<b>\$ -</b>

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

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	\$ 6,682	\$ 2,001	\$ -	\$ -
Depreciation expense	(1,325)	(2,189)	-	-
Other operating expenses	(3,548)	(3,832)	(5)	-
Operating income	1,809	(4,020)	(5)	-
Nonoperating revenues (expenses)				
Interest revenue	24	10	-	-
Interest expense	(834)	(1,063)	(2,073)	-
Other nonoperating revenues(expenses)	38	2,705	2,072	-
Capital contributions	219	-	-	-
Transfers	(954)	1,027	-	-
Change in net position	302	(1,341)	(6)	-
Beginning net position	36,663	(6,354)	944	1,128
Prior period adjustments	-	(711)	-	(1,128)
Ending net position	\$ 36,965	\$ (8,406)	\$ 938	\$ -

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	\$ 2,910	\$ (1,789)	\$ 3,995	\$ 542
Noncapital financing activities	(47)	2,622	-	-
Capital and related financing activities	(2,596)	(821)	(3,997)	-
Investing activities	23	9	-	-
Net increase (decrease)	290	21	(2)	542
Beginning cash and cash equivalents	1,906	886	1,991	1,151
Ending cash and cash equivalents	\$ 2,196	\$ 907	\$ 1,989	\$ 1,693

- 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, 2014

**E. The Performing Arts Fund**

In September 2014 Resolution No. 39005 authorized an early termination of a lease agreement for the Pantages Theater between the City, through the Tacoma Community Redevelopment Agency, and tax credit investors, led by Urban Securities Profit Sharing Trust, Inc.

A portion of the up-front payment received by the City when the lease was originated in 1983 was invested and specifically reserved to offset the early termination fee payment of \$3.295 million.

The early termination will allow the City to explore a new market tax credit financing to raise funds which could be applied to the Centennial Campaign's \$15 million funding used to make improvements to the City's performing arts facilities.

**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: South Sound 911 and the Tacoma-Pierce County Health Department (Health Department). The City of Tacoma however, does not report an equity interest in the Government-wide financial statements.

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

Joint Venture (amounts expressed in thousands)			
		SOUTH SOUND 911	HEALTH DEPARTMENT
Balance Sheet Date		12/31/2013	12/31/2013
Total Assets	\$	28,552	\$ 8,435
Total Liabilities		6,358	3,580
Total Net Assets		22,194	4,855
Non-current Liabilities		739	314
Capital Assets (net of accumulated depreciation)		3,032	1,090
Total Revenues		33,797	31,377
Total Expenditures/Expenses		21,987	32,012
Other Non-operating Revenues/Expenditures		-	-
Transfers		-	-
Net Increase/(Decrease) in Net Assets		11,810	(635)
City Contribution		7,500	1,048

Additional information about each entity can be obtained from separately published financial statements by each entity by contacting South Sound 911, 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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, 2014

**B. Construction Commitments**

The City has various construction projects as of December 31, 2014. 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
11th Street Handrail Replacement	29	3	26
2013A Wastewater, Surface, and Water Main Replacement	1,617	1,456	161
2013B Wastewater Main Replacements (Various Tacoma)	676	308	368
2014 Striping Contract	123	116	7
303 East D Street Site Improvements	170	163	7
ADA Improvement Phase 2 - A Street Garage	36	31	5
Central Wastewater Treatment Plan High Purity Oxygen Generation Sys	1,911	1,723	188
Cheney Stadium LID Retrofit	1,722	1,627	95
Cheney Stadium Stormwater Project	1,399	1,242	157
City of Tacoma Stormwater Pipe Retrofit Project	846	592	254
Citywide Safety Improvements	1,242	1,162	80
Cured in Place Pipe (CIPP) Rehab. Basin C19-1 and Surface Water	1,364	948	416
Dewatering Facility Upgrade	3,294	-	3,294
Flett Creek Pump Station	1,349	1,183	166
Franklin Truckline Improvement	1,883	1,316	567
Historical Water Ditch Trail, Phase II	1,203	1,166	37
Home Demolition 1313 1/2 Fawcett	19	-	19
Home Demolition 6856 S. Stevens St	6	-	6
Home Demolition 722 S 38th	37	-	37
Hylebos View and Vista View Pump Stations Upgrades	544	493	51
LID 8652-1, 8652-2, & 8655-1	1,552	1,008	544
LID 8653 & LID 8655-2	513	458	55
LID 8654 and LID 8652-3	1,497	1,199	298
Lincoln & Alexander Pump Station AN4102 Upgrade	3,369	3,167	202
Marine Security Operations Center (MSOC)	3,492	3,432	60
On-call Contractor Services for Landfill	175	6	169
Pacific Avenue Crossing at S. 17th Street (TAM)	245	224	21
Pacific Avenue Safety and Mobility Improvements - Phase 2	738	701	37
Pacific Avenue Streetscapes Phase I	8,593	7,714	879
Pedestrian Crossing Improvement	2,523	229	2,294
Replace Failed Pavement on Port of Tacoma Rd near Washington	90	68	22
S. 56th Street Gateway Sign	43	24	19
Sanitary Sewer Cured-In-Place-Pipe Rehabilitation	921	584	337
Site 11, Phase II Esplanade (Completion)	1,460	652	808
Site 11, Phase II Esplanade - Rodarte	1,420	431	989
Site 9 Bulkhead Wall Removal	1,250	1,140	110
Sheridan Elementary - Safe Routes to School	268	-	268
Solid Waste Management West Lot Truck Parking Improvements	2,023	1,884	139
South 13th Street Sidewalk Improvement	138	120	18
South 56th Street Corridor Striping	127	109	18
South Mildred Street Concrete Roadway	2,140	1,753	387
Stadium Way Arterial	13,194	12,908	286
Stormwater Sewer Rehabilitation (CIPP) Project	1,344	1,047	297
Tacoma Landfill Stage 3 Closure	2,765	2,313	452
Tacoma Top 4 Bikeways, Phase 2	1,740	1,613	127
Titlow Beach Seawall Repair Project	200	108	92
Urban Forestry Landfill Plant Storage Area	385	165	220
UWT - 17th & Jefferson Ave.	1,624	752	872
Wapato Perious Street Project	1,809	1,370	439
Wastewater & Water Main Replacement Project (Downtown)	1,919	1,442	477
Wastewater & Water Main Replacement 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 D/E	1,602	1,228	374
Water Ditch Trail	957	934	23
	<u>\$ 87,221</u>	<u>\$ 68,926</u>	<u>\$ 18,295</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**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.

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

In 2014, following closure of the portions of the Tacoma Landfill as required by the Consent Decree, the remaining recovery and transfer facilities continued to be permitted by the Tacoma Pierce County Health Department (TPCHD) through the same permitting process. All closed portions of the Landfill will also be covered by a TPCHD closure permit, which may be incorporated into the overall facility permit. The closure permit will mirror the requirements implemented as a result of the Landfill remedial action.

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

The City Finance Department reports \$25,720,100 as landfill closure and post closure liability at December 31, 2014 based on 100% use of total capacity of the landfill. This compares to \$25,691,232 at December 31, 2013 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 closure costs.

**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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

create or expose LRI for Solid Waste to potential liability, among other things. Recycling 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 closed 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 \$198,000 for 2014 and \$272,234 for 2013. 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 2015.

**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 \$224,683. 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-2013 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, 2014.

**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 \$500,000 in 2014 and \$600,000 in 2013 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, 2015, whichever event first occurs. As of December 31, 2014 the remaining deposit is \$45,900.

**Tacoma Rail (#4500), Department of Public Works, Mountain Division** – Public Works own approximately 143 miles of track, called Mountain Division, which connects to Tacoma Rail tracks. Tacoma Rail is under contract with Public Works to perform as its operator through 2016. The agreement states that Public Works would fund Tacoma Rail for any operations on the Mountain Division.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2014

**Tacoma Water (#4600) Capital Improvements** – The financial requirement for Tacoma Water’s 2015-2016 biennial Capital Improvement program is approximately \$32.9 million and Tacoma Water has substantial contractual commitments relating the program. At December 31, 2014 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$4.5 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, 2014, the remaining financial requirement was approximately \$21.9 million. The remaining financial requirement of Capital Improvement Programs relating to prior biennium is approximately \$4.2 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**

March 18, 2015 the City issued 30 year 2015 Sewer Revenue Refunding Bonds in the amount of \$109.3 million for a true interest cost of approximately 3.54% in order to provide funds necessary to finance a portion of the capital improvement plan and to refund the outstanding 2006 Sewer Revenue and Refunding Bonds of \$39.4 million.

March 18, 2015 the City issued 10 year 2015 Solid Waste Revenue Bonds in the amount of \$21,095,000 due in yearly installments ranging from \$1,960,000 to \$2,760,000 and interest rates ranging from 2% to 5% for a true interest cost of approximately 2.14%. The bonds maturing in the years 2017 through 2024, inclusive, are not subject to optional redemption prior to maturity. The Bonds maturing on December 1, 2025 are subject to redemption at the option of the City in whole or in part, on any date on or after June 1, 2025. Proceeds were used to fund \$2.1 million in bond reserves, pay the cost of issuance, and provide \$22 million for a portion of the capital improvement plan.

Ordinance No. 28296 was approved in 2015 approving a Supplemental Bond Ordinance; and authorizing Tacoma Power to execute a short-term drawdown direct note purchase agreement with Wells Fargo Bank, in the amount of \$100,000,000, to provide funds to finance for refinance costs of capital improvements to the Electrical System.

Ordinance No. 28297 was approved in 2015 approving a Supplemental Bond Ordinance; and authorizing Tacoma Power to execute a short-term liquidity note purchase agreement with KeyBank, in an amount not to exceed \$50,000,000, to provide general credit, including liquidity, for the Electric System.

CITY OF TACOMA, WASHINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
FOR DECEMBER 31, 2014

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 01-01-14	ISSUED 2014	REDEEMED 2014	AMOUNT O/S 12/31/14	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	19,990		1,885	18,105		18,105
Subtotal Unlimited (Voted)						<b>19,990</b>	<b>0</b>	<b>1,885</b>	<b>18,105</b>	<b>0</b>	<b>18,105</b>
Limited General Obligation Bonds											
Ltd. Genl Obl Bonds 1997 Ser B	Capital Improvements	08/05/97	2008-2018	16,100	5.4554	4,281		788	3,493		3,493
Ltd. Genl Obl Bonds 1997 Ser B Acreted Interest		08/06/97	2008-2019	16,100	5.4554	6,138	584	1,212	5,510	584	5,510
Ltd Genl Obli Bonds 2006A Conv Ctr	Improvements	09/10/06	2008-2036	16,475	4.4537	14,490		390	14,100		0
Ltd. Genl Obl Bonds 2006B	Refund 1997A LTGO	10/09/06	2007-2022	12,885	4.3942	12,885			12,885		12,885
Ltd. Genl Obl Bonds 2007 Parking Structure	Retrofit Parking Structure	12/21/07	2008-2027	9,610	5.6328	7,695		375	7,320		7,320
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011-2035	15,380	5.8600	15,050		160	14,890		14,890
Ltd. Genl Obl Bonds 2009B Dock & Salishan	Capital Improvements	12/17/09	2035	3,320	3.5400	3,320			3,320		3,320
Ltd. Genl Obl Bonds 2009C Cheney	Capital Improvements	12/17/09	2034	4,975	4.8800	4,975			4,975		4,975
Ltd. Genl Obl Bonds 2009D Cheney	Capital Improvements	12/17/09	2010-2014	5,000	1.7400	1,000		1,000	0		0
Ltd. Genl Obl Bonds 2009E Multiple Projects	Capital Improvements	12/17/09	2026-2035	13,526	5.7500	13,526			13,526		13,526
Ltd. Genl Obl Bonds 2009E Acreted Interest		12/18/09	2026-2036	13,526	5.7500	3,364	976		4,340	976	4,340
Ltd. Genl Obl Bonds 2009F Cheney & Env Remed	Capital Improvements	12/17/09	2023-2026	6,681	7.2020	6,681			6,681		6,681
Ltd. Genl Obl Bonds 2009F Acreted Interest		12/18/09	2023-2027	6,681	7.2020	2,143	643		2,786	643	2,786
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		2,630
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		7,355
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015-2033	30,225	5.0399	30,225			30,225		30,225
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015-2040	9,130	5.7155	9,130			9,130		9,130
Ltd. Genl Obl Bonds 2013 Refunding Bonds	Refund 2001 & 2004	03/05/13	2015-2034	44,170	3.1768	44,170			44,170		1,055
Subtotal Limited (Councilmanic)						<b>193,783</b>	<b>2,203</b>	<b>3,925</b>	<b>192,061</b>	<b>2,203</b>	<b>130,121</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	2,702		541	2,161		2,161
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004-2024	4,500	0.5000	6,275		571	5,704		5,704
Subtotal Washington State Loan (Councilmanic)						<b>8,977</b>	<b>0</b>	<b>1,112</b>	<b>7,865</b>	<b>0</b>	<b>7,865</b>
Total General Obligation Bonds, Loans, & Notes						<b>222,750</b>	<b>2,203</b>	<b>6,922</b>	<b>218,031</b>	<b>2,203</b>	<b>156,091</b>

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-14	ISSUED 2014	REDEEMED 2014	AMOUNT O/S 12/31/14	Rconcile to	Reconcile to
										Governmental Fund Statements	
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	21,550		1,560	19,990		
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						26,565	0	1,560	25,005	-	-
Wastewater Utility											
State Revolving Fund (SRF) Loan #40006A	Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	41,489		2,581	38,908		
State Revolving Fund (SRF) Loan #40006B	Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	17,314		997	16,317		
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	15,074		1,215	13,859		
Sewer Rev & Ref Bonds 2011	Refunding	10/12/11	2022 - 2031	34,315	3.8768	34,315			34,315		
Subtotal Sewer						163,142	0	4,793	158,349	-	-
Surface Water Utility											
Surface Water TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	14,248	5.2172	12,972	2,436	279	15,129		
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	427		20	407		
Subtotal Surface Water						13,399	2,436	299	15,536	-	-
Solid Waste Utility											
Solid Waste Revenue Bonds, 2006A	Capital Improvements	07/12/06	2013-2026	29,385		28,930		475	28,455		
Solid Waste Rev/Ref Bonds, 2006B	Refunding	09/27/06	2014-2021	22,315		22,315		340	21,975		
Solid Waste Rev/Ref Bonds, 2008	Refunding	09/05/08	2013-2017	12,055	3.8577	9,905		2,270	7,635		
Solid Waste TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010-2038	7,702	5.2172	7,012		1,695	5,317		
Subtotal Refuse						68,162	0	4,780	63,382	-	-
Electric System											
Electric System 2004A Revenue Bonds	Capital Improvements	06/08/04	2005-2017	82,655	4.6376	3,365		3,365	0		
Electric System 2005A Revenue Bonds	Capital Improvements	10/04/05	2010-2021	93,480	4.2200	130			130		
Electric System 2005B Revenue Bonds	Capital Improvements	10/04/05	2006-2021	156,425	4.2900	122,135			122,135		
Electric System 2007 Rev & Ref Bonds	Refunding	03/13/07	2008-2015	81,130	3.7949	38,230		16,930	21,300		
Electric System 2010A Revenue Bonds	Capital Improvements	07/27/10	2014-2015	16,000	1.8644	16,000		8,000	8,000		
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	Refund & Capital Imp	06/13/13	2014-2042	181,610	3.3869	181,610			181,610		
Electric System 2013B Rev Ref Bonds	Refunding	06/13/13	2014-2030	35,620	3.3427	35,620			35,620		
Subtotal Electric System						568,345	0	28,295	540,050	-	-
Water System											
PW-DWSRF-00-65120-031	Construction	10/07/02	2003-2021	3,060	2.5000	1,288		161	1,127		
PW -00-691-PRE-115	Construction	04/11/01	2003-2021	1,000	0.5000	421		53	368		
PW-01-691-061	Construction	08/27/01	2003-2021	10,000	0.5000	4,267		534	3,733		
PW -01-691-PRE-127	Construction	02/15/02	2003-2021	1,000	0.5000	434		55	379		
PW-02-691-056	Construction	04/15/02	2004-2022	10,000	0.5000	4,781		531	4,250		
PW-04-691-PRE-101	Construction	03/19/04	2006-2024	1,000	0.5000	587		53	534		
Water Sys Ref & Rev Bonds 2005	Construction & Refinance	10/11/05	2006-2025	46,550	4.6390	33,450		4,085	29,365		
PW-06-962-043	Construction	07/18/06	2008-2026	7,000	0.5000	4,818		371	4,447		
Water Sys Rev Bonds 2009 (Taxable BABS)	Capital Improvements	11/04/09	2033-2039	76,775	3.7780	76,775			76,775		



										Rconcile to		
										Governmental	Reconcile to	
NAME OF BOND ISSUE		PURPOSE OF ISSUE	DATE OF	MATURITY	ORIGINAL	EFFECTIVE	AMOUNT O/S	ISSUED	REDEEMED	AMOUNT O/S	Fund	Changes in
			ISSUE	DATES	AMOUNT	INTEREST	01-01-14	2014	2014	12/31/14	Statements	LTD in Notes
						RATE						
PC08-951-047		Construction	11/25/09	2010-2028	10,000	0.5000	8,188		546	7,642		
DM07-952-015		Construction	03/31/10	2010-2028	4,040	1.5000	3,227		215	3,012		
PW-DWSRF 09-952-074		Construction	04/09/10	2013-2032	6,579	1.0000	6,975		367	6,608		
Water Sys Rev & Ref Bonds 2010A		Refunding	08/24/10	2012-2023	29,100	3.2789	28,055		550	27,505		
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	3,335		265	3,070		
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	5,757		303	5,454		
PW-DWSRF 11-952-035		Construction	06/30/11	2016-2035	6,060	1.5000	60	2,370	121	2,309		
PW-DWSRF 11-952-036		Construction	06/30/11	2016-2035	6,060	1.5000	60	5,400		5,460		
PC 12-951-017		Construction	07/01/11	2011-2031	10,000	0.5000	10,000		556	9,444		
PW-DWSRF 12-952-088		Construction	01/22/13	2017-2036	12,120	1.5000	120	10,800		10,920		
Water Sys Rev Ref Bonds 2013 (RWSS)		Refinance	04/16/13	2013-2032	64,795	3.1477	63,835		1070	62,765		
Water Sys Rev Ref Bonds 2013		Refinance	05/07/13	2013-2043	78,305	3.8523	75,335		980	74,355		
PW-DWSRF-13-952-133		Construction	10/07/13	2018-2037	12,120	1.5000	120	10,800		10,920		
PW-DWSRF-10-952-031		Construction	03/26/14	2015-2034	5,460	1.5000	0	5,460		5,460		
PW-DWSRF-13-952-167		Construction	11/06/14	2015-2037	4,620	1.5000	0	4,620		4,620		
Subtotal Water System							451,118	39,450	10,816	479,752	-	-
Tacoma Rail												
Rail Revenue Bond 2006 (BofA)		Capital Improvements	12/21/06	2007-2017	2,000	5.3900	772		224	548		
WA State Rail Loan RR00407 2009		Capital Improvements	08/04/09	2010-2024	26	0.0000	19		2	17		
WA State Rail Loan RR00408 2009		Capital Improvements	08/04/09	2011-2025	249	0.0000	200		17	183		
WA State Rail Loan RRB-1007		Capital Improvements	12/06/11	2013-2022	450	0.0000	405		45	360		
WA State Rail Loan RRB-1010		Capital Improvements	03/28/12	2013-2022	612	0.0000	551		61	490		
WA State Rail Loan RRB-1011		Capital Improvements	03/28/12	2013-2022	349	0.0000	314		35	279		
WA State Rail Loan RRB-1026		Capital Improvements	09/06/12	2014-2023	347	0.0000	347		34	313		
WA State Rail Loan RRB-1030		Capital Improvements	09/06/12	2014-2023	364	0.0000	364		36	328		
WA State Rail Loan RRB-1045		Capital Improvements	08/01/13	2015-2024	823	0.0000	0	619		619		
WA State Rail Loan RRB-1046		Capital Improvements	08/01/13	2015-2024	250	0.0000	248	2		250		
WA State Rail Loan RRB-1052		Capital Improvements	10/24/13	2016-2025	366	0.0000	0	366		366		
WA State Rail Loan RRB-1053		Capital Improvements	10/24/13	2016-2025	773	0.0000	0	773		773		
WA State Rail Loan RRB-1054		Capital Improvements	10/24/13	2016-2025	1,015	0.0000	0	510		510		
Subtotal Tacoma Rail							3,220	2,270	454	5,036	-	-
Lease Revenue												
Lease Revenue Bonds 1990		Construction	03/15/90	1992-2022	36,250	9.3476	20,915		1,705	19,210		
Lease Revenue Bonds 1992		Construction	12/15/92	1993-2022	4,695	7.4769	2,570		220	2,350		
Subtotal Lease Revenue							23,485	0	1,925	21,560	-	-
Conservation Revenue Bonds, guaranteed by BPA												
Conservation System 2003 Bonds		Conservation Project	06/02/03	2003-2014	17,065	4.1957	1,790		1,790	0		
Total Conservation Bonds`							1,790	0	1,790	0	-	-
Total Revenue Bonds							\$1,319,226	\$44,156	\$54,712	\$1,308,670	\$ -	\$ -
Total General Obligation & Revenue Bonds							\$1,541,976	\$46,359	\$61,634	\$1,526,701	\$2,203	\$156,091

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-14	ISSUED 2014	REDEEMED 2014	AMOUNT O/S 12/31/14	Rconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
<b>SPECIAL ASSESSMENT BONDS</b>											
Local Improvement District Bonds											
District #60 Bonds	Construction	04/01/04	2026	1,036	3.9290	20		20	0	0	-
District #63 Bonds	Construction	09/29/11	2023	1,557	4.1800	1,087		313	774	0	774
District #65 Bonds	Construction	04/29/13	2043	30,999	5.7500	30,999			30,999		30,999
Subtotal LID Bonds/Notes						32,106	0	333	31,773	-	31,773
Bond Anticipation Notes											
Revolving Line of Credit	LID Construction	06/30/00	At CLID Issue	\$13mm Max	Floating	10,975			10,975		10,975
Subtotal Bond Anticipation Notes						10,975	0	0	10,975	-	10,975
Total Special Assessment Bonds						\$43,081	\$0	\$333	\$42,748	\$0	\$ 42,748
Washington State Dept of Transportaion Loan											
STP-STPUL-3268(003)	Capital Improvements	11/03/10	2015-2020	20,000	0.0000	20,000		14,000	6,000	0	6,000
Subtotal Washington State Dept of Transportation Loan (Councilmanic)						20,000	0	14,000	6,000	-	6,000
Total All Bonds						\$1,605,057	\$46,359	\$75,967	\$1,575,449	\$2,203	\$ 204,839
						\$1,575,449					

- 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-11-952-035 - Draw from remaining loan balance.
  - 5. PW-DWSRF-13-952-133 - Draw from remaining loan balance.
  - 6. PW-DWSRF-10-952-031 - Draw from remaining loan balance.
  - 7. PW-DWSRF-13-952-167- Draw from remaining loan balance.
  - 9. Solid Waste TES/Urban Waters Capital Lease had a redistribution of percentages which changes the balances

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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)
(4)	1/1/1998	523.8	515.7	(8.1)	101.6%	116.1	-7.0%
(5)	1/1/1999	570.7	536.9	(33.8)	106.3%	122.3	-27.6%
(6)	1/1/1999	570.7	537.6	(33.1)	106.2%	122.3	-27.1%
	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%
	1/1/2014	1,297.0	1,400.0	103.0	92.6%	213.8	48.2%

