

2015

Comprehensive Annual Financial REPORT



City of Tacoma, Washington For the Fiscal Year Ended December 31, 2015

2015 Comprehensive Annual Financial Report

of the City of Tacoma, Washington
for the Year Ending December 31, 2015

Prepared by Department of Finance
Andrew Cherullo, Finance Director



City of Tacoma, Washington
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SECTION 1

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS

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City of Tacoma
Finance Department

August 24, 2016

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, 2015, 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, thirty-two miles southwest of Seattle, thirty-one miles northeast of the state capital, Olympia and fifty-eight miles northwest of Mount Rainier National Park. Its boundaries encompass approximately 49.72 square miles of land and 12.62 miles of waterfront. Lying between sea level and 440 feet above sea level, Tacoma averages 39 inches of rainfall each year with an average low temperature in January of 37 degrees Fahrenheit and an average high temperature in August of 77 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 \$73 billion in two-way international trade in 2014. The ports of Seattle and Tacoma formed The Northwest Seaport Alliance in August to strengthen the Puget Sound gateway -the third largest in North America- and create more economic opportunities.

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 2.3% for the first three months of 2016 compared to the same period in 2015. The average year-to-date unemployment rate for the Tacoma metropolitan area was 6.9% as of February 2016 compared to 7.8% and 8.4% for February 2015 and 2014, respectively.

Relevant Financial Policies

Financial and Budget Policy Statements are presented on pages 177-183 of the 2015-2016 Biennial Budget and can be found on the City’s website at www.cityoftacoma.org.

Revenue Limitation

State law allows the City to levy a regular property tax rate of up to \$3.60 per \$1,000 of assessed property value annually. No matter what the assessed value is, however, the growth rate of property tax collections is limited to 1% per year, plus growth. In no event may the annual levy exceed the \$3.60 per \$1,000 of assessed value rate limit. During 2015, the City levied at the statutory limitation of \$3.06 per \$1,000 of assessed value.

MAJOR INITIATIVES**Lincoln District Revitalization**

In 2014, the City Council set a strategic objective to focus on development of the South Tacoma and Lincoln District Neighborhoods, both of which are designated as mixed use centers. The Lincoln Neighborhood Revitalization Project Open House was held on August 20, 2015 at the Tacoma-Pierce County Health Department Auditorium. This event gave residents a chance to hear about neighborhood revitalization initiatives and provide public comment on the streetscape design. Key project features will include neighborhood entryway, roadway, sidewalk and pedestrian infrastructure improvements. The \$4.2 million project will be funded from a combination of state and local sources.

Tacoma Avenue Bridge

The Tacoma Avenue South Bridge will be rehabilitated with a new bridge deck, streetlights, guardrail and the entire bridge will be painted. The traffic lanes will be reconfigured from the current four vehicular lanes to three vehicular lanes and two bicycle lanes and wider sidewalks. The bridge will be closed during construction from February 2015 through June 2016. The project is expected to take 15 months to complete. The \$12 million project will be funded from a combination of state, federal and local sources. The bridge is scheduled to open in June 2016. After the projection completion the bridge will be fully open to all legal loads.

Tacoma Police Department’s Project PEACE

Project PEACE was launched in September 2015, after local community leaders met with City leadership and the Tacoma News Tribune to discuss concerns that the unrest that occurred in Baltimore and Ferguson could happen in Tacoma. City leadership made a commitment to proactively address historical and present day feelings in the community of distrust, anger and grief to build trust and improve community and police relations. Beginning now through the next biennium the Police Department will focus on the following six key pillars to create safer neighborhoods and more engaged community policing practices in our community: Community Policing and Crime Reduction; Build Trust and Legitimacy; Improved Policy and Oversight; Enhance Training and Education; Officer Wellness and Safety Action Items; Social Media.

Cowlitz Falls North Shore Collector

Construction began on the Cowlitz Falls North Shore collector for collection of downstream migrating smolts from the upper Cowlitz River. The collector, located at Lewis County Public Utility District Cowlitz Falls Dam, will improve natural fish runs in the Cowlitz River and help Tacoma Power meets its Federal Energy Regulatory

Commission (FERC) license obligations. The \$35 million construction project is scheduled for completion near the end of 2016. .

AWARDS AND ACKNOWLEDGEMENTS

Awards

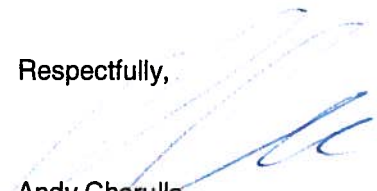
We are pleased that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tacoma for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. In order to 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-seventh 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, Su Yi, Min Soo Chun, Mary Mansperger, Joel Sipes, Donna Ruby, Gwen Herring and Tina Hemphill for their work in bringing the final document together.

Respectfully,



Andy Cherullo
Director of Finance



Susan Calderon
Assistant Director of Finance/
Controller



Government Finance Officers Association

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

Presented to

**City of Tacoma
Washington**

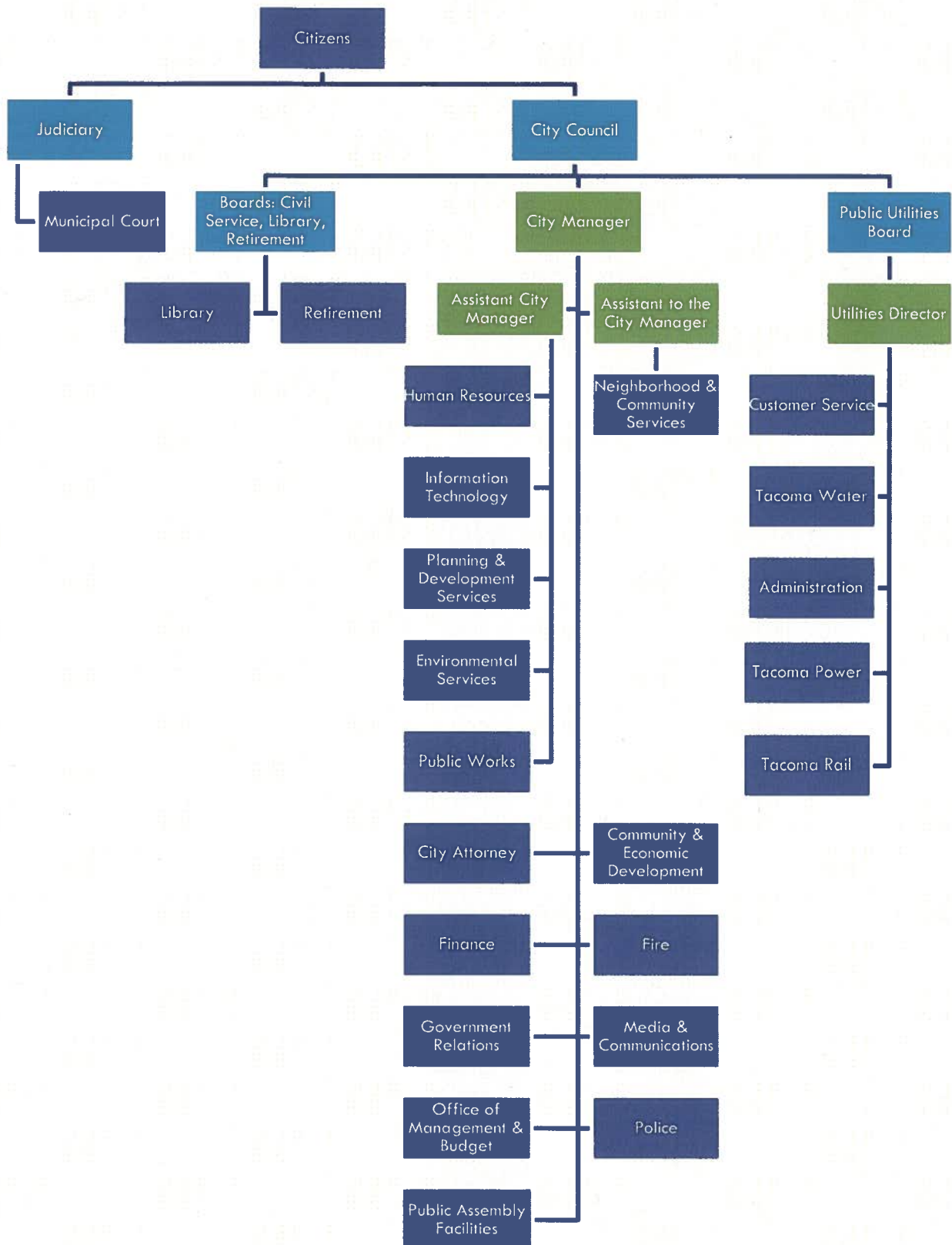
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

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City of Tacoma



2015 CITY OF TACOMA MAYOR, CITY COUNCIL, AND CITY MANAGER



Marilyn Strickland
Mayor



David Boe
Deputy Mayor



Marty Campbell
Position 4



Anders Ibsen
Position 1



Joe Lonergan
Position 5



Ryan Mello
Position 8



Robert Thoms
Position 2



Lauren Walker
Position 3



Victoria Woodards
At-Large



T.C. Broadnax
City Manager



City Officials as of December 31, 2015

Council Members

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

Mayor
 Deputy Mayor

Expiration of Term

December 31, 2017
 December 31, 2015
 December 31, 2017
 December 31, 2019
 December 31, 2017
 December 31, 2019
 December 31, 2017
 December 31, 2015
 December 31, 2017

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
 Chris Robinson
 Linda McCrea
 Dale King
 Steven Hatcher

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SECTION 2

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS—NON-MAJOR FUNDS

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Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

August 24, 2016

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, 2015, 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 90 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 all assets, net position, and revenues of the business type activities and two percent, one percent, and ten 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 report of the 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, 2015, 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, 2015, the City has implemented the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* and Statement No. 77, *Tax Abatement Disclosures*. 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, pension plan information on pages 4-1 through 4-4, information on postemployment benefits other than pensions on pages 4-5 through 4-6, and budgetary comparison information on pages 4-7 through 4-9 to 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

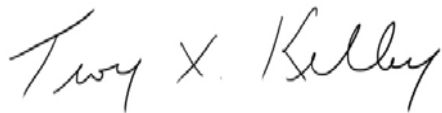
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 5-1 through 5-112 is presented for purposes 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 August 24, 2016, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY

STATE AUDITOR

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, 2015. 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 \$2.8 billion. Of this amount, \$241 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 \$105 million. This increase is due to an increase in capital assets and a decrease in liabilities for Business Activities.
- Tacoma Power's net position for 2015 was \$825.9 million which is an increase of \$3.1 million from 2014.
- Tacoma Water's net position for 2015 was \$542.5 million which is an increase of \$25.8 million from 2014.
- Sewer's net position for 2015 was \$409.3 million in 2015 which is an increase of \$2.9 from 2014.

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.

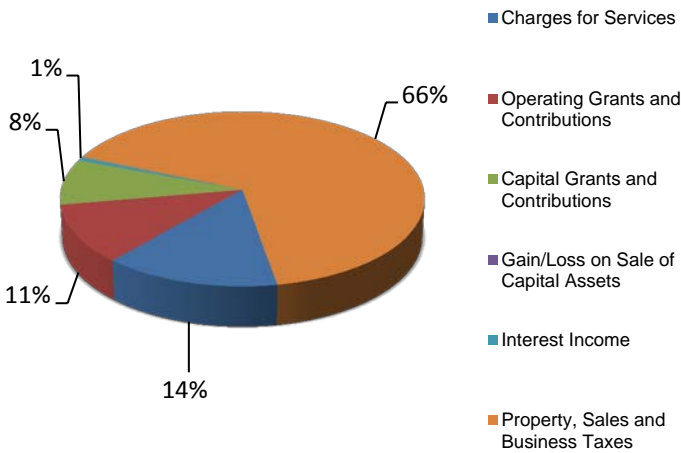
Government-wide Financial Statements

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 (GTRCCPFD), 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

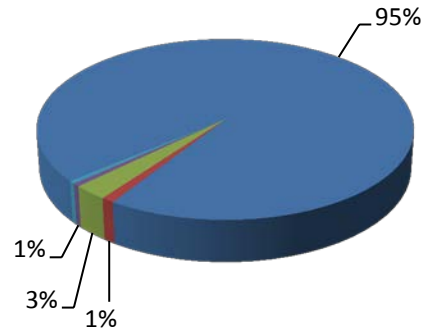


Figure 1. Comparison of Governmental and Business Activity Revenues

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

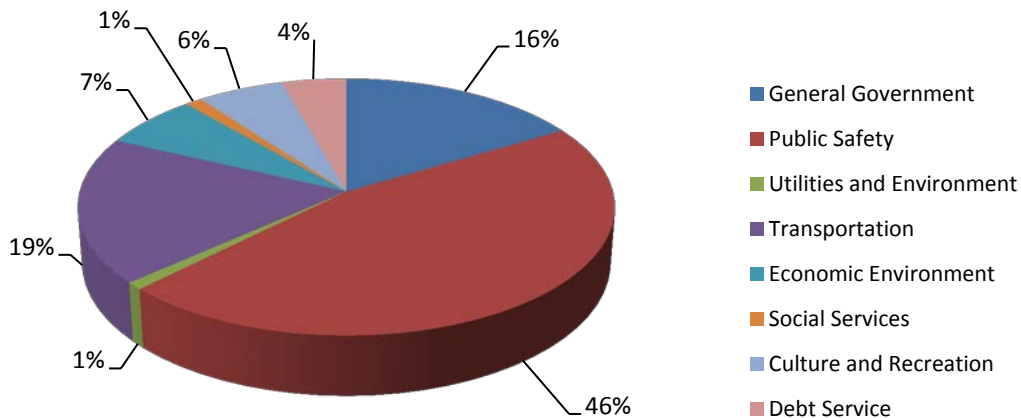


Figure 2. Governmental Activities Expenses

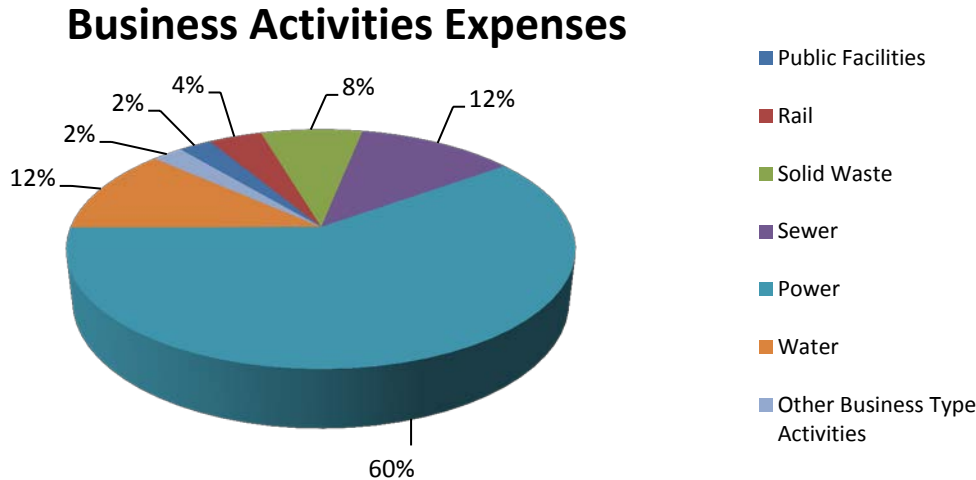


Figure 3. Business Activities Expenses

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 3-91 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 4-9 of this report.

Combining Statements – Non-Major funds

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

Other Supplementary Information

This section provides schedules of capital assets used in the operations of Governmental Funds and statistical information on Local Improvement District assessments. The Other Supplementary Information section can be found on pages 5-110 to 5-112.

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 \$2.8 billion at December 31, 2015. 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. 9% of the City's net position is unrestricted, meaning they are available for meeting the City's ongoing obligations. The remaining 9% of net position is restricted for other purposes such as debt redemption and new capital construction. Governmental activities represent 28% of total net position and business activities represent 72% of total net position.