(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, 1999 Actuarial Valuation

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

**Firefighters and Police Pension Fund****SCHEDULE OF FUNDING PROGRESS: (\$ in millions)****Firefighters' Pension Fund**

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAAL (UAAL) (b)-(a)	Funded Ratio	Covered Payroll (c)	UAAL as Percentage of Covered Payroll (b-a/c)
	1/1/1998	\$ -	35.40	35.40	0%	1.60	2182%
	1/1/2000	-	34.90	34.90	0%	0.70	4909%
	1/1/2002	-	35.90	35.90	0%	0.50	6953%
	1/1/2004	0	39.10	38.60	1%	0.40	10933%
	1/1/2006	1	37.80	36.90	2%	0.30	12866%
	1/1/2008	1	34.80	34.30	2%	0.20	16481%
	1/1/2010	1	35.50	34.40	3%	0.20	15176%
	1/1/2012	0	36.90	36.60	1%	0.20	15391%
	1/1/2014	0	26.28	25.83	2%	-	NA

## 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
1/1/2014	0	14.90	14.60	2%	-	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%
1/1/2014	-	45.50	45.50	0.0%	216.47	21%

## 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	25107%
1/1/2014	-	182.21	182.21	0.0%	0.21	88079%

## 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%
1/1/2014	-	22.64	22.64	0.0%	72.49	31%

## 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%	8.02	17.84%
1/1/2014	-	1.43	1.43	0.0%	9.88	14.47%

## 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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 365,228	\$ 364,790	\$ 328,237	\$ (36,553)
Licenses and permits	5,784	6,046	6,481	435
Intergovernmental revenue	19,124	18,633	18,060	(573)
Charges for goods and services	37,628	38,522	35,512	(3,010)
Fines and penalties	2,770	2,795	2,988	193
Interest and other earnings	1,537	1,340	1,236	(104)
Miscellaneous revenues	274	273	145	(128)
TOTAL REVENUES	<u>432,345</u>	<u>432,399</u>	<u>392,659</u>	<u>(39,740)</u>
EXPENDITURES				
Current:				
General government	124,082	116,601	99,852	(16,749)
Public safety	232,461	225,020	223,229	(1,791)
Transportation	2,172	2,671	2,596	(75)
Economic environment	24,691	25,246	23,076	(2,170)
Culture and recreation	23,468	23,439	21,211	(2,228)
Capital expenditures	-	-	3,136	3,136
TOTAL EXPENDITURES	<u>406,874</u>	<u>392,977</u>	<u>373,100</u>	<u>(19,877)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>25,471</u>	<u>39,422</u>	<u>19,559</u>	<u>(19,863)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	42	55	1,380	1,325
Insurance recoveries	-	-	178	178
Transfer in	315	315	42,343	42,028
Transfer (out)	(25,828)	(39,792)	(39,980)	(188)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(25,471)</u>	<u>(39,422)</u>	<u>3,921</u>	<u>43,343</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>23,480</u>	<u>23,480</u>
FUND BALANCE - JANUARY 1	-	-	41,566	41,566
Prior period adjustment	-	-	281	281
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>-</u>	<u>41,847</u>	<u>41,847</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,327</u>	<u>\$ 65,327</u>

## Perspective Difference Reconciliation:

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

\$ 65,327

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

Contingency Fund #1030

973

Unclaimed Property Fund#(1)6330

0

TOTAL FUND BALANCE - GENERAL FUND BALANCE  
 SHEET FOR GOVERNMENTAL FUNDS

\$ 66,300



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COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2014  
(amounts expressed in thousands)  
Page 1 of 9

	SPECIAL REVENUE FUNDS		
	COURTS SPECIAL REVENUE FUND #1020	PUBLIC WORKS STREET FUND #1065	TRANS BENEFIT DISTRICT FUND #1070
ASSETS			
Cash and cash equivalents	\$ 131	\$ 863	\$ -
Investments at fair value	-	-	-
Accounts receivables (net)	-	330	411
Due from other funds	-	688	-
Due from other governments	-	-	-
Inventories	-	1,807	-
Prepayments	-	-	-
Other current assets	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>131</u>	<u>3,688</u>	<u>411</u>
DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 131</u>	<u>\$ 3,688</u>	<u>\$ 411</u>
LIABILITIES			
Accounts payable	\$ -	\$ 210	\$ -
Due to other funds	43	889	-
Due to other governments	-	-	-
Accrued wages	2	559	-
Accrued taxes	-	-	-
Customer deposits	-	-	-
Advances from other funds	-	-	-
TOTAL LIABILITIES	<u>45</u>	<u>1,658</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	1,807	-
Restricted	86	-	411
Committed	-	-	-
Assigned	-	223	-
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>86</u>	<u>2,030</u>	<u>411</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 131</u>	<u>\$ 3,688</u>	<u>\$ 411</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
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(amounts expressed in thousands)  
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	SPECIAL REVENUE FUNDS			
	2% GROSS EARNINGS TAX FUND #1080	FIRE DEPARTMENT FUND #1090	PROP MANAGEMENT STREET VACATION/ FUND #1100	LOCAL IMP GUARANTEE FUND #1110
ASSETS				
Cash and cash equivalents	\$ 102	\$ 1,727	\$ 2,739	\$ 667
Investments at fair value	-	-	-	4,577
Accounts receivables (net)	330	53	10	-
Due from other funds	315	-	-	103
Due from other governments	-	303	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>747</u>	<u>2,083</u>	<u>2,749</u>	<u>5,347</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>\$ 747</u>	<u>\$ 2,083</u>	<u>\$ 2,749</u>	<u>\$ 5,347</u>
LIABILITIES				
Accounts payable	\$ -	\$ 56	\$ 19	\$ -
Due to other funds	597	2	1,246	2
Due to other governments	-	-	-	-
Accrued wages	-	63	2	2
Accrued taxes	-	-	-	-
Customer deposits	-	-	25	-
Advances from other funds	-	933	-	-
TOTAL LIABILITIES	<u>597</u>	<u>1,054</u>	<u>1,292</u>	<u>4</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	26	657	1,071
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>26</u>	<u>657</u>	<u>1,071</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	1,245	-	4,272
Committed	150	-	-	-
Assigned	-	-	800	-
Unassigned	-	(242)	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>150</u>	<u>1,003</u>	<u>800</u>	<u>4,272</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 747</u>	<u>\$ 2,083</u>	<u>\$ 2,749</u>	<u>\$ 5,347</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2014  
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	SPECIAL REVENUE FUNDS			
	PUBLIC WORKS	BUILDING & LAND	FIRE DEPT	
	PATHS & TRAILS FUND #1140	USE SERVICES FUND #1145	EMS FUND #1155	TOURISM FUND #1180
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,806	\$ 5,902	\$ 1,312
Investments at fair value	-	-	-	-
Accounts receivables (net)	53	1,427	551	-
Due from other funds	128	2	31	-
Due from other governments	344	-	389	423
Inventories	-	-	-	-
Prepayments	-	-	3	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>525</u>	<u>3,235</u>	<u>6,876</u>	<u>1,735</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>\$ 525</u>	<u>\$ 3,235</u>	<u>\$ 6,876</u>	<u>\$ 1,735</u>
LIABILITIES				
Accounts payable	\$ 155	\$ 23	\$ 82	\$ -
Due to other funds	-	8	50	-
Due to other governments	-	-	-	-
Accrued wages	-	-	392	-
Accrued taxes	-	10	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>155</u>	<u>41</u>	<u>524</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	593	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>593</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	370	-	5,759	1,735
Committed	-	-	-	-
Assigned	-	3,194	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>370</u>	<u>3,194</u>	<u>5,759</u>	<u>1,735</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 525</u>	<u>\$ 3,235</u>	<u>\$ 6,876</u>	<u>\$ 1,735</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
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	SPECIAL REVENUE FUNDS			
	NEIGHBORHOOD & COMM SERVICES FUND #1185	COMMUNITY & ECON DEVELOPMENT FUND #1195	LIBRARY FUND #1200	HISTORICALLY UNDERUTILIZED BUSINESS FUND #1236
ASSETS				
Cash and cash equivalents	\$ 6,568	\$ 13,227	\$ 6,411	\$ 88
Investments at fair value	-	-	-	-
Accounts receivables (net)	119	3,101	10	-
Due from other funds	7	16	-	70
Due from other governments	1,164	540	-	-
Inventories	-	-	-	-
Prepayments	2	-	-	-
Other current assets	-	20	-	-
Advances to other funds	-	130	-	-
TOTAL ASSETS	<u>7,860</u>	<u>17,034</u>	<u>6,421</u>	<u>158</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>\$ 7,860</u>	<u>\$ 17,034</u>	<u>\$ 6,421</u>	<u>\$ 158</u>
LIABILITIES				
Accounts payable	\$ 603	\$ 1,160	\$ 8	\$ 25
Due to other funds	42	16	-	1
Due to other governments	-	-	-	-
Accrued wages	6	2	-	7
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>651</u>	<u>1,178</u>	<u>8</u>	<u>33</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	213	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>213</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	17	-
Restricted	7,016	14,732	4,629	125
Committed	-	-	-	-
Assigned	193	911	1,767	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>7,209</u>	<u>15,643</u>	<u>6,413</u>	<u>125</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 7,860</u>	<u>\$ 17,034</u>	<u>\$ 6,421</u>	<u>\$ 158</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
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	SPECIAL REVENUE FUNDS			
	POLICE FUND #1267	MUNICIPAL CABLE FUND #1431	HUMAN RESOURCES SPECIAL REVENUE FUND #1500	TRAFFIC ENFORCEMENT ENGINEER/EDUCATION FUND #1650
ASSETS				
Cash and cash equivalents	\$ 515	\$ 6,104	\$ 235	\$ 962
Investments at fair value	-	-	-	-
Accounts receivables (net)	34	73	18	-
Due from other funds	63	3	31	5
Due from other governments	488	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>1,100</u>	<u>6,180</u>	<u>284</u>	<u>967</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>\$ 1,100</u>	<u>\$ 6,180</u>	<u>\$ 284</u>	<u>\$ 967</u>
LIABILITIES				
Accounts payable	\$ 40	\$ 18	\$ 3	\$ 131
Due to other funds	98	58	2	47
Due to other governments	-	-	-	-
Accrued wages	118	76	7	67
Accrued taxes	-	-	-	-
Customer deposits	14	50	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>270</u>	<u>202</u>	<u>12</u>	<u>245</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	1,960	2,601	-	-
Committed	-	-	-	-
Assigned	-	3,377	272	722
Unassigned	(1,130)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>830</u>	<u>5,978</u>	<u>272</u>	<u>722</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 1,100</u>	<u>\$ 6,180</u>	<u>\$ 284</u>	<u>\$ 967</u>

COMBINING BALANCE SHEET  
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	DEBT SERVICE FUNDS			
	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	CED PWTF LOANS FUND #2038	2001 LTGO REFUNDING FUND #2039
ASSETS				
Cash and cash equivalents	\$ 1,022	\$ -	\$ -	\$ -
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	127	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>1,149</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>\$ 1,149</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	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	103	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>103</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	1,046	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>1,046</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 1,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
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	DEBT SERVICE FUNDS			
	2009 LTGO BONDS SERIES A-F FUND #2040	2010 LTGO BONDS FUND #2041	2010 LTGO BONDS FUND #2042	2010 BOND REDEMPTION FUND # (2)7999
ASSETS				
Cash and cash equivalents	\$ 7	\$ -	\$ -	\$ 1,955
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	34,440
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>7</u>	<u>-</u>	<u>-</u>	<u>36,395</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>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,395</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	9
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	31,277
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,277</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	7	-	-	5,116
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(7)
TOTAL FUND BALANCES (DEFICITS)	<u>7</u>	<u>-</u>	<u>-</u>	<u>5,109</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,395</u>



COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
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(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	\$ 87	\$ 8,214	\$ -	\$ -
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	-	20	-	-
Due from other governments	-	805	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	2,660	-	-
TOTAL ASSETS	<u>87</u>	<u>11,699</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>\$ 87</u>	<u>\$ 11,699</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 53	\$ -	\$ -
Due to other funds	-	577	-	-
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Advances from other funds	130	-	4,200	-
TOTAL LIABILITIES	<u>130</u>	<u>630</u>	<u>4,200</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	8,408	-	-
Committed	87	-	-	-
Assigned	-	2,661	-	-
Unassigned	(130)	-	(4,200)	-
TOTAL FUND BALANCES (DEFICITS)	<u>(43)</u>	<u>11,069</u>	<u>(4,200)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 87</u>	<u>\$ 11,699</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2014  
(amounts expressed in thousands)  
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	CAPITAL PROJECT FUNDS			NON-MAJOR
	2009 LTGO CAPITAL	2010 LTGO CAPITAL	LID INTERIM	GOVERNMENTAL
	PROJECTS	PROJECTS	FINANCING	FUNDS
	FUND #3218	FUND #3220	FUND #(3)7070	
ASSETS				
Cash and cash equivalents	\$ 5,258	\$ 11,706	\$ 1,972	\$ 79,580
Investments at fair value	-	-	-	4,577
Accounts receivables (net)	6	-	168	41,134
Due from other funds	31	-	-	1,513
Due from other governments	-	-	-	4,583
Inventories	-	-	-	1,807
Prepayments	-	-	-	5
Other current assets	-	-	-	20
Advances to other funds	-	-	-	2,790
TOTAL ASSETS	<u>5,295</u>	<u>11,706</u>	<u>2,140</u>	<u>136,009</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>\$ 5,295</u>	<u>\$ 11,706</u>	<u>\$ 2,140</u>	<u>\$ 136,009</u>
LIABILITIES				
Accounts payable	\$ 263	\$ 395	\$ -	\$ 3,244
Due to other funds	168	179	-	4,025
Due to other governments	-	10	-	10
Accrued wages	-	-	-	1,303
Accrued taxes	-	-	-	10
Customer deposits	-	-	-	89
Advances from other funds	-	-	-	5,272
TOTAL LIABILITIES	<u>431</u>	<u>584</u>	<u>-</u>	<u>13,953</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	33,940
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,940</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	1,824
Restricted	4,864	11,122	2,140	77,644
Committed	-	-	-	237
Assigned	-	-	-	14,120
Unassigned	-	-	-	(5,709)
TOTAL FUND BALANCES (DEFICITS)	<u>4,864</u>	<u>11,122</u>	<u>2,140</u>	<u>88,116</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 5,295</u>	<u>\$ 11,706</u>	<u>\$ 2,140</u>	<u>\$ 136,009</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS		
	COURTS SPECIAL REVENUE FUND #1020	PUBLIC WORKS STREET FUND #1065	TRANS BENEFIT DISTRICT FUND #1070
REVENUES			
Taxes	\$ -	\$ 2,056	\$ 2,592
Licenses and permits	-	-	-
Intergovernmental revenue	71	-	-
Charges for goods and services	-	48	-
Fines and penalties	4	-	-
Interest and other earnings	-	7	-
Miscellaneous revenues	-	2	-
TOTAL REVENUES	<u>75</u>	<u>2,113</u>	<u>2,592</u>
EXPENDITURES			
Current:			
General government	47	-	-
Public safety	-	-	-
Utilities and environment	-	-	-
Transportation	-	15,622	-
Economic environment	-	-	-
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and other related costs	-	-	-
Capital expenditures	-	115	-
TOTAL EXPENDITURES	<u>47</u>	<u>15,737</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>28</u>	<u>(13,624)</u>	<u>2,592</u>
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	-	-
Proceeds from sales of capital assets	-	-	-
Insurance recoveries	-	1	-
Transfer in	-	16,529	-
Transfer (out)	-	(876)	(2,572)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>15,654</u>	<u>(2,572)</u>
NET CHANGE IN FUND BALANCE	<u>28</u>	<u>2,030</u>	<u>20</u>
FUND BALANCE - JANUARY 1	58	-	391
Prior period adjustment	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>58</u>	<u>-</u>	<u>391</u>
FUND BALANCE - DECEMBER 31	<u>\$ 86</u>	<u>\$ 2,030</u>	<u>\$ 411</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	2% GROSS EARNINGS TAX FUND #1080	FIRE DEPARTMENT FUND #1090	PROP MANAGEMENT STREET VACATION/ FUND #1100	LOCAL IMP GUARANTEE FUND #1110
REVENUES				
Taxes	\$ 705	\$ -	\$ -	\$ -
Licenses and permits	-	-	94	-
Intergovernmental revenue	-	6,495	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	1	10	18	19
Miscellaneous revenues	-	14	396	-
TOTAL REVENUES	<u>706</u>	<u>6,519</u>	<u>508</u>	<u>19</u>
EXPENDITURES				
Current:				
General government	-	-	199	-
Public safety	-	3,725	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	9	-	-
Capital expenditures	-	2,378	543	-
TOTAL EXPENDITURES	<u>-</u>	<u>6,112</u>	<u>742</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>706</u>	<u>407</u>	<u>(234)</u>	<u>19</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfer in	5,629	487	-	-
Transfer (out)	(6,185)	(29)	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(556)</u>	<u>458</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>150</u>	<u>865</u>	<u>(234)</u>	<u>19</u>
FUND BALANCE - JANUARY 1	-	430	1,034	4,231
Prior period adjustment	-	(292)	-	22
FUND BALANCE - JANUARY 1, RESTATED	-	138	1,034	4,253
FUND BALANCE - DECEMBER 31	<u>\$ 150</u>	<u>\$ 1,003</u>	<u>\$ 800</u>	<u>\$ 4,272</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	PUBLIC WORKS PATHS & TRAILS FUND #1140	BUILDING & LAND USE SERVICES FUND #1145	FIRE DEPT EMS FUND #1155	TOURISM FUND #1180
REVENUES				
Taxes	\$ -	\$ -	\$ 8,307	\$ 3,514
Licenses and permits	-	-	-	-
Intergovernmental revenue	1,318	-	-	-
Charges for goods and services	-	253	2,692	-
Fines and penalties	-	415	-	-
Interest and other earnings	2	35	52	11
Miscellaneous revenues	-	-	13	-
TOTAL REVENUES	<u>1,320</u>	<u>703</u>	<u>11,064</u>	<u>3,525</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	12,852	-
Utilities and environment	-	-	-	-
Transportation	48	-	-	-
Economic environment	-	406	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	1,592	-	322	-
TOTAL EXPENDITURES	<u>1,640</u>	<u>406</u>	<u>13,174</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(320)</u>	<u>297</u>	<u>(2,110)</u>	<u>3,525</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfer in	352	-	100	-
Transfer (out)	(40)	-	(157)	(3,105)
TOTAL OTHER FINANCE SOURCES(USES)	<u>312</u>	<u>-</u>	<u>(57)</u>	<u>(3,105)</u>
NET CHANGE IN FUND BALANCE	<u>(8)</u>	<u>297</u>	<u>(2,167)</u>	<u>420</u>
FUND BALANCE - JANUARY 1	378	2,897	7,229	1,315
Prior period adjustment	-	-	697	-
FUND BALANCE - JANUARY 1, RESTATED	<u>378</u>	<u>2,897</u>	<u>7,926</u>	<u>1,315</u>
FUND BALANCE - DECEMBER 31	<u>\$ 370</u>	<u>\$ 3,194</u>	<u>\$ 5,759</u>	<u>\$ 1,735</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	NEIGHBORHOOD & COMM SERVICES FUND #1185	COMMUNITY & ECON DEVELOPMENT FUND #1195	LIBRARY FUND #1200	HISTORICALLY UNDERUTILIZED BUSINESS FUND #1236
REVENUES				
Taxes	\$ 4,510	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	1,611	5,889	141	-
Charges for goods and services	109	914	6	263
Fines and penalties	-	-	-	-
Interest and other earnings	48	201	57	-
Miscellaneous revenues	25	12	54	-
TOTAL REVENUES	<u>6,303</u>	<u>7,016</u>	<u>258</u>	<u>263</u>
EXPENDITURES				
Current:				
General government	272	122	-	263
Public safety	443	1,144	-	-
Utilities and environment	-	-	-	-
Transportation	-	164	-	-
Economic environment	1,082	6,692	-	-
Mental and physical health	2,631	9	-	-
Culture and recreation	-	433	252	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	-	-	45	-
TOTAL EXPENDITURES	<u>4,428</u>	<u>8,564</u>	<u>297</u>	<u>263</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,875</u>	<u>(1,548)</u>	<u>(39)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	105	-	-
Insurance recoveries	-	-	-	-
Transfer in	28	-	-	-
Transfer (out)	(115)	(340)	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(87)</u>	<u>(235)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>1,788</u>	<u>(1,783)</u>	<u>(39)</u>	<u>-</u>
FUND BALANCE - JANUARY 1	5,421	17,362	6,452	125
Prior period adjustment	-	64	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>5,421</u>	<u>17,426</u>	<u>6,452</u>	<u>125</u>
FUND BALANCE - DECEMBER 31	<u>\$ 7,209</u>	<u>\$ 15,643</u>	<u>\$ 6,413</u>	<u>\$ 125</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	SPECIAL REVENUE FUNDS			
	POLICE FUND #1267	MUNICIPAL CABLE FUND #1431	HUMAN RESOURCES SPECIAL REVENUE FUND #1500	TRAFFIC ENFORCEMENT ENGINEER/EDUCATION FUND #1650
REVENUES				
Taxes	\$ 2	\$ 3,336	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	2,322	-	106	-
Charges for goods and services	284	277	221	-
Fines and penalties	763	-	3	2,666
Interest and other earnings	14	50	3	7
Miscellaneous revenues	6	76	-	1
TOTAL REVENUES	<u>3,391</u>	<u>3,739</u>	<u>333</u>	<u>2,674</u>
EXPENDITURES				
Current:				
General government	-	7	-	-
Public safety	3,590	-	-	3,083
Utilities and environment	-	2,571	-	-
Transportation	-	-	-	-
Economic environment	-	-	343	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	-	363	-	-
TOTAL EXPENDITURES	<u>3,590</u>	<u>2,941</u>	<u>343</u>	<u>3,083</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(199)</u>	<u>798</u>	<u>(10)</u>	<u>(409)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfer in	8	-	-	495
Transfer (out)	-	-	-	(43)
TOTAL OTHER FINANCE SOURCES(USES)	<u>8</u>	<u>-</u>	<u>-</u>	<u>452</u>
NET CHANGE IN FUND BALANCE	<u>(191)</u>	<u>798</u>	<u>(10)</u>	<u>43</u>
FUND BALANCE - JANUARY 1	1,334	5,190	282	676
Prior period adjustment	(313)	(10)	-	3
FUND BALANCE - JANUARY 1, RESTATED	<u>1,021</u>	<u>5,180</u>	<u>282</u>	<u>679</u>
FUND BALANCE - DECEMBER 31	<u>\$ 830</u>	<u>\$ 5,978</u>	<u>\$ 272</u>	<u>\$ 722</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	DEBT SERVICE FUNDS			
	VOTED	NON-VOTED	CED	2001
	BONDS	BONDS	PWTF LOANS	LTGO REFUNDING
	FUND #2010	FUND #2035	FUND #2038	FUND #2039
REVENUES				
Taxes	\$ 2,780	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	10,000	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>2,780</u>	<u>-</u>	<u>10,000</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	1,885	788	11,111	-
Interest and other related costs	818	2,390	58	-
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>2,703</u>	<u>3,178</u>	<u>11,169</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>77</u>	<u>(3,178)</u>	<u>(1,169)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	584	-	-
Proceeds from sales of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfer in	-	2,594	1,169	-
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>3,178</u>	<u>1,169</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	969	-	-	-
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>969</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,046</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, 2014

(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	-	-	-	1,638
Fines and penalties	-	-	-	2,343
Interest and other earnings	3	-	-	11
Miscellaneous revenues	900	-	-	298
TOTAL REVENUES	903	-	-	4,290
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	1,160	375	-	333
Interest and other related costs	2,954	2,879	1,943	1,692
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	4,114	3,254	1,943	2,025
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,211)	(3,254)	(1,943)	2,265
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	1,619	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfer in	1,596	3,254	1,943	-
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	3,215	3,254	1,943	-
NET CHANGE IN FUND BALANCE	4	-	-	2,265
FUND BALANCE - JANUARY 1	3	-	-	2,844
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	3	-	-	2,844
FUND BALANCE - DECEMBER 31	\$ 7	\$ -	\$ -	\$ 5,109

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(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	\$ -	\$ 5,395	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	134	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	1	87	-	-
Miscellaneous revenues	-	14	-	-
TOTAL REVENUES	<u>1</u>	<u>5,630</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	299	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	19	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	1	35	-
Capital expenditures	-	381	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>700</u>	<u>35</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1</u>	<u>4,930</u>	<u>(35)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Insurance recoveries	-	-	-	-
Transfer in	-	513	35	-
Transfer (out)	-	(4,464)	-	(176)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(3,951)</u>	<u>35</u>	<u>(176)</u>
NET CHANGE IN FUND BALANCE	<u>1</u>	<u>979</u>	<u>-</u>	<u>(176)</u>
FUND BALANCE - JANUARY 1	(44)	10,090	(4,200)	176
Prior period adjustment	-	-	-	-
FUND BALANCE - DECEMBER 31	<u>\$ (43)</u>	<u>\$ 11,069</u>	<u>\$ (4,200)</u>	<u>\$ -</u>

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

Page 9 of 9

	CAPITAL PROJECT FUNDS			NON-MAJOR
	2009 LTGO CAPITAL PROJECTS FUND #3218	2010 LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND #(3)7070	GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 33,197
Licenses and permits	-	-	-	94
Intergovernmental revenue	209	273	-	28,569
Charges for goods and services	-	-	-	6,705
Fines and penalties	-	-	-	6,194
Interest and other earnings	61	130	-	828
Miscellaneous revenues	1	-	662	2,474
TOTAL REVENUES	271	403	662	78,061
EXPENDITURES				
Current:				
General government	-	-	-	910
Public safety	-	-	-	24,837
Utilities and environment	-	-	-	2,571
Transportation	-	343	-	16,476
Economic environment	332	-	-	8,855
Mental and physical health	-	-	-	2,640
Culture and recreation	12	328	-	1,044
Debt service:				
Principal payments	-	-	-	15,652
Interest and other related costs	-	-	-	12,779
Capital expenditures	4,941	1,509	-	12,189
TOTAL EXPENDITURES	5,285	2,180	-	97,953
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,014)	(1,777)	662	(19,892)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	2,203
Proceeds from sales of capital assets	-	-	-	105
Insurance recoveries	-	-	-	1
Transfer in	590	82	-	35,404
Transfer (out)	(506)	(4,090)	-	(22,698)
TOTAL OTHER FINANCE SOURCES(USES)	84	(4,008)	-	15,015
NET CHANGE IN FUND BALANCE	(4,930)	(5,785)	662	(4,877)
FUND BALANCE - JANUARY 1	9,794	16,907	1,478	92,822
Prior period adjustment	-	-	-	171
FUND BALANCE - JANUARY 1. RESTATED	9,794	16,907	1,478	92,993
FUND BALANCE - DECEMBER 31	\$ 4,864	\$ 11,122	\$ 2,140	\$ 88,116

## SPECIAL REVENUE FUND - COURTS (1020)

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

For the Year Ended December 31, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 208	\$ 208	\$ 139	\$ (69)
Fines and penalties	10	10	8	(2)
Miscellaneous revenues	-	-	1	1
TOTAL REVENUES	<u>218</u>	<u>218</u>	<u>148</u>	<u>(70)</u>
EXPENDITURES				
Current:				
General government	<u>218</u>	<u>218</u>	<u>91</u>	<u>(127)</u>
TOTAL EXPENDITURES	<u>218</u>	<u>218</u>	<u>91</u>	<u>(127)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>57</u>	<u>57</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>57</u>	<u>57</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86</u>	<u>\$ 86</u>

SPECIAL REVENUE FUND - CONTINGENCY (1030)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 12	\$ 12
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
EXPENDITURES				
Current:				
General government	<u>753</u>	<u>753</u>	<u>169</u>	<u>(584)</u>
TOTAL EXPENDITURES	<u>753</u>	<u>753</u>	<u>169</u>	<u>(584)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(753)</u>	<u>(753)</u>	<u>(157)</u>	<u>596</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>(157)</u>	<u>596</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>\$ 973</u>	<u>\$ 973</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, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ 1,747	\$ 2,056	\$ 309
Charges for goods and services	-	-	48	48
Interest and other earnings	-	-	7	7
Miscellaneous revenues	-	-	2	2
TOTAL REVENUES	-	1,747	2,113	366
EXPENDITURES				
Current:				
Transportation	-	16,704	15,622	(1,082)
Capital expenditures	-	-	115	115
TOTAL EXPENDITURES	-	16,704	15,737	(967)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(14,957)	(13,624)	1,333
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	1	1
Transfer in	-	13,330	16,529	3,199
Transfer (out)	-	-	(876)	(876)
TOTAL OTHER FINANCE SOURCES(USES)	-	13,330	15,654	2,324
NET CHANGE IN FUND BALANCE	-	(1,627)	2,030	3,657
FUND BALANCE - JANUARY 1	-	1,627	-	(1,627)
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 2,030	\$ 2,030

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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ 4,098	\$ 4,125	\$ 27
TOTAL REVENUES	<u>-</u>	<u>4,098</u>	<u>4,125</u>	<u>27</u>
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>4,098</u>	<u>4,125</u>	<u>27</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	(4,098)	(3,714)	384
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(4,098)</u>	<u>(3,714)</u>	<u>384</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>411</u>	<u>411</u>
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411</u>	<u>\$ 411</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, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ 6,185	\$ 705	\$ (5,480)
Interest and other earnings	-	-	1	1
TOTAL REVENUES	-	6,185	706	(5,479)
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	6,185	706	(5,479)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	5,629	5,629
Transfer (out)	-	(6,185)	(6,185)	-
TOTAL OTHER FINANCE SOURCES(USES)	-	(6,185)	(556)	5,629
NET CHANGE IN FUND BALANCE	-	-	150	150
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 150	\$ 150



SPECIAL REVENUE FUND - FIRE DEPARTMENT (1090)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 10,729	\$ 16,718	\$ 14,807	\$ (1,911)
Interest and other earnings	16	17	14	(3)
Miscellaneous revenues	15	15	16	1
TOTAL REVENUES	<u>10,760</u>	<u>16,750</u>	<u>14,837</u>	<u>(1,913)</u>
EXPENDITURES				
Current:				
Public safety	10,393	17,500	8,370	(9,130)
Debt service:				
Principal payments	267	267	-	(267)
Interest and other related costs	100	100	21	(79)
Capital expenditures	-	-	5,686	5,686
TOTAL EXPENDITURES	<u>10,760</u>	<u>17,867</u>	<u>14,077</u>	<u>(3,790)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,117)</u>	<u>760</u>	<u>1,877</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,208	686	(522)
Transfer (out)	-	(865)	(29)	836
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>343</u>	<u>657</u>	<u>314</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(774)</u>	<u>1,417</u>	<u>2,191</u>
FUND BALANCE - JANUARY 1	-	774	(122)	(896)
Prior period adjustment	-	-	(292)	(292)
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>774</u>	<u>(414)</u>	<u>(1,188)</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,003</u>	<u>\$ 1,003</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 150	\$ 150	\$ 104	\$ (46)
Interest and other earnings	-	-	27	27
Miscellaneous revenues	300	300	602	302
TOTAL REVENUES	<u>450</u>	<u>450</u>	<u>733</u>	<u>283</u>
EXPENDITURES				
Current:				
General government	465	1,365	408	(957)
Capital expenditures	-	-	543	543
TOTAL EXPENDITURES	<u>465</u>	<u>1,365</u>	<u>951</u>	<u>(414)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(15)</u>	<u>(915)</u>	<u>(218)</u>	<u>697</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>(142)</u>	<u>773</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>\$ 800</u>	<u>\$ 800</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, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 58	\$ 58
Miscellaneous revenues	<u>140</u>	<u>140</u>	<u>-</u>	<u>(140)</u>
TOTAL REVENUES	<u>140</u>	<u>140</u>	<u>58</u>	<u>(82)</u>
EXPENDITURES				
Current:				
General government	132	140	131	(9)
Debt service:				
Interest and other related costs	<u>8</u>	<u>-</u>	<u>4</u>	<u>4</u>
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>(77)</u>	<u>(77)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	37	37
Transfer (out)	<u>-</u>	<u>-</u>	<u>(28)</u>	<u>(28)</u>
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>(68)</u>	<u>(68)</u>
FUND BALANCE - JANUARY 1	-	-	4,318	4,318
Prior period adjustment	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>-</u>	<u>4,340</u>	<u>4,340</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,272</u>	<u>\$ 4,272</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 176	\$ 2,001	\$ 1,461	\$ (540)
Interest and other earnings	-	-	3	3
Miscellaneous revenues	100	-	-	-
TOTAL REVENUES	<u>276</u>	<u>2,001</u>	<u>1,464</u>	<u>(537)</u>
EXPENDITURES				
Current:				
Transportation	276	3,717	66	(3,651)
Debt service:				
Interest and other related costs	-	-	19	19
Capital expenditures	-	-	2,118	2,118
TOTAL EXPENDITURES	<u>276</u>	<u>3,717</u>	<u>2,203</u>	<u>(1,514)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,716)</u>	<u>(739)</u>	<u>977</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,352	631	(721)
Transfer (out)	-	-	(40)	(40)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>1,352</u>	<u>591</u>	<u>(761)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(364)</u>	<u>(148)</u>	<u>216</u>
FUND BALANCE - JANUARY 1	-	364	518	154
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370</u>	<u>\$ 370</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 210	\$ 210	\$ 531	\$ 321
Fines and penalties	285	285	682	397
Interest and other earnings	10	10	41	31
Miscellaneous revenues	-	-	25	25
TOTAL REVENUES	<u>505</u>	<u>505</u>	<u>1,279</u>	<u>774</u>
EXPENDITURES				
Current:				
Economic environment	<u>2,005</u>	<u>2,005</u>	<u>804</u>	<u>(1,201)</u>
TOTAL EXPENDITURES	<u>2,005</u>	<u>2,005</u>	<u>804</u>	<u>(1,201)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,500)</u>	<u>(1,500)</u>	<u>475</u>	<u>1,975</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>475</u>	<u>1,975</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>\$ 3,194</u>	<u>\$ 3,194</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, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 16,526	\$ 16,526	\$ 16,297	\$ (229)
Intergovernmental revenue	50	50	-	(50)
Charges for goods and services	6,185	6,185	5,867	(318)
Interest and other earnings	-	-	63	63
Miscellaneous revenues	395	395	15	(380)
TOTAL REVENUES	<u>23,156</u>	<u>23,156</u>	<u>22,242</u>	<u>(914)</u>
EXPENDITURES				
Current:				
Public safety	25,823	25,981	24,879	(1,102)
Capital expenditures	-	-	355	355
TOTAL EXPENDITURES	<u>25,823</u>	<u>25,981</u>	<u>25,234</u>	<u>(747)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,667)</u>	<u>(2,825)</u>	<u>(2,992)</u>	<u>(167)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	150	150
Transfer (out)	(313)	(314)	(343)	(29)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(313)</u>	<u>(314)</u>	<u>(193)</u>	<u>121</u>
NET CHANGE IN FUND BALANCE	<u>(2,980)</u>	<u>(3,139)</u>	<u>(3,185)</u>	<u>(46)</u>
FUND BALANCE - JANUARY 1	2,980	3,139	8,322	5,183
Prior period adjustment	-	-	622	622
FUND BALANCE - JANUARY 1. RESTATED	<u>2,980</u>	<u>3,139</u>	<u>8,944</u>	<u>5,805</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,759</u>	<u>\$ 5,759</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,421	\$ 6,421	\$ 6,700	\$ 279
Interest and other earnings	-	-	19	19
TOTAL REVENUES	<u>6,421</u>	<u>6,421</u>	<u>6,719</u>	<u>298</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>6,719</u>	<u>298</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	<u>(6,421)</u>	<u>(6,421)</u>	<u>(5,722)</u>	<u>699</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>(6,421)</u>	<u>(6,421)</u>	<u>(5,722)</u>	<u>699</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>997</u>	<u>997</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>738</u>	<u>738</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,735</u>	<u>\$ 1,735</u>

SPECIAL REVENUE FUND - HR & HS (1185)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,362	\$ 8,312	\$ 8,945	\$ 633
Intergovernmental revenue	2,669	3,267	3,194	(73)
Charges for goods and services	1,474	1,473	265	(1,208)
Interest and other earnings	15	15	72	57
Miscellaneous revenues	174	174	46	(128)
TOTAL REVENUES	<u>9,694</u>	<u>13,241</u>	<u>12,522</u>	<u>(719)</u>
EXPENDITURES				
Current:				
General government	18	22	272	250
Public safety	2,280	2,281	893	(1,388)
Economic environment	4,298	4,892	2,410	(2,482)
Mental and physical health	5,362	8,312	4,584	(3,728)
TOTAL EXPENDITURES	<u>11,958</u>	<u>15,507</u>	<u>8,159</u>	<u>(7,348)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,264)</u>	<u>(2,266)</u>	<u>4,363</u>	<u>6,629</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	408	409	37	(372)
Transfer (out)	-	-	(165)	(165)
TOTAL OTHER FINANCE SOURCES(USES)	<u>408</u>	<u>409</u>	<u>(128)</u>	<u>(537)</u>
NET CHANGE IN FUND BALANCE	<u>(1,856)</u>	<u>(1,857)</u>	<u>4,235</u>	<u>6,092</u>
FUND BALANCE - JANUARY 1	1,856	1,857	2,974	1,117
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,209</u>	<u>\$ 7,209</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 24,225	\$ 24,225	\$ 10,877	\$ (13,348)
Charges for goods and services	1,876	1,876	1,884	8
Interest and other earnings	300	300	333	33
Miscellaneous revenues	316	316	24	(292)
TOTAL REVENUES	<u>26,717</u>	<u>26,717</u>	<u>13,118</u>	<u>(13,599)</u>
EXPENDITURES				
Current:				
General government	1,090	1,030	300	(730)
Public safety	3,500	3,500	2,057	(1,443)
Transportation	237	236	166	(70)
Economic environment	32,343	32,343	13,433	(18,910)
Mental and physical health	50	50	9	(41)
Culture and recreation	704	704	650	(54)
TOTAL EXPENDITURES	<u>37,924</u>	<u>37,863</u>	<u>16,615</u>	<u>(21,248)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,207)</u>	<u>(11,146)</u>	<u>(3,497)</u>	<u>7,649</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	509	509
Transfer in	131	130	28	(102)
Transfer (out)	-	(60)	(511)	(451)
TOTAL OTHER FINANCE SOURCES(USES)	<u>131</u>	<u>70</u>	<u>26</u>	<u>(44)</u>
NET CHANGE IN FUND BALANCE	<u>(11,076)</u>	<u>(11,076)</u>	<u>(3,471)</u>	<u>7,605</u>
FUND BALANCE - JANUARY 1	11,076	11,076	19,050	7,974
Prior period adjustment	-	-	64	64
FUND BALANCE - JANUARY 1, RESTATED	<u>11,076</u>	<u>11,076</u>	<u>19,114</u>	<u>8,038</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,643</u>	<u>\$ 15,643</u>

## SPECIAL REVENUE FUND - LIBRARY (1200)

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

For the Year Ended December 31, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ 207	\$ 207
Charges for goods and services	30	30	15	(15)
Interest and other earnings	250	250	79	(171)
Miscellaneous revenues	212	212	134	(78)
TOTAL REVENUES	<u>492</u>	<u>492</u>	<u>435</u>	<u>(57)</u>
EXPENDITURES				
Current:				
Culture and recreation	492	1,636	371	(1,265)
Capital expenditures	-	-	57	57
TOTAL EXPENDITURES	<u>492</u>	<u>1,636</u>	<u>428</u>	<u>(1,208)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,144)</u>	<u>7</u>	<u>1,151</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>7</u>	<u>1,151</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>\$ 6,413</u>	<u>\$ 6,413</u>

## SPECIAL REVENUE FUND - HUB (1236)

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

For the Year Ended December 31, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 484	\$ 484	\$ 482	\$ (2)
TOTAL REVENUES	<u>484</u>	<u>484</u>	<u>482</u>	<u>(2)</u>
EXPENDITURES				
Current:				
General government	<u>484</u>	<u>509</u>	<u>482</u>	<u>(27)</u>
TOTAL EXPENDITURES	<u>484</u>	<u>509</u>	<u>482</u>	<u>(27)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(25)</u>	<u>-</u>	<u>25</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>(25)</u>	<u>-</u>	<u>25</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>25</u>	<u>125</u>	<u>100</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental revenue	6,262	8,932	7,794	(1,138)
Charges for goods and services	191	251	483	232
Fines and penalties	426	1,218	827	(391)
Interest and other earnings	-	-	19	19
Miscellaneous revenues	48	30	566	536
TOTAL REVENUES	<u>6,927</u>	<u>10,431</u>	<u>9,691</u>	<u>(740)</u>
EXPENDITURES				
Current:				
Public safety	6,977	10,499	7,904	(2,595)
Capital expenditures	-	-	2,554	2,554
TOTAL EXPENDITURES	<u>6,977</u>	<u>10,499</u>	<u>10,458</u>	<u>(41)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(50)</u>	<u>(68)</u>	<u>(767)</u>	<u>(699)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	16	16
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
NET CHANGE IN FUND BALANCE	<u>(50)</u>	<u>(68)</u>	<u>(751)</u>	<u>(683)</u>
FUND BALANCE - JANUARY 1	50	68	1,752	1,684
Prior period adjustment	-	-	(171)	(171)
FUND BALANCE - JANUARY 1. RESTATED	<u>50</u>	<u>68</u>	<u>1,581</u>	<u>1,513</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 830</u>	<u>\$ 830</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,462	\$ 6,470	\$ 6,567	\$ 97
Charges for goods and services	727	488	508	20
Interest and other earnings	-	98	68	(30)
Miscellaneous revenues	-	77	114	37
TOTAL REVENUES	<u>7,189</u>	<u>7,133</u>	<u>7,257</u>	<u>124</u>
EXPENDITURES				
Current:				
General government	-	-	7	7
Utilities and environment	7,690	9,252	5,048	(4,204)
Capital expenditures	-	-	635	635
TOTAL EXPENDITURES	<u>7,690</u>	<u>9,252</u>	<u>5,690</u>	<u>(3,562)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(501)</u>	<u>(2,119)</u>	<u>1,567</u>	<u>3,686</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>(2,119)</u>	<u>1,567</u>	<u>3,686</u>
FUND BALANCE - JANUARY 1	501	2,119	4,421	2,302
Prior period adjustment	-	-	(10)	(10)
FUND BALANCE - JANUARY 1, RESTATED	<u>501</u>	<u>2,119</u>	<u>4,411</u>	<u>2,292</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,978</u>	<u>\$ 5,978</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 249	\$ 449	\$ 342	\$ (107)
Charges for goods and services	490	490	387	(103)
Fines and penalties	-	-	7	7
Interest and other earnings	-	-	4	4
TOTAL REVENUES	<u>739</u>	<u>939</u>	<u>740</u>	<u>(199)</u>
EXPENDITURES				
Current:				
General government	-	5	-	(5)
Economic environment	763	958	746	(212)
TOTAL EXPENDITURES	<u>763</u>	<u>963</u>	<u>746</u>	<u>(217)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(24)</u>	<u>(24)</u>	<u>(6)</u>	<u>18</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>(6)</u>	<u>18</u>
FUND BALANCE - JANUARY 1	24	24	278	254
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 272</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Fines and penalties	\$ 4,245	\$ 5,145	\$ 5,356	\$ 211
Interest and other earnings	-	-	12	12
Miscellaneous revenues	-	-	1	1
TOTAL REVENUES	<u>4,245</u>	<u>5,145</u>	<u>5,369</u>	<u>224</u>
EXPENDITURES				
Current:				
Public safety	<u>6,634</u>	<u>6,634</u>	<u>5,998</u>	<u>(636)</u>
TOTAL EXPENDITURES	<u>6,634</u>	<u>6,634</u>	<u>5,998</u>	<u>(636)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,389)</u>	<u>(1,489)</u>	<u>(629)</u>	<u>860</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	2,389	1,489	1,390	(99)
Transfer (out)	-	-	(43)	(43)
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,389</u>	<u>1,489</u>	<u>1,347</u>	<u>(142)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>718</u>	<u>718</u>
FUND BALANCE - JANUARY 1	-	-	1	1
Prior period adjustment	-	-	3	3
FUND BALANCE - JANUARY 1. RESTATED	-	-	4	4
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 722</u>	<u>\$ 722</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,406	\$ 5,407	\$ 5,544	\$ 137
Interest and other earnings	-	-	30	30
TOTAL REVENUES	<u>5,406</u>	<u>5,407</u>	<u>5,574</u>	<u>167</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	3,680	3,680	3,680	-
Interest and other related costs	<u>1,726</u>	<u>1,727</u>	<u>1,726</u>	<u>(1)</u>
TOTAL EXPENDITURES	<u>5,406</u>	<u>5,407</u>	<u>5,406</u>	<u>(1)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>168</u>	<u>168</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>168</u>	<u>168</u>
FUND BALANCE - JANUARY 1	-	-	878	878
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,046</u>	<u>\$ 1,046</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, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	1,626	3,692	1,626	(2,066)
Interest and other related costs	3,563	1,496	4,802	3,306
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>5,189</u>	<u>5,188</u>	<u>6,428</u>	<u>1,240</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,189)</u>	<u>(5,188)</u>	<u>(6,428)</u>	<u>(1,240)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	1,240	1,240
Transfer in	<u>5,189</u>	<u>5,188</u>	<u>5,188</u>	<u>-</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>5,189</u>	<u>5,188</u>	<u>6,428</u>	<u>1,240</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

DEBT SERVICE FUND - CTED PUBLIC WORKS TRUST FUND LOANS (2038)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,000</u>	\$ <u>10,000</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	2,145	2,222	12,221	9,999
Interest and other related costs	<u>120</u>	<u>125</u>	<u>125</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,265</u>	<u>2,347</u>	<u>12,346</u>	<u>9,999</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,265)</u>	<u>(2,347)</u>	<u>(2,346)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	2,265	2,347	2,346	(1)
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,265</u>	<u>2,347</u>	<u>2,346</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

DEBT SERVICE FUND - 2001 LTGO REFUNDING BONDS (2039)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Debt service:				
Principal payments	1,105	1,105	-	(1,105)
Interest and other related costs	<u>79</u>	<u>79</u>	<u>18</u>	<u>(61)</u>
TOTAL EXPENDITURES	<u>1,184</u>	<u>1,184</u>	<u>18</u>	<u>(1,166)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,184)</u>	<u>(1,184)</u>	<u>(18)</u>	<u>1,166</u>
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	<u>1,184</u>	<u>1,184</u>	<u>-</u>	<u>(1,184)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>1,184</u>	<u>1,184</u>	<u>18</u>	<u>(1,166)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

DEBT SERVICE FUND - 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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 6	\$ 6
Miscellaneous revenues	2,020	2,020	1,900	(120)
TOTAL REVENUES	<u>\$ 2,020</u>	<u>\$ 2,020</u>	<u>\$ 1,906</u>	<u>\$ (114)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	2,295	2,295	2,295	-
Interest and other related costs	<u>2,711</u>	<u>2,711</u>	<u>5,852</u>	<u>3,141</u>
TOTAL EXPENDITURES	<u>5,006</u>	<u>5,006</u>	<u>8,147</u>	<u>3,141</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,986)</u>	<u>(2,986)</u>	<u>(6,241)</u>	<u>(3,255)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	3,142	3,142
Transfer in	<u>2,986</u>	<u>2,986</u>	<u>3,106</u>	<u>120</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,986</u>	<u>2,986</u>	<u>6,248</u>	<u>3,262</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</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>\$ 7</u></u>	<u><u>\$ 7</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ -	\$ -	\$ 54	\$ 54
TOTAL REVENUES	\$ -	\$ -	\$ 54	\$ 54
EXPENDITURES				
Debt service:				
Principal payments	730	730	730	-
Interest and other related costs	5,994	5,994	5,832	(162)
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	6,724	6,724	6,562	(162)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,724)	(6,724)	(6,508)	216
OTHER FINANCING SOURCES (USES)				
Transfer in	6,724	6,724	6,508	(216)
TOTAL OTHER FINANCE SOURCES(USES)	6,724	6,724	6,508	(216)
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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Debt service:				
Interest and other related costs	-	3,379	3,379	-
TOTAL EXPENDITURES	-	3,379	3,379	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(3,379)	(3,379)	-
OTHER FINANCING SOURCES (USES)				
Transfer in	-	3,379	3,379	-
TOTAL OTHER FINANCE SOURCES(USES)	-	3,379	3,379	-
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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ -	\$ -	\$ 2,112	\$ 2,112
Fines and penalties	-	-	4,282	4,282
Interest and other earnings	-	-	9	9
Miscellaneous revenues	-	-	592	592
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,995</u>	<u>\$ 6,995</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	-	-	873	873
Interest and other related costs	-	-	1,758	1,758
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>2,631</u>	<u>2,631</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>4,364</u>	<u>4,364</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	(9)	(9)
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>4,355</u>	<u>4,355</u>
FUND BALANCE - JANUARY 1	-	-	754	754
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,109</u>	<u>\$ 5,109</u>