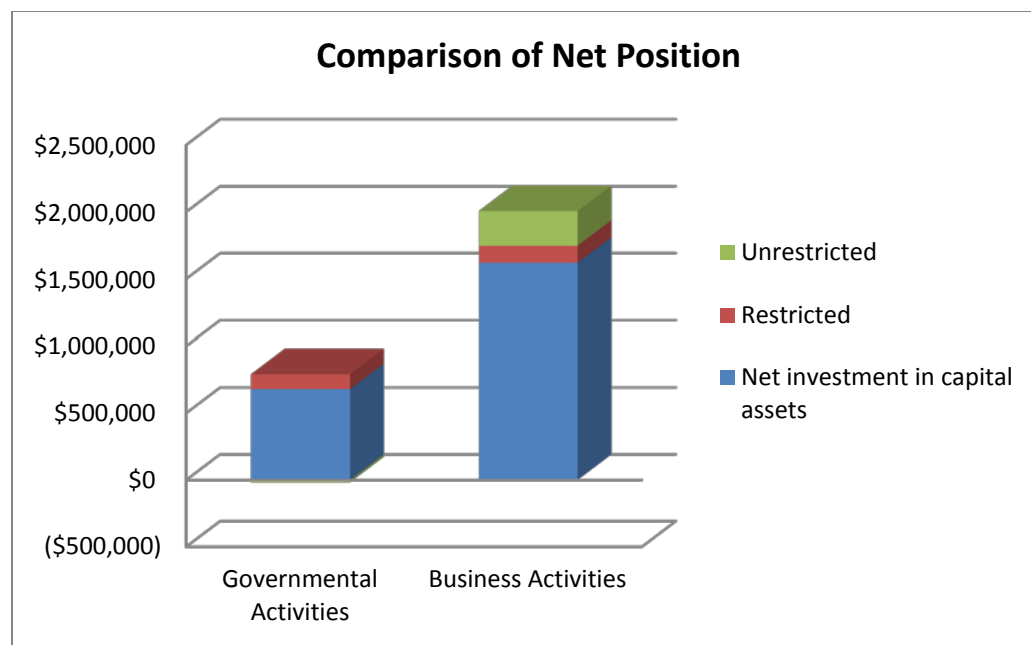


Figure 4. Comparison of Net Position, By Activity Type (Amounts expressed in thousands)

Table 1. Summary Statement of Net Position

Statement of Net Position

For the Year Ended December 31, 2015

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 306,333	\$ 276,795	\$ 886,107	\$ 931,897	\$ 1,192,440	\$ 1,208,692
Capital assets	833,394	828,035	2,782,358	2,723,738	3,615,752	3,551,773
Total assets	\$ 1,139,727	\$ 1,104,830	\$ 3,668,465	\$ 3,655,635	\$ 4,808,192	\$ 4,760,465
Deferred Outflow of Resources	\$ 16,560	\$ 4,226	\$ 23,173	\$ 13,898	\$ 39,733	\$ 18,124
Current and other liabilities	\$ 105,834	\$ 108,802	\$ 153,100	\$ 183,202	\$ 258,934	\$ 292,004
Long-term liabilities outstanding	233,500	232,123	1,410,514	1,427,425	1,644,014	1,659,548
Total liabilities	\$ 339,334	\$ 340,925	\$ 1,563,614	\$ 1,610,627	\$ 1,902,948	\$ 1,951,552
Deferred Inflows of Resources	\$ 45,176	\$ 39,117	\$ 121,860	\$ 114,575	\$ 167,036	\$ 153,692
Net Position:						
Net investment in capital assets	\$ 678,872	\$ 669,951	\$ 1,620,194	\$ 1,515,858	\$ 2,299,066	\$ 2,185,809
Restricted	110,825	79,630	127,008	121,369	237,833	200,999
Unrestricted	(17,920)	(20,567)	258,962	307,104	241,042	286,537
Total net position	\$ 771,777	\$ 729,014	\$ 2,006,164	\$ 1,944,331	\$ 2,777,941	\$ 2,673,345

In 2015, the City's net position increased by \$105 million. This is due to an increase in capital assets and a decrease in liabilities for governmental and business activities. The 2014 fund balances were restated in the fund balance categories.

Net Position - Governmental Activities

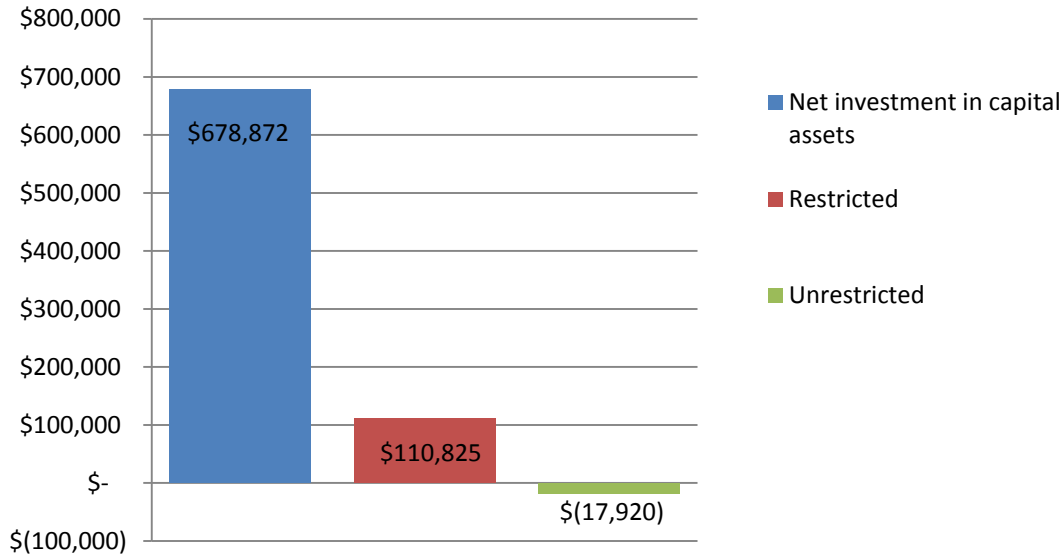


Figure 5. Composition of Net Position--Governmental Activities (Amounts expressed in thousands)

Net Position - Business Activities

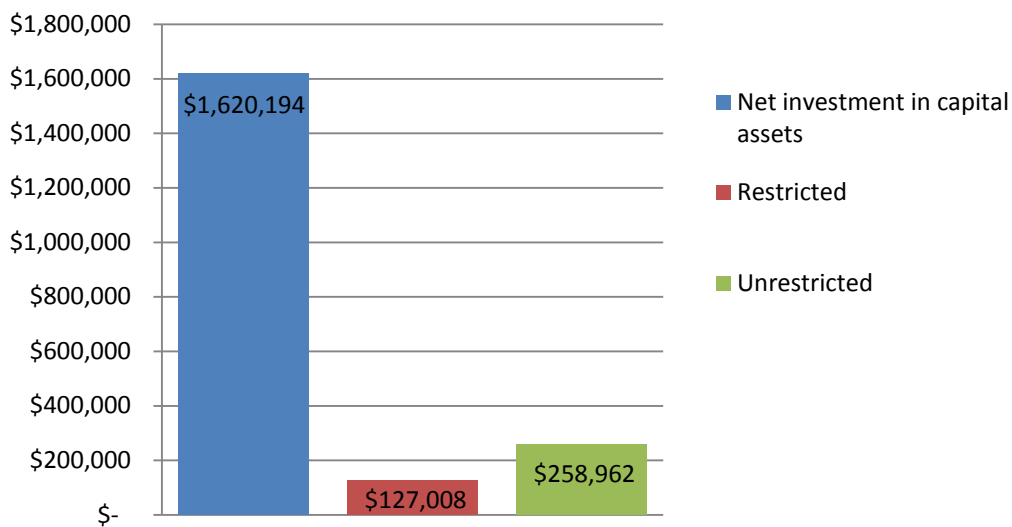


Figure 6. Composition of Net Position--Business Activities (Amounts expressed in thousands)

City of Tacoma, Washington
Changes in Net Position

(Amounts expressed in thousands)

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues						
Charges for services	\$ 40,150	\$ 41,628	\$ 767,177	\$ 785,502	\$ 807,327	\$ 827,130
Operating grants and contributions	30,420	30,378	8,138	7,968	38,558	38,346
Capital grants and contributions	23,996	15,882	21,582	19,587	45,578	35,469
General revenues	-	-	-	-	-	-
Property taxes	67,313	64,204	-	-	67,313	64,204
Other taxes	118,097	111,945	-	-	118,097	111,945
Other	2,000	2,090	8,644	1,774	10,644	3,864
Total revenue	281,976	266,127	805,541	814,831	1,087,517	1,080,958
Expenses:						
General government	\$ 51,578	\$ 56,887	\$ -	\$ -	\$ 51,578	\$ 56,887
Public safety	144,312	142,097	-	-	144,312	142,097
Utilities and environment	2,864	2,580	-	-	2,864	2,580
Transportation	57,885	61,524	-	-	57,885	61,524
Social services	3,551	2,649	-	-	3,551	2,649
Economic Environment	20,887	22,856	-	-	20,887	22,856
Culture and recreation	18,448	14,823	-	-	18,448	14,823
Debt Service	13,643	13,001	-	-	13,643	13,001
Public assembly facilities	-	-	17,801	19,801	17,801	19,801
Rail	-	-	28,579	30,095	28,579	30,095
Solid waste	-	-	54,867	61,040	54,867	61,040
Waste water	-	-	84,984	80,343	84,984	80,343
Water	-	-	82,604	72,324	82,604	72,324
Power	-	-	425,044	422,265	425,044	422,265
Other business-type funds	-	-	16,594	16,005	16,594	16,005
Total expenses	313,168	316,417	710,473	701,873	1,023,641	1,018,290
Increase/(Decrease) in net position before transfers	(31,192)	(50,290)	95,068	112,958	63,876	62,668
Transfers	43,572	44,853	(43,572)	(44,853)	-	-
Increase/(Decrease) in net position	12,380	(5,437)	51,496	68,105	63,876	62,668
Net position--January 1	729,014	731,168	1,944,331	1,878,356	2,673,345	2,609,524
Prior Period Adjustments	675	3,283	2,000	(2,130)	2,675	1,153
Change in accounting principle	29,708	-	8,337	-	38,045	-
Net position--January 1	759,397	734,451	1,954,668	1,876,226	2,714,065	2,610,677
Net position--December 31	\$ 771,777	\$ 729,014	\$ 2,006,164	\$ 1,944,331	\$ 2,777,941	\$ 2,673,345

Table 2. Changes in Net Position

The governmental activities net position increased by \$42.8 million in 2015 due to an increase in assets and deferred outflows of resources by \$47.2 million and also an increase of liabilities and deferred inflows of resources of \$4.4 million.

Business activities net position increased by \$61.8 million in 2015 due to an increase in assets and deferred outflows of \$22.1 million and a decrease of \$39.7 million in liabilities and deferred inflows of resources.

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

Financial Analysis of the City's Fund Statements

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

Governmental Fund Statements

Fund balance for the City's General Fund increased by \$6.5 million, this was a result of reducing liabilities and deferred inflow of resources by \$7.2 million but the assets and deferred outflows of resources also decreased by \$700 thousand. Fund balance for the Transportation Capital and Engineering fund decreased by \$5.2 million in 2015 from a decrease in assets of \$4.2 million and an increase of liabilities of \$1 million. Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, decreased by \$8.2 million from a decrease in assets and deferred outflow of resources of \$11.4 million and an increase of liabilities and deferred inflows of resources of \$3.2 million.

Fund Balances

At December 31, 2015, the City's governmental funds reported combined ending fund balances of \$157 million. Of this amount, \$11.8 million is nonspendable, either due to its form or legal constraints. \$69.5 million is restricted for specific programs by external constraints. \$1.1 million is committed for specific purposes as approved by City Council. \$22.6 million is assigned to specific purposes by management and the remaining \$52 million is unassigned.

Proprietary Fund Statements

Total net position for the enterprise funds increased by \$58.4 million in 2015. 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 a small increase in net position of \$3.1 million. The Water fund had an increase in their net position of \$25.8 million due to a significant increase of property, plant and equipment. The Sewer fund had an increase in net position of \$12.9 million from an increase in revenues. The Solid Waste fund had an increase of \$8.4 million in net position from an increase of assets. The non-major Enterprise funds had an increase in net position of \$8.3 million from a decrease in liabilities. The total net position for internal service funds' increased by \$4 million in 2015. This is the result of an increase of \$2 million in revenues and a decrease in expenses of \$2 million.

General Fund Budgetary Highlights

The City's budget is a two year biennium budget which begins every odd year, with 2015 being the start of the 2015-2016 biennium budget. The City made budgetary adjustments as part of the 2015-2016 Mid Biennium Budget Amendment. Budget revisions included a reappropriation of \$2.6 million in carryforwards from prior years which was added to the General Fund budget.

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, 2015 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	
	2015	2014	2015	2014	2015	2014
Land	\$ 35,038	\$ 27,102	\$ 158,533	\$ 158,046	\$ 193,571	\$ 185,148
Construction in progress	87,346	84,113	135,796	266,764	223,142	350,877
Property, plant and equipment	231,760	219,833	4,123,184	3,844,414	4,354,944	4,064,247
Infrastructure	1,339,991	1,316,313	-	-	1,339,991	1,316,313
Less accumulated depreciation	(860,741)	(819,326)	(1,635,155)	(1,545,486)	(2,495,896)	(2,364,812)
	<u>\$ 833,394</u>	<u>\$ 828,035</u>	<u>\$ 2,782,358</u>	<u>\$ 2,723,738</u>	<u>\$ 3,615,752</u>	<u>\$ 3,551,773</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, 2015 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	
	2015	2014	2015	2014	2015	2014
Bonded debt and loans	\$ 193,819	\$ 206,664	\$ 1,369,551	\$ 1,392,059	\$ 1,563,370	\$ 1,598,723
Capital leases	-	-	33,523	34,305	33,523	34,305
Claims and judgments	24,481	22,830	-	-	24,481	22,830
Accrued landfill liability	-	-	19,649	26,724	19,649	26,724
Net Pension Obligation	9,433	9,608	-	-	9,433	9,608
Other Post Employment Benefits	54,725	49,703	18,355	16,408	73,080	66,111
Compensated absences	22,125	16,218	19,490	19,147	41,615	35,365
	<u>\$ 304,583</u>	<u>\$ 305,023</u>	<u>\$ 1,460,568</u>	<u>\$ 1,488,643</u>	<u>\$ 1,765,151</u>	<u>\$ 1,793,666</u>

Table 4. Schedule of Long Term Debt

The City's debt rating for 2015 is as follows:

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

Economic Factors

The following economic factors currently affect the City of Tacoma:

- The unemployment rate for the City of Tacoma is currently 5.7% which is a decrease of 0.4% from 2014.
- Expenses for governmental activities were reduced by \$1.6 million from 2014.
- Sales tax revenue was \$81.8 million in 2015, which is a \$33.8 million increase over 2014 sale tax revenues.
- Taxable property value has increased by \$1.1 billion over 2014, which is a 6% increase.
- Housing prices and sales have continued to improve and show gains over the prior year.