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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ -	\$ 320	\$ 302	\$ (18)
Intergovernmental revenue	23,621	85,582	31,868	(53,714)
Charges for goods and services	-	610	1,069	459
Fines and penalties	-	-	6	6
Interest and other earnings	-	-	78	78
Miscellaneous revenues	-	-	491	491
TOTAL REVENUES	<u>23,621</u>	<u>86,512</u>	<u>33,814</u>	<u>(52,698)</u>
EXPENDITURES				
Current:				
Public safety	-	-	31	31
Transportation	47,790	131,319	22,739	(108,580)
Debt service:				
Interest and other related costs	-	-	198	198
Capital expenditures	-	-	36,426	36,426
TOTAL EXPENDITURES	<u>47,790</u>	<u>131,319</u>	<u>59,394</u>	<u>(71,925)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(24,169)</u>	<u>(44,807)</u>	<u>(25,580)</u>	<u>19,227</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	8,280	2,850	(5,430)
Proceeds of refunding long-term debt	-	257	-	(257)
Proceeds from sales of capital assets	-	-	4	4
Transfer in	24,022	30,199	34,201	4,002
Transfer (out)	-	-	(3,856)	(3,856)
TOTAL OTHER FINANCE SOURCES(USES)	<u>24,022</u>	<u>38,736</u>	<u>33,199</u>	<u>(5,537)</u>
NET CHANGE IN FUND BALANCE	<u>(147)</u>	<u>(6,071)</u>	<u>7,619</u>	<u>13,690</u>
FUND BALANCE - JANUARY 1	147	6,071	2,947	(3,124)
Prior period adjustment	-	-	(965)	(965)
FUND BALANCE - JANUARY 1, RESTATED	<u>147</u>	<u>6,071</u>	<u>1,982</u>	<u>(4,089)</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,601</u>	<u>\$ 9,601</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	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				
Current:				
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	<u>-</u>	<u>-</u>	<u>(44)</u>	<u>(44)</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (43)</u>	<u>\$ (43)</u>

CAPITAL PROJECT FUND - CAPITAL PROJECTS (3211)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,600	\$ 5,600	\$ 9,503	\$ 3,903
Intergovernmental revenue	400	400	179	(221)
Interest and other earnings	-	-	146	146
Miscellaneous revenues	164	164	84	(80)
TOTAL REVENUES	<u>6,164</u>	<u>6,164</u>	<u>9,912</u>	<u>3,748</u>
EXPENDITURES				
Current:				
Transportation	1,095	2,322	708	(1,614)
Culture and recreation	164	164	80	(84)
Debt service:				
Interest and other related costs	-	-	1	1
Capital expenditures	-	-	1,049	1,049
TOTAL EXPENDITURES	<u>1,259</u>	<u>2,486</u>	<u>1,838</u>	<u>(648)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,905</u>	<u>3,678</u>	<u>8,074</u>	<u>4,396</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	5,660	5,660	639	(5,021)
Transfer (out)	(13,480)	(20,357)	(11,198)	9,159
TOTAL OTHER FINANCE SOURCES(USES)	<u>(7,820)</u>	<u>(14,697)</u>	<u>(10,559)</u>	<u>4,138</u>
NET CHANGE IN FUND BALANCE	<u>(2,915)</u>	<u>(11,019)</u>	<u>(2,485)</u>	<u>8,534</u>
FUND BALANCE - JANUARY 1	2,931	11,019	13,554	2,535
Prior period adjustment	-	16	-	(16)
FUND BALANCE - JANUARY 1, RESTATED	<u>2,931</u>	<u>11,035</u>	<u>13,554</u>	<u>2,519</u>
FUND BALANCE - DECEMBER 31	<u>\$ 16</u>	<u>\$ 16</u>	<u>\$ 11,069</u>	<u>\$ 11,053</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ 28	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>28</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Interest and other related costs	<u>102</u>	<u>102</u>	<u>78</u>	<u>(24)</u>
TOTAL EXPENDITURES	<u>102</u>	<u>102</u>	<u>78</u>	<u>(24)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(74)</u>	<u>(102)</u>	<u>(78)</u>	<u>24</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>74</u>	<u>74</u>	<u>41</u>	<u>(33)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>74</u>	<u>74</u>	<u>41</u>	<u>(33)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(28)</u>	<u>(37)</u>	<u>(9)</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>28</u>	<u>(4,163)</u>	<u>(4,191)</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,200)</u>	<u>\$ (4,200)</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, 2014

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 1	\$ 1
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	-	-	1	1
EXPENDITURES				
Current:				
Transportation	-	27	-	(27)
TOTAL EXPENDITURES	-	27	-	(27)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(27)	1	28
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	(176)	(176)	-
TOTAL OTHER FINANCE SOURCES(USES)	-	(176)	(176)	-
NET CHANGE IN FUND BALANCE	-	(203)	(175)	28
FUND BALANCE - JANUARY 1	-	203	175	(28)
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 2,135	\$ 525	\$ (1,610)
Interest and other earnings	-	-	96	96
Miscellaneous revenues	-	-	1	1
TOTAL REVENUES	<u>-</u>	<u>2,135</u>	<u>622</u>	<u>(1,513)</u>
EXPENDITURES				
Current:				
Economic environment	-	-	1,500	1,500
Culture and recreation	-	16,257	189	(16,068)
Capital expenditures	-	-	7,090	7,090
TOTAL EXPENDITURES	<u>-</u>	<u>16,257</u>	<u>8,779</u>	<u>(7,478)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(14,122)</u>	<u>(8,157)</u>	<u>5,965</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,700	627	(1,073)
Transfer (out)	-	-	(570)	(570)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>1,700</u>	<u>57</u>	<u>(1,643)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(12,422)</u>	<u>(8,100)</u>	<u>4,322</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>\$ 4,864</u>	<u>\$ 4,864</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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 273	\$ 273	\$ -
Interest and other earnings	-	-	185	185
TOTAL REVENUES	-	273	458	185
EXPENDITURES				
Current:				
Transportation	-	13,720	1,697	(12,023)
Culture and recreation	-	8,384	385	(7,999)
Debt service:				
Interest and other related costs	-	-	1,013	1,013
Capital expenditures	-	-	1,509	1,509
TOTAL EXPENDITURES	-	22,104	4,604	(17,500)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(21,831)	(4,146)	17,685
OTHER FINANCING SOURCES (USES)				
Transfer in	-	333	137	(196)
Transfer (out)	-	-	(7,715)	(7,715)
TOTAL OTHER FINANCE SOURCES(USES)	-	333	(7,578)	(7,911)
NET CHANGE IN FUND BALANCE	-	(21,498)	(11,724)	9,774
FUND BALANCE - JANUARY 1	-	21,498	22,846	1,348
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 11,122	\$ 11,122

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, 2014  
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2013-2014 BIENNIUM	APPROVED REVISED BUDGET 2013-2014 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2014	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ -	\$ -	\$ 755	\$ 755
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>755</u>	<u>755</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	-	-	28,490	28,490
Interest and other related costs	-	-	236	236
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>28,726</u>	<u>28,726</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(27,971)</u>	<u>(27,971)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	31,685	31,685
Issuance discount on long-term debt	-	-	-	-
Transfer (out)	-	-	(1,690)	(1,690)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>29,995</u>	<u>29,995</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>2,024</u>	<u>2,024</u>
FUND BALANCE - JANUARY 1	-	-	116	116
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,140</u>	<u>\$ 2,140</u>



## COMBINING STATEMENT OF NET POSITION

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2014

(amounts expressed in thousands)

Page 1 of 8

	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING OPERATING FUND #4140
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,863	\$ 860	\$ 2,196
Accounts receivable (net)	35	357	16
Due from other funds	7	-	35
Inventory	-	-	-
Prepayments	96	-	187
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	13	-
C&CE - other special purposes	-	-	-
Total restricted assets	-	13	-
Total current assets	4,001	1,230	2,434
Non-current assets:			
Notes and contracts receivable (non-current)	-	-	-
Capital assets:			
Land	-	1,361	11,806
Property, plant, and equipment	268	28,499	51,538
Less: accumulated depreciation	(63)	(7,322)	(12,129)
Construction work in progress	-	244	11
Total capital assets net of depreciation	205	22,782	51,226
Total non-current assets	205	22,782	51,226
<b>TOTAL ASSETS</b>	<b>4,206</b>	<b>24,012</b>	<b>53,660</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Unamortized loss on refunding	-	-	-
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR ENTERPRISE FUNDS  
 December 31, 2014  
 (amounts expressed in thousands)  
 Page 2 of 8

	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING OPERATING FUND #4140
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 29	\$ 175	\$ 118
Due to other funds	189	31	23
Due to other governments	1	-	-
Advances from other funds	-	-	-
Interest payable	-	13	-
Deposits payable	185	45	-
Accrued wages	215	-	44
Accrued benefits	40	-	4
Accrued taxes	-	18	-
Notes, contracts & leases - current	-	-	142
Revenue bonds - current	-	-	1,313
Unearned revenue	-	-	20
Other	3	-	-
Total current liabilities	<u>662</u>	<u>282</u>	<u>1,664</u>
Non-current liabilities:			
Revenue bonds payable (net)	-	-	14,995
Advances from other funds	-	6,250	-
Compensated absences	357	-	36
Incurred but not reported	-	-	-
Net OPEB obligation	-	-	-
Other - non-current liabilities	-	-	-
Total non-current liabilities	<u>357</u>	<u>6,250</u>	<u>15,031</u>
<b>TOTAL LIABILITIES</b>	<u><b>1,019</b></u>	<u><b>6,532</b></u>	<u><b>16,695</b></u>
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	205	16,532	34,918
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	-	-	-
Restricted for culture and recreation	-	-	-
Restricted for environmental services and programs	3,069	-	-
Restricted for inspections	367	-	-
Unrestricted	(454)	948	2,047
<b>TOTAL NET POSITION</b>	<u><b>\$ 3,187</b></u>	<u><b>\$ 17,480</b></u>	<u><b>\$ 36,965</b></u>

## COMBINING STATEMENT OF NET POSITION

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2014

(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>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 406	\$ 34	\$ 2,598	\$ 448
Accounts receivable (net)	160	1	189	-
Due from other funds	2	-	-	-
Inventory	-	-	-	-
Prepayments	211	19	43	20
Current restricted assets:				
C&CE - debt services, deposits and replacements	501	-	-	-
C&CE - other special purposes	-	-	-	1,042
Total restricted assets	501	-	-	1,042
Total current assets	1,280	54	2,830	1,510
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	-
Capital assets:				
Land	15,210	224	6,161	2,087
Property, plant, and equipment	73,760	39,047	48,703	20,641
Less: accumulated depreciation	(23,806)	(7,119)	(30,643)	(6,897)
Construction work in progress	-	-	-	-
Total capital assets net of depreciation	65,164	32,152	24,221	15,831
Total non-current assets	65,164	32,152	24,221	15,831
<b>TOTAL ASSETS</b>	<b>66,444</b>	<b>32,206</b>	<b>27,051</b>	<b>17,341</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Unamortized loss on refunding	3,029	-	-	-
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 3,029</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
December 31, 2014  
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	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 142	\$ -	\$ 410	\$ 9
Due to other funds	66	-	37	5
Due to other governments	-	-	-	-
Advances from other funds	-	-	431	153
Interest payable	-	-	-	-
Deposits payable	524	-	2,512	-
Accrued wages	49	-	102	-
Accrued benefits	5	-	25	-
Accrued taxes	11	-	8	-
Notes, contracts & leases - current	-	-	-	-
Revenue bonds - current	2,041	-	-	-
Unearned revenue	-	-	12	-
Other	13	-	35	-
Total current liabilities	<u>2,851</u>	<u>-</u>	<u>3,572</u>	<u>167</u>
Non-current liabilities:				
Revenue bonds payable (net)	74,980	-	-	-
Advances from other funds	-	-	1,295	77
Compensated absences	48	-	225	-
Incurred but not reported	-	-	-	-
Net OPEB obligation	-	-	-	-
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>75,028</u>	<u>-</u>	<u>1,520</u>	<u>77</u>
TOTAL LIABILITIES	<u>77,879</u>	<u>-</u>	<u>5,092</u>	<u>244</u>
DEFERRED INFLOW OF RESOURCES				
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	(8,658)	32,153	24,222	15,831
Restricted:				
Restricted for capital purchases	-	14	-	-
Restricted for debt	544	2	-	-
Restricted for culture and recreation	-	-	2,363	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Unrestricted	(292)	37	(4,626)	1,266
TOTAL NET POSITION	<u>\$ (8,406)</u>	<u>\$ 32,206</u>	<u>\$ 21,959</u>	<u>\$ 17,097</u>

## COMBINING STATEMENT OF NET POSITION

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2014

(amounts expressed in thousands)

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	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 84	\$ 10,043	\$ 1,693
Accounts receivable (net)	4,052	2,944	-
Due from other funds	-	103	-
Inventory	-	885	-
Prepayments	-	1,988	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	65	-
C&CE - other special purposes	1,905	-	-
Total restricted assets	1,905	65	-
Total current assets	6,041	16,028	1,693
Non-current assets:			
Notes and contracts receivable (non-current)	27,584	-	-
Capital assets:			
Land	-	160	-
Property, plant, and equipment	-	36,252	-
Less: accumulated depreciation	-	(16,355)	-
Construction work in progress	-	1,000	-
Total capital assets net of depreciation	-	21,057	-
Total non-current assets	27,584	21,057	-
<b>TOTAL ASSETS</b>	<b>33,625</b>	<b>37,085</b>	<b>1,693</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Unamortized loss on refunding	-	-	-
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 2	\$ 2,159	\$ -
Due to other funds	-	500	-
Due to other governments	-	-	-
Advances from other funds	-	-	-
Interest payable	580	7	-
Deposits payable	-	46	-
Accrued wages	-	449	-
Accrued benefits	-	101	-
Accrued taxes	-	278	-
Notes, contracts & leases - current	2,105	553	-
Revenue bonds - current	-	-	-
Unearned revenue	1,886	-	-
Other	-	-	1,693
Total current liabilities	<u>4,573</u>	<u>4,093</u>	<u>1,693</u>
Non-current liabilities:			
Revenue bonds payable (net)	19,455	4,483	-
Advances from other funds	-	-	-
Compensated absences	-	912	-
Incurred but not reported	-	2,307	-
Net OPEB obligation	-	363	-
Other - non-current liabilities	8,659	697	-
Total non-current liabilities	<u>28,114</u>	<u>8,762</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><b>32,687</b></u>	<u><b>12,855</b></u>	<u><b>1,693</b></u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
<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	-	16,023	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	1,905	65	-
Restricted for culture and recreation	-	-	-
Restricted for environmental services and programs	-	-	-
Restricted for inspections	-	-	-
Unrestricted	(967)	8,142	-
<b>TOTAL NET POSITION</b>	<u><b>\$ 938</b></u>	<u><b>\$ 24,230</b></u>	<u><b>\$ -</b></u>

## COMBINING STATEMENT OF NET POSITION

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2014

(amounts expressed in thousands)

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	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ 22,225
Accounts receivable (net)	-	7,754
Due from other funds	-	147
Inventory	-	885
Prepayments	-	2,564
Current restricted assets:		
C&CE - debt services, deposits and replacements	-	579
C&CE - other special purposes	-	2,947
Total restricted assets	-	3,526
Total current assets	-	37,101
Non-current assets:		
Notes and contracts receivable (non-current)	-	27,584
Capital assets:		
Land	-	37,009
Property, plant, and equipment	-	298,708
Less: accumulated depreciation	-	(104,334)
Construction work in progress	-	1,255
Total capital assets net of depreciation	-	232,638
Total non-current assets	-	260,222
TOTAL ASSETS	-	297,323
DEFERRED OUTFLOW OF RESOURCES		
Unamortized loss on refunding	-	3,029
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ 3,029

COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR ENTERPRISE FUNDS  
 December 31, 2014  
 (amounts expressed in thousands)  
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	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 3,044
Due to other funds	-	851
Due to other governments	-	1
Advances from other funds	-	584
Interest payable	-	600
Deposits payable	-	3,312
Accrued wages	-	859
Accrued benefits	-	175
Accrued taxes	-	315
Notes, contracts & leases - current	-	2,800
Revenue bonds - current	-	3,354
Unearned revenue	-	1,918
Other	-	1,744
Total current liabilities	<u>-</u>	<u>19,557</u>
Non-current liabilities:		
Revenue bonds payable (net)	-	113,913
Advances from other funds	-	7,622
Compensated absences	-	1,578
Incurred but not reported	-	2,307
Net OPEB obligation	-	363
Other - non-current liabilities	-	9,356
Total non-current liabilities	<u>-</u>	<u>135,139</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>154,696</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>\$ -</u>
<b>NET POSITION</b>		
Net investment in capital assets	-	131,226
Restricted:		
Restricted for capital purchases	-	14
Restricted for debt	-	2,516
Restricted for culture and recreation	-	2,363
Restricted for environmental services and programs	-	3,069
Restricted for inspections	-	367
Unrestricted	-	6,101
<b>TOTAL NET POSITION</b>	<u>\$ -</u>	<u>\$ 145,656</u>



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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING OPERATING FUND #4140
OPERATING REVENUES			
Charges for goods and services	\$ 7,302	\$ 1,454	\$ 6,682
Miscellaneous revenues	-	5	-
TOTAL OPERATING REVENUES	<u>7,302</u>	<u>1,459</u>	<u>6,682</u>
OPERATING EXPENSES			
Salary and wages	4,285	539	887
Personnel benefits	1,744	-	452
Supplies	87	81	33
Services	2,022	1,156	2,123
Intergovernmental services (interfund taxes)	-	42	53
Depreciation expense	6	886	1,325
TOTAL OPERATING EXPENSES	<u>8,144</u>	<u>2,704</u>	<u>4,873</u>
OPERATING INCOME (LOSS)	<u>(842)</u>	<u>(1,245)</u>	<u>1,809</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	34	6	24
Interest and other related costs	(1)	(51)	(834)
Amortization of bond discount & expense	-	-	38
Operating contributions - federal/state/local	-	15	-
Other non revenues and (expenses)	-	246	-
Gain(loss) on disposition of property	-	11	-
NON OPERATING REVENUE NET OF EXPENSE	<u>33</u>	<u>227</u>	<u>(772)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(809)</u>	<u>(1,018)</u>	<u>1,037</u>
Capital contributions - interfund	-	-	219
Capital contributions - federal/state/local	-	-	-
Capital contributions - private	-	-	-
Transfer in	746	200	2
Transfer (out)	(200)	-	(956)
CHANGE IN NET POSITION	<u>(263)</u>	<u>(818)</u>	<u>302</u>
NET POSITION			
NET POSITION - JANUARY 1	3,509	18,298	36,663
Prior period adjustments	(59)	-	-
NET POSITION - JANUARY 1 RESTATED	<u>3,450</u>	<u>18,298</u>	<u>36,663</u>
NET POSITION - DECEMBER 31	<u>\$ 3,187</u>	<u>\$ 17,480</u>	<u>\$ 36,965</u>

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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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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	\$ 2,001	\$ 811	\$ 5,463	\$ -
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>2,001</u>	<u>811</u>	<u>5,463</u>	<u>-</u>
OPERATING EXPENSES				
Salary and wages	913	-	2,072	1
Personnel benefits	378	-	828	-
Supplies	178	4	322	30
Services	2,305	46	2,177	1,008
Intergovernmental services (interfund taxes)	58	64	76	-
Depreciation expense	<u>2,189</u>	<u>1,498</u>	<u>608</u>	<u>576</u>
TOTAL OPERATING EXPENSES	<u>6,021</u>	<u>1,612</u>	<u>6,083</u>	<u>1,615</u>
OPERATING INCOME (LOSS)	<u>(4,020)</u>	<u>(801)</u>	<u>(620)</u>	<u>(1,615)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	10	5	31	49
Interest and other related costs	(1,063)	(1)	(17)	(3,380)
Amortization of bond discount & expense	171	-	-	-
Operating contributions - federal/state/local	-	-	-	-
Other non revenues and (expenses)	2,622	36	(9)	-
Gain(loss) on disposition of property	<u>(88)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NON OPERATING REVENUE NET OF EXPENSE	<u>1,652</u>	<u>40</u>	<u>5</u>	<u>(3,331)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(2,368)</u>	<u>(761)</u>	<u>(615)</u>	<u>(4,946)</u>
Capital contributions - interfund	-	-	-	-
Capital contributions - federal/state/local	-	-	-	-
Capital contributions - private	-	-	-	-
Transfer in	3,105	690	1,000	1,564
Transfer (out)	<u>(2,078)</u>	<u>(1,384)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(1,341)</u>	<u>(1,455)</u>	<u>385</u>	<u>(3,382)</u>
NET POSITION				
NET POSITION - JANUARY 1	(6,354)	33,661	21,574	20,479
Prior period adjustments	<u>(711)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION - JANUARY 1 RESTATED	<u>(7,065)</u>	<u>33,661</u>	<u>21,574</u>	<u>20,479</u>
NET POSITION - DECEMBER 31	<u>\$ (8,406)</u>	<u>\$ 32,206</u>	<u>\$ 21,959</u>	<u>\$ 17,097</u>

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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2014

(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	\$ -	\$ 30,292	\$ -
Miscellaneous revenues	-	11	-
TOTAL OPERATING REVENUES	-	30,303	-
OPERATING EXPENSES			
Salary and wages	-	9,659	-
Personnel benefits	-	4,122	-
Supplies	-	1,358	-
Services	5	9,925	-
Intergovernmental services (interfund taxes)	-	430	-
Depreciation expense	-	1,069	-
TOTAL OPERATING EXPENSES	5	26,563	-
OPERATING INCOME (LOSS)	(5)	3,740	-
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	-	73	-
Interest and other related costs	(2,073)	(61)	-
Amortization of bond discount & expense	-	-	-
Operating contributions - federal/state/local	-	82	-
Other non revenues and (expenses)	2,072	213	-
Gain(loss) on disposition of property	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	(1)	307	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(6)	4,047	-
Capital contributions - interfund	-	-	-
Capital contributions - federal/state/local	-	-	-
Capital contributions - private	-	-	-
Transfer in	-	-	-
Transfer (out)	-	(2,751)	-
CHANGE IN NET POSITION	(6)	1,296	-
NET POSITION			
NET POSITION - JANUARY 1	944	22,218	1,128
Prior period adjustments	-	716	(1,128)
NET POSITION - JANUARY 1 RESTATED	944	22,934	-
NET POSITION - DECEMBER 31	\$ 938	\$ 24,230	\$ -

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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	POWER CONSERVATION FUND #4850	NON-MAJOR ENTERPRISE FUNDS
OPERATING REVENUES		
Charges for goods and services	\$ -	\$ 54,005
Miscellaneous revenues	-	16
TOTAL OPERATING REVENUES	-	54,021
OPERATING EXPENSES		
Salary and wages	-	18,356
Personnel benefits	-	7,524
Supplies	-	2,093
Services	-	20,767
Intergovernmental services (interfund taxes)	-	723
Depreciation expense	-	8,157
TOTAL OPERATING EXPENSES	-	57,620
OPERATING INCOME (LOSS)	-	(3,599)
NON-OPERATING REVENUES (EXPENSES)		
Interest and other earnings	1	233
Interest and other related costs	(75)	(7,556)
Amortization of bond discount & expense	(43)	166
Operating contributions - federal/state/local	-	97
Other non revenues and (expenses)	1,872	7,052
Gain(loss) on disposition of property	-	(77)
NON OPERATING REVENUE NET OF EXPENSE	1,755	(85)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,755	(3,684)
Capital contributions - interfund	-	219
Capital contributions - federal/state/local	-	-
Capital contributions - private	-	-
Transfer in	-	7,307
Transfer (out)	(176)	(7,545)
CHANGE IN NET POSITION	1,579	(3,703)
NET POSITION		
NET POSITION - JANUARY 1	(1,579)	150,541
Prior period adjustments	-	(1,182)
NET POSITION - JANUARY 1 RESTATED	(1,579)	149,359
NET POSITION - DECEMBER 31	-	145,656