The unassigned fund balance for the general fund was \$56.5 million in 2015, which is \$8.2 million higher than 2014. 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, 2015
(amounts expressed in thousands)
Page 1 of 2

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 179,806	\$ 383,952	\$ 563,758
Investments at fair value	163	-	163
Receivables (net of allowance for uncollectibles)	49,697	96,526	146,223
Due from other governmental units	24,448	2,296	26,744
Internal balances	6,249	(6,249)	-
Inventories	3,622	11,040	14,662
Prepays	519	9,090	9,609
Other current assets	-	-	-
Temporarily restricted assets:			
Cash and cash equivalents	-	302,637	302,637
Notes and contracts receivable	-	1,683	1,683
Customer Deposits	-	95	95
Contracts, notes, non-current leases	-	69,827	69,827
Capital assets (not being depreciated):			
Land	35,038	158,533	193,571
Property, plant, and equipment	2,050	-	2,050
Construction in progress	87,346	135,796	223,142
Capital assets:			
Property, plant, and equipment	229,710	4,123,184	4,352,894
Infrastructure	1,339,991	-	1,339,991
Accumulated depreciation	(860,741)	(1,635,155)	(2,495,896)
Non-current assets			
Net Pension Assets	41,323	6,778	48,101
Other non-current assets	506	8,432	8,938
Total assets	<u>1,139,727</u>	<u>3,668,465</u>	<u>4,808,192</u>
Deferred Outflow of Resources			
Unamortized loss on refunding	5,304	7,083	12,387
Deferred Outflow for Pensions	11,256	16,090	27,346
Total Deferred Outflow of Resources	<u>16,560</u>	<u>23,173</u>	<u>39,733</u>
LIABILITIES			
Accounts payable and other current liabilities	19,973	67,949	87,922
Deposits payable	95	9,442	9,537
Due to other governments	138	532	670
Unearned revenue	5,581	7,476	13,057
Payable from restricted assets			
current liabilities	-	5,480	5,480
Other liabilities	8,964	12,167	21,131
Special assessment debt with governmental commitment	28,758	-	28,758
Non-current liabilities:			
Due within one year	42,325	50,054	92,379
Due in more than one year	233,500	1,410,514	1,644,014
Total liabilities	<u>339,334</u>	<u>1,563,614</u>	<u>1,902,948</u>
Deferred Inflow of Resources			
Advance payment of Special Assessments	32,324	-	32,324
Regulatory liability - rate stabilization	-	114,575	114,575
Deferred inflows for Pensions	12,852	7,154	20,006
Deferred gain on refunding	-	131	131
Total Deferred Inflow of Resources	<u>45,176</u>	<u>121,860</u>	<u>167,036</u>
NET POSITION			
Net investment in capital assets	678,872	1,620,194	2,299,066
Restricted for:			
Capital purchases	1,900	27,081	28,981
Debt Service	7,783	40,429	48,212
Water & assurance & system development	-	41,974	41,974
Culture and recreation	10,624	5,211	15,835
Self-insurance	-	2,149	2,149
Environmental services and programs	-	3,244	3,244
Inspections	-	142	142
Pensions	41,323	6,778	48,101
Public safety	9,709	-	9,709
Local improvement districts	4,220	-	4,220
Transportation	14,230	-	14,230
Grants	2,254	-	2,254
Housing & economic development	18,782	-	18,782
Unrestricted	(17,920)	258,962	241,042
Total net position	<u>\$ 771,777</u>	<u>\$ 2,006,164</u>	<u>\$ 2,777,941</u>

COMPONENT UNITS		
TCRA	GTRCC PFD	FWDA
\$ 5,476	\$ 1,492	\$ 2,085
-	590	-
548	-	3
1,465	-	-
-	-	-
-	-	-
4	-	37
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,357	-	7,002
-	-	-
-	-	1,910
6,229	-	20,140
-	-	80
(3,881)	-	(4,800)
-	-	-
43,579	-	-
54,777	2,082	26,457
-	-	-
-	-	-
-	-	-
667	-	40
-	-	29
-	2,082	11
-	-	-
-	-	-
-	-	-
-	-	-
-	-	56
500	-	2,457
1,167	2,082	2,593
-	-	13
-	-	13
3,704	-	21,876
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
49,906	-	-
-	-	1,975
\$ 53,610	\$ -	\$ 23,851

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015
(amounts expressed in thousands)
Page 1 of 2

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR	OPERATING	CAPITAL GRANT
		SERVICES	GRANTS AND	& CONTRIBUTIONS
			CONTRIBUTIONS	
Primary government:				
Governmental activities:				
General government	\$ 51,578	\$ 27,729	\$ 10,151	\$ 77
Public safety	144,312	7,353	8,231	784
Utilities	2,864	297	-	-
Transportation	57,885	2,661	4,980	22,850
Social Services	3,551	-	-	-
Natural & econ environment	20,887	2,024	4,729	-
Culture and recreation	18,448	86	2,329	285
Interest on long-term debt	13,643	-	-	-
Total governmental activities	<u>313,168</u>	<u>40,150</u>	<u>30,420</u>	<u>23,996</u>
Business-type activities:				
Permit Services	8,886	8,228	-	-
Mountain Rail	2,731	1,904	-	-
Parking Garage	5,818	7,345	-	-
Convention Center	7,315	6,781	-	-
Cheney Stadium	1,650	887	175	-
Tacoma Dome	7,233	7,155	-	-
Performing Arts	1,603	-	-	1,108
Solid Waste	54,867	66,843	335	-
Waste Water	84,984	97,583	268	5,643
Union Station	1,890	1,886	-	-
Tacoma Rail	25,848	30,769	35	-
Water	82,604	100,305	3,548	9,114
Power	425,044	437,491	3,777	5,717
Low income Assistance	-	-	-	-
Power - Conservation	-	-	-	-
Total business-type activities	<u>710,473</u>	<u>767,177</u>	<u>8,138</u>	<u>21,582</u>
Total primary government	<u>1,023,641</u>	<u>807,327</u>	<u>38,558</u>	<u>45,578</u>
Component units:				
TCRA	3,038	-	2,236	-
GRTCC PDF	3,319	-	-	-
FWDA	1,241	196	40	1,144
Total component units	<u>\$ 7,598</u>	<u>\$ 196</u>	<u>\$ 2,276</u>	<u>\$ 1,144</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
\$ (13,621)	\$ -	\$ (13,621)	\$ -	\$ -	\$ -
(127,944)	-	(127,944)	-	-	-
(2,567)	-	(2,567)	-	-	-
(27,394)	-	(27,394)	-	-	-
(3,551)	-	(3,551)	-	-	-
(14,134)	-	(14,134)	-	-	-
(15,748)	-	(15,748)	-	-	-
(13,643)	-	(13,643)	-	-	-
(218,602)	-	(218,602)	-	-	-
	(658)	(658)	-	-	-
-	(827)	(827)	-	-	-
-	1,527	1,527	-	-	-
-	(534)	(534)	-	-	-
-	(588)	(588)	-	-	-
-	(78)	(78)	-	-	-
-	(495)	(495)	-	-	-
-	12,311	12,311	-	-	-
-	18,510	18,510	-	-	-
-	(4)	(4)	-	-	-
-	4,956	4,956	-	-	-
-	30,363	30,363	-	-	-
-	21,941	21,941	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	86,424	86,424	-	-	-
(218,602)	86,424	(132,178)	-	-	-
-	-	-	(802)	-	-
-	-	-	-	(3,319)	-
-	-	-	-	-	139
\$ -	\$ -	\$ -	\$ (802)	\$ (3,319)	\$ 139
\$ 67,313	\$ -	\$ 67,313	\$ -	\$ -	\$ -
12,096	-	12,096	-	-	-
81,772	-	81,772	-	3,310	-
24,229	-	24,229	-	-	-
2,000	3,965	5,965	9	9	12
-	4,679	4,679	-	-	-
43,572	(43,572)	-	-	-	-
230,982	(34,928)	196,054	9	3,319	12
12,380	51,496	63,876	(793)	-	151
729,014	1,944,331	2,673,345	52,917	-	23,748
675	2,000	2,675	1,486	-	(48)
29,708	8,337	38,045	-	-	-
759,397	1,954,668	2,714,065	54,403	-	23,700
\$ 771,777	\$ 2,006,164	\$ 2,777,941	\$ 53,610	\$ -	\$ 23,851

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015
(amounts expressed in thousands)

	GENERAL FUND #0010	TRANS CAPITAL & ENGINEERING FUND #(3)1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 52,187	\$ 1,880	\$ 75,548	\$ 129,615
Investments at fair value	-	-	163	163
Accounts receivables (net)	11,494	627	37,441	49,562
Due from other funds	1,775	993	797	3,565
Due from other governments	14,086	3,746	6,602	24,434
Inventories	1,138	-	1,870	3,008
Prepayments	13	-	-	13
Advances to other funds	6,530	-	2,225	8,755
TOTAL ASSETS	87,223	7,246	124,646	219,115
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 87,223	\$ 7,246	\$ 124,646	\$ 219,115
LIABILITIES				
Accounts payable	\$ 3,011	\$ 2,741	\$ 3,927	\$ 9,679
Due to other funds	920	69	1,417	2,406
Due to other governments	129	-	-	129
Accrued wages	1,459	-	372	1,831
Accrued benefits	-	-	-	-
Accrued taxes	15	-	211	226
Customer deposits	-	-	95	95
Other current liabilities	1,137	-	-	1,137
Advances from other funds	-	-	5,132	5,132
TOTAL LIABILITIES	6,671	2,810	11,154	20,635
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	7,781	49	33,593	41,423
TOTAL DEFERRED INFLOWS OF RESOURCES	7,781	49	33,593	41,423
FUND BALANCES (DEFICITS)				
Nonspendable	9,933	-	1,887	11,820
Restricted	9	1,978	67,515	69,502
Committed	-	-	370	370
Committed - Council Contingencies	732	-	-	732
Assigned	5,580	2,409	14,639	22,628
Unassigned	56,517	-	(4,512)	52,005
TOTAL FUND BALANCES (DEFICITS)	72,771	4,387	79,899	157,057
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 87,223	\$ 7,246	\$ 124,646	\$ 219,115

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEETS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
December 31, 2015
(amounts expressed in thousands)

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 157,057
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.	801,034
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.	46,214
Net Pension Assets and Deferred Outflow for Pensions are not reported in the governmental funds balance sheet.	50,346
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.	4,844
Long Term Liabilities are not reported in the governmental funds balance sheet.	(2,229)
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.	(264,409)
Deferred Inflow of Resources for Pensions are not reported in the governmental funds balance sheet.	(12,153)
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.	(9,433)
Net Pension Asset 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.	506
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>771,777</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

(amounts expressed in thousands)

	GENERAL FUND #0010	TRANS CAPITAL & ENGINEERING FUND #(3)1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 149,469	\$ -	\$ 35,367	\$ 184,836
Licenses and permits	4,042	168	533	4,743
Intergovernmental revenue	10,104	24,586	17,336	52,026
Charges for goods and services	18,450	2,007	6,157	26,614
Fines and penalties	1,018	1	5,823	6,842
Interest and other earnings	695	38	1,025	1,758
Miscellaneous revenues	306	3	1,018	1,327
TOTAL REVENUES	<u>184,084</u>	<u>26,803</u>	<u>67,259</u>	<u>278,146</u>
EXPENDITURES				
Current:				
General government	52,702	-	1,215	53,917
Public safety	120,438	141	23,752	144,331
Utilities and environment	-	-	2,704	2,704
Transportation	469	7,643	18,250	26,362
Economic environment	14,094	5	5,461	19,560
Mental and physical health	-	-	3,387	3,387
Culture and recreation	11,320	-	1,059	12,379
Debt service:				
Principal payments	-	-	12,305	12,305
Interest and other related costs	-	202	13,415	13,617
Capital expenditures	2,209	25,741	17,623	45,573
TOTAL EXPENDITURES	<u>201,232</u>	<u>33,732</u>	<u>99,171</u>	<u>334,135</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(17,148)</u>	<u>(6,929)</u>	<u>(31,912)</u>	<u>(55,989)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	2,229	2,229
Proceeds of refunding long-term debt	-	-	20,215	20,215
Payments to refunded debt escrow agent	-	-	(20,033)	(20,033)
Proceeds from sales of capital assets	7	-	84	91
Insurance recoveries	148	-	-	148
Transfer in	42,494	1,993	42,825	87,312
Transfer (out)	(19,343)	(437)	(21,720)	(41,500)
TOTAL OTHER FINANCE SOURCES(USES)	<u>23,306</u>	<u>1,556</u>	<u>23,600</u>	<u>48,462</u>
NET CHANGE IN FUND BALANCE	6,158	(5,373)	(8,312)	(7,527)
FUND BALANCE - JANUARY 1	66,300	9,601	88,116	164,017
Prior period adjustment	229	159	95	483
Change in accounting principle	84	-	-	84
FUND BALANCE - JANUARY 1, RESTATED	<u>66,613</u>	<u>9,760</u>	<u>88,211</u>	<u>164,584</u>
FUND BALANCE - DECEMBER 31	<u>\$ 72,771</u>	<u>\$ 4,387</u>	<u>\$ 79,899</u>	<u>\$ 157,057</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, 2015
(amounts expressed in thousands)

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (7,527)
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.	6,717
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	3,201
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	(5,022)
Compensated absences, claims	(1,806)
Accrued Interest Expense	(2,229)
Pension Expense	(6,992)
The net revenue of certain activities of internal service funds is reported with governmental activities:	
Profit Loss reallocation that decrease expenditure	(421)
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:	(22,444)
Bond issuance cost/discount amortization	7,076
Principal repayment	6,865
	34,962
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>12,380</u>

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2015
 (amounts expressed in thousands)
 Page 1 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
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 24,715	\$ 59,970	\$ 54,644	\$ 193,770
Accounts receivable (net)	5,760	12,446	10,554	59,862
Due from other funds	139	401	686	1,484
Due from other governments	131	1,831	-	234
Inventory	-	1,013	2,487	6,318
Prepayments	-	226	970	5,757
Current restricted assets:				
C&CE - debt services, deposits and replacements	9,597	15,498	3,634	24,549
C&CE - construction accounts	15,518	41,680	33,586	41,411
C&CE - other special purposes	-	-	101,224	7,556
Notes and contracts receivable (current)	-	-	1,683	-
Customer deposits	95	-	-	-
Total restricted assets	25,210	57,178	140,127	73,516
Total current assets	55,955	133,065	209,468	340,941
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	46,294
Other non-current assets	687	4,087	2,125	1,423
Capital assets:				
Land	3,120	19,629	23,657	75,493
Property, plant, and equipment	194,203	748,487	1,035,370	1,785,832
Less: accumulated depreciation	(112,595)	(236,073)	(194,443)	(946,283)
Construction work in progress	419	24,483	20,631	87,952
Total capital assets net of depreciation	85,147	556,526	885,215	1,002,994
Net pension asset	529	1,120	881	3,824
Total non-current assets	86,363	561,733	888,221	1,054,535
TOTAL ASSETS	142,318	694,798	1,097,689	1,395,476
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	1,257	2,657	2,092	9,078
Unamortized loss on refunding	143	3,333	1,910	1,900
Deferred charges	-	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	1,400	5,990	4,002	10,978

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2015
 (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	\$ 2,212	\$ 4,031	\$ 1,419	\$ 23,942
Due to other funds	647	1,311	1,583	1,324
Due to other governments	-	529	-	-
Advances from other funds	-	-	-	-
Interest payable	-	236	1,782	9,881
Deposits payable	27	-	349	3,086
Accrued wages	209	439	324	1,429
Accrued benefits	110	299	260	1,058
Accrued taxes	587	654	1,864	6,943
Environmental liability - current	605	648	-	-
Notes, contracts & leases - current	126	4,414	4,914	-
Revenue bonds - current	4,428	3,543	10,681	14,735
Unearned revenue	-	-	7,905	1,316
Other	-	-	-	171
Current payables from restricted assets:				
Debt principal payable	403	322	-	-
Debt interest payable	303	581	-	-
Deposits and other payables	93	-	4,503	-
Total current liabilities	9,750	17,007	35,584	63,885
Non-current liabilities:				
Revenue bonds payable (net)	73,300	167,051	393,841	391,678
Advances from other funds	-	-	-	-
Compensated absences	994	2,692	2,340	9,523
Environmental liability - non-current	18,246	150	-	-
Notes, contracts & leases payable - non-current	5,070	75,883	79,646	-
Net OPEB obligation	1,922	2,519	3,150	10,068
Other - non-current liabilities	-	-	8,123	53,330
Total non-current liabilities	99,532	248,295	487,100	464,599
TOTAL LIABILITIES	109,282	265,302	522,684	528,484
DEFERRED INFLOW OF RESOURCES				
Deferred liability - rate stabilization	6,000	25,000	35,575	48,000
Deferred inflows related to pensions	559	1,182	930	4,036
Deferred gain on refunding	-	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	6,559	26,182	36,505	52,036
NET POSITION				
Net investment in capital assets	29,325	392,428	446,538	594,626
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for debt	6,780	14,595	1,852	14,669
Restricted for waste assurance and systems development	-	-	39,439	-
Restricted for culture and recreation	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Restricted for reserves	-	-	-	2,535
Restricted for net pension assets	529	1,119	881	3,824
Unrestricted	(8,757)	1,162	53,792	210,280
TOTAL NET POSITION	\$ 27,877	\$ 409,304	\$ 542,502	\$ 825,934

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2015
 (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	\$ 21,759	\$ 354,858	\$ 79,286
Accounts receivable (net)	7,860	96,482	179
Due from other funds	75	2,785	2,076
Due from other governments	100	2,296	14
Inventory	937	10,755	899
Prepayments	2,137	9,090	506
Current restricted assets:			
C&CE - debt services, deposits and replacements	574	53,852	-
C&CE - construction accounts	-	132,195	-
C&CE - other special purposes	7,810	116,590	-
Notes and contracts receivable (current)	-	1,683	-
Customer deposits	-	95	-
Total restricted assets	<u>8,384</u>	<u>304,415</u>	<u>-</u>
Total current assets	<u>41,252</u>	<u>780,681</u>	<u>82,960</u>
Non-current assets:			
Notes and contracts receivable (non-current)	23,533	69,827	-
Other non-current assets	110	8,432	-
Capital assets:			
Land	36,634	158,533	357
Property, plant, and equipment	300,790	4,064,682	153,164
Less: accumulated depreciation	(108,166)	(1,597,560)	(107,433)
Construction work in progress	943	134,428	8,547
Total capital assets net of depreciation	<u>230,201</u>	<u>2,760,083</u>	<u>54,635</u>
Net pension asset	<u>323</u>	<u>6,677</u>	<u>763</u>
Total non-current assets	<u>254,167</u>	<u>2,845,019</u>	<u>55,398</u>
TOTAL ASSETS	<u>295,419</u>	<u>3,625,700</u>	<u>138,358</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	766	15,850	1,810
Unamortized loss on refunding	-	7,286	-
Deferred charges	3,273	3,273	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>4,039</u>	<u>26,409</u>	<u>1,810</u>

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2015

(amounts expressed in thousands)

Page 4 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,723	\$ 34,327	\$ 5,526
Due to other funds	516	5,381	639
Due to other governments	3	532	9
Advances from other funds	508	508	-
Interest payable	533	12,432	-
Deposits payable	5,980	9,442	-
Accrued wages	454	2,855	528
Accrued benefits	11	1,738	5
Accrued taxes	306	10,354	30
Environmental liability - current	-	1,253	-
Notes, contracts & leases - current	1,114	10,568	-
Revenue bonds - current	5,523	38,910	-
Unearned revenue	1,731	10,952	70
Other	4,193	4,364	25,695
Current payables from restricted assets:			
Debt principal payable	-	725	-
Debt interest payable	-	884	-
Deposits and other payables	-	4,596	-
Total current liabilities	<u>23,595</u>	<u>149,821</u>	<u>32,502</u>
Non-current liabilities:			
Revenue bonds payable (net)	101,405	1,127,275	-
Advances from other funds	3,114	3,114	-
Compensated absences	1,772	17,321	2,052
Environmental liability - non-current	-	18,396	-
Notes, contracts & leases payable - non-current	-	160,599	-
Incurred but not reported	1,180	1,180	-
Net OPEB obligation	696	18,355	-
Other - non-current liabilities	13,190	74,643	12,442
Total non-current liabilities	<u>121,357</u>	<u>1,420,883</u>	<u>14,494</u>
TOTAL LIABILITIES	<u>144,952</u>	<u>1,570,704</u>	<u>46,996</u>
DEFERRED INFLOW OF RESOURCES			
Deferred liability - rate stabilization	-	114,575	-
Deferred inflows related to pensions	340	7,047	806
Deferred gain on refunding	131	131	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>471</u>	<u>121,753</u>	<u>806</u>
NET POSITION			
Net investment in capital assets	135,003	1,597,920	54,773
Restricted:			
Restricted for capital purchases	797	797	26,285
Restricted for debt	2,533	40,429	-
Restricted for waste assurance and systems development	-	39,439	-
Restricted for culture and recreation	5,211	5,211	-
Restricted for self-insurance	-	-	2,149
Restricted for environmental services and programs	3,244	3,244	-
Restricted for inspections	142	142	-
Restricted for reserves	-	2,535	-
Restricted for net pension assets	323	6,676	764
Unrestricted	6,782	263,259	8,395
TOTAL NET POSITION	<u>\$ 154,035</u>	<u>\$ 1,959,652</u>	<u>\$ 92,366</u>

RECONCILIATION OF TOTAL ENTERPRISE NET POSITON
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2015
(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 1,959,652
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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.

46,512

NET POSITION OF BUSINESS ACTIVITIES	\$ <u><u>2,006,164</u></u>
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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2015

(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	\$ 58,738	\$ 96,400	\$ 98,393	\$ 434,954
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	-	-	-	1,127
TOTAL OPERATING REVENUES	<u>58,738</u>	<u>96,400</u>	<u>98,393</u>	<u>436,081</u>
OPERATING EXPENSES				
Salary and wages	12,897	22,225	16,218	69,635
Personnel benefits	5,925	8,988	7,708	32,217
Supplies	685	4,101	2,748	130,102
Services	17,312	24,686	15,384	86,417
Intergovernmental services (interfund taxes)	861	1,499	4,681	19,994
Depreciation expense	6,604	14,958	17,103	57,382
TOTAL OPERATING EXPENSES	<u>44,284</u>	<u>76,457</u>	<u>63,842</u>	<u>395,747</u>
OPERATING INCOME (LOSS)	<u>14,454</u>	<u>19,943</u>	<u>34,551</u>	<u>40,334</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	295	631	1,113	1,775
Interest and other related costs	(4,083)	(8,527)	(18,762)	(23,247)
Amortization of bond discount & expense	632	672	1,679	(5,769)
Operating contributions - interfund	-	-	-	-
Operating contributions - federal/state/local	335	268	3,548	3,777
Other non revenues and (expenses)	129	511	233	650
Gain(loss) on disposition of property	171	(30)	142	162
NON OPERATING REVENUE NET OF EXPENSE	<u>(2,521)</u>	<u>(6,475)</u>	<u>(12,047)</u>	<u>(22,652)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>11,933</u>	<u>13,468</u>	<u>22,504</u>	<u>17,682</u>
Capital contributions - federal/state/local	-	5,443	32	9
Capital contributions - private	-	200	9,082	5,708
Transfer in	260	282	118	582
Transfer (out)	(4,704)	(7,824)	(6,991)	(25,553)
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>(4,444)</u>	<u>(1,899)</u>	<u>2,241</u>	<u>(19,254)</u>
CHANGE IN NET POSITION	<u>7,489</u>	<u>11,569</u>	<u>24,745</u>	<u>(1,572)</u>
NET POSITION				
NET POSITION - JANUARY 1	19,737	396,359	516,673	822,803
Prior period adjustments	-	-	-	-
Change in accounting principle	651	1,376	1,084	4,703
NET POSITION - JANUARY 1 RESTATED	<u>20,388</u>	<u>397,735</u>	<u>517,757</u>	<u>827,506</u>
NET POSITION - DECEMBER 31	<u>\$ 27,877</u>	<u>\$ 409,304</u>	<u>\$ 542,502</u>	<u>\$ 825,934</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2015

(amounts expressed in thousands)

Page 2 of 2

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING REVENUES			
Charges for goods and services	\$ 58,111	\$ 746,596	\$ 48,255
Interfund insurance premiums	-	-	85,744
Miscellaneous revenues	460	1,587	1,349
TOTAL OPERATING REVENUES	58,571	748,183	135,348
OPERATING EXPENSES			
Salary and wages	19,698	140,673	18,204
Personnel benefits	8,352	63,190	79,284
Supplies	2,253	139,889	2,785
Services	19,995	163,794	24,612
Intergovernmental services (interfund taxes)	729	27,764	-
Depreciation expense	8,231	104,278	7,950
TOTAL OPERATING EXPENSES	59,258	639,588	132,835
OPERATING INCOME (LOSS)	(687)	108,595	2,513
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	116	3,930	276
Interest and other related costs	(3,705)	(58,324)	(30)
Amortization of bond discount & expense	1,119	(1,667)	-
Operating contributions - interfund	175	175	-
Operating contributions - federal/state/local	35	7,963	-
Other non revenues and (expenses)	5,255	6,778	12
Gain(loss) on disposition of property	4,046	4,491	233
NON OPERATING REVENUE NET OF EXPENSE	7,041	(36,654)	491
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	6,354	71,941	3,004
Capital contributions - federal/state/local	1,108	6,592	-
Capital contributions - private	-	14,990	-
Transfer in	7,899	9,141	2,036
Transfer (out)	(7,980)	(53,052)	(3,937)
TOTAL CONTRIBUTIONS AND TRANSFERS	1,027	(22,329)	(1,901)
CHANGE IN NET POSITION	7,381	49,612	1,103
NET POSITION			
NET POSITION - JANUARY 1	145,656	1,901,228	88,733
Prior period adjustments	600	600	1,592
Change in accounting principle	398	8,212	938
NET POSITION - JANUARY 1 RESTATED	146,654	1,910,040	91,263
NET POSITION - DECEMBER 31	\$ 154,035	\$ 1,959,652	\$ 92,366

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, 2015
(amounts expressed in thousands)

NET CHANGES IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 49,612
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	1,884
CHANGES IN NET POSITION OF BUSINESS ACTIVITIES	\$ <u>51,496</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015
 (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	\$ 58,945	\$ 96,145	\$ 96,298	\$ 412,310
Receipts from interfund services provided	359	44	(169)	25,379
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(20,016)	(22,923)	(12,912)	(197,915)
Payments to employees	(19,151)	(31,829)	(24,353)	(104,004)
Payments for taxes	(876)	(1,515)	(4,296)	(19,995)
Payments for interfund services used	(5,115)	(10,864)	(8,776)	(26,126)
Other operating or non-operating revenues (expenses)	128	511	235	1,137
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>14,274</u>	<u>29,569</u>	<u>46,027</u>	<u>90,786</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	(4,507)	(7,991)	(6,800)	(24,853)
Advances (to) other funds	-	-	-	-
Grants received	203	318	3,548	3,676
Debt service related to environmental	-	(1,616)	-	-
Contributions and Donations	2	-	-	(483)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(4,302)</u>	<u>(9,289)</u>	<u>(3,252)</u>	<u>(21,660)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	389	-	-
Acquisition and construction of capital assets	(9,685)	(35,522)	(29,740)	(81,344)
Proceeds from the sale of capital assets	186	-	142	162
Principal paid on capital debt	(4,585)	(41,808)	(3,246)	(104,000)
Interest and issuance costs paid on capital debt	(4,025)	(6,711)	(18,781)	(26,679)
Premium and net refunding from capital debt	24,299	114,254	(496)	(1,675)
Capital lease obligation	(121)	(661)	-	-
Contributions and donations	-	6,191	9,114	5,819
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>6,069</u>	<u>36,132</u>	<u>(43,007)</u>	<u>(207,717)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	456	994	1,777	2,822
Rental and other income	-	-	-	-
Investment long-term	(160)	(363)	(666)	(1,015)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>296</u>	<u>631</u>	<u>1,111</u>	<u>1,807</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	16,337	57,043	879	(136,784)
CASH & CASH EQUIVALENTS, JANUARY 1	33,493	60,105	192,209	404,070
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 49,830</u>	<u>\$ 117,148</u>	<u>\$ 193,088</u>	<u>\$ 267,286</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)
 Page 2 of 4

	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)	\$ 14,454	\$ 19,943	\$ 34,551	\$ 40,334
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	6,604	14,958	17,103	57,382
(increase) decrease in accounts receivable	207	(255)	(1,840)	624
(Increase) decrease in intergovernmental receivables	-	(1,223)	-	-
(Increase) decrease in due from other funds	359	44	(423)	984
(Increase) decrease in inventories	-	1	(86)	(774)
(Increase) decrease in prepaid items	-	158	(235)	(511)
(Increase) decrease in other current assets	(1,786)	(3,776)	(2,157)	(12,897)
Increase (decrease) in deposits payable	9	-	227	201
Increase (decrease) in accounts payable	953	(1,898)	(2,211)	1,117
Increase (decrease) in accrued wages payable	(476)	(949)	(709)	(3,111)
Increase (decrease) in compensated absences	148	333	282	958
Increase (decrease) in due to other funds	(521)	(434)	243	(1,646)
Increase (decrease) in unearned revenues	(146)	(196)	(669)	(1,591)
Increase (decrease) in other current liabilities	(302)	43	-	(63)
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in other long-term liabilities	(6,008)	932	632	3,940
Increase (decrease) in prior period adjustments	651	1,377	1,084	4,702
Miscellaneous non-operating revenues (expenditures)	128	511	235	1,137
Total adjustments	(180)	9,626	11,476	50,452
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 14,274	\$ 29,569	\$ 46,027	\$ 90,786
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	5,643	9,114	5,717

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015
 (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	\$ 63,119	\$ 726,817	\$ 25,913
Receipts from interfund services provided	72	25,685	24,834
Contributions received - employee/employer	-	-	85,530
Payments to suppliers	(17,811)	(271,577)	(98,440)
Payments to employees	(28,098)	(207,435)	(21,226)
Payments for taxes	(702)	(27,384)	(1,115)
Payments for interfund services used	(4,167)	(55,048)	(2,725)
Other operating or non-operating revenues (expenses)	2,296	4,307	14
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>14,709</u>	<u>195,365</u>	<u>12,785</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	6,237	6,237	1,401
Transfers (to) other funds	(2,213)	(46,364)	(3,922)
Advances (to) other funds	(4,191)	(4,191)	-
Grants received	-	7,745	-
Debt service related to environmental	-	(1,616)	-
Contributions and Donations	-	(481)	(7)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(167)</u>	<u>(38,670)</u>	<u>(2,528)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	4,535	4,924	619
Acquisition and construction of capital assets	(7,382)	(163,673)	(7,239)
Proceeds from the sale of capital assets	5,635	6,125	(12)
Principal paid on capital debt	(10,907)	(164,546)	-
Interest and issuance costs paid on capital debt	(3,706)	(59,902)	(4)
Premium and net refunding from capital debt	415	136,797	-
Capital lease obligation	-	(782)	-
Contributions and donations	1,143	22,267	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(10,267)</u>	<u>(218,790)</u>	<u>(6,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	198	6,247	526
Rental and other income	-	-	-
Investment long-term	(81)	(2,285)	(262)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>117</u>	<u>3,962</u>	<u>264</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	4,392	(58,133)	3,885
CASH & CASH EQUIVALENTS, JANUARY 1	25,751	715,628	75,401
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>30,143</u>	<u>657,495</u>	<u>79,286</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)
 Page 4 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (687)	\$ 108,595	\$ 2,876
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	8,231	104,278	7,950
(increase) decrease in accounts receivable	3,945	2,681	80
(Increase) decrease in intergovernmental receivables	-	(1,223)	324
(Increase) decrease in due from other funds	73	1,037	4,478
(Increase) decrease in inventories	(52)	(911)	(45)
(Increase) decrease in prepaid items	218	(370)	146
(Increase) decrease in other current assets	(1,090)	(21,706)	(2,573)
Increase (decrease) in deposits payable	2,669	3,106	-
Increase (decrease) in accounts payable	(379)	(2,418)	(1,388)
Increase (decrease) in accrued wages payable	(571)	(5,816)	(600)
Increase (decrease) in compensated absences	525	2,246	277
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	(335)	(2,693)	(1,391)
Increase (decrease) in unearned revenues	(187)	(2,789)	(8)
Increase (decrease) in other current liabilities	150	(172)	558
Increase (decrease) in notes, contracts, and leases payable	25	25	-
Increase (decrease) in other long-term liabilities	(1,122)	(1,626)	495
Increase (decrease) in prior period adjustments	998	8,812	1,592
Miscellaneous non-operating revenues (expenditures)	2,298	4,309	14
Total adjustments	15,396	86,770	9,909
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 14,709	\$ 195,365	\$ 12,785
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	1,108	21,582	-

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2015

(amounts expressed in thousands)

		PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ASSETS		
Cash and cash equivalents	\$	28,910
Investments at fair value:		
Equities		786,116
Fixed income		501,035
Real estate		74,245
Venture capital and partnerships		78,269
Securities lending collateral		41,072
Receivables - net uncollectible accounts		127
Due from other governments		715
Interest and dividends		2,236
Investment sales		3,693
Capital assets - net of accumulated depreciation		12
Net pension assets		40
TOTAL ASSETS		1,516,470
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of pensions		94
TOTAL DEFERRED OUTFLOW OF RESOURCES		94
LIABILITIES		
Current liabilities:		
Accounts payable		4,579
Accrued wages and benefits payable		1,832
Due to the governmental units		33
Investments purchase payable		60,370
Other current liabilities		169
Total current liabilities		66,983
Non-current liabilities:		
Accrued employee leave benefits		90
Total non-current liabilities		90
TOTAL LIABILITIES		67,073
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of pensions		42
TOTAL DEFERRED INFLOW OF RESOURCES		42
NET POSITION		
Held in trust for pension benefits and other purposes		1,449,449

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2015
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS	
Employer contributions	\$ 33,817
Member contributions	21,260
Other contributions	172
Total contributions	<u>55,249</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	(26,892)
Interest & dividends	27,206
Total investment income	<u>314</u>
Less investment expenses:	
Investment management fees	(6,100)
Securities lending - agent fees	(48)
Securities lending - broker rebates	(30)
Total investment expense	<u>(6,178)</u>
Net investment income	<u>(5,864)</u>
TOTAL ADDITIONS	<u>49,385</u>
DEDUCTIONS	
Wages and benefits	1,231
Benefit payments	75,153
Refunds of contributions	2,475
Administrative expense	552
TOTAL DEDUCTIONS	<u>79,411</u>
NET INCREASE (DECREASE)	<u>(30,026)</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,479,427
Changes in accounting principle	48
Net position - beginning (restated)	<u>1,479,475</u>
Net position - ending	<u>\$ 1,449,449</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**NOTES TO FINANCIAL STATEMENTS**

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

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

Discretely presented Component Units:

Tacoma Community Redevelopment Authority (TCRA) is a separate public development authority established through City ordinances and the laws of the State of Washington. TCRA was created to administer Housing and Urban Development (HUD) and Economic Development Administration (EDA) funds assisting the City in housing rehabilitation and business economic development projects. The Tacoma Community Redevelopment Authority is governed by a 7-member board appointed by the Tacoma City Council. Although it is legally separated from the City, the Tacoma Community Redevelopment Authority is a component unit of the primary government because its sole purpose is to finance and provide housing rehabilitation and community & economic development loans to residents and businesses in the City of Tacoma. The City has operational responsibility and exercises oversight responsibility for administration and contract approval.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

an interlocal agreement between the Cities of Tacoma, Fife, University Place, Lakewood and Pierce County. Liability of the District is limited to the District's assets with no recourse to the City of Tacoma assets or property. Although it is legally separated from the City, the District is a component unit of the primary government because its sole purpose is to assist finance, and otherwise facilitate the construction and operation of a Convention Center. The City has exercised oversight responsibility for administration for the debt service on bonds issued by the City for the construction of the Convention Center. The District imposed the 0.033 percent sales and use tax authorized by RCW 82.08 and 82.12. The District pays these revenues to the City of Tacoma primarily for The 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 a component unit of the primary government because its sole purpose is to manage the redevelopment of property within and along the Thea Foss Waterway for the City's benefit. The City provides contributions, as necessary, to support FWDA activities. 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 serves to improve the environment, and along with the City, is taking steps to enhance the Waterway.