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
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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	\$ 7,318	\$ 1,385	\$ 6,673
Receipts from interfund services provided	(7)	-	(35)
Payments to suppliers	(1,237)	(1,074)	(2,261)
Payments to employees	(6,028)	(539)	(1,323)
Payments for taxes	-	(37)	(59)
Payments for interfund services used	(812)	(163)	(85)
Other operating or non-operating revenues (expenses)	-	246	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(766)</u>	<u>(182)</u>	<u>2,910</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	546	200	(47)
Transfers (to) other funds	-	-	-
Grants received	-	15	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>546</u>	<u>215</u>	<u>(47)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	219
Acquisition and construction of capital assets	(211)	(153)	(230)
Proceeds from the sale of capital assets	-	11	-
Principal paid on capital debt	-	-	(1,921)
Interest and issuance costs paid on capital debt	(1)	(51)	(834)
Premium and net refunding from capital debt	-	-	170
Contributions and donations	-	122	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(212)</u>	<u>(71)</u>	<u>(2,596)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	35	6	23
Investment long-term	1	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>36</u>	<u>6</u>	<u>23</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(396)	(32)	290
CASH & CASH EQUIVALENTS, JANUARY 1	4,259	905	1,906
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,863</u>	<u>\$ 873</u>	<u>\$ 2,196</u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
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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)	\$ (842)	\$ (1,245)	\$ 1,809
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	6	886	1,325
(increase) decrease in accounts receivable	31	(74)	(10)
(Increase) decrease in intergovernmental receivables	-	6	-
(Increase) decrease in due from other funds	(7)	-	(35)
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	(96)	62	(154)
Increase (decrease) in deposits payable	78	(22)	-
Increase (decrease) in accounts payable	(12)	(33)	33
Increase (decrease) in accrued wages payable	49	-	9
Increase (decrease) in compensated absences	(3)	-	8
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	87	(8)	6
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	3	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	(81)
Increase (decrease) in other long-term liabilities	-	-	-
Increase (decrease) in prior period adjustments	(60)	-	-
Miscellaneous non-operating revenues (expenditures)	-	246	-
Total adjustments	76	1,063	1,101
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(766)</u>	\$ <u>(182)</u>	\$ <u>2,910</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
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,034	\$ 814	\$ 5,358	\$ -
Receipts from interfund services provided	(2)	-	-	71
Payments to suppliers	(2,072)	(115)	(2,547)	(1,054)
Payments to employees	(1,292)	-	(2,878)	(1)
Payments for taxes	(52)	-	(75)	-
Payments for interfund services used	(405)	-	(208)	(51)
Other operating or non-operating revenues (expenses)	-	36	(9)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,789)</u>	<u>735</u>	<u>(359)</u>	<u>(1,035)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	2,622	690	1,000	850
Transfers (to) other funds	-	-	(432)	(153)
Grants received	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>2,622</u>	<u>690</u>	<u>568</u>	<u>697</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	3,105	-	-	714
Acquisition and construction of capital assets	(18)	(341)	-	(395)
Proceeds from the sale of capital assets	-	-	-	-
Principal paid on capital debt	(3,014)	(1,384)	-	-
Interest and issuance costs paid on capital debt	(1,364)	(1)	(17)	(3,380)
Premium and net refunding from capital debt	470	-	-	(214)
Contributions and donations	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(821)</u>	<u>(1,726)</u>	<u>(17)</u>	<u>(3,275)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	9	4	29	244
Investment long-term	-	-	1	1,053
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>9</u>	<u>4</u>	<u>30</u>	<u>1,297</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	21	(297)	222	(2,316)
CASH & CASH EQUIVALENTS, JANUARY 1	886	331	2,376	3,806
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 907</u>	<u>\$ 34</u>	<u>\$ 2,598</u>	<u>\$ 1,490</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)	\$ (4,020)	\$ (801)	\$ (620)	\$ (1,615)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	2,189	1,498	608	576
(increase) decrease in accounts receivable	33	4	(106)	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	(2)	-	-	70
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	(175)	1	-	-
Increase (decrease) in deposits payable	221	-	(540)	-
Increase (decrease) in accounts payable	(63)	-	284	(67)
Increase (decrease) in accrued wages payable	-	-	19	-
Increase (decrease) in compensated absences	-	-	4	-
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	26	-	15	1
Increase (decrease) in unearned revenues	-	(3)	(14)	-
Increase (decrease) in other current liabilities	2	-	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	36	(9)	-
Total adjustments	2,231	1,536	261	580
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,789)	\$ 735	\$ (359)	\$ (1,035)



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	\$ 4,052	\$ 29,839	\$ -
Receipts from interfund services provided	-	(22)	-
Payments to suppliers	(2,129)	(6,622)	542
Payments to employees	-	(13,368)	-
Payments for taxes	-	(413)	-
Payments for interfund services used	-	(801)	-
Other operating or non-operating revenues (expenses)	2,072	133	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,995</u>	<u>8,746</u>	<u>542</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	(1,921)	-
Transfers (to) other funds	-	99	-
Grants received	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(1,822)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	(4,112)	-
Proceeds from the sale of capital assets	-	-	-
Principal paid on capital debt	(1,925)	(236)	-
Interest and issuance costs paid on capital debt	(2,072)	(61)	-
Premium and net refunding from capital debt	-	-	-
Contributions and donations	-	82	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(3,997)</u>	<u>(4,327)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	-	71	-
Investment long-term	-	1	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>72</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(2)	2,669	542
CASH & CASH EQUIVALENTS, JANUARY 1	1,991	7,439	1,151
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31 \$	<u><u>1,989</u></u>	<u><u>10,108</u></u>	<u><u>1,693</u></u>

COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
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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)	\$ (5)	\$ 3,740	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	1,069	-
(increase) decrease in accounts receivable	4,052	(464)	-
(Increase) decrease in intergovernmental receivables	-	-	-
(Increase) decrease in due from other funds	-	(22)	-
(Increase) decrease in inventories	-	(46)	-
(Increase) decrease in prepaid items	-	199	-
Increase (decrease) in deposits payable	-	(8)	-
Increase (decrease) in accounts payable	(51)	277	-
Increase (decrease) in accrued wages payable	-	97	-
Increase (decrease) in compensated absences	-	316	-
Increase (decrease) in deferred credits	-	367	-
Increase (decrease) in intergovernmental payables	(187)	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	-	(1)	542
Increase (decrease) in notes, contracts, and leases payable	-	-	-
Increase (decrease) in other long-term liabilities	(1,886)	3,089	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	2,072	133	-
Total adjustments	4,000	5,006	542
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,995	\$ 8,746	\$ 542

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	\$ -	\$ 57,473
Receipts from interfund services provided	-	5
Payments to suppliers	-	(18,569)
Payments to employees	-	(25,429)
Payments for taxes	-	(636)
Payments for interfund services used	-	(2,525)
Other operating or non-operating revenues (expenses)	-	2,478
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>12,797</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	1,695	5,635
Transfers (to) other funds	(7)	(493)
Grants received	-	15
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,688</u>	<u>5,157</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	4,038
Acquisition and construction of capital assets	-	(5,460)
Proceeds from the sale of capital assets	-	11
Principal paid on capital debt	(1,790)	(10,270)
Interest and issuance costs paid on capital debt	(75)	(7,856)
Premium and net refunding from capital debt	-	426
Contributions and donations	-	204
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(1,865)</u>	<u>(18,907)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	2	423
Investment long-term	-	1,056
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2</u>	<u>1,479</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(175)	526
CASH & CASH EQUIVALENTS, JANUARY 1	175	25,225
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 25,751</u></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)	\$ -	\$ (3,599)
Adjustments to reconcile operating income		
(loss) to net cash provided (used)		
by operating activities:		
Depreciation expense	-	8,157
(increase) decrease in accounts receivable	-	3,466
(Increase) decrease in intergovernmental receivables	-	6
(Increase) decrease in due from other funds	-	4
(Increase) decrease in inventories	-	(46)
(Increase) decrease in prepaid items	-	(163)
Increase (decrease) in deposits payable	-	(271)
Increase (decrease) in accounts payable	-	368
Increase (decrease) in accrued wages payable	-	174
Increase (decrease) in compensated absences	-	325
Increase (decrease) in deferred credits	-	367
Increase (decrease) in intergovernmental payables	-	(187)
Increase (decrease) in due to other funds	-	127
Increase (decrease) in unearned revenues	-	(17)
Increase (decrease) in other current liabilities	-	546
Increase (decrease) in notes, contracts, and leases payable	-	(81)
Increase (decrease) in other long-term liabilities	-	1,203
Increase (decrease) in prior period adjustments	-	(60)
Miscellaneous non-operating revenues (expenditures)	-	2,478
Total adjustments	-	16,396
NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES	\$ -	\$ 12,797

COMBINING STATEMENT OF NET POSITION  
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	FINANCE DEPARTMENT FUND #5007	BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,923	\$ 744	\$ 143
Accounts receivable (net)	30	-	-
Due from other funds	113	59	-
Advances to other funds - current	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Prepayments	-	-	-
Total current assets	<u>2,066</u>	<u>803</u>	<u>143</u>
Capital assets:			
Land	-	-	-
Property, plant, and equipment	-	-	-
Less: accumulated depreciation	-	-	-
Construction work in progress	-	-	-
Total capital assets net of depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>2,066</u>	<u>803</u>	<u>143</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION  
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	FINANCE DEPARTMENT FUND #5007	BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 11	\$ 1	\$ -
Due to other funds	11	10	-
Due to other governments	-	-	-
Accrued wages	29	-	-
Accrued benefits	8	-	-
Accrued taxes	-	-	-
Other	-	-	-
Total current liabilities	<u>59</u>	<u>11</u>	<u>-</u>
Non-current liabilities:			
Unavailable revenues	-	-	-
Compensated absences	76	-	-
Other - non-current liabilities	-	-	-
Total non-current liabilities	<u>76</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>135</u>	<u>11</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow of resources	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	-	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for self-insurance	-	-	-
Unrestricted	<u>1,931</u>	<u>792</u>	<u>143</u>
TOTAL NET POSITION	<u>\$ 1,931</u>	<u>\$ 792</u>	<u>\$ 143</u>

## COMBINING STATEMENT OF NET POSITION

## INTERNAL SERVICE FUNDS

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(amounts expressed in thousands)

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	GRAPHICS SERVICES FUND #5042	TPU FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	PUBLIC WORKS EQUIPMENT RENTAL FUND #5400
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 79	\$ 21,722	\$ 115	\$ 4,809
Accounts receivable (net)	39	-	-	10
Due from other funds	238	1,424	253	48
Advances to other funds - current	-	-	-	-
Due from other governments	3	-	-	-
Inventory	-	326	-	414
Prepayments	-	-	-	25
Total current assets	<u>359</u>	<u>23,472</u>	<u>368</u>	<u>5,306</u>
Capital assets:				
Land	-	-	-	-
Property, plant, and equipment	-	56,933	-	49,018
Less: accumulated depreciation	-	(36,041)	-	(32,690)
Construction work in progress	-	494	-	945
Total capital assets net of depreciation	<u>-</u>	<u>21,386</u>	<u>-</u>	<u>17,273</u>
Total non-current assets	<u>-</u>	<u>21,386</u>	<u>-</u>	<u>17,273</u>
TOTAL ASSETS	<u>359</u>	<u>44,858</u>	<u>368</u>	<u>22,579</u>
DEFERRED OUTFLOW OF RESOURCES				
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## COMBINING STATEMENT OF NET POSITION

## INTERNAL SERVICE FUNDS

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	GRAPHICS SERVICES FUND #5042	TPU FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	PUBLIC WORKS EQUIPMENT RENTAL FUND #5400
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 114	\$ 603	\$ 230	\$ 133
Due to other funds	169	1,047	-	133
Due to other governments	2	-	-	-
Accrued wages	-	104	-	173
Accrued benefits	-	23	-	27
Accrued taxes	-	-	-	2
Other	-	-	-	-
Total current liabilities	<u>285</u>	<u>1,777</u>	<u>230</u>	<u>468</u>
Non-current liabilities:				
Unavailable revenues	-	-	-	-
Compensated absences	-	211	-	244
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>211</u>	<u>-</u>	<u>244</u>
TOTAL LIABILITIES	<u>285</u>	<u>1,988</u>	<u>230</u>	<u>712</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflow of resources	-	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	21,386	-	17,273
Restricted:				
Restricted for capital purchases	-	25,946	-	-
Restricted for self-insurance	-	-	-	-
Unrestricted	<u>74</u>	<u>(4,462)</u>	<u>138</u>	<u>4,594</u>
TOTAL NET POSITION	<u>\$ 74</u>	<u>\$ 42,870</u>	<u>\$ 138</u>	<u>\$ 21,867</u>



## COMBINING STATEMENT OF NET POSITION

## INTERNAL SERVICE FUNDS

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	ASPHALT PLANT FUND #5453	COMMUNICATIONS EQUIPMENT FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 42	\$ 3,302	\$ 5,631	\$ 837
Accounts receivable (net)	-	156	-	-
Due from other funds	29	-	-	-
Advances to other funds - current	-	-	-	-
Due from other governments	-	5	-	-
Inventory	94	-	-	-
Prepayments	-	-	-	-
Total current assets	<u>165</u>	<u>3,463</u>	<u>5,631</u>	<u>837</u>
Capital assets:				
Land	11	-	-	-
Property, plant, and equipment	258	2,954	-	-
Less: accumulated depreciation	(257)	(2,948)	-	-
Construction work in progress	-	1,630	-	-
Total capital assets net of depreciation	<u>12</u>	<u>1,636</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>12</u>	<u>1,636</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>177</u>	<u>5,099</u>	<u>5,631</u>	<u>837</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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	ASPHALT PLANT FUND #5453	COMMUNICATIONS EQUIPMENT FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 30	\$ 185	\$ 5	\$ 57
Due to other funds	16	22	89	2
Due to other governments	-	-	-	-
Accrued wages	6	25	2	-
Accrued benefits	3	11	-	-
Accrued taxes	-	22	-	-
Other	-	118	9,231	-
Total current liabilities	<u>55</u>	<u>383</u>	<u>9,327</u>	<u>59</u>
Non-current liabilities:				
Unavailable revenues	-	-	-	-
Compensated absences	25	98	-	-
Other - non-current liabilities	-	-	7,750	-
Total non-current liabilities	<u>25</u>	<u>98</u>	<u>7,750</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>80</u>	<u>481</u>	<u>17,077</u>	<u>59</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflow of resources	-	77	-	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>-</u>	<u>77</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	12	1,635	-	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for environmental services and programs	-	-	-	-
Unrestricted	85	2,906	(11,446)	778
<b>TOTAL NET POSITION</b>	<u>\$ 97</u>	<u>\$ 4,541</u>	<u>\$ (11,446)</u>	<u>\$ 778</u>

## COMBINING STATEMENT OF NET POSITION

## INTERNAL SERVICE FUNDS

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	WORKER'S COMPENSATION & FUND #5570	FACILITIES OPERATIONS & TELECOMMUNICATIONS FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,112	\$ 3,379	\$ 231	\$ 23,105
Accounts receivable (net)	-	21	-	2
Due from other funds	-	3	4,411	-
Advances to other funds - current	-	-	-	-
Due from other governments	-	-	16	315
Inventory	-	19	-	-
Prepayments	-	37	591	-
Total current assets	<u>3,112</u>	<u>3,459</u>	<u>5,249</u>	<u>23,422</u>
Non-current assets:				
Capital assets:				
Land	-	346	-	-
Property, plant, and equipment	-	19,582	21,425	-
Less: accumulated depreciation	-	(14,136)	(16,467)	-
Construction work in progress	-	977	3,070	-
Total capital assets net of depreciation	<u>-</u>	<u>6,769</u>	<u>8,028</u>	<u>-</u>
Total non-current assets	<u>-</u>	<u>6,769</u>	<u>8,028</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>3,112</u>	<u>10,228</u>	<u>13,277</u>	<u>23,422</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  
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	WORKER'S COMPENSATION FUND #5570	FACILITIES OPERATIONS & TELECOMMUNICATIONS FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 424	\$ 84	\$ 1,389	\$ 4,326
Due to other funds	27	79	429	16
Due to other governments	-	-	-	-
Advances from other funds	-	-	-	-
Accrued wages	41	80	470	-
Accrued benefits	-	18	107	6
Accrued taxes	-	-	-	-
Other	5,849	-	-	8,857
Total current liabilities	<u>6,341</u>	<u>261</u>	<u>2,395</u>	<u>13,205</u>
Non-current liabilities:				
Unavailable revenues	-	-	-	1
Compensated absences	-	158	963	-
Other - non-current liabilities	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>158</u>	<u>963</u>	<u>1</u>
TOTAL LIABILITIES	<u>6,341</u>	<u>419</u>	<u>3,358</u>	<u>13,206</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflow of resources	-	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	6,769	8,029	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Unrestricted	(3,229)	3,040	1,890	10,216
TOTAL NET POSITION	<u>\$ (3,229)</u>	<u>\$ 9,809</u>	<u>\$ 9,919</u>	<u>\$ 10,216</u>

## COMBINING STATEMENT OF NET POSITION

## INTERNAL SERVICE FUNDS

December 31, 2014

(amounts expressed in thousands)

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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,227	\$ 75,401
Accounts receivable (net)	-	258
Due from other funds	-	6,578
Advances to other funds - current	-	-
Due from other governments	-	339
Inventory	-	853
Prepayments	-	653
Total current assets	<u>6,227</u>	<u>84,082</u>
Capital assets:		
Land	-	357
Property, plant, and equipment	-	150,170
Less: accumulated depreciation	-	(102,539)
Construction work in progress	-	7,116
Total capital assets net of depreciation	<u>-</u>	<u>55,104</u>
Total non-current assets	<u>-</u>	<u>55,104</u>
TOTAL ASSETS	<u>6,227</u>	<u>139,186</u>
DEFERRED OUTFLOW OF RESOURCES		
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ <u>-</u>	\$ <u>-</u>

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2014  
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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 42	\$ 7,634
Due to other funds	12	2,062
Due to other governments	-	2
Accrued wages	-	930
Accrued benefits	-	203
Accrued taxes	-	24
Other	-	24,055
Total current liabilities	<u>54</u>	<u>34,910</u>
Non-current liabilities:		
Unavailable revenues	-	1
Compensated absences	-	1,775
Other - non-current liabilities	5,940	13,690
Total non-current liabilities	<u>5,940</u>	<u>15,466</u>
TOTAL LIABILITIES	<u>5,994</u>	<u>50,376</u>
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources	-	77
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>77</u>
NET POSITION		
Net investment in capital assets	-	55,104
Restricted:		
Restricted for capital purchases	-	25,946
Restricted for self-insurance	233	233
Unrestricted	-	7,450
TOTAL NET POSITION	<u>\$ 233</u>	<u>\$ 88,733</u>

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	FINANCE DEPARTMENT FUND #5007	BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
OPERATING REVENUES			
Charges for goods and services	\$ 2,557	\$ 704	\$ -
Interfund insurance premiums	-	-	-
Miscellaneous revenues	58	-	-
TOTAL OPERATING REVENUES	<u>2,615</u>	<u>704</u>	<u>-</u>
OPERATING EXPENSES			
Salary and wages	536	340	-
Personnel benefits	207	130	-
Supplies	20	11	-
Services	1,769	220	-
Depreciation expense	1	5	-
TOTAL OPERATING EXPENSES	<u>2,533</u>	<u>706</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>82</u>	<u>(2)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	12	5	1
Interest and other related costs	-	-	-
Other non revenues and (expenses)	(19)	-	-
Gain(loss) on disposition of property	-	(32)	-
NON OPERATING REVENUE NET OF EXPENSE	<u>(7)</u>	<u>(27)</u>	<u>1</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>75</u>	<u>(29)</u>	<u>1</u>
Transfer in	-	-	-
Transfer (out)	-	-	-
CHANGE IN NET POSITION	<u>75</u>	<u>(29)</u>	<u>1</u>
NET POSITION			
NET POSITION - JANUARY 1	1,856	821	89
Prior period adjustments	-	-	53
NET POSITION - JANUARY 1 RESTATED	<u>1,856</u>	<u>821</u>	<u>142</u>
NET POSITION - DECEMBER 31	<u>\$ 1,931</u>	<u>\$ 792</u>	<u>\$ 143</u>

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	GRAPHICS SERVICES FUND #5042	TPU FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	PUBLIC WORKS EQUIPMENT RENTAL FUND #5400
OPERATING REVENUES				
Charges for goods and services	\$ 877	\$ 8,200	\$ 332	\$ 8,296
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>877</u>	<u>8,200</u>	<u>332</u>	<u>8,296</u>
OPERATING EXPENSES				
Salary and wages	-	2,819	-	4,252
Personnel benefits	-	449	-	664
Supplies	-	181	-	83
Services	797	1,531	332	3,112
Depreciation expense	-	2,769	-	3,072
TOTAL OPERATING EXPENSES	<u>797</u>	<u>7,749</u>	<u>332</u>	<u>11,183</u>
OPERATING INCOME (LOSS)	<u>80</u>	<u>451</u>	<u>-</u>	<u>(2,887)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	1	53	1	44
Interest and other related costs	(1)	-	-	-
Other non revenues and (expenses)	-	2	-	19
Gain(loss) on disposition of property	-	473	-	191
NON OPERATING REVENUE NET OF EXPENSE	<u>-</u>	<u>528</u>	<u>1</u>	<u>254</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>80</u>	<u>979</u>	<u>1</u>	<u>(2,633)</u>
Transfer in	-	653	-	503
Transfer (out)	-	-	-	-
CHANGE IN NET POSITION	<u>80</u>	<u>1,632</u>	<u>1</u>	<u>(2,130)</u>
NET POSITION				
NET POSITION - JANUARY 1	(6)	41,238	137	23,997
Prior period adjustments	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>(6)</u>	<u>41,238</u>	<u>137</u>	<u>23,997</u>
NET POSITION - DECEMBER 31	<u>\$ 74</u>	<u>\$ 42,870</u>	<u>\$ 138</u>	<u>\$ 21,867</u>



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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	ASPHALT PLANT FUND #5453	COMMUNICATIONS EQUIPMENT FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
OPERATING REVENUES				
Charges for goods and services	\$ 1,302	\$ 2,337	\$ -	\$ -
Interfund insurance premiums	-	-	3,603	322
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>1,302</u>	<u>2,337</u>	<u>3,603</u>	<u>322</u>
OPERATING EXPENSES				
Salary and wages	160	553	23	-
Personnel benefits	75	197	7	-
Supplies	734	185	2	-
Services	335	618	2,560	318
Depreciation expense	1	15	-	-
TOTAL OPERATING EXPENSES	<u>1,305</u>	<u>1,568</u>	<u>2,592</u>	<u>318</u>
OPERATING INCOME (LOSS)	<u>(3)</u>	<u>769</u>	<u>1,011</u>	<u>4</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	1	29	46	8
Interest and other related costs	-	-	-	-
Other non revenues and (expenses)	-	-	-	-
Gain(loss) on disposition of property	-	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>1</u>	<u>29</u>	<u>46</u>	<u>8</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(2)</u>	<u>798</u>	<u>1,057</u>	<u>12</u>
Transfer in	-	-	-	-
Transfer (out)	-	(5)	-	-
CHANGE IN NET POSITION	<u>(2)</u>	<u>793</u>	<u>1,057</u>	<u>12</u>
NET POSITION				
NET POSITION - JANUARY 1	99	3,748	(15,360)	766
Prior period adjustments	-	-	2,857	-
NET POSITION - JANUARY 1 RESTATED	<u>99</u>	<u>3,748</u>	<u>(12,503)</u>	<u>766</u>
NET POSITION - DECEMBER 31	<u>\$ 97</u>	<u>\$ 4,541</u>	<u>\$ (11,446)</u>	<u>\$ 778</u>