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

Joint Ventures:

The City participates in two joint ventures: the 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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.

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 2015 (*as applicable*), the following:

- Statement No. 68, issued in June 2012, *Financial Reporting for Pension Plans; an amendment for GASB Statement No 27*, effective for financial statements for periods beginning after June 15, 2014.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

- Statement No. 71, issued in November 2013, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective for financial statements beginning after June 15, 2014.
- Statement No. 77, issued in August 2015, *Tax Abatement Disclosures*, effective for financial statements beginning after December 5, 2015. Early implementation is encouraged and the City implemented this statement in 2015.

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 re-appropriated 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:

Transportation Capital & Engineering		
General Fund	Engineering	Non-major Funds
\$ 5,580	\$ 12,809	\$ 18,557

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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.
- Transportation Benefit District (#1070) accounts for revenues and disbursement to the City of funds collected within the Transportation Benefit District. These funds are transferred to the Public Works Street fund for the maintenance of City streets.
- 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 Rights-of-way.
- Local Improvement Guarantee fund (#1110) provides for the guarantee of Local Improvement Bond obligations.
- Public Works Paths and Trails fund (#1140) was created for the purpose of creating and maintaining paths and trails within the City of Tacoma.
- Building and Land Use Services fund (#1145) was created for the purpose of managing code violations and preserving historical buildings.
- Fire Department EMS fund (#1155) accounts for costs associated with the emergency management.
- Tourism fund (#1180) was created to promote use of the convention center and to promote tourism for the City.
- Neighborhood and Community 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

- 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 Projects fund (#3211) accounts for the various capital expenditures.
- 2002 Police Facility fund (#3216) accounts for the construction costs associated with the construction of the police facility.
- Parking Garage fund (#3217) accounts for construction costs associated with the parking garage.
- 2009 LTGO Capital Projects fund (#3218) accounts for the capital expenditures associated with the proceeds obtained from the 2009 LTGO Bond Issue.
- 2010 LTGO Capital Projects fund (#3220) accounts for various capital expenditures funded by the 2010 LTGO bond issue.
- LID Interim Financing fund (#3-7070) is used to provide interim financing during the formation and construction of local improvement district projects.

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.

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.
- Graphic Services fund (#5042) accounts for the general government leased copiers.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

- TPU Fleet Services fund (#5050) accounts for costs of maintaining and replacing City vehicles for Business-type activities.
- Tacoma Training & Employment Program (TTEP) fund (#5086) accounts for program costs to assist residents of the City ages 18-24 gain the necessary work ethics for sustainable employment.
- Public Works Equipment Rental fund (#5400) accounts for costs of maintaining and replacing City vehicles for General Government activities.
- Asphalt Plant fund (5453) accounts for the manufacturing of asphalt sold to other funds within the City of Tacoma.
- Communications Equipment – Replacement Reserves fund (#5540) accounts for radio communication equipment.
- Third Party Liability Claims fund (#5550) was created to track costs related to our self-insurance program.
- Unemployment Compensation fund (#5560) accounts for the City's self-insurance unemployment compensation costs.
- Worker's Compensation fund (#5570) accounts for the City's self-insurance worker's compensation costs.
- Facilities Operations and Telecommunications fund (#5700) accounts for maintenance and operation cost associated with all City of Tacoma buildings.
- Information Systems fund (#5800) provides computer and system support for all City departments.
- Health Benefits Trust fund (#5-64xx) provides accounting for self-insurance to all City's cost for healthcare.
- Self-Insurance Claims fund (#5-4800) provides accounting for self-insurance to Business-type Activities of the City of Tacoma departments including provisions for losses on property, liability, workers compensation, unemployment compensation.

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.

The City has no agency funds, 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."

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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 uncollectable amount is established based on an analysis of historical experience. Allowances for other receivables are not utilized because the amounts are not material.

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

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 Section G for further information.

5. Capital assets

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

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of one year except for land, easements, rights-of-way, infrastructure and buildings and improvements. Land is capitalized regardless of cost. Easements and rights-of-way are capitalized if their size is at least 750 square feet. Infrastructure capitalization threshold is \$50,000 or more. Building and infrastructure improvements are capitalized when the cost is greater than 25% of the asset's original value and increases its useful life or service capacity. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or the life of the asset are expensed. The interest on bond proceeds for constructed capital assets in the utility funds is capitalized during the construction phase.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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. Pensions

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

8. Long-term obligations

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

In 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.

9. Fund equity

Fund balance

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

1. Nonspendable: Includes amounts that are not in a spendable form, such as inventories, prepaid items, long-term interfund receivables, and amounts that are legally or contractually required to be maintained intact or required to be retained in perpetuity, such as the principal of an endowment fund.
2. Restricted: Includes amounts that can be spent only for the specific purposes stipulated by external resource providers. Amounts should be reported as restricted when constraints placed on use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

3. Committed: Fund Balance can only be used for specific purposes as determined by formal action by the City Council. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation. The amount committed in the General Fund is accounted for under Fund 1030 Contingency Fund.
4. Assigned: Includes amounts that have been allocated by the General Fund through the encumbrance process, previously classified as unassigned. The authority to assign funds is delegated to City Management through the adoption of the biennium budget by the City Council. Fund balances of special revenue funds, debt service funds, capital project funds, that are not classified as nonspendable, restricted, or committed will be classified as assigned for the purpose of the fund. The authority to create 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 Section J.

Net position

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

Note 2 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 Section 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.”

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

Bonds and leases payable	\$ (186,061)
Discount on bond issuance	63
Premium on bond issuance	(1,561)
Net other post employment benefits obligation	(54,725)
Compensated absences	(22,125)
Sub-total	<u>(264,409)</u>
Net pension obligation	<u>(9,433)</u>
Net adjustment to reduce fund balance for total governmental funds to arrive at net position for governmental activities	<u><u>\$ (273,842)</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	\$ 45,671
Depreciation Expense	<u>(38,954)</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>\$ 6,717</u></u>

Another element of the reconciliation states:

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

OPEB	\$ (5,022)
Compensated absences	(1,806)
Accrued interest	(2,229)
Pension Expense	<u>(6,992)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position	 <u>\$ (16,049)</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 \$15,676.744 for 2015.

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 \$42 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 \$6.9 million deficit in the Convention Center fund resulted from cumulative expenses exceeding revenues/transfers and decreased \$1.5 million over the previous year. Operating losses were \$ 3.5 million for the year as compared to \$4.0 for the prior year. The general fund increased its contribution during 2014 to \$4 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 \$11.2 million, a decrease of \$.2 million over the prior year, due to a decrease in claims.

The Worker's Compensation Fund has a net position deficit of \$3.6 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 2015 which increased the deficit by \$.4 million.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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)	(42)
2002 Police Facility (#3216)	(4,200)
Convention Center (#4165)	(6,906)
Third Party Liability Claims (#5550)	(11,287)
Worker's Compensation (#5570)	<u>(3,605)</u>
	\$ <u>(26,040)</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 \$38,791,145.

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 2015, there was no significant loss potential, and there were no significant or recurring violations of administrative, legal or contractual provisions.

Security lending: The City is authorized under State Law, primarily RCW 43.84.080, RCW 39.59.020 and by the City of Tacoma Investment Policy (Tacoma City Charter Section 7.4) to make security lending transactions. Securities lent are collateralized with cash or securities having 102 percent of market value. The City did participate in security lending transactions in 2015.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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	2015		2014	
	Fair Values of Securities Lent	Collateral	Fair Values of Securities Lent	Collateral
U.S. Government and Agencies	63,232	64,547	179,219	182,911
Total Securities Lent	63,232	64,547	179,219	182,911

Collateral	2015	2014
U.S. Corporate Obligations	54,956	63,380
U.S. Treasury Strips	-	-
Government Sponsored Enterprises	7,000	6,440
Asset Backed Securities	1,141	1,192
Repurchase Agreements/Money Mkt	1,450	111,599
Total Collateral	64,547	182,611

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

1. **Bankers Acceptances:** City investment policy allows for purchases of bankers acceptances from the top 50 world banks as published by American Banker. Portfolio mix guidelines suggest a maximum of 40% of the total portfolio with no more than 10% of the total portfolio in any one bank.
2. **U.S. Treasury Bills, Certificates, Notes and Bonds:** Portfolio mix guidelines allow for a maximum of 100% of the total portfolio to be invested in these securities.
3. **U.S. Government Agency Securities:** Portfolio mix guidelines suggest a maximum of 90% of the total portfolio with no more than 50% of the total portfolio per agency.
4. **Commercial Paper:** Portfolio mix guidelines require the highest rating by at least two nationally recognized rating agencies for purchase with no more than 10% of the portfolio invested in commercial paper with an additional limit of no more than 3% in any one issuer.
5. **Repurchase Agreements:** Portfolio mix guidelines suggest repurchase agreements be limited to maximum of 15% of the total portfolio. The market value of collateral must exceed the dollar amount of the repurchase agreement by 2% over the term of the agreement. The collateral must be an investment instrument which the City is authorized to purchase.
6. **Reverse Repurchase Agreements:** The City did not participate in any reverse repurchase agreements in 2015.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

2. Deposits and investments – December 31, 2015

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, 2015, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments
December 31, 2015
amounts expressed in thousands)

Reconciliation of Cash and Investments:

Investments (less Component Units)	\$ 2,350,600
Certificates of Deposit	1,000
Treasurer's Cash, net	37,488
Petty Cash Funds	<u>303</u>
Sub-total	<u>2,389,391</u>

Component Units:

Tacoma Community Redevelopment Authority (TCRA)	1,539
TCRA - External Cash	3,948
Foss Waterway Development Authority (FWDA)	1,822
FWDA - External Cash	280
Public Facilities District (PFD)	<u>1,492</u>
Sub-total (Component Units)	9,081

Total	<u>\$ 2,398,472</u>
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

Investments:	Fair Value @ 12/31/15
Financial Institutions	
WA State Local Government Investment Pool	\$ 65,309
US Treasury Securities	-
Government Agencies (various)	789,431
Bankers Acceptances	-
Electric System Revenue Bond Investments	-
Equity in Pool Transferred to Component Units	<u>(4,854)</u>
Total Investments with Financial Institutions	849,886
Component Units	
TCRA Equity in Investment Pool	1,539
FWDA Equity in Investment Pool	1,822
PFD Equity in Investment Pool	<u>1,492</u>
Total Component Unit Investments	4,853
Total	854,739
Pension Trust	
Equities	786,116
Fixed Income	501,035
Real Estate	74,245
Venture Capital & Partnerships	78,269
Short Term Bill & Notes	5,995
Cash and Cash Equivalents	13,983
Securities Lending Collateral	<u>41,072</u>
Total Other Investments - Pension Trust	1,500,715
Total	<u>\$ 2,355,453</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 in maturity. One way the City manages its exposure to interest rate risk is by timing cash flows from maturities so that portions of the portfolio are maturing over time to provide cash flow and liquidity needed for operations. The city has deposits of **\$65,308,583** with the State Treasurer's Local Government Investment Pool, **\$1,000,000** in an interest bearing certificate of deposit with a commercial bank and **\$43,808,291** in the city's deposit accounts with commercial banks. The monies from these accounts are available immediately.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Investment Type	Par	Maturing (in months)				
		Less than 12	13-24	25-36	37-48	49-60
Main Bank Demand Deposits	\$ 43,808,291	\$ 43,808,291	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	66,308,583	66,308,583	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	118,065,000	80,610,000	15,420,000	17,035,000	5,000,000	-
Fixed Rate Non-Callable Agency Securities	483,259,000	120,000,000	216,563,000	76,946,000	64,750,000	5,000,000
Fixed Rate Callable Agency Securities	78,250,000	18,250,000	40,000,000	15,000,000	5,000,000	-
Totals	\$ 789,690,874	\$ 328,976,874	\$ 271,983,000	\$ 108,981,000	\$ 74,750,000	\$ 5,000,000
Percent of Total		41.66%	34.44%	13.80%	9.47%	0.63%

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 2015 for each type of investment. AAA is the highest rating for bonds. The Bank Certificates of Deposit and Demand Deposit Accounts are protected by the Federal Deposit Insurance Corporation (FDIC) insurance up to \$250,000. All CD and DDA deposits not covered by FDIC are covered by the Washington State Public Deposit Protection Commission (PDPC) of the State of Washington. The PDPC is a statutory authority established under the Revised Code of Washington (RCW) 39.58. It constitutes fully insured or fully collateralized pool. The WA State Treasurers Local Government Investment Pool (LGIP) is authorized by the Revised Code of Washington (RCW) 43.250. The LGIP operates like a 2A7 fund and is collateralized by short term legal investments.

Investment Type	Par	Minimum Legal Requirement	FDIC and PDPC	AAA	AA	A
Bank Demand Deposits & State Pool	\$ 110,116,874	FDIC & PDPC	\$ 110,116,874	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	118,065,000	A	-	2,090,000	101,440,000	14,535,000
Fixed Rate Non-Callable Agency Securities	483,259,000	AAA	-	483,259,000	-	-
Fixed Rate Callable Agency Securities	78,250,000	AAA	-	78,250,000	-	-
Total	\$ 789,690,874		\$ 110,116,874	\$ 563,599,000	\$ 101,440,000	\$ 14,535,000

5. GASB 40 - Concentration of Credit Risk

Concentration Risk disclosure is required for all investments in any one issuer that is 5% or more of the **total** of the City's investments. The following, which are more than 5%, are Financial, State Government, or Government Sponsored Agencies.