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

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	WORKER'S COMPENSATION FUND #5570	FACILITIES OPERATIONS & TELECOMMUNICATIONS FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
OPERATING REVENUES				
Charges for goods and services	\$ -	\$ 6,193	\$ 19,670	\$ -
Interfund insurance premiums	9,204	-	-	67,926
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>9,204</u>	<u>6,193</u>	<u>19,670</u>	<u>67,926</u>
OPERATING EXPENSES				
Salary and wages	688	1,484	8,677	-
Personnel benefits	1,738	669	3,116	68,954
Supplies	22	1,107	488	2
Services	7,802	2,074	4,877	165
Depreciation expense	-	735	1,559	-
TOTAL OPERATING EXPENSES	<u>10,250</u>	<u>6,069</u>	<u>18,717</u>	<u>69,121</u>
OPERATING INCOME (LOSS)	<u>(1,046)</u>	<u>124</u>	<u>953</u>	<u>(1,195)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	27	30	8	205
Interest and other related costs	-	(11)	(3)	-
Other non revenues and (expenses)	-	-	3	-
Gain(loss) on disposition of property	-	-	(113)	-
NON OPERATING REVENUE NET OF EXPENSE	<u>27</u>	<u>19</u>	<u>(105)</u>	<u>205</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(1,019)</u>	<u>143</u>	<u>848</u>	<u>(990)</u>
Transfer in	-	-	-	-
Transfer (out)	-	-	-	-
CHANGE IN NET POSITION	<u>(1,019)</u>	<u>143</u>	<u>848</u>	<u>(990)</u>
NET POSITION				
NET POSITION - JANUARY 1	(2,198)	9,666	9,071	11,206
Prior period adjustments	(12)	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>(2,210)</u>	<u>9,666</u>	<u>9,071</u>	<u>11,206</u>
NET POSITION - DECEMBER 31	<u>\$ (3,229)</u>	<u>\$ 9,809</u>	<u>\$ 9,919</u>	<u>\$ 10,216</u>

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

(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	\$ -	\$ 50,468
Interfund insurance premiums	-	81,055
Miscellaneous revenues	1,040	1,098
TOTAL OPERATING REVENUES	1,040	132,621
OPERATING EXPENSES		
Salary and wages	-	19,532
Personnel benefits	-	76,206
Supplies	-	2,835
Services	1,640	28,150
Depreciation expense	-	8,157
TOTAL OPERATING EXPENSES	1,640	134,880
OPERATING INCOME (LOSS)	(600)	(2,259)
NON-OPERATING REVENUES (EXPENSES)		
Interest and other earnings	53	524
Interest and other related costs	-	(15)
Other non revenues and (expenses)	-	5
Gain(loss) on disposition of property	-	519
NON OPERATING REVENUE NET OF EXPENSE	53	1,033
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(547)	(1,226)
Transfer in	-	1,156
Transfer (out)	-	(5)
CHANGE IN NET POSITION	(547)	(75)
NET POSITION		
NET POSITION - JANUARY 1	780	85,910
Prior period adjustments	-	2,898
NET POSITION - JANUARY 1 RESTATED	780	88,808
NET POSITION - DECEMBER 31	\$ 233	\$ 88,733

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COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2014  
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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	\$ 1,496	\$ -	\$ -
Receipts from interfund services provided	1,153	732	-
Contributions received - employee/employer	-	-	-
Payments to suppliers	(1,701)	(158)	-
Payments to employees	(733)	(488)	-
Payments for taxes	-	-	-
Payments for interfund services used	(84)	(105)	-
Other operating or non-operating revenues (expenses)	(19)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>112</u>	<u>(19)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers (to) other funds	-	-	-
Advances from other funds	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	13	-
Interest and issuance costs paid on capital debt	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>13</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	12	6	1
Investment long-term	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>12</u>	<u>6</u>	<u>1</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>124</u>	<u>-</u>	<u>1</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>1,799</u>	<u>744</u>	<u>142</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,923</u>	<u>\$ 744</u>	<u>\$ 143</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
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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)	\$ 82	\$ (2)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1	5	-
(increase) decrease in accounts receivable	-	-	-
(Increase) decrease in intergovernmental receivables	-	-	-
(Increase) decrease in due from other funds	33	29	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	2	(34)	(53)
Increase (decrease) in accrued wages payable	2	(18)	-
Increase (decrease) in compensated absences	9	-	-
Increase (decrease) in due to other funds	2	1	-
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-
Increase (decrease) in prior period adjustments	-	-	53
Miscellaneous non-operating revenues (expenditures)	(19)	-	-
Total adjustments	30	(17)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 112	\$ (19)	\$ -

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2014  
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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	\$ 878	\$ 5,780	\$ -	\$ 4,355
Receipts from interfund services provided	(164)	(713)	164	698
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(682)	(492)	(188)	(3,132)
Payments to employees	-	(1,273)	-	(1,609)
Payments for taxes	-	(2)	-	(4)
Payments for interfund services used	166	(206)	-	(956)
Other operating or non-operating revenues (expenses)	-	-	-	16
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>198</u>	<u>3,094</u>	<u>(24)</u>	<u>(632)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers (to) other funds	-	-	-	-
Advances from other funds	(119)	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(119)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	653	-	503
Acquisition and construction of capital assets	-	(3,412)	-	(567)
Interest and issuance costs paid on capital debt	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(2,759)</u>	<u>-</u>	<u>(64)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	-	43	2	41
Investment long-term	-	12	-	5
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>55</u>	<u>2</u>	<u>46</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>79</u>	<u>390</u>	<u>(22)</u>	<u>(650)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	-	21,332	137	5,459
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 79</u>	<u>\$ 21,722</u>	<u>\$ 115</u>	<u>\$ 4,809</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
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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)	\$ 80	\$ 451	\$ -	\$ (2,887)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	2,769	-	3,072
(increase) decrease in accounts receivable	1	-	-	51
(Increase) decrease in intergovernmental receivables	(2)	-	-	-
(Increase) decrease in due from other funds	(162)	(1,060)	(167)	(31)
(Increase) decrease in inventories	-	(14)	-	(4)
(Increase) decrease in prepaid items	-	-	-	-
Increase (decrease) in accounts payable	115	312	143	(938)
Increase (decrease) in accrued wages payable	-	5	-	29
Increase (decrease) in compensated absences	-	32	-	16
Increase (decrease) in due to other funds	166	599	-	44
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	16
Total adjustments	118	2,643	(24)	2,255
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 198	\$ 3,094	\$ (24)	\$ (632)



COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
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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	\$ 807	\$ 2,190	\$ -	\$ -
Receipts from interfund services provided	472	-	-	-
Contributions received - employee/employer	-	-	3,603	322
Payments to suppliers	(905)	(381)	(1,634)	(355)
Payments to employees	(234)	(741)	(29)	-
Payments for taxes	(42)	22	(9)	-
Payments for interfund services used	(122)	(157)	(926)	(14)
Other operating or non-operating revenues (expenses)	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(24)</u>	<u>933</u>	<u>1,005</u>	<u>(47)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers (to) other funds	-	-	-	-
Advances from other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	(5)	-	-
Acquisition and construction of capital assets	-	(1,271)	-	-
Interest and issuance costs paid on capital debt	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(1,276)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	(2)	29	46	7
Investment long-term	-	1	1	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2)</u>	<u>30</u>	<u>47</u>	<u>7</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(26)</u>	<u>(313)</u>	<u>1,052</u>	<u>(40)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	68	3,615	4,579	877
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 42</u>	<u>\$ 3,302</u>	<u>\$ 5,631</u>	<u>\$ 837</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
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(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
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (3)	\$ 769	\$ 1,011	\$ 4
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1	15	-	-
(increase) decrease in accounts receivable	-	(146)	-	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	(24)	-	-	-
(Increase) decrease in inventories	(3)	-	-	-
(Increase) decrease in prepaid items	-	-	-	-
Increase (decrease) in accounts payable	(1)	198	(2,329)	(51)
Increase (decrease) in accrued wages payable	-	2	-	-
Increase (decrease) in compensated absences	2	6	-	-
Increase (decrease) in due to other funds	4	12	7	-
Increase (decrease) in unearned revenues	-	77	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in other long-term liabilities	-	-	(541)	-
Increase (decrease) in prior period adjustments	-	-	2,857	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	-
Total adjustments	<u>(21)</u>	<u>164</u>	<u>(6)</u>	<u>(51)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (24)</u>	<u>\$ 933</u>	<u>\$ 1,005</u>	<u>\$ (47)</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2014  
(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	\$ -	\$ 6,172	\$ 260	\$ 107
Receipts from interfund services provided	4	-	16,872	77
Contributions received - employee/employer	9,204	-	-	67,826
Payments to suppliers	(4,771)	(2,556)	(3,813)	(69,746)
Payments to employees	(2,435)	(2,144)	(11,707)	2
Payments for taxes	(1,400)	(25)	-	-
Payments for interfund services used	(131)	(550)	1,120	(153)
Other operating or non-operating revenues (expenses)	-	1	3	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>471</u>	<u>898</u>	<u>2,735</u>	<u>(1,887)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers (to) other funds	-	(388)	119	-
Advances from other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(388)</u>	<u>119</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Acquisition and construction of capital assets	-	(372)	(2,626)	-
Interest and issuance costs paid on capital debt	-	(11)	(3)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(383)</u>	<u>(2,629)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	25	28	7	198
Investment long-term	1	1	(1)	8
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>26</u>	<u>29</u>	<u>6</u>	<u>206</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>497</u>	<u>156</u>	<u>231</u>	<u>(1,681)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	2,615	3,223	-	24,786
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,112</u>	<u>\$ 3,379</u>	<u>\$ 231</u>	<u>\$ 23,105</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2014  
(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)	\$ (1,046)	\$ 124	\$ 953	\$ (1,195)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	735	1,559	-
(increase) decrease in accounts receivable	-	(21)	-	7
(Increase) decrease in intergovernmental receivables	-	-	(8)	15
(Increase) decrease in due from other funds	4	-	(2,530)	62
(Increase) decrease in inventories	-	1	-	-
(Increase) decrease in prepaid items	-	46	1,385	-
Increase (decrease) in accounts payable	58	(25)	912	(105)
Increase (decrease) in accrued wages payable	3	(1)	68	2
Increase (decrease) in compensated absences	-	11	17	-
Increase (decrease) in due to other funds	13	28	375	(40)
Increase (decrease) in unearned revenues	-	-	-	1
Increase (decrease) in other current liabilities	1,451	-	-	(634)
Increase (decrease) in other long-term liabilities	-	-	-	-
Increase (decrease) in prior period adjustments	(12)	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	4	-
Total adjustments	<u>1,517</u>	<u>774</u>	<u>1,782</u>	<u>(692)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 471</u>	<u>\$ 898</u>	<u>\$ 2,735</u>	<u>\$ (1,887)</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2014  
(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	\$ 1,040	\$ 23,085
Receipts from interfund services provided	-	19,295
Contributions received - employee/employer	-	80,955
Payments to suppliers	(421)	(90,935)
Payments to employees	-	(21,391)
Payments for taxes	(126)	(1,586)
Payments for interfund services used	-	(2,118)
Other operating or non-operating revenues (expenses)	-	1
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>493</u>	<u>7,306</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers (to) other funds	-	(269)
Advances from other funds	-	(119)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(388)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	1,151
Acquisition and construction of capital assets	-	(8,235)
Interest and issuance costs paid on capital debt	-	(14)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(7,098)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	51	494
Investment long-term	1	29
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>52</u>	<u>523</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>545</u>	<u>343</u>
CASH & CASH EQUIVALENTS, JANUARY 1	5,682	75,058
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,227</u>	<u>\$ 75,401</u>

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

(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)	\$ (600)	\$ (2,259)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	-	8,157
(Increase) decrease in accounts receivable	-	(108)
(Increase) decrease in intergovernmental receivables	-	5
(Increase) decrease in due from other funds	-	(3,846)
(Increase) decrease in inventories	-	(20)
(Increase) decrease in prepaid items	-	1,431
Increase (decrease) in accounts payable	9	(1,787)
Increase (decrease) in accrued wages payable	-	92
Increase (decrease) in compensated absences	-	93
Increase (decrease) in due to other funds	4	1,215
Increase (decrease) in unearned revenues	-	78
Increase (decrease) in other current liabilities	-	817
Increase (decrease) in other long-term liabilities	1,080	539
Increase (decrease) in prior period adjustments	-	2,898
Miscellaneous non-operating revenues (expenditures)	-	1
Total adjustments	1,093	9,565
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 493	\$ 7,306

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2014  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450	AGENCY FUNDS # 6790
<b>ASSETS</b>		
Cash and cash equivalents	\$ 31,920	\$ -
Investments at fair value:		
Equities	830,574	-
Fixed income	502,847	-
Other assets	20	-
Real estate	65,267	-
Venture capital and partnerships	68,106	-
Securities lending collateral	66,466	-
Receivables - net uncollectible accounts		
Contributions and other receivables	-	-
Due from other funds	2	-
Due from other governments	2,688	-
Interest and dividends	2,399	-
Investment sales	5,627	-
Capital assets - net of accumulated depreciation	13	-
<b>TOTAL ASSETS</b>	<b>1,575,929</b>	<b>-</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	1,565	-
Accrued wages and benefits payable	963	-
Due to other funds	-	-
Due to the governmental units	353	-
Investments purchase payable	93,407	-
Securities lending collateral	-	-
Other current liabilities	133	-
<b>Total current liabilities</b>	<b>96,421</b>	<b>-</b>
Non-current liabilities:		
Accrued employee leave benefits	81	-
<b>Total non-current liabilities</b>	<b>81</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>96,502</b>	<b>-</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	\$ 1,479,427	\$ -

FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
For the Year Ended December 31, 2014  
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS	
Employer contributions	\$ 33,350
Member contributions	20,700
Other contributions	134
Total contributions	<u>54,184</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	89,862
Interest & dividends	26,543
Total investment income	<u>116,405</u>
Less investment expenses:	
Investment management fees	(5,343)
Securities lending - agent fees	(49)
Securities lending - broker rebates	8
Total investment expense	<u>(5,384)</u>
Net investment income	<u>111,021</u>
TOTAL ADDITIONS	<u>165,205</u>
DEDUCTIONS	
Wages and benefits	1,232
Benefit payments	71,687
Refunds of contributions	2,151
Administrative expense	556
TOTAL DEDUCTIONS	<u>75,626</u>
NET INCREASE (DECREASE)	<u>89,579</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,390,148
Prior period adjustment	(300)
Net position - beginning (restated)	1,389,848
Net position - ending	<u>\$ 1,479,427</u>



## COMBINING STATEMENT OF NET POSITION

## TRUST FUNDS

December 31, 2014

(amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND #6120
ASSETS			
Cash and cash equivalents	\$ 192	\$ 30,248	\$ 216
Investments at fair value:			
Equities	-	830,574	-
Fixed income	-	502,847	-
Other assets	-	20	-
Real estate	-	65,267	-
Venture capital and partnerships	-	68,106	-
Securities lending collateral	-	66,466	-
Receivables - net uncollectible accounts			
Due from other funds	-	-	-
Due from other governments	-	2,028	320
Interest and dividends	-	2,399	-
Investment sales	-	5,627	-
Capital assets - net of accumulated depreciation	-	13	-
TOTAL ASSETS	<u>192</u>	<u>1,573,595</u>	<u>536</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	1,499	21
Accrued wages and benefits payable	4	39	2
Due to the governmental units	1	31	183
Investments purchase payable	-	93,407	-
Securities lending collateral	-	-	-
Other current liabilities	-	-	51
Total current liabilities	<u>5</u>	<u>94,976</u>	<u>257</u>
Non-current liabilities:			
Accrued employee leave benefits	-	71	5
Total non-current liabilities	<u>-</u>	<u>71</u>	<u>5</u>
TOTAL LIABILITIES	<u>5</u>	<u>95,047</u>	<u>262</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>\$ 187</u>	<u>\$ 1,478,548</u>	<u>\$ 274</u>

## COMBINING STATEMENT OF NET POSITION

## TRUST FUNDS

December 31, 2014

(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	\$ 345	\$ 919	\$ 31,920
Investments at fair value:			
Equities	-	-	830,574
Fixed income	-	-	502,847
Other assets	-	-	20
Real estate	-	-	65,267
Venture capital and partnerships	-	-	68,106
Securities lending collateral	-	-	66,466
Receivables - net uncollectible accounts			
Due from other funds	-	2	2
Due from other governments	340	-	2,688
Interest and dividends	-	-	2,399
Investment sales	-	-	5,627
Capital assets - net of accumulated depreciation	-	-	13
TOTAL ASSETS	<u>685</u>	<u>921</u>	<u>1,575,929</u>
DEFERRED OUTFLOW OF RESOURCES			
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	40	5	1,565
Accrued wages and benefits payable	2	916	963
Due to the governmental units	138	-	353
Investments purchase payable	-	-	93,407
Other current liabilities	82	-	133
Total current liabilities	<u>262</u>	<u>921</u>	<u>96,421</u>
Non-current liabilities:			
Accrued employee leave benefits	5	-	81
Total non-current liabilities	<u>5</u>	<u>-</u>	<u>81</u>
TOTAL LIABILITIES	<u>267</u>	<u>921</u>	<u>96,502</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>\$ 418</u>	<u>\$ -</u>	<u>\$ 1,479,427</u>

FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 For the Year Ended December 31, 2014  
 (amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND #6120
ADDITIONS			
Employer contributions	\$ -	\$ 23,904	\$ 4,200
Member contributions	-	20,699	-
Other contributions	134	-	-
Total contributions	<u>134</u>	<u>44,603</u>	<u>4,200</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(2)	89,867	(1)
Interest & dividends	6	26,529	3
Total investment income	<u>4</u>	<u>116,396</u>	<u>2</u>
Less investment expenses:			
Investment management fees	-	(5,344)	-
Securities lending - agent fees	-	(49)	-
Securities lending - broker rebates	-	8	-
Total investment expense	<u>-</u>	<u>(5,385)</u>	<u>-</u>
Net investment income	<u>4</u>	<u>111,011</u>	<u>2</u>
TOTAL ADDITIONS	<u>138</u>	<u>155,614</u>	<u>4,202</u>
DEDUCTIONS			
Wages and benefits	98	933	103
Benefit payments	-	62,486	4,072
Refunds of contributions	-	2,151	-
Administrative expense	75	367	56
TOTAL DEDUCTIONS	<u>173</u>	<u>65,937</u>	<u>4,231</u>
NET INCREASE (DECREASE)	(35)	89,677	(29)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Net position - beginning	522	1,388,871	303
Prior period adjustment	(300)	-	-
Net position - beginning (restated)	222	1,388,871	303
Net position - ending	<u>\$ 187</u>	<u>\$ 1,478,548</u>	<u>\$ 274</u>

FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 For the Year Ended December 31, 2014  
 (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	\$ 5,246	\$ -	\$ 33,350
Member contributions	1	-	20,700
Other contributions	-	-	134
Total contributions	<u>5,247</u>	<u>-</u>	<u>54,184</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(2)	-	89,862
Interest & dividends	5	-	26,543
Total investment income	<u>3</u>	<u>-</u>	<u>116,405</u>
Less investment expenses:			
Investment management fees	-	-	(5,343)
Securities lending - agent fees	-	-	(49)
Securities lending - broker rebates	-	-	8
Total investment expense	<u>-</u>	<u>-</u>	<u>(5,384)</u>
Net investment income	<u>4</u>	<u>-</u>	<u>111,021</u>
TOTAL ADDITIONS	<u>5,251</u>	<u>-</u>	<u>165,205</u>
DEDUCTIONS			
Wages and benefits	98	-	1,232
Benefit payments	5,129	-	71,687
Refunds of contributions	-	-	2,151
Administrative expense	58	-	556
TOTAL DEDUCTIONS	<u>5,285</u>	<u>-</u>	<u>75,626</u>
NET INCREASE (DECREASE)	(34)	-	89,579
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Net position - beginning	452	-	1,390,148
Prior period adjustment	-	-	(300)
Net position - beginning (restated)	452	-	1,389,848
Net position - ending	<u>\$ 418</u>	<u>\$ -</u>	<u>\$ 1,479,427</u>

COMBINING STATEMENT OF NET POSITION  
 AGENCY FUNDS  
 December 31, 2014  
 (amounts expressed in thousands)

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

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## AGENCY FUNDS

For the Year Ended December 31, 2014

(amounts expressed in thousands)

	TACOMA URBAN NETWORK (FUND #6790)			
	BALANCE 12/31/2013	INCREASES	DECREASES	BALANCE 12/31/2014
ASSETS				
Cash and cash equivalents	\$ 16	\$ -	\$ 16	\$ -
TOTAL ASSETS	<u>16</u>	<u>-</u>	<u>16</u>	<u>-</u>
LIABILITIES				
Accounts payable	15	-	15	-
Due to the governmental units	1	-	1	-
Total current liabilities	<u>16</u>	<u>-</u>	<u>16</u>	<u>-</u>
Non-current liabilities:				
TOTAL LIABILITIES	\$ <u>16</u>	\$ <u>-</u>	\$ <u>16</u>	\$ <u>-</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>2014</b>	<b>2013</b>
Land	\$ 26,745	\$ 27,844
Parks	5,337	5,233
Buildings	65,802	63,016
Improvements other than Buildings	14,677	13,515
Machinery and Equipment	31,734	27,744
Intangible Assets	1,523	1,441
Library Materials	5,739	5,806
Works of Art	1,903	1,903
Infrastructure	1,316,194	1,303,649
Work in Progress	77,491	80,254
Total Governmental Funds Capital Assets	<u>\$ 1,547,145</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 Internal Service Funds****TABLE 2**  
(amounts expressed in thousands)

<b>Internal Service Funds Capital Assets:</b>	<b>2014</b>	<b>2013</b>
Land	\$ 357	\$ 357
Parks	-	-
Buildings	21,580	21,580
Improvements other than Buildings	275	275
Machinery and Equipment	60,842	63,198
Intangible Assets	10,421	10,481
Library Materials	-	-
Works of Art	-	-
Infrastructure	119	119
Work in Progress	6,621	2,918
Total Governmental Funds Capital Assets	<u>\$ 100,215</u>	<u>\$ 98,928</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>2014</b>	<b>2013</b>
Land	\$ 27,102	\$ 28,201
Parks	5,337	5,233
Buildings	87,382	84,596
Improvements other than Buildings	14,952	13,790
Machinery and Equipment	92,576	90,942
Intangible Assets	11,944	11,922
Library Materials	5,739	5,806
Works of Art	1,903	1,903
Infrastructure	1,316,313	1,303,768
Work in Progress	84,113	83,172
Total Governmental Funds Capital Assets	<u>\$ 1,647,361</u>	<u>\$ 1,629,333</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 1/1/2014	Increases	Decreases	Prior Year Adjustments	Prior Year Reclass	Capital Assets 12/31/2014
General Government	\$ 15,656	\$ 809	\$ (96)	\$ -	\$ -	\$ 16,369
Public Safety	70,766	8,911	(45)	-	-	79,632
Transportation	1,311,299	13,437	(884)	-	-	1,323,852
Culture and Recreation	48,639	1,558	(2,488)	-	-	47,709
Economic Environment	3,791	189	(1,888)	-	-	2,092
Work In Progress	80,254	14,859	(17,622)	-	-	77,491
Total Capital Assets	\$ 1,530,405	\$ 39,763	\$ (23,023)	\$ -	\$ -	\$ 1,547,145

(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	\$ 7,228	\$ 4,581	\$ 2,929	\$ 11,816	\$ 191	\$ 26,745
Parks	-	-	-	5,337	-	5,337
Buildings	1,997	47,430	991	14,722	662	65,802
Improvements other than Buildings	2,914	1,303	3,948	6,512	-	14,677
Machinery and Equipment	3,861	25,197	2,189	395	92	31,734
Intangible Assets	319	782	-	422	-	1,523
Library Materials	-	-	-	5,739	-	5,739
Works of Art	50	339	-	469	1,045	1,903
Infrastructure	-	-	1,313,795	2,297	102	1,316,194
Work In Progress	2,897	1,202	68,840	4,549	3	77,491
Total Governmental Funds Capital Assets	\$ 19,266	\$ 80,834	\$ 1,392,692	\$ 52,258	\$ 2,095	\$ 1,547,145

(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>
2005	1,143,653	1,410,992	2,479,326
2006	59,717	588,235	1,950,808
2007	205,786	543,732	1,612,862
2008	-	406,320	1,206,542
2009	210,271	387,476	1,029,337
2010	2,121,294	749,841	2,400,790
2011	67,126	382,041	2,085,875
2012	245,501	602,084	1,729,292
2013	31,566,484	898,967	32,396,809
2014	1,642,736	2,465,027	31,574,517

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities</b>					
Net investment in capital assets	\$104,725 (1)	\$722,581 (3)	\$715,358 (4)	\$716,586	\$697,653 (6)
Restricted	30,321	26,101	22,297	23,144	48,852 (7)
Unrestricted	<u>98,602</u>	<u>148,214</u>	<u>146,240</u>	<u>120,151 (5)</u>	<u>32,193</u>
Total governmental activities net position	<u>233,648</u>	<u>896,896</u>	<u>883,895</u>	<u>859,881</u>	<u>778,698</u>
<b>Business-type activities</b>					
Net investment in capital assets	924,107 (2)	958,079	1,117,908	1,202,761	1,286,616
Restricted	82,341	202,206	61,950	54,137	94,139
Unrestricted	<u>156,933</u>	<u>117,707</u>	<u>228,300</u>	<u>269,378</u>	<u>276,939</u>
Total business-type activities net position	<u>1,163,381</u>	<u>1,277,992</u>	<u>1,408,158</u>	<u>1,526,276</u>	<u>1,657,694</u>
<b>Primary government</b>					
Net investment in capital assets	1,028,832	1,680,660	1,833,266	1,919,347	1,984,269
Restricted	112,662	228,307	84,247	77,281	142,991
Unrestricted	<u>255,535</u>	<u>265,921</u>	<u>374,540</u>	<u>389,529</u>	<u>309,132</u>
Total primary government net position	<u>\$1,397,029</u>	<u>\$2,174,888</u>	<u>\$2,292,053</u>	<u>\$2,386,157</u>	<u>\$2,436,392</u>

(1) The City purchased the MLK building.