Issuer	Investment Type	Amount Reported	Percentage
Washington State	Municipal Securities	\$ n/a	n/a
Federal Farm Credit Bank	Agency Securities	100,196,000	12.7%
Federal Home Loan Bank	Agency Securities	230,000,000	29.2%
Federal Home Mortgage Corporation	Agency Securities	111,563,000	14.1%
Federal National Mortgage Association	Agency Securities	99,750,000	12.7%
Total		\$ 541,509,000	

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

6. Disclosure of Custodial Credit Risk

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

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)	General Fund	Trans Capital & Engineering Fund	Non-Major Governmental Funds	Solid Waste Fund	Waste Water Fund
Accounts Receivable (net short-term)	\$ 11,494	\$ 627	\$ 37,441	\$ 5,760	\$ 12,446
Due from other Funds	1,775	993	797	139	401
Advances to other Funds	6,530	-	2,225	-	-
Due from Other Governments	14,086	3,746	6,602	131	1,831
Interest Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net long-term)	-	-	-	-	-
TOTAL	\$ 33,885	\$ 5,366	\$ 47,065	\$ 6,030	\$ 14,678

Accounts Receivable (amounts expressed in thousands)	Water Fund	Power Fund	Non-Major Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
Accounts Receivable (net short-term)	\$ 10,554	\$ 59,862	\$ 7,860	\$ 179	\$ -	\$ 146,223
Due from other Funds	686	1,484	75	2,076	-	8,426
Advances to other Funds	-	-	-	-	-	8,755
Due from Other Governments	-	234	100	14	715	27,459
Interest Receivable (net short-term)	-	-	-	-	2,236	2,236
Notes and Contracts Receivable (net short-term)	1,683	-	-	-	3,693	5,376
Notes and Contracts Receivable (net long-term)	-	46,294	23,533	-	-	69,827
TOTAL	\$ 12,923	\$ 107,874	\$ 31,568	\$ 2,269	\$ 6,644	\$ 268,302

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

C. Capital assets

Capital asset activity for the year-ended December 31, 2015 was as follows (amounts expressed in thousands):

Governmental Activities	Beg Bal	Increases	Decreases	Prior Period Adj	End Bal
Capital assets not being depreciated:					
Land	\$ 27,102	\$ 7,972	\$ (36)	\$ -	\$ 35,038
Construction work in progress	84,113	29,806	(26,575)	-	87,344
Total capital assets, not being depreciated	<u>111,215</u>	<u>37,778</u>	<u>(26,611)</u>	<u>-</u>	<u>122,382</u>
Capital assets, being depreciated:					
Property, plant, and equipment	219,952	15,238	(3,428)	-	231,762
Infrastructure	1,316,194	23,797	-	-	1,339,991
Total capital assets, being depreciated	<u>1,536,146</u>	<u>39,035</u>	<u>(3,428)</u>	<u>-</u>	<u>1,571,753</u>
Less accumulated depreciation:					
Property, plant, and equipment	(123,506)	(11,973)	3,412	-	(132,067)
Infrastructure	(695,820)	(32,854)	-	-	(728,674)
Total accumulated depreciation	<u>(819,326)</u>	<u>(44,827)</u>	<u>3,412</u>	<u>-</u>	<u>(860,741)</u>
Governmental activities, capital assets (net of accumulated depreciation)	<u>\$ 828,035</u>	<u>\$ 31,986</u>	<u>\$ (26,627)</u>	<u>\$ -</u>	<u>\$ 833,394</u>

Business-Type Activities	Beg Bal	Increases	Decreases	Prior Period Adj	End Bal
Capital assets not being depreciated:					
Land	\$ 158,046	\$ 1,066	\$ (579)	\$ -	\$ 158,533
Construction work in progress	266,764	145,148	(276,115)	-	135,797
Total capital assets, not being depreciated	<u>424,810</u>	<u>146,214</u>	<u>(276,694)</u>	<u>-</u>	<u>294,330</u>
Capital assets, being depreciated:					
Property, plant, and equipment	3,844,414	294,525	(15,757)	-	4,123,182
Total capital assets, being depreciated	<u>3,844,414</u>	<u>294,525</u>	<u>(15,757)</u>	<u>-</u>	<u>4,123,182</u>
Less accumulated depreciation:					
Property, plant, and equipment	(1,545,486)	(107,215)	17,591	(44)	(1,635,154)
Total accumulated depreciation	<u>(1,545,486)</u>	<u>(107,215)</u>	<u>17,591</u>	<u>(44)</u>	<u>(1,635,154)</u>
Business-type activities, capital assets (net of accumulated depreciation)	<u>\$ 2,723,738</u>	<u>\$ 333,524</u>	<u>\$ (274,860)</u>	<u>\$ (44)</u>	<u>\$ 2,782,358</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

Governmental Activities:

General Government	\$ 493
Public Safety	3,936
Transportation	33,037
Economic Environment	33
Culture and Recreation	2,067
Capital Assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>5,255</u>
Total depreciation expense - governmental activities	<u><u>44,821</u></u>

Business-type activities:

Permit	19
Mountain Rail	886
Parking Garage	1,314
Convention Center	2,046
Baseball Park	1,504
Tacoma Dome	587
Performing Arts	654
TPU Fleet	2,937
Solid Waste	6,604
Waste Water	14,958
Tacoma Rail	1,221
Water	17,103
Power	<u>57,382</u>
Total depreciation expense - business-type activities	<u><u>\$ 107,215</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

D. Leases***Capital leases***

The City leases a building under a capital lease agreement. Capital lease balances at December 31, 2015:
(amounts expressed in thousands)

Business-type activities

TES/Urban Waters Capital Lease, \$33,523:

This capital lease for the Urban Waters building is 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%.

TES/Urban Waters Capital Lease

(amounts expressed in thousands)

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 810	\$ 1,649	\$ 2,459
2017	845	1,766	2,611
2018	880	1,732	2,612
2019	915	1,695	2,610
2020	955	1,654	2,609
2021-2025	5,545	7,503	13,048
2026-2030	7,190	5,865	13,055
2031-2035	9,425	3,624	13,049
2036-2038	6,958	805	7,762
Total	<u>\$ 33,523</u>	<u>\$ 26,292</u>	<u>\$ 59,815</u>

E. Short-term debt

Governmental activities: No short-term debt was issued or outstanding in 2015.

Business-type activities: On May 1, 2015, Tacoma Power entered into a 3-year line of credit agreement with KeyBank in the amount of \$50 million, of which no draws were taken.

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 borrowing amount of general obligation bonds outstanding issued in prior years is \$253.1 million. General obligation bonds were issued in 2015 in the amount of \$35.2 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, 2015

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of December 31, 2015, are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2016	\$ 8,137	\$ 3,960	\$ 2,631	\$ 5,470
2017	8,148	3,898	2,657	5,445
2018	8,219	3,663	2,791	5,381
2019	9,128	3,454	2,597	5,275
2020	9,448	3,127	2,677	4,543
2021-2025	38,013	19,220	13,503	22,027
2026-2030	29,459	25,439	15,940	25,439
2031-2035	29,925	20,480	16,360	20,480
2036-2040	2,355	2,604	910	2,604
Total	\$ 142,833	\$ 85,845	\$ 60,066	\$ 96,664

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 to Maturity	Oustanding December 31, 2015
Governmental activities	2.6323 - 7.2020%	\$ 142,833
Business-type activities	2.7966 - 4.4537%	\$ 60,066

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, 2015, the amount of LID Special Assessment delinquency equals \$192,149.25. The bond interest rates range from 4.18 to 5.75% and are payable over the next twenty-eight years.

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

Governmental activities Special Assessment Bonds (amounts expressed in thousands)			
	Principal	Interest	Total
2016	1,162	1,647	2,808
2017	-	1,582	1,582
2018	-	1,582	1,582
2019	-	1,582	1,582
2020	-	1,582	1,582
2021-2025	461	7,867	8,328
2026-2030	-	7,801	7,801
2031-2035	-	7,801	7,801
2036-2039	-	7,801	7,801
2040-2043	27,135	4,680.79	31,816
Total	28,758	43,928	72,686

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, Washington State Public Works Trust Fund loans,

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Washington State Department of Transportation Rail loans, and Drinking Water State Revolving Fund loans issued in prior years was \$1.6 billion. During 2015, new debt issues amounted to \$182.3 million for refunding, construction and capital improvements in the Convention Center, Parking Operating, Wastewater and Surface Water, Solid Waste, Water, and Rail funds.

Business-type activities
Revenue Bonds and Loans
(amounts expressed in thousands)

	Principal	Interest	Total
2016	\$ 43,220	\$ 52,936	\$ 96,156
2017	44,451	51,770	96,221
2018	45,686	50,902	96,588
2019	46,346	48,234	94,580
2020	66,798	45,918	112,716
2021-2025	198,667	201,252	399,919
2026-2030	166,947	164,072	331,019
2031-2035	281,988	112,473	394,461
2035-2039	183,525	50,277	233,802
2040-2043	116,689	9,244	125,933
Total	\$ 1,194,317	\$ 787,078	\$ 1,981,395

Changes in long-term liabilities

Changes in long-term liabilities for the year ended December 31, 2015 are as follows:

Governmental activities

Long-term liabilities (amounts expressed in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year	Reconcile to Note 12
General obligation bonds	\$ 148,226	\$ 22,444	\$ (27,837)	\$ 142,833	\$ 8,137	\$ 142,833
Less: Unamortized discount	(68)	-	5	(63)	-	-
Add: Unamortized premium	1,893	-	(332)	1,561	-	-
Washington State DOT Loan	6,000	-	(3,000)	3,000	3,000	3,000
Public works trust fund loans	7,865	-	(1,110)	6,755	1,110	6,755
Bond anticipation notes	10,975	-	-	10,975	10,975	10,975
Special assessment debt	31,773	-	(3,015)	28,758	-	28,758
Claims and judgments	22,830	3,008	(1,357)	24,481	16,731	-
Other post employment benefits obligation	49,703	5,022	-	54,725	-	-
Net pension obligation	9,608	1,787	(1,962)	9,433	-	-
Accrued employee leave benefits	16,218	17,533	(11,626)	22,125	2,372	-
Total governmental activities - long-term liabilities	\$ 305,023	\$ 49,794	\$ (50,234)	\$ 304,583	\$ 42,325	\$ 192,321

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$2 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' Compensation funds, Information Services fund, and the General fund respectively.

The additions for governmental activities general obligations bonds in the amount of \$22,444 listed above represents the Governmental Funds issuance of long-term debt (\$22,444) reported in the government wide financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Business-Type activities

Long-term liabilities (amounts expressed in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Revenue Bonds, Public Works Trust Fund loans, Drinking Water State Revolving loans, WA DOT Rail loans	\$1,274,365	\$ 182,298	\$ (262,346)	\$1,194,317	\$ 43,220
Muckleshoot liability	7,515	-	(195)	7,320	191
General obligation bonds	61,940	12,735	(14,609)	60,066	2,631
Plus: Unamortized premium	48,268	16,472	(7,114)	57,626	-
Less: Unamortized discount	(29)	-	1	(28)	-
Capital leases	34,305	-	(782)	33,523	810
Revolving line of credit	-	50,250	-	50,250	-
Environmental liability	1,004	-	(206)	798	648
Landfill closure cost liability	25,720	-	(6,869)	18,851	605
Other post employment benefits obligation	16,408	2,566	(619)	18,355	-
Accrued employee leave benefits	19,147	11,254	(10,911)	19,490	1,949
Total business-type activities - long-term liabilities	<u>\$1,488,643</u>	<u>\$ 275,575</u>	<u>\$ (303,650)</u>	<u>\$1,460,568</u>	<u>\$ 50,054</u>

Note 12 summarizes changes in long-term debt.

Debt issued in 2015Governmental activities

On December 29, 2015 the City issued LTGO 2015 Refunding Bonds 2015B in the amount of \$20,215,000 with interest rates ranging from 0.979 to 3.75%. A portion of the proceeds was used to advance refund \$12,885,000 of outstanding Ltd. Tax GO series 2006B which had interest rates ranging from 4.125% to 5%. Another portion of the proceeds was used to advance refund \$6,070,000 of outstanding Ltd. Tax GO series 2007 which had interest rates ranging from 5.375% to 5.625%. A portion of net proceeds in the amount of \$20,033,134 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of Ltd. Tax GO series 2006B and Ltd. Tax GO series 2007 bonds were defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$394,681. This amount is presented as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The City advance refunded a portion of the of Ltd. Tax GO series 2006B and Ltd. Tax GO series 2007 bonds to reduce its total debt service payments over 12 years by \$1,372,344 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,218,369.

Business-Type activities:

On December 29, 2015 the City issued LTGO 2015 Refunding Bonds 2015A in the amount of \$12,735,000 with interest rates ranging from 2 to 5%. A portion of the proceeds were used to advance refund \$13,275,000 of outstanding Ltd. Tax GO series 2006A which had interest rates ranging from 3.8% to 4.5%. A portion of net proceeds in the amount of \$13,792,335 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of Co Ltd. Tax GO series 2006A defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$394,681. This amount is presented as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The City advance refunded a portion of the Ltd. Tax GO series 2006A bonds to reduce its total debt service payments over 20 years by \$1,503,181 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,100,796.

Convention Center and Parking Revenue Refunding Bond, Series 2015 were issued in the amount of \$20,452,759 with interest rates at 2.33%. A portion of the proceeds were used to advance refund \$19,990,000 of outstanding Convention Center and Parking Revenue Bonds, Series 2004 which had interest rates ranging from 5% to 5.25%. A portion of net proceeds in the amount of \$20,280,964 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of Convention Center

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

and Parking Revenue Bonds, Series 2004 considered defeased and the liability for those bonds has been removed from the statement of net position .

The net carrying amount of the old debt exceeded the reacquisition price by \$135,829. This amount is presented as a deferred inflow of resources and amortized over the remaining life of the refunding debt. The City advance refunded a portion of the Convention Center and Parking Revenue Bonds, Series 2004 to reduce its total debt service payments over 10 years by \$2,697,455 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,414,205.

Solid Waste Revenue Bonds, 2015 (Green Bonds) in the amount of \$21,095,000 were issued with interest rates ranging from 2% to 5%. The proceeds from the sale of the bonds will be used (a) to finance certain capital improvements for the Solid Waste Management, including the acquisition of diesel and/or compressed natural gas ("CNG") collection-vehicles, the acquisition of diesel semi-tractor transfer vehicles and improved engine and emission standards, the construction of related fueling and parking stations, the installation and construction of CNG compressors and a natural gas line, and improvements to the Recycling Center and Household Waste building (b) to fund the debt service reserve fund and (c) to pay costs of issuance of the Bonds.

During 2015, the City issued \$109,300,000 in revenue and refunding bonds with interest rates ranging from 3.0% to 5.0% for the Wastewater and Surface Water fund. A portion of the proceeds were used to advance refund \$39,390,000 of outstanding 2006 Sewer Revenue and Refunding bonds which had interest rates ranging from 4.5% to 5%. A portion of net proceeds in the amount of \$42,950,043 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of 2006 Sewer Revenue and Refunding bonds are considered defeased and the liability for those bonds has been removed from the statement of net position .

The reacquisition price exceeded the net carrying amount of the old debt by \$2,776,067. This amount is presented as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The City advance refunded a portion of the 2006 Sewer Revenue and Refunding bonds to reduce its total debt service payments over 20 years by \$5,910,280 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,428,064.

In May 2015, the City issued Water System Refunding Bonds, Series 2015A and B in the amount of \$23,010,000 with interest rates ranging from 0.8% to 5.0% for the Water fund. A portion of the proceeds were used to advance refund \$25,295,000 of outstanding 2005 Water System Revenue and Refunding bonds which had interest rates ranging from 4.125% to 5%. A portion of net proceeds in the amount of \$26,240,918 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of 2005 Water System Revenue and Refunding bonds considered defeased and the liability for those bonds has been removed from the statement of net position .

The reacquisition price exceeded the net carrying amount of the old debt by \$580,815. This amount is presented as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The City advance refunded a portion of the 2005 Water System Revenue and Refunding bonds to reduce its total debt service payments over 10 years by \$2,988,430 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,683,200.

During 2015, Tacoma Water received \$6.4 million in Drinking Water State Revolving Fund (DWSRF) Loans. Tacoma Water received \$6.3 million in draws against the 2013 Fall DWSRF Loan for the Green River Water Treatment Plant Filtration Facility project. The amount outstanding as of December 31, 2015 is \$6.3 million.

In addition, Tacoma Water was awarded a Drinking Water State Revolving Fund DWSRF construction loan in the amount of \$12,120,000 for the Green River Water Treatment Plant Filtration Facility project. This loan is the last of multiple DWSRF loans obtained by Tacoma Water and provides reimbursement funding for expenses related to the construction of the Green River Filtration Facility project dating back to July 1, 2010. The interest rate of this loan is 1.5 percent, and the term is 20 years. There is a one percent loan fee, which accounts for \$120,000 of the total \$12,120,000 for loan amount. The amount outstanding as of December 31, 2015 is \$120,000.

In 2015, Tacoma Rail obtained five new Washington State loans from the Department of Transportation for the following capital track projects: Tyler Wye rehabilitation \$311,457, Edwards Crossover rehabilitation \$156,997, East Lead Low Side rebuild \$469,270, West Lead High Side rebuild \$369,518 and Transfer Yard connection

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

\$150,000. No funds have been drawn on these projects. Draws were taken in 2015 on Taylor Way Track Rehabilitation & Extension, West Loop and SR509 track improvement in the amounts of \$594,793, \$515,770 and \$908,632 respectively.

During 2015, Tacoma Power entered into a \$100 million line-of-credit agreement with Wells Fargo for working capital. The line matures in May 2018, and each advance will bear interest at the London Interbank Offered Rate (LIBOR). Each advance is secured by Revenues as set forth in the Note Ordinance. The balance outstanding is \$50.3 million as of December 31, 2015.

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	53,852
Cash for construction	132,195
Cash for other special purposes	116,590
Notes and contracts receivable	1,683
Customer deposits	95
	<u>304,415</u>
	<u>\$ 304,415</u>

H. Related party transactions

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

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

I. Federal compliance requirements for municipal securities issuers

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

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

In May 2015, as part of its examination of the market segment review involving build America Bonds, the Internal Revenue Service sent an Information Document Request (IDR) for records related to the City's \$147,070,000 Electric System Revenue Bonds, Series 2010B (Taxable Build America Bonds). The City cooperated with the request and received correspondence from the IRS in October 2015, reflecting closure of the examination with no-change to the position of the issuer.