(2) 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.

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

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

(5) 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental activities</b>					
Net investment in capital assets	\$729,601 (8)	\$732,174	\$699,307	\$681,794 (11)	\$669,951
Restricted	36,943	84,842	82,405	74,670 (12)	79,630
Unrestricted	<u>44,682 (10)</u>	<u>(87,658)</u>	<u>(64,890)</u>	<u>(25,296) (12)</u>	<u>(20,567)</u>
Total governmental activities net position	<u>811,226</u>	<u>729,358</u>	<u>716,822</u>	<u>731,168</u>	<u>729,014</u>
<b>Business-type activities</b>					
Net investment in capital assets	1,355,118 (9)	1,365,324	1,401,679	1,508,950 (11)	1,515,858
Restricted	93,429	126,952	103,350	112,925	121,369
Unrestricted	<u>246,032</u>	<u>282,088</u>	<u>318,920</u>	<u>256,481</u>	<u>307,104</u>
Total business-type activities net position	<u>1,694,579</u>	<u>1,774,364</u>	<u>1,823,949</u>	<u>1,878,356</u>	<u>1,944,331</u>
<b>Primary government</b>					
Net investment in capital assets	2,084,719	2,097,498	2,100,986	2,190,744	2,185,809
Restricted	130,372	211,794	185,755	187,595	200,999
Unrestricted	<u>290,714</u>	<u>194,430</u>	<u>254,030</u>	<u>231,185</u>	<u>286,537</u>
Total primary government net position	<u>\$2,505,805</u>	<u>\$2,503,722</u>	<u>\$2,540,771</u>	<u>\$2,609,524</u>	<u>\$2,673,345</u>

(6) 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.

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

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

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

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

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

(12) The 2013 fund balances were restated in the fund balance categories

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 21,087	\$ 20,100	\$ 19,992	\$ 24,504	\$ 27,788
Public Safety	129,447	115,572	146,328 (2)	143,922	168,059
Utilities	491	465	653	622	-
Transportation	18,871	44,744	52,706	53,007	37,608
Social Services	1,686	20,968 (3)	2,121	2,051	2,369
Public Works	-	-	-	-	-
Natural & Econ Environment	23,281	1,816 (3)	29,253	26,947	30,332
Culture and Recreation	13,046	13,409	17,643	22,815	30,052
Interest on long-term debt	3,432	4,005	3,157	3,905	3,777
Total governmental activities expense	<u>211,341</u>	<u>221,079</u>	<u>271,853</u>	<u>277,773</u>	<u>299,985</u>
Business-type activities:					
Public Assembly Facilities	17,049	17,640	18,465	18,562	19,051
Rail	17,142	18,507	18,992	20,286	16,986
Solid Waste	48,311	44,594	51,250	52,530	51,563
Sewer	41,607	46,930	54,008	55,121	61,681
Water	46,016	54,695	55,310	58,685	61,769
Power	302,482	323,555	319,777	334,180	317,481
Other business-type funds	7,581	7,254	7,427	6,922	3,017
Total business-type activities	<u>480,188</u>	<u>513,175</u>	<u>525,229</u>	<u>546,286</u>	<u>531,548</u>
Total primary government expenses	<u>\$ 691,529</u>	<u>\$ 734,254</u>	<u>\$ 797,082</u>	<u>\$ 824,059</u>	<u>\$ 831,533</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 3,019	\$ 5,651	\$ 8,396	\$ 12,482	\$ 11,747
Public Safety	8,192	5,331	3,917	8,202	12,409
Utilities	-	-	75	82	-
Transportation	5,226	4,036	4,050	9,426	7,820
Social Services	40	280	426	744	815
Public Works	-	-	-	-	-
Natural & Econ Environment	6,337	7,729	7,208	5,899	5,372
Culture and Recreation	452	422	447	447	411
Interest on long-term debt	1,493	657	606	-	-
Operating grants and contributions:	20,137	35,142 (1)	32,655 (1)	12,516	24,245
Capital grants and contributions	8,139	11,430	15,602	8,244	5,058
Total governmental activities program revenues	<u>53,035</u>	<u>70,678</u>	<u>73,382</u>	<u>58,042</u>	<u>67,877</u>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	6,165	7,528	9,749	14,410	9,864
Rail	17,609	17,559	21,396	20,612	17,579
Solid Waste	48,938	51,337	57,498	56,076	55,928
Sewer	57,600	62,989	66,145	67,850	75,098
Water	45,892	53,232	54,494	57,086	65,622
Power	344,450	399,716	401,899	407,664	361,699
Other business-type funds	3,604	3,591	4,031	3,995	3,509
Operating grants and contributions:	631	1,113	1,412	11,252 (4)	3,821
Capital grants and contributions	54,870	45,430	34,724	35,600	43,784
Total business-type activities program revenues	<u>579,759</u>	<u>642,495</u>	<u>651,348</u>	<u>674,545</u>	<u>636,904</u>
Total primary government program revenues	<u>\$ 632,794</u>	<u>\$ 713,173</u>	<u>\$ 724,730</u>	<u>\$ 732,587</u>	<u>\$ 704,781</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (158,306)	\$ (150,401)	\$ (198,471)	\$ (219,731)	\$ (232,108)
Business-type activities	99,571	129,320	126,119	128,259	105,356
Total primary government net expense	<u>\$ (58,735)</u>	<u>\$ (21,081)</u>	<u>\$ (72,352)</u>	<u>\$ (91,472)</u>	<u>\$ (126,752)</u>

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

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

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

(3) 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.

(4) 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 3 of 4**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 54,593	\$ 53,177	\$ 57,410	\$ 58,498	\$ 62,564
Sales taxes	49,272	54,071	54,508	47,681	42,256
Business taxes	46,166	46,161	46,955	49,039	43,052
Unrestricted investment earnings	3,193	6,869	8,976	6,566	5,699
Gain on sale of capital assets	2,402	1,567	43	2,705	344
Transfers	31,584	35,673	38,600	35,212	34,383
Total governmental activities	<u>187,210</u>	<u>197,518</u>	<u>206,492</u>	<u>199,701</u>	<u>188,298</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	-
Sales taxes	376	458	605	1,715	-
Business taxes	-	-	-	-	-
Unrestricted investment earnings	12,514	27,309	36,090	30,674	18,427
Gain on sale of capital assets	4,889	55	5,667	(8,099) (5)	133
Transfers	(31,584)	(35,673)	(38,600)	(35,212)	(34,383)
Total business-type activities	<u>(13,805)</u>	<u>(7,851)</u>	<u>3,762</u>	<u>(10,922)</u>	<u>(15,823)</u>
Total primary government	<u>\$ 173,405</u>	<u>\$ 189,667</u>	<u>\$ 210,254</u>	<u>\$ 188,779</u>	<u>\$ 172,475</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 28,904	\$ 47,117	\$ 8,021	\$ (20,030) (6)	\$ (43,810)
Business-type activities	85,766	121,469	129,881	117,337	89,533
Total primary government	<u>\$ 114,670</u>	<u>\$ 168,586</u>	<u>\$ 137,902</u>	<u>\$ 97,307</u>	<u>\$ 45,723</u>

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

(6) 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.

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



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

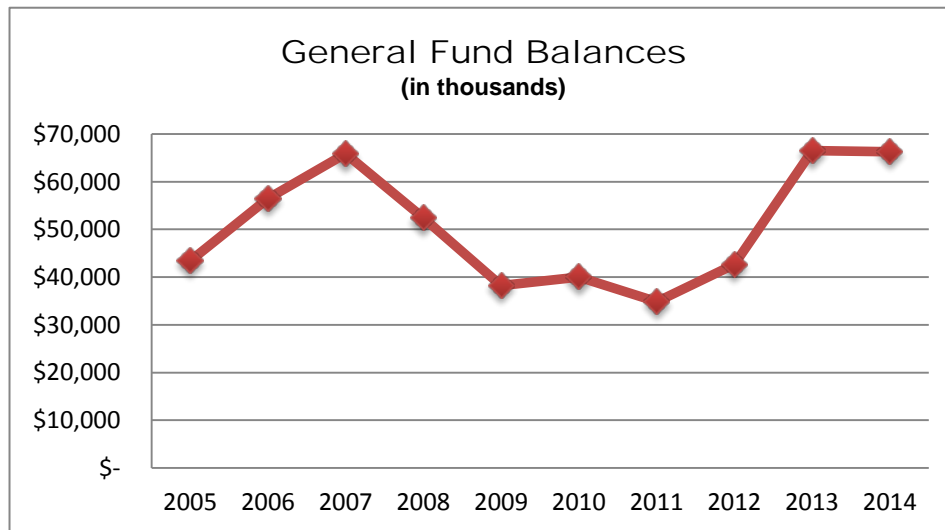
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 28,806	\$ 34,732	\$ 52,038	\$ 49,781	\$ 56,887
Public Safety	157,488	163,575	150,575	138,368	142,097
Utilities	-	102	2	2,477	2,580
Transportation	19,609	75,692	52,424	58,288	61,524
Social Services	2,513	3,129	757	1,953	2,649
Public Works	-	-	-	-	-
Natural & Econ Environment	28,602	24,023	23,510	21,255	22,856
Culture and Recreation	21,777	43,460	10,690	18,832	14,823
Interest on long-term debt	8,186	6,121	6,351	14,401	13,001
Total governmental activities expense	<u>266,981</u>	<u>350,834</u>	<u>296,347</u>	<u>305,355</u>	<u>316,417</u>
Business-type activities:					
Public Assembly Facilities	18,764	23,797	24,062	16,832	19,801
Rail	19,162	22,089	24,753	29,024	30,095
Solid Waste	47,746	54,518	59,391	67,591	61,040
Sewer	75,758	79,390	83,294	81,286	80,343
Water	73,866	76,161	76,755	79,773	72,324
Power	383,424	371,829	395,954	432,321	422,265
Other business-type funds	9,691	7,335	9,147	14,979	16,005
Total business-type activities	<u>628,411</u>	<u>635,119</u>	<u>673,356</u>	<u>721,806</u>	<u>701,873</u>
Total primary government expenses	<u>\$ 895,392</u>	<u>\$ 985,953</u>	<u>\$ 969,703</u>	<u>\$ 1,027,161</u>	<u>\$ 1,018,290</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 13,861	\$ 8,780	\$ 6,607	\$ 23,726	\$ 31,568
Public Safety	9,201	8,133	20,306	8,153	6,439
Utilities	-	82	93	287	353
Transportation	7,968	8,959	9,434	1,168	1,097
Social Services	235	761	421	207	-
Public Works	-	-	-	-	-
Natural & Econ Environment	4,477	1,111	2,380	3,396	2,096
Culture and Recreation	390	415	1,180	417	75
Interest on long-term debt	-	1,010	2,658	-	-
Operating grants and contributions:	22,276	13,138	14,974	33,925	30,378
Capital grants and contributions	13,996	38,445	37,338	19,813	15,882
Total governmental activities program revenues	<u>72,404</u>	<u>80,834</u>	<u>95,391</u>	<u>91,092</u>	<u>87,888</u>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	9,966	15,274	14,863	10,766	10,933
Rail	18,940	23,164	25,969	29,926	32,937
Solid Waste	56,812	57,781	57,541	62,026	64,642
Sewer	77,988	78,318	81,582	85,493	90,648
Water	66,247	70,235	81,508	96,365	99,426
Power	375,688	373,962	395,105	438,444	468,988
Other business-type funds	6,764	4,376	6,044	16,679	17,928
Operating grants and contributions:	2,007	601	180	7,438	7,968
Capital grants and contributions	32,102	61,585	31,222	25,150	19,587
Total business-type activities program revenues	<u>646,514</u>	<u>685,296</u>	<u>694,014</u>	<u>772,287</u>	<u>813,057</u>
Total primary government program revenues	<u>\$ 718,918</u>	<u>\$ 766,130</u>	<u>\$ 789,405</u>	<u>\$ 863,379</u>	<u>\$ 900,945</u>
 Net (expense)/revenue					
Governmental activities	\$ (194,577)	\$ (270,000)	\$ (200,956)	\$ (214,263)	\$ (228,529)
Business-type activities	18,103	50,177	20,658	50,481	111,184
Total primary government net expense	<u>\$ (176,474)</u>	<u>\$ (219,823)</u>	<u>\$ (180,298)</u>	<u>\$ (163,782)</u>	<u>\$ (117,345)</u>

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

	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 61,900	\$ 60,733	\$ 64,900	\$ 62,487	\$ 64,204
Sales taxes	41,942	42,643	46,738	45,743	47,976
Business taxes	84,094 (7)	87,029	90,710	103,631	63,969
Unrestricted investment earnings	3,907	6,133	856	297	2,044
Gain on sale of capital assets	(1,648)	(184)	1,684	136	46
Transfers	(6,021)	(6,320)	(10,186)	(2,153)	44,853
Total governmental activities	<u>184,174</u>	<u>190,034</u>	<u>194,702</u>	<u>210,141</u>	<u>223,092</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	-
Sales taxes	-	-	-	-	-
Business taxes	-	-	-	-	-
Unrestricted investment earnings	15,059	23,408	18,947	3,063	1,130
Gain on sale of capital assets	(1,222)	(84)	341	(184)	644
Transfers	6,021	6,320	10,186	2,153	(44,853)
Total business-type activities	<u>19,858</u>	<u>29,644</u>	<u>29,474</u>	<u>5,032</u>	<u>(43,079)</u>
Total primary government	<u>\$ 204,032</u>	<u>\$ 219,678</u>	<u>\$ 224,176</u>	<u>\$ 215,173</u>	<u>\$ 180,013</u>
<b>Change in Net Position</b>					
Governmental activities	\$ (10,403)	\$ (79,966)	\$ (6,254)	\$ (4,122)	\$ (5,437)
Business-type activities	37,961	79,821	50,132	55,513	68,105
Total primary government	<u>\$ 27,558</u>	<u>\$ (145)</u>	<u>\$ 43,878</u>	<u>\$ 51,391</u>	<u>\$ 62,668</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>2005</u>	<u>2006</u>	<u>2007</u> (1)	<u>2008</u>	<u>2009</u>
General Fund					
Reserved	\$ 6,855	\$ 9,553	\$ 19,526	\$ 24,871	\$ 24,517
Unreserved	36,572	46,955	46,308	27,534	13,744 (2)
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Committed - Council Contingencie:	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 43,427</u>	<u>\$ 56,508</u>	<u>\$ 65,834</u>	<u>\$ 52,405</u>	<u>\$ 38,261</u>
All other governmental funds					
Reserved	\$ 29,055	\$ 17,307	\$ 35,286	\$ 33,763	\$ 50,960
Unreserved	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Committed - Council Contingencie:	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 29,055</u>	<u>\$ 17,307</u>	<u>\$ 35,286</u>	<u>\$ 33,763</u>	<u>\$ 50,960</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**

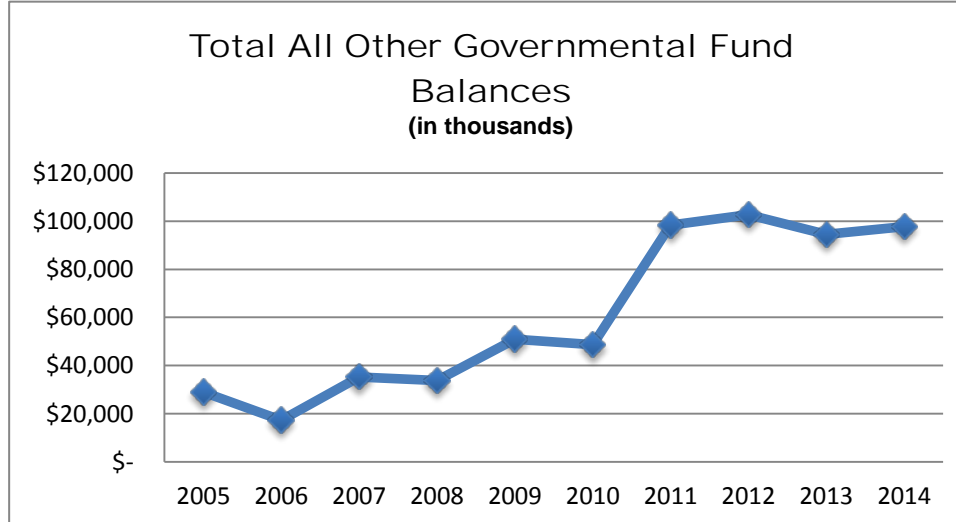
	<u>2010</u>	<u>2011</u> <sup>(4)</sup>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund					
Reserved	\$ 20,947	\$ -	\$ -	\$ -	\$ -
Unreserved	19,048	-	-	-	-
Nonspendable	-	17,361	16,719	15,961	15,026
Restricted	-	2	-	9	9
Committed	-	-	-	-	-
Committed - Council Contingencies	-	1,117	1,130	982	973
Assigned	-	2,133	1,274	6,364	1,949
Unassigned	-	14,239	23,573	43,178	48,343
Total General Fund	<u>\$ 39,995</u>	<u>\$ 34,852</u>	<u>\$ 42,696</u>	<u>\$ 66,494</u>	<u>\$ 66,300</u>
All other governmental funds					
Reserved	\$ 48,665	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	-	1,920	1,913	1,833	1,824
Restricted	-	85,191	78,341	74,797	79,622
Committed	-	18,928	20,669	21,728	237
Committed - Council Contingencies	-	-	-	-	-
Assigned	-	36,261	6,863	4,722	21,743
Unassigned	-	(43,860)	(5,079)	(8,530)	(5,709)
Total all other governmental funds	<u>\$ 48,665</u>	<u>\$ 98,440</u>	<u>\$ 102,707</u>	<u>\$ 94,550</u>	<u>\$ 97,717</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Revenues</b>					
Taxes	\$ 150,370	\$ 153,477	\$ 158,320	\$155,129	\$ 145,101 (6)
Licenses and permits	3,572 (2)	9,558	9,731	6,168	5,382
Intergovernmental revenue	28,276	46,510 (4)	48,257	31,461	40,991
Charges for services	13,749 (1)	8,984 (5)	9,557	10,663	10,836
Fines and forfeitures	4,088	2,829	3,869	4,366	4,617
Interest	3,193	6,869	8,976	6,566	4,131
Miscellaneous revenues	3,347	2,734	1,968	3,805	2,606
Total revenues	<u>206,595</u>	<u>230,961</u>	<u>240,678</u>	<u>218,158</u>	<u>213,664</u>
<b>Expenditures</b>					
General government	20,200	21,118	18,243	23,728	37,148
Security of persons & property	123,998	121,423	133,933	142,967	135,269
Physical environment	471	488	605	628	(2)
Transportation	18,076	18,029	22,828	24,670	24,066
Economic environment	22,302	22,028	27,046	27,055	28,682
Mental and physical health	1,614	1,909	1,965	2,138	2,256
Culture and recreation	12,497	14,087	14,795	16,212	13,185
Capital outlay	29,819	32,681	38,091	34,813	40,172
Debt Service:					
Principal retirement	7,493	17,730 (3)	5,521	4,934	4,949
Interest and fiscal charges	3,537	3,487	3,254	3,899	3,777
Total expenditures	<u>240,007</u>	<u>252,980</u>	<u>266,281</u>	<u>281,044</u>	<u>289,502</u>
Excess of revenues over (under) expenditures	(33,412)	(22,019)	(25,603)	(62,886)	(75,838)
<b>Other financing sources (uses)</b>					
Sale of capital asset	2,402	1,567	43	2,705	170
Transfers in	37,346	42,523	53,605	52,657	56,635
Transfers (out)	(4,426)	(9,319)	(15,775)	(17,788)	(16,612)
Insurance recoveries	-	-	-	-	-
Proceeds from bonds issues	-	19,675 (7)	10,145 (8)	4,468	56,335
Issuance of debt refunding bonds	-	-	-	-	-
Payment to escrow - refunded bonds	-	-	-	-	-
Contributions from property owners	-	-	-	11	-
Premium on issuance of debt	-	-	-	-	226
Discount on issuance of debt	-	-	(35)	-	(154)
Total other financing sources and (uses)	<u>35,322</u>	<u>54,446</u>	<u>47,983</u>	<u>42,053</u>	<u>96,600</u>
Net change in fund balances	<u>\$ 1,910</u>	<u>\$ 32,427</u>	<u>\$ 22,380</u>	<u>\$(20,833)</u>	<u>\$ 20,762</u>
Debt service as a percentage of noncapital expenditures	5.5%	10.7%	4.0%	3.7%	3.6%

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

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

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

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

(5) 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.