In September 2015, as part of its examination of the market segment review involving new clean renewable energy bonds, the Internal Revenue Service sent an Information Document Request (IDR) for records related to the City's \$24,185,000 Electric System Revenue Bonds, Series 2010C (Taxable Clean Renewable Energy Bonds). The City cooperated with the request and received correspondence from the IRS in December 2015, reflecting closure of the examination with no-change to the position of the issuer.

In October 2015, as part of its examination of the advance refunding market segment, the Internal Revenue Service sent an Information Document Request (IDR) for records related to the City's \$12,885,000 Limited Tax General Obligation Refunding Bonds, Series 2006B. The City cooperated with the request by providing the IRS with available documentation. The City has no reason to believe that the bonds fail to comply with all applicable tax requirements. However, the examination had not been closed as of December 31, 2015.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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 Section C for fund balance descriptions.

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	\$ 8,782	\$ -	\$ -	\$ -	\$ -	\$ 8,782
Inventory	1,138	-	1,870	-	-	3,008
Prepays	13	-	-	-	-	13
Trust	-	-	17	-	-	17
Total nonspendable	9,933	-	1,887	-	-	11,820
Restricted:						
Business & Training Assistance	-	-	126	-	-	126
Capital purchases	-	-	-	-	766	766
Crime Prevention & Safety	-	-	9,709	-	-	9,709
Debt service	-	-	1,820	5,963	-	7,783
Economic development programs	-	-	8,358	-	-	8,358
Facilities & Garages	-	-	-	-	1,133	1,133
Grants	-	1,978	276	-	-	2,254
Housing Development	-	-	287	-	-	287
Library, Arts & Preservation	-	-	4,646	-	421	5,067
Local Improvement District	-	-	4,220	-	-	4,220
Other capital	-	-	-	-	1	1
Parks & Recreation	-	-	-	-	5,557	5,557
Paths & Trails	-	-	338	-	-	338
Public services	9	-	10,128	-	-	10,137
Public Works projects	-	-	791	-	12,727	13,518
Sidewalk & Street projects	-	-	-	-	248	248
Total restricted	9	1,978	40,699	5,963	20,853	69,502
Committed:						
Council contingency	731	-	-	-	-	731
Neighborhoods	-	-	19	-	87	106
Public Works projects	-	-	265	-	-	265
Total committed	731	-	284	-	87	1,102
Assigned:						
Advances	-	-	-	-	2,097	2,097
Business & Training Assistance	-	-	281	-	-	281
Demolitions	-	-	3,259	-	-	3,259
Library	-	-	1,672	-	-	1,672
Municipal TV	-	-	3,195	-	-	3,195
Neighborhoods	-	-	1,395	-	-	1,395
Open Space Properties	-	-	665	-	-	665
Police activities	-	-	-	-	-	-
Public services	-	2,409	1,563	-	-	3,972
Crime Prevention & Safety	-	-	512	-	-	512
Other purposes	5,580	-	-	-	-	5,580
Total assigned	5,580	2,409	12,542	-	2,097	22,628
Unassigned:						
	56,517	-	(175)	(7)	(4,330)	52,005
Total fund balances:	\$ 72,770	\$ 4,387	\$ 55,237	\$ 5,956	\$ 18,707	\$ 157,057

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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	\$ 1,900
Debt Service	7,783
Culture and recreation	10,624
Pensions	41,323
Public safety	9,709
Local improvement districts and neighborhoods	4,220
Transportation	14,230
Grants	2,254
Housing and economic development	18,782
	\$ 110,825

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 (the System), an actuarially funded system operated by the City. Law enforcement officers and firefighters are covered by the Law Enforcement Officer and Firefighter Retirement System (LEOFF) 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.

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2015:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$0
Pension assets	\$48,138,108
Deferred outflows of resources	\$28,451,416
Deferred inflows of resources	(\$20,048,054)
Pension expense/expenditures	\$11,338,517

A. Tacoma Employees' Retirement System fund (TERS)

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

Tacoma Employee's Retirement System
3628 South 35th Street
Tacoma, WA 98409

Or the TERS CAFR may be downloaded from the TERS website at www.cityoftacoma.org/retirement

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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 South Sound 911 (formerly known as 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.

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

2. Membership: Substantially all employees of the City of Tacoma are members of the System, with the exception of police officers, firefighter, and Tacoma Rail employees, who are covered by state or federal retirement plans. Other members include employees of the Tacoma-Pierce County Health Department, and certain employees of the Pierce Transit and the South Sound 911 who established membership in the System when these agencies were still City of Tacoma departments. The breakdown of membership as of December 31, 2014 is as follows:

Retirees and beneficiaries currently receiving benefits	2167
Terminated vested and other terminated participants	627
Active members:	
City of Tacoma	2622
South Sound 911	4
Pierce Transit	6
Tacoma-Pierce County Health Department	252
Total active members	2884
Total membership	5678

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

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

The System participates in the portability of public retirement benefits in Washington State public retirement. As provided under Chapter 4154 of the RCW, this allows a member to use all years of service with qualified Washington systems to determine retirement eligibility and percentage factor for benefits under the System.

4. Contributions: The participating employers are responsible for funding the System at a level sufficient to pay obligations and ensure the actuarial and financial soundness of the System. Contribution rates for the employer and

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

the employee are recommended by the Board of Administration and final approval rests with the Tacoma City Council. Currently, the required contribution rate for employees is 9.20% of their regular gross pay; the employer contributes 10.80%, for a combined total of 20.00% which is sufficient to amortize the UAAL of the System if future experience follows all actuarial assumptions. Changes to the contribution rate are subject to Sections 1.30.340 and 1.30.360 of the Tacoma Municipal Code.

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

Measurement Date	December 31, 2014
Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	<p>Funding is based on statutory contributions rate.</p> <p>This amount is compared to a 30-year amortization for the purposes of calculating the Actuarially Determined Contribution. The amortization method for the ADC is as follows:</p> <ul style="list-style-type: none"> • Level percent • Open periods • 30 year amortization period at 01/01/2015 • 4% amortization grown rate
Asset Valuation Method	4 year smoothing period; Corridor - None
Inflation	3%
Salary Increases	4% general wage increase assumption
Investment Rate of Return	7.25%
Cost of Living Adjustment	2.125%
Retirement Age	Varies by age, gender, eligibility
Turnover	Varies by age, gender, eligibility
Mortality	RP-2000 mortality for healthy and disabled annuitants, with age adjustments

6. Benefit and Assumption Changes: The comparability of the data from year to year can be affected by changes in actuarial assumptions, benefit provisions, accounting policies, and other factors. Between January 1, 2014 and January 1, 2015 no assumptions were changed.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

Valuations as of January 1

- 2015 No change
- 2014 The discount rate (investment rerun assumption was lowered)
- 2013 The discount rate (investment return assumption) was lowered, along with price and wage inflation. Most active demographic assumptions were changed. The mortality assumption for contributing members, service retirees, beneficiaries, and disabled members was changed.
- 2012 Contribution rates were increased effective January 1, 2012.
- 2011 Contribution rates were increased effective January 1, 2011.
- 2009 Wage inflation, investment expenses, and all active demographic assumptions were changed. Contribution rates were increased effective February 1, 2009.
- 2007 The mortality assumption for contributing members, service retirees, beneficiaries, and disabled members was changed.
- 2005 Wage inflation, price inflation and all active demographic assumptions were changed.

7. Target Allocations: The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. The capital market assumptions are per Milliman's (the System's actuary) investment consulting practice as of June 30, 2014. The target asset allocation is based on TERS Investment Policy Statement dated February 2014.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Asset Class	Target Allocation	Long-term Expected
		Arithmetic Real Rate of Return
Investment grade fixed income	15.0%	2.03%
US inflation-indexed bonds	5.0	1.41
High yield bonds	9.0	4.49
Emerging market debt	5.0	5.05
Global equity	41.5	6.02
Public real estate	2.0	6.38
Private real estate	2.5	3.72
Private equity	10.0	9.02
Master limited partnerships	4.0	4.46
Timber	2.0	3.84
Infrastructure	2.0	5.88
Agriculture	2.0	4.38
Assumed inflation - mean		3.00
Assumed inflation - standard deviation		1.85
Portfolio arithmetic real mean return		5.11
Portfolio median nominal geometric return		7.21
Portfolio standard deviation		12.02
Long-term expected rate of return, net of investment expenses		7.25

8. Sensitivity Analysis: The following presents the net pension liability of the System, calculated using the discount rate of 7.25%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	\$1,535,298,029	\$1,360,408,748	\$1,213,212,211
Fiduciary net position	\$1,370,015,262	\$1,370,015,262	\$1,370,015,262
Net pension liability (asset)	\$ 165,282,767	\$ (9,606,514)	\$ (156,803,051)

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (4,783,832)	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	(8,530,117)	-
Contributions made subsequent to the measurement date	-	-
Total	(13,313,949)	-

10. The net amount of deferred inflows and outflows that will be recognized as pension expense and the amount of deferred outflows that will reduce the net pension liability—for each of the next five years and in the aggregate thereafter

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended December 31		
2015	\$	(3,172,492)
2016		(3,172,492)
2017		(3,172,492)
2018		(3,172,492)
2019		(623,981)
Thereafter		-

11. The employer's percentage of the collective net pension liability, how it was determined, and any change in the percentage since the previous measurement.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Employer	2014 Employer Contributions	Rounded Percentage of Total Contributions	Proportionate Share* of 2014 Pension Expense	Proportionate Share* of Net Pension Liability as of December 31, 2014
City of Tacoma	\$ 22,149,246	92.67%	\$ 15,502,930	\$ (9,606,514)
South Sound 911	39,105	0.16%	27,371	(16,961)
Pierce Transit	48,847	0.20%	34,189	(21,186)
Health Department	1,666,694	6.97%	1,166,570	(722,874)
Grand Total	23,903,892	100.00%	16,731,060	(10,367,535)

* Based on unrounded contributions from 2014.

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

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (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 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

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

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

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

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2015. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
State and local governments	5.23%	8.41%
Ports and Universities	8.59%	8.41%

The City of Tacoma's actual contributions to the plan were \$3,716,978 for the year ended December 31, 2015.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2015, the state contributed \$58,339,032 to LEOFF Plan 2.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2015 with a valuation date of June 30, 2014. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2015. Plan liabilities were rolled forward from June 30, 2014, to June 30, 2015, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

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

- The OSA corrected how valuation software calculates a member's entry age under the entry age normal actuarial cost method. Previously, the funding age was rounded, resulting in an entry age one year higher in some cases.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

- The OSA changed the way it applies salary limits, as described in the *2007-2012 Experience Study Report*.

Discount Rate

The discount rate used to measure the total pension liability for all LEOFF plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. LEOFF 1 uses 7.7 percent. Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of NPL

The table below presents the City of Tacoma's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City of Tacoma's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
LEOFF 1	(\$8,431,212)	(\$13,178,851)	(\$17,225,328)
LEOFF 2	25,389,126	(25,352,743)	(63,537,925)

Pension Plan Fiduciary Net Position

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

At June 30, 2015, the City of Tacoma reported a total LEOFF pension asset of \$38,531,594 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
LEOFF 1	(\$13,178,851)
LEOFF 2	(\$25,352,743)

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

	Liability (or Asset)
LEOFF 2 – employer’s proportionate share	(\$25,352,743)
LEOFF 2 – State’s proportionate share of the net pension liability/(asset) associated with the employer	(16,763,253)
TOTAL	(\$42,115,996)

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

	Proportionate Share 6/30/14	Proportionate Share 6/30/15	Change in Proportion
LEOFF 1	1.10%	1.09%	(.01%)
LEOFF 2	2.55%	2.47%	(.08%)

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2015. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2015, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2015, the state of Washington contributed 39.80 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.20 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2015, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2014, with update procedures used to roll forward the total pension liability to the measurement date.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Pension Expense

For the year ended December 31, 2015, the City of Tacoma recognized pension expense as follows:

	Pension Expense
LEOFF 1	\$ (2,507,343)
LEOFF 2	833,704
TOTAL	\$ (1,673,639)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2015, the City of Tacoma reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments	\$0	\$2,224,849
Changes of assumptions	\$0	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	\$0	\$0
TOTAL	\$0	\$2,224,849

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$2,220,055	\$0
Net difference between projected and actual investment earnings on pension plan investments	\$0	\$7,681,748
Changes of assumptions	\$66,872	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$1,458,865	\$0
Contributions subsequent to the measurement date	\$1,898,116	\$0
TOTAL	\$5,643,908	\$7,681,748

Deferred outflows of resources related to pensions resulting from the City of Tacoma's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

LEOFF 1	(In thousands) Year-end December 31:						
	2015	2016	2017	2018	2019	2020	Thereafter
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net difference between expected and actual experience	-	-	-	-	-	-	-
Net difference between projected and actual on plan investments	-	(861)	(861)	(861)	364	-	-
Changes in assumptions	-	-	-	-	-	-	-
Totals	\$ -	\$ (861)	\$ (861)	\$ (861)	\$ 364	\$ -	\$ -

LEOFF 2	(In thousands) Year-end December 31:						
	2015	2016	2017	2018	2019	2020	Thereafter
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ 281	\$ 281	\$ 281	\$ 281	\$ 281	\$ 56
Net difference between expected and actual experience	428	428	428	428	428	428	3,461
Net difference between projected and actual on plan investments	-	(3,007)	(3,007)	(3,205)	1,452	-	-
Changes in assumptions	-	13	13	13	13	13	3
Totals	\$ 428	\$ (2,286)	\$ (2,286)	\$ (2,483)	\$ 2,174	\$ 721	\$ 3,520
LEOFF 1 & 2 Totals	\$ 428	\$ (3,146)	\$ (3,146)	\$ (3,344)	\$ 2,538	\$ 721	\$ 3,520

C. Police and Firefighter's Relief and Pension Funds

1. Plan description:

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

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

No new employees have been covered by either of these plans since March 1, 1970. Pension obligations for all firefighters and law enforcement officers retired since March 1, 1970, whether hired before or since that same date, have been assumed by the State of Washington Law Enforcement Officers' and Firefighters' Retirement System (LEOFF), with the exception of certain minimal benefits in excess of the LEOFF benefits. There are 0 active Police Officer and 0 active Firefighters with prior rights covered under these plans as of December 31, 2015. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 147 for the PRP and 188 for the FRP as of December 31, 2015. 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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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-retirement medical benefits are available to firefighters and law enforcement officers hired before October 1, 1977 only. For retirees before June 8, 1961, only medical expenses that are directly related to their disability retirement are eligible for payment. Those who retired or will retire after June 8, 1961, have medical insurance paid by the City through the City's normal medical insurance carrier. The City will also pay any expense in excess of those covered by the medical insurance carrier. All benefits are funded on a pay-as-you-go basis. At December 31, 2015, there were 194 retired law enforcement officers and 242 retired firefighters who are eligible for medical coverage (this does not include active employees).

The post-retirement medical benefits are accounted for in the PRP and FRP trust fund financial statements. Since these benefits are paid on a pay-as-you-go basis - the beginning fund balance is zero; contributions of \$2.0 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. These plans do not meet the criteria of GASB 67, paragraph 2 and reporting for these funds are accounted for under GASB 25/27.

3. Investments:

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

4. Contributions required and contributions made:

The PRP is funded entirely from a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. The General Fund is responsible for ensuring that the fund has adequate cash to pay its obligations each year. Total contributions to the PRP were \$3.8 million in 2015.