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

**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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues</b>					
Taxes	\$ 187,904 (9)	\$ 190,362	\$ 203,028	\$ 212,066	\$ 176,615
Licenses and permits	3,823	3,539	3,043	3,235	3,652
Intergovernmental revenue	48,259	61,376	52,295	53,466	46,260
Charges for services	9,473	9,512	24,115	23,323	25,840
Fines and forfeitures	6,080	3,612	3,772	6,395	7,761
Interest	2,982	4,657	2,658	994	1,626
Miscellaneous revenues	4,642	4,382	6,441	2,791	2,777
Total revenues	<u>263,163</u>	<u>277,440</u>	<u>295,352</u>	<u>302,270</u>	<u>264,531</u>
<b>Expenditures</b>					
General government	25,553	25,116	49,208	47,041	54,671
Security of persons & property	139,371	144,949	138,406	132,783	140,578
Physical environment	-	-	-	2,477	2,571
Transportation	26,220	33,525	21,379	21,597	21,997
Economic environment	25,972	21,892	19,633	21,123	20,846
Mental and physical health	2,093	2,109	684	1,953	2,640
Culture and recreation	13,339	13,266	14,133	10,688	12,198
Capital outlay	49,514	71,860	55,395	36,317	25,969
Debt Service:					
Principal retirement	5,490	5,924	3,991	34,263 (10)	15,652
Interest and fiscal charges	7,635	6,499	6,117	11,072	12,977
Total expenditures	<u>295,187</u>	<u>325,140</u>	<u>308,946</u>	<u>319,314</u>	<u>310,099</u>
Excess of revenues over (under) expenditures	(32,024)	(47,700)	(13,594)	(17,044)	(45,568)
<b>Other financing sources (uses)</b>					
Sale of capital asset	19	(91)	1,684	492	1,477
Transfers in	6,407 (9)	24,526	28,755	28,588	95,060
Transfers (out)	(13,330)	(32,419)	(33,023)	(32,145)	(50,705)
Insurance recoveries	-	-	43	58	121
Proceeds from bonds issues	43,305	-	30,235	37,769	2,203
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	2,618	-	-	68	-
Discount on issuance of debt	(59)	-	(3)	-	-
Total other financing sources and (uses)	<u>39,479</u>	<u>8,555</u>	<u>27,691</u>	<u>33,725</u>	<u>48,156</u>
Net change in fund balances	<u>\$ 7,455</u>	<u>\$ (39,145)</u>	<u>\$ 14,097</u>	<u>\$ 16,681</u>	<u>\$ 2,588</u>
Debt service as a percentage of noncapital expenditures	5.6%	5.2%	4.2%	19.1%	11.2%

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

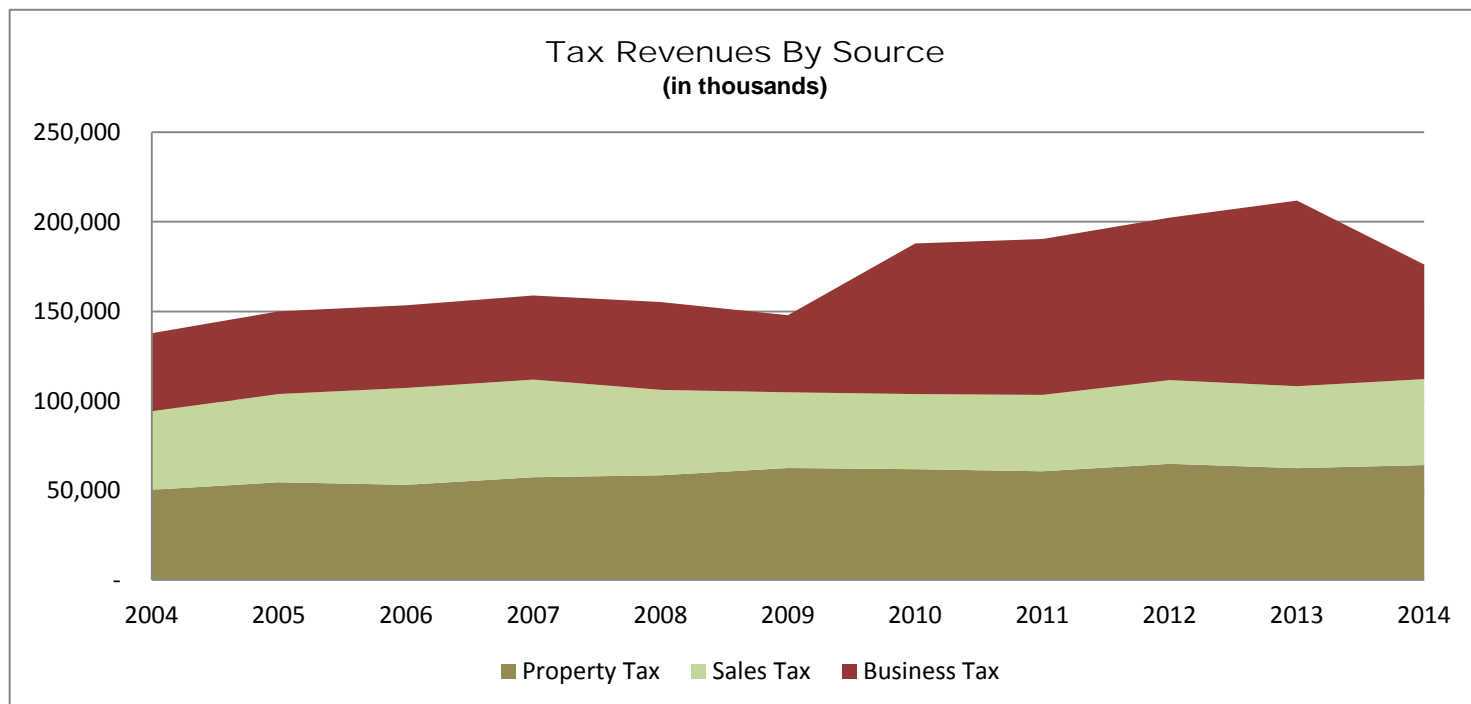
(8) Limited General Obligation Bonds were issued to retrofit one of the City's downtown public parking garages.

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

(10) 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
2014	64,204	47,976	63,969 (2)	176,149



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

(2) In 2014 gross earnings taxes are classified as Transfers In, where in previous years they were classified as Business Taxes.

**Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
Table 6**

<b>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>
2005	(2)	14,713,210	869,592	15,582,802	3.38	-2,304,369	-12.88%	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
2014		16,647,219	1,239,951	17,887,171	3.72	1,293,665	7.80%	88,114

(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 were revised for 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							
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
2014	3.71	7.69	1.43	0.18	1.80	2.39	17.20
<b>"CITY" TAX RATE BREAKDOWN:</b>			<u>2013</u>	<u>2014</u>			
General Fund			\$3.02	\$2.90			
Councilmanic Nonvoted Bonds			0.21	0.16			
EMS Levy			0.50	0.50			
G.O. Bonds			<u>0.17</u>	<u>0.16</u>			
TOTAL CITY			\$3.90	\$3.72			

- 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 2005 represents 2006 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>
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%	1,876	(416)	57,131	99.27%	2	0.00%
2008	59,033	56,650	95.96%	2,125	(254)	58,775	99.56%	4	0.01%
2009	60,752	57,981	95.44%	2,166	(597)	60,147	99.00%	8	0.01%
2010	61,918	59,115	95.47%	2,090	(684)	61,205	98.85%	29	0.05%
2011	61,823	58,881	95.24%	1,931	(941)	60,812	98.36%	70	0.11%
2012	63,821	61,484	96.34%	1,516	(423)	63,000	98.71%	398	0.62%
2013	63,031	60,795	96.45%	1,257	(284)	62,052	98.45%	695	1.10%
2014	64,789	62,855	97.01%	-	(162)	62,855	97.01%	1,772	2.74%

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 2014**

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	PERCENTAGE OF TL EMPLOYEES OF 10 <u>LEADING TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	N/A	0.0%	Cellular
Comcast of Tacoma Inc.	13	0.1%	Telecommunications
Multicare Health System	6,069	55.8%	Medical
Puget Sound Energy Inc.	225	2.1%	Natural Gas
Qwest Corporation	N/A	0.0%	Telecommunications
Sprint PCS	N/A	0.0%	Cellular
St Joseph Hospital	4,546	41.8%	Medical
T Mobile West LLC	N/A	0.0%	Cellular
US Oil Trading LLC	11	0.1%	Petroleum Refinery
Verizon Wireless	11	0.1%	Cellular
Total	10,875	100.0%	

Total 2014 Aggregate B & O Tax  
Collections of the Top Ten Taxpayers      \$17,437

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2005**

<u>TAXPAYERS</u>	<u>EMPLOYEES (1)</u>	PERCENTAGE OF TL EMPLOYEES OF 10 <u>LEADING TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
Comcast of Puget Sounds Inc	350	9.3%	Cable Television
Puget Sound Energy , Inc.	206	5.5%	Natural Gas
Qwest Corporation	259	6.9%	Telecommunications
Verizon Wireless	N/A	N/A	Cellular
Silver Dollar Casino - Tacoma	140	3.7%	Casino
T-Mobile	3	0.1%	Cellular
New Cingular Wireless	5	0.1%	Cellular
Sprint PCS	19	0.5%	Cellular
US Oil & Refining Company	148	3.9%	Petroleum Refinery
Silver Dollar Casino - 6th Ave	40	1.1%	Casino
Total	1170	31.1%	

Total 2005 Aggregate B & O Tax  
Collections of the Top Ten Taxpayers      \$12,660

The City is legally prohibited from disclosing individual information regarding the amount of business taxes paid by specific taxpayers. This schedule presents the total aggregate B & O taxes paid by the City's ten largest taxpayers.

**Principal Taxpayers**  
**Current Year and Nine Years Ago**  
**Table 9**  
**(dollar amounts expressed in thousands)**  
**Page 2 of 2**

**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2014**

<u>TAXPAYERS</u>	<u>RANK</u>	2014 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Rocktenn CP LLC	1	\$216,103	20.8%
Tacoma Mall Partnership	2	200,016	19.3%
US Oil & Refining Co	3	124,408	12.0%
Targa Sound Terminal LLC	4	88,004	8.5%
Puget Sound Energy/Gas	5	84,376	8.1%
AT&T Mobility LLC	6	79,738	7.7%
CSC of Tacoma LLC	7	72,339	7.0%
Simpson Lumber Company LLC	8	61,415	5.9%
Westridges Apartments Property Owners LLC	9	59,317	5.7%
Qwest Coporation	10	52,808	5.1%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$1,038,524</u>	<u>100.0%</u>

**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2005**

<u>TAXPAYERS</u>	<u>RANK</u>	2005 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Simpson Kraft Company	1	\$163,058	25.1%
Tacoma Mall Corporation	2	146,247	22.5%
US Oil & Refining Co.	3	63,225	9.7%
CSC of Tacoma LLC	4	48,960	7.5%
St. Joseph Development Co. Inc	5	44,355	6.8%
Wells Operating Partnership LP	6	39,248	6.0%
NGP Centennial Tacoma LLC	7	38,897	6.0%
Univserity Street Properties I LLC	8	37,685	5.8%
ERP Operating LP	9	34,651	5.3%
HAUB Brothers Enterprise Trust	10	33,988	5.2%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$650,314</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
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)	-
2014	148,226	7,865	-	10,975	31,773	-

(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**

<b>Fiscal Year</b>	<b>Business-Type Activities</b>			<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (2)</b>
	<b>Revenue Bonds &amp; Loans (3)</b>	<b>General Obligation Bonds</b>	<b>Capital Leases</b>			
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
2014	1,274,365	61,940	-	1,535,144	6.42%	7,562

**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>
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
2014	210,166	1,053	209,113	1.17%	1,063

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	\$218,031	100.000%	\$218,031
<b><u>OVERLAPPING DEBT</u></b>			
Tacoma School District #10	342,195	92.837%	317,684
Metropolitan Park District	114,447	94.643%	108,316
Port of Tacoma	184,465	23.115%	42,639
Pierce County	171,103	23.115%	39,550
Franklin Pierce School District	9,055	0.623%	56
Fife School District	22,285	7.435%	1,657
Clover Park School District	141,080	2.137%	3,015
University Place School District	70,185	3.458%	2,427
<b>TOTAL OVERLAPPING DEBT</b>	<u>1,054,815</u>		<u>515,345</u>
 <b>GRAND TOTAL</b>	 <u><u>\$ 1,272,846</u></u>		 <u><u>733,376</u></u>
Population			203,000
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**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Value of Property	\$15,739,885	\$18,556,278	\$20,590,387	\$21,625,087	\$20,717,201
Debt Limit, 7.5% of Assessed Value	1,180,491	1,391,721	1,544,279	1,621,882	1,553,790
Total Net Debt Applicable to Limit	139,801	158,905	160,216	156,200	191,701
Legal Debt Margin	<u>\$1,040,690</u>	<u>\$1,232,816</u>	<u>\$1,384,063</u>	<u>\$1,465,682</u>	<u>\$1,362,089</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.8%	11.4%	10.4%	9.6%	12.3%

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

Assessed Value	\$17,887,171
Debt Limit (7.5% of assessed value)	1,341,538
Debt Applicable to Limit:	
General Obligation bonds and loans	218,031
Capital leases	0
Less: Assets available from Debt Svc Fund	(1,022)
Total Net Debt Applicable to Limit	217,009
Legal Debt Margin	<u>\$1,124,529</u>

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

	<u><b>2010</b></u>	<u><b>2011</b></u>	<u><b>2012</b></u>	<u><b>2013</b></u>	<u><b>2014</b></u>
Assessed Value of Property	\$19,033,503	\$17,650,446	\$16,013,945	\$16,593,506	17,887,171
Debt Limit, 7.5% of Assessed Value	1,427,513	1,323,783	1,201,046	1,244,513	1,341,538
Total Net Debt Applicable to Limit	227,060	223,278	247,953	261,445	217,009
Legal Debt Margin	<u><u>\$1,200,453</u></u>	<u><u>\$1,100,505</u></u>	<u><u>\$953,093</u></u>	<u><u>\$983,068</u></u>	<u><u>\$1,124,529</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.9%	16.9%	20.6%	21.0%	16.2%

**Computation of Constitutional Limit of Indebtedness**  
**As of December 31, 2014**  
**Table 14**

As provided in the Revised Code of Washington Title 39 Chapter 36, the percentage limits for the various sections are layered cumulative total. 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 2015) (PV)	\$	17,887,171,078
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**GENERAL PURPOSE INDEBTEDNESS**

## Non-Voted General Purpose Indebtedness and Capital Leases

	Legal Limit 1.5% of Total Taxable Property Value	268,307,566
Indebtedness (Liabilities)		
Non-Voted General Obligation Bonds	237,355,828	
Capital Leases Payable	-	
Less Assets Available	-	
	Indebtedness Incurred - Non-Voted General Purposes	237,355,828
	Remaining Legally Available Non-Voted Debt Capacity - General Purposes	30,951,738.17
	Less Required Reserve (10% of Non-Voted Debt Capacity)	(26,830,757)
	Available Non-Voted Debt Capacity - net of Required Reserve	\$ 4,120,981

## Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)

	Legal Limit 2.5% of Total Taxable Property Value	447,179,277
Less: Indebtedness Incurred - Non-Voted General Purposes	(237,355,828)	
		\$ 209,823,449
Indebtedness (Liabilities)		
Voted General Obligation Bonds	18,105,000	
Less Assets Available	(1,021,971)	
	Indebtedness Incurred - Voted General Purposes	17,083,029
	Total Remaining Debt Capacity - General Purposes	\$ 192,740,420

**UTILITY PURPOSE INDEBTEDNESS**

## Indebtedness For Utility Purposes With 3/5 Vote of the People

	Legal Limit 2.5% of Total Taxable Property Value	\$ 447,179,277
	Remaining Debt Capacity - Utility Purposes	\$ 447,179,277

**OPEN SPACES AND PARKS FACILITIES INDEBTEDNESS**

## Indebtedness For Open Space And Parks Facilities With 3/5 Vote of the People

	Legal Limit 2.5% of Total Taxable Property Value	\$ 447,179,277
	Remaining Debt Capacity - Open Spaces and Parks Facilities	\$ 447,179,277

**SUMMARY**

Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value	1,341,537,831
Less: Indebtedness Incurred - General Purposes	1.4225%	254,438,857
Less: Indebtedness Incurred - Utility Purposes		-
Less: Indebtedness Incurred - Open Space And Parks Facilities		-
	Remaining Debt Capacity	6.0775% \$ 1,087,098,974

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

<b>Sewer Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Sewer Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
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
2014	90,232	59,284	30,948	750	6,237	4.43

<b>Power Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Power Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
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
2014	447,016	314,017	132,999	32,115	26,626	2.26

<b>Solid Waste Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Solid Waste Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
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
2014	56,751	42,425	14,326	3,085	3,119	2.31

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Water Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
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
2014	106,000	41,773	64,227	6,896	19,829	2.40

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

<b>Tacoma Rail Bond Anticipation Notes</b>						
<b>Fiscal Year</b>	<b>Rail Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
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
2014	30,482	25,493	4,989	223	37	19.19

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

(1) The issue date for the Tacoma Rail Bond Anticipation Notes was in 2003 and the first principal payment did not occur until 2004.

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

<b>Convention Center and Parking Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Net Parking Revenues</b>	<b>District Contribution</b>	<b>Total Pledged Revenues</b>	<b>Total Bond Debt Service</b>	<b>Coverage</b>
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
2014	4,283	3,063	7,346	2,817	2.61

Note: The Convention Center and Parking Revenue Bonds do not contain a Coverage Requirement for the Bonds. It does contain a Rate Covenant for the portion of the Bonds that relate to the financing of the A Street Garage.

<b>Parking System Rate Covenant</b>			
<b>Fiscal Year</b>	<b>Net Parking Revenues</b>	<b>District Contribution</b>	<b>Coverage</b>
2005	2,242	291	7.71
2006	2,194	293	7.49
2007	2,712	292	9.30
2008	2,455	292	8.42
2009	2,303	291	7.91
2010	2,132	134	15.86
2011	2,637	147	17.97
2012	2,593	146	17.76
2013	3,339	311	10.74
2014	4,300	311	13.83

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>
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	36,054,002	43,982	30	7.4
2014	203	N/A	N/A	31	6.1

**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 2013).  
(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

**Principal Employers**  
**Current Year and Nine Years Ago**  
**Table 17**

**TOP TEN EMPLOYERS FOR 2014 (PIERCE COUNTY)**

	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Joint Base Lewis McChord	66,054	8.1%	Military
Local Public Schools	13,408	1.6%	Education
MultiCare Health System	6,904	0.8%	Health Care
Washington State	6,455	0.8%	Government
Franciscan Health System	5,338	0.7%	Health Care
Pierce County Government	2,979	0.4%	Government
Washington State Higher Education	2,566	0.3%	Education
Fred Meyer Stores	2,560	0.3%	Retail
State Farm Insurance Companies	2,206	0.3%	Insurance
City of Tacoma	2,078	0.3%	Government
Total	110,548	13.5%	

2014 Pierce County Population                      819,743

**TOP TEN EMPLOYERS FOR 2005 (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	4.2%	Military
Local Public School Districts (K-12)	13,010	1.7%	Education
US Air Force McChord	8,110	1.1%	Military
Washington State Employees	6,991	0.9%	Government
MultiCare Health System	3,587	0.5%	Health Care
Pierce County Government	3,154	0.4%	Government
US Army Madigan Hospital	2,855	0.4%	Health Care (Military)
Franciscan Health System	2,769	0.4%	Health Care
Washington State Higher Education	2,491	0.3%	Education
Fred Meyer Stores	1,960	0.3%	Retail
Total	76,398	10.1%	

2005 Pierce County Population                      755,900

**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 (2014 Population Data)  
 Pierce County CAFR (2005 Population Data)



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

<b>Function</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><u>2014</u></b>
<b>General government</b>	414	296	294	304	300	257	287	260	265	268
<b>Public Safety</b>										
Police	409	412	416	418	429	418	415	389	370	361
Fire	431	434	434	434	426	414	431	401	376	389
Law Enforcement Support Agency	157	155	162	165	160	151	159	160	N/A (4)	
<b>Economic Environment</b>										
Community & Economic Development	39	41	42	43	42	92	89	77	26 (3)	26
Planning and Development Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51	59
Hearing Examiner	4	4	3	3	3	3	4	3	3	3
Human Rights Human Services	34	34	29	33	38	37	33	31	54	48
<b>Culture and Recreation</b>	197	204	203	207	202	213	202	179	159	158
<b>Transportation</b>										
Public Works	693	750 (1)	777	773	800	744 (2)	743	691	707	713
<b>Information Systems</b>	85	108 (1)	113	114	139	136	136	112	109	109
<b>Retirement</b>	8	8	9	9	9	9	9	10	10	10
<b>Tacoma Public Utilities</b>										
Administration	9	9	8	8	9	9	11	10	10	10
Customer Service	132	165	174	174	157	153	153	153	140	143
Geographic Info System	9	9	9	9	12	N/A	N/A	N/A	N/A	N/A
Rail	102	101	98	99	99	95	91	99	107	115
Power	799	767	791	792	872	874	829	805	839	839
Water	254	257	266	267	267	259	248	240	240	239
<b>Total</b>	<b>3,776</b>	<b>3,754</b>	<b>3,828</b>	<b>3,852</b>	<b>3,964</b>	<b>3,864</b>	<b>3,840</b>	<b>3,620</b>	<b>3,466</b>	<b>3,490</b>

(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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Function</b>					
<i>Public Safety</i>					
Police					
Violent Crimes	2,014	2,076	2,091	1,965	1,883
Property Crimes	16,903	16,663	14,736	14,813	13,337
Fire					
Incidents	29,290	30,354	37,182	37,844	38,534
<i>Utilities</i>					
Power customers	159,182	162,589	165,122	166,307	168,207
Power service units - MWH	5,915,164	6,689,448	6,794,354	6,652,547	6,618,995
Water customers	94,033	95,103	96,278	95,587	96,983
Water service units	24,929,840	25,292,615	24,760,182	24,400,467	24,720,956
Wastewater customers	81,727	60,412	60,694	60,698	60,651
Surface Water customers	63,983	68,363	69,091	70,120	70,422
Solid Waste customers	58,834	58,086	58,449	58,550	58,549
<i>Rail</i>					
Miles of track	38	38	38	38	38
Number of cars switched	118,512	100,074	83,416	77,194	60,924
<i>Parking Garages</i>					
Number of parking stalls - garages	2,219	2,219	2,219	2,282	2,384
Number of parking stalls - surface lots	480	480	235	73	73

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Function</b>					
<i>Public Safety</i>					
Police					
Violent Crimes	1,703	4,756	4,623	4,379	4,319
Property Crimes	12,405	20,102	21,961	21,534	20,573
Fire					
Incidents	38,232	38,239	39,810	39,244	41,094
<i>Utilities</i>					
Power customers	169,413	169,112	169,112	171,506	172,531
Power service units - MWH	6,781,964	7,237,792	7,885,213	7,050,749	7,602,630
Water customers	97,137	96,734	96,333	97,854	98,608
Water service units	23,229,748	23,074,632	23,201,613	23,886,864	24,553,529
Wastewater customers	60,705	60,673	60,591	60,758	61,348
Surface Water customers	70,204	70,544	70,479	70,459	70,512
Solid Waste customers	58,637	58,451	58,517	58,265	59,308
<i>Rail</i>					
Miles of track	38	57.5	57.5	57.5	57.5
Number of cars switched	73,175	68,953	92,117	138,410	108,137
<i>Parking Garages</i>					
Number of parking stalls - garages	2,384	2,384	2,362	2,362	2,362
Number of parking stalls - surface lots	73	102	108	108	98
Number of on-street metered spaces			1,403	1,403	1,800

**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**Table 20**  
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	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Function</b>					
Public Safety					
Police					
Number of Stations	6	N/A	6	6	6
Vehicles:					
Marked Cars	225	N/A	236	249	245
Unmarked Cars - (includes seized vehicles)	112	N/A	94	99	113
Motorcycles	29	N/A	25	21	22
Fire					
Number of Stations	16	16	16	16	16
Pumpers	16	16	16	17	16
Trucks	4	4	4	4	4
Rescue Vehicles	5	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	3	3	3	3	3
Transportation					
Streets					
Miles of Paved Streets	612.71	615.57	642.52 (1)	642.52	642.52
Miles of Unpaved Streets	<u>229.38</u>	<u>352.69</u>	<u>208.10 (1)</u>	<u>208.10</u>	<u>208.10</u>
Total	<u>842.09</u>	<u>968.26</u>	<u>850.62</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>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	247	256	269	290	282
Unmarked Cars - (includes seized vehicles)	123	119	101	125	106
Motorcycles	22	22	16	16	16
Fire					
Number of Stations	16	16	15	15	15
Pumpers	16	16	13	13	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	1	2	2	2
Squad Vehicles	N/A	N/A	1.5	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	<u>208.10</u>	<u>208.10</u>	<u>208.10</u>	<u>208.10</u>	<u>208.10</u>
Total	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>

**Contributing Staff  
Table 21**

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The following individuals contributed to the successful completion of the City of Tacoma's 2014 Comprehensive Annual Financial Report:

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