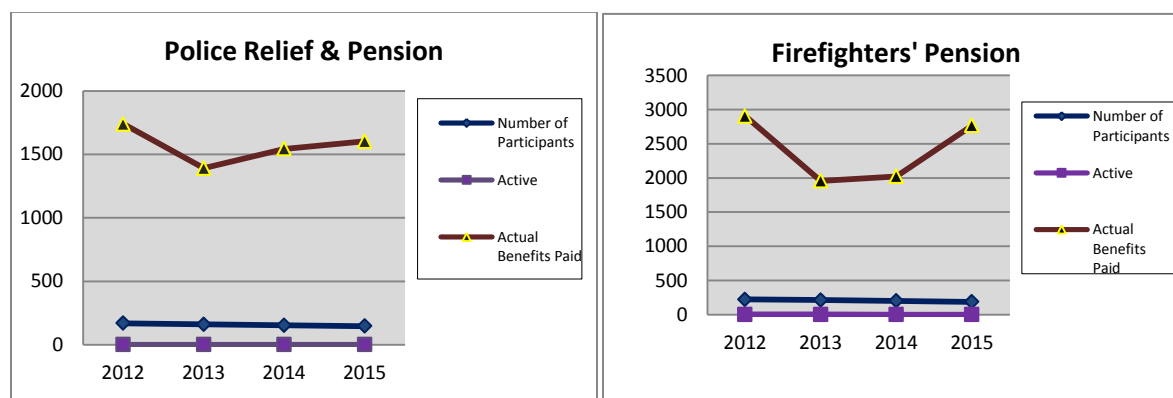
The FRP is funded from two sources: (1) 22-1/2 cents per \$1,000 of assessed valuation and has been earmarked from property taxes as authorized by R.C.W. 41.16.060, and 25% of the tax on fire insurance premiums collected by the State is earmarked by State law for distribution to cities for this purpose. This amount was \$4.6 million in 2015; and (2) the balance of \$463K is made up of a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. Total contributions to the FRP were \$5.1 million in 2015. There have been no required employee contributions to the police and firefighter's relief and pension plans since March 1, 1970.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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
12/31/2012	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
12/31/2015	147	0	1,603	12/31/2015	188	0	2,768

(Tables amounts for Actual Benefits Paid expressed in thousands)



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	2013	2,629	81%	9,643
	2014	1,823	102%	9,608
	2015	1,787	110%	9,433
Police Relief & Pension	2013	1,516	100%	(490)
	2014	1,318	97%	(444)
	2015	1,330	90%	(552)

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

	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	\$ 274	\$ 30,944	\$ 30,670	1	0	n/a
Police Relief and Pension	225	17,257	17,032	1	0	n/a

The AAL as of December 31, 2015, based on the actuarial valuation as of January 1, 2015, was \$30.9 million for Firefighter's Relief and Pension and \$17.3 million for Police Relief and Pension. The AAL for the Firefighter's and Police Relief and Pension are funded on a pay-as-you-go basis. Annual requirements are funded through the City's adopted budgets, and any budget requirements exceeding the adopted budget are fully covered by supplemental appropriations.

ANNUAL PENSION COST AND NET PENSION OBLIGATION
FIREFIGHTER'S POLICE RELIEF AND PENSION FUNDS
For the Year Ended December 31, 2015
(In Thousands)

	Firefighter's Relief and Pension			Police Relief and Pension		
	2015	2014	2013	2015	2014	2013
Annual Required Contribution (ARC)						
Annual Normal Cost - Beginning of Year	-	-	6	-	-	-
Amortization of UAAL - Beginning of Year	2,200	2,200	2,896	1,247	1,247	1,437
Interest to End of Year*	82	82	116	47	47	58
ARC at End of Year	2,282	2,282	3,018	1,294	1,294	1,495
Interest on NPO	356	362	366	(26)	(18)	(20)
Adjustment to ARC	(851)	(821)	(755)	62	42	41
Annual Pension Cost (APC)	1,787	1,823	2,629	1,330	1,318	1,516
Employer Contribution**	1,962	1,858	2,131	1,196	****	1,272
Change in NPO	(175)	(35)	498	134	****	46
NPO at Beginning of Year	9,608	9,643	9,145	(686)	(490)	(496)
NPO at End of Year	9,433	9,608	9,643	(552)	****	(444)

*"I" is the assumed interest rate that year: 3.75% in 2014, 3.75% in 2015, and 3.50% in 2016.

** 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 Pension Fund is \$9.4 million net pension liability at December 31, 2015. The net pension obligation of the Police Relief and Pension Fund is \$.6 million net pension asset at December 31, 2015.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

6. Actuarial Method and Assumptions:

The information presented above was determined as part of the actuarial valuations at the dates indicated.

Additional information as of the latest actuarial valuation follows:

	Firefighter Relief and Pension	Police Relief and Pension
Valuation Date	January 01, 2015	January 01, 2015
Actual cost method	Entry Age Normal	Entry Age Normal
Valuation of assets	Fair Market Value	Fair Market Value
Remaining amortization period	13 years	13 years
Amortization method	30-year, closed as of January 1, 1999	30-year, closed as of January 1, 1999
Actuarial assumptions		
Investment rate of return (discount rate)	3.50%	3.50%
Projected salary increases	3.25%	3.25%
Inflation	2.25%	2.25%
Cost of living adjustment	Based upon salary increase assumption when appropriate, for PPF benefits Based upon inflation assumption for some PPF benefits and all LEOFF benefits	Based upon salary increase assumption when appropriate, for PPF benefits Based upon inflation assumption for some PPF benefits and all LEOFF benefits

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

7. Individual financial statements:

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

December 31, 2015

(In Thousand)

	Firefighters' Relief and Pension	Police Relief and Pension	2015	2014
Assets				
Cash and cash equivalents	\$ 430	\$ 316	\$ 746	\$ 561
Due from other fund	10	9	19	660
Total Assets	440	325	765	1,221
Liabilities				
Accounts Payable	48	29	77	61
Accrued wages and benefits payable	2	2	4	4
Due to other funds	4	4	8	321
Other current liabilities	104	58	162	132
Accrued employee leave benefits	5	5	10	10
Deferred Inflow for Pension	2	2	4	
Total Liability	165	100	265	528
Net Position Held in Trust for Pension	\$ 275	\$ 225	\$ 500	\$ 693

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

For Year Ended December 31, 2015

(In Thousand)

	Firefighters' Relief and Pension	Police Relief and Pension	2015	2014
Addition				
Employer Contributions	\$ 5,460	\$ 3,801	\$ 9,261	\$ 9,446
Interest and Dividend	4	3	7	6
Total Addition	5,464	3,804	9,268	9,452
Deduction				
Healthcare benefit payment	5,389	3,652	9,041	9,200
Wages and other benefit payable	173	159	332	200
Administrative expenses	47	45	92	114
Total Deduction	5,609	3,856	9,465	9,514
Change in Net Position	(145)	(52)	(197)	(62)
Net Position - Beginning of Year	418	275	693	755
Net Position - End of Year	\$ 273	\$ 223	\$ 496	\$ 693

The financial statements of the PRP and FRP are included in the City's annual financial report in the Combining Fiduciary statement section. A separate audit report is not issued for these pension plans. Further detailed information regarding these pension plans may be obtained by writing to the City of Tacoma - Fire and Police Pension, PO Box 11001, Tacoma, WA 98411.

D. Other Post-Employment Benefits (OPEB) Than Pensions

1. Plan description:

The City contributes to: the Tacoma Employees' Retirement System Fund (TERS), a cost sharing-multi employer plan and the Law Enforcement Officers' and Firefighters' Retirement System Plans (LEOFF Plan 1) administered by the City; the Law Enforcement Officers' and Firefighters' Retirement System Plan (LEOFF Plan 2), a cost sharing-

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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, 2015

Annual Required Contribution	TERS	LEOFF Plan 1	LEOFF Plan 2	Rail
Normal Cost at Year-end	\$ 2,609,556	\$ 29,041	\$ 908,487	\$ 285,047
Amortization of UAAL	1,305,401	11,064,478	636,413	128,541
Annual Required Contribution (ARC)	3,914,957	11,093,519	1,544,900	413,588
Net OPEB Obligation				
Annual Required Contribution (ARC)	3,914,957	11,093,518	1,544,900	413,588
Interest on prior year Net OPEB obligation	950,325	1,013,002	503,241	13,615
Less Adjustments to ARC	1,123,034	1,758,938	594,699	16,089
Annual OPEB Cost	3,742,248	10,347,582	1,453,442	411,114
Contributions made	1,082,405	7,005,803	796,332	78,549
Increase in Net OPEB Obligation	2,659,843	3,341,779	657,110	332,565
Net OPEB Obligation - Beginning of Year	25,341,990	27,013,386	13,419,763	363,064
Net OPEB Obligation - End of Year	\$ 28,001,833	\$ 30,355,165	\$ 14,076,873	\$ 695,629

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	\$ 420,832,932	\$ 158,648,737	\$ 262,184,195
Actuarial Accrued Liability (AAL)	291,228,295	82,413,983	208,814,312
Normal Cost	9,501,758	5,669,627	3,832,131
Annual Benefit Payments	12,325,369	3,362,280	8,963,089

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
12/31/2013	5,602,233	28.1%	21,627,548
12/31/2014	5,529,916	33.1%	25,314,884
12/31/2015	3,742,248	28.9%	28,001,833

LEOFF Plan 1		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	11,395,563	66.3%	22,317,847
12/31/2014	11,265,541	58.3%	27,013,386
12/31/2015	10,347,583	67.7%	30,355,166

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

LEOFF Plan 2		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
<u>Year Ended</u>	<u>Cost</u>	<u>Contributed</u>	<u>Obligation</u>
12/31/2013	2,377,133	29.0%	11,903,854
12/31/2014	2,350,442	35.5%	13,419,763
12/31/2015	1,453,442	54.8%	14,076,873

Rail		Percentage of	
	Annual OPEB	OPEB Cost	Net OPEB
<u>Year Ended</u>	<u>Cost</u>	<u>Contributed</u>	<u>Obligation</u>
12/31/2013	153,839	48.7%	261,552
12/31/2014	153,125	33.7%	363,064
12/31/2015	411,114	19.1%	695,629

3. Funding Status and Funding Process:

The funded statuses of the plans as of December 31, 2014, were as follows:

	TERS w/Health and Transit	LEOFF 1	LEOFF 2	Rail
Annual City Benefit Payments	\$ 1,082,405	\$ 7,005,803	\$ 796,332	78,549
Discount Rate	3.75%	3.75%	3.75%	3.75%
Present Value of Benefits	62,927,911	163,831,000	27,142,814	8,282,470
Actuarial Accrued Liability Assets	28,392,520	163,784,000	13,842,016	2,795,776
Plan Assets	-	-	-	-
Unfunded Actuarial Liability (UAAL)	28,392,520	163,784,000	13,842,016	2,795,776
Funded Ratio	0.0%	0.0%	0.0%	0.0%
Covered Payroll	231,291,980	117,194	77,913,214	11,604,497
UAAL as a % of covered payroll	12%	139755%	18%	24%

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 2014 premium rates and relative age cost factors assumptions, Milliman developed the following age adjusted monthly PMPM health costs for 2014.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

Age	Retiree		Spouse	
	Male	Female	Male	Female
50	1,078.42	1,229.24	986.14	1,130.02
55	1,147.89	1,210.16	1,132.41	1,234.74
60	1,402.49	1,371.29	1,339.07	1,390.52
64	1,752.84	1,583.67	1,616.35	1,566.84

No retiree contributes toward the cost of retiree medical benefits for LEOFF 1. Based on the City's historical retiree medical cost experience from 2011 through 2013, the relative age cost factors assumptions, Milliman developed age adjusted monthly PMPM health costs for 2014 as follows:

Monthly Medical Claims Costs at Sample Ages LEOFF 1

Age	Police		Fire	
	Male	Female	Male	Female
55	967.68	1,069.73	831.63	919.33
60	1,259.43	1,264.20	1,082.36	1,086.46
64	1,602.23	1,466.38	1,376.97	1,260.22
65	772.94	770.84	664.28	662.47
70	868.33	833.52	746.25	716.33
75	948.53	893.10	815.18	767.54
80	997.59	933.53	857.34	802.28
85	1,003.26	933.87	862.21	802.58

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, 2015

Significant methods and assumptions were as follows:

	TERS/LEOFF Plan 2/Rail	LEOFF Plan 1
Valuation Date	January 1, 2015	January 1, 2014
Census Date	January 1, 2015	January 1, 2014
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age
Amortization Method	Level percentage of expected salary	Level dollar amount
Remaining Amortization Period	22 years, 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	6.9% in 2015, 6.6% in 2016, 5.9% in 2017, 5.5% in 2020, 5.9% in 2021-2030, 5.7% in 2031-2040 and grading down to an ultimate of 4.8% in 2071 and beyond.	8.9% in 2013, 6.5% in 2014, 5.8% in 2015, 6% in 2016-2020, 5.9% in 2021-2030, 5.8% in 2031-2040 and grading down to an ultimate of 4.8% in 2083 and beyond.
Projected Payroll Increases	4.0%	4.0%

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

An excise tax for high cost health coverage or “Cadillac” health plans was included in the Affordable Care Act (ACA) passed into law in March 2010. The provision levies a 40% tax on the value of health plan costs that exceed certain thresholds for single coverage or family coverage. The 2018 annual thresholds for qualified retirees aged 55-64 are \$10,200 for single coverage and \$ 27,500 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 ACA 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 2015 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, 2015

Benefit Plan	Third Party Administrator	Pre-Tax Employer Contributions	Pre-Tax Employee Contributions	After-Tax Employee Contributions	Total by Plan
457 deferred compensation	ICMA	\$ 2,382,306.06	\$ 12,649,397.17	\$ 405,924.78	\$ 15,437,628.01
457 deferred compensation	Nationwide	1,281,103.63	1,943,595.56	49,334.00	3,274,033.19
Total		<u>\$ 3,663,409.69</u>	<u>\$ 14,592,992.73</u>	<u>\$ 455,258.78</u>	<u>\$ 18,711,661.20</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, 2015 is as follows:

Due To	Due From										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	Rounding	
General Fund	\$ -	\$ 217	\$ 3	\$ -	\$ -	\$ -	\$ 465	\$ 235	\$ -	\$ -	\$ 920
Trans Cap & Engineer Fund	-	-	-	21	-	2	1	44	-	1	69
Solid Waste Fund	267	-	30	-	-	158	117	75	-	-	647
Waste Water Fund	177	4	68	282	-	328	355	97	-	-	1,311
Water Fund	134	16	19	2	686	591	118	13	4	-	1,583
Power Fund	396	-	-	-	-	296	616	11	6	(1)	1,324
Internal Service Funds	385	5	19	42	-	16	133	20	19	-	639
Non-major Governmental Funds	210	752	-	27	-	3	126	299	-	-	1,417
Non-major Enterprise Funds	206	-	-	26	-	89	145	2	47	1	516
Rounding	-	(1)	-	1	-	1	(1)	1	(1)	-	-
Total	<u>\$ 1,775</u>	<u>\$ 993</u>	<u>\$ 139</u>	<u>\$ 401</u>	<u>\$ 686</u>	<u>\$ 1,484</u>	<u>\$ 2,075</u>	<u>\$ 797</u>	<u>\$ 75</u>	<u>\$ 1</u>	<u>\$ 8,426</u>

Due To and Due From balances result when transactions are recorded in the accounting system and payments are made between funds after December 31, 2015.

Advance Owed From	Advances Owed To			
	Major Governmental	Non-major Governmental	Internal Service Funds	Total
Non-major Governmental	\$ 4,202	\$ 930	\$ -	\$ 5,132
Non-major Enterprise	2,328	1,295	-	3,623
Total	<u>\$ 6,530</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 8,755</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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

\$76,500 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.

\$2,251,100 was authorized from the General Fund (#0010) to Tacoma Rail Mountain Division Fund (#4120) for cash flow purposes.

\$2,300 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.

\$1,294,591 was authorized from the Capital Projects Fund (#3211) to the Tacoma Dome (#4180) to finance various Tacoma Dome projects.

\$799,994 was authorized from the Capital Projects Fund (#3211) to the Fire Department Fund (#1090) to refit and renovate a fireboat.

(amounts expressed in thousands)	Transfer In										
	General	Trans Cap &	Solid Waste	Waste Water	Water	Power	Internal	Non-major	Non-major		
Transfer Out	Fund	Engineering	Fund	Fund	Fund	Fund	Service	Governmental	Enterprise	Rounding	Total
General Fund	\$ -	\$ 370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,743	\$ 3,230		\$ 19,343
Trans Cap & Engineering Fund	-	-	-	-	-	-	-	437	-		437
Solid Waste Fund	3,528	-	-	-	-	-	-	1,176			4,704
Waste Water Fund	5,806	-	-	-	-	-	74	1,945		(1)	7,824
Water Fund	5,157	-	-	-	-	-	213	1,621			6,991
Power Fund	25,042	-	-	2	-	-	69	440			25,553
Internal Service Funds	950	25	259	281	118	582	1,416	173	133		3,937
Non-major Governmental Funds	157	1,598	-	-	-	-	217	15,213	4,535		21,720
Non-major Enterprise Funds	1,859	-	-	-	-	-	45	6,075	-	1	7,980
Rounding	(5)	-	1	(1)			2	2	1		-
Total	\$ 42,494	\$ 1,993	\$ 260	\$ 282	\$ 118	\$ 582	\$ 2,036	\$ 42,825	\$ 7,899	\$ -	\$ 98,489

The information below provides detail of the interfund transfer transactions:

\$369,568 was transferred from the General fund to the Transportation Capital & Engineering Fund for 2015 Street contributions.

\$15,743,046 was transferred from the General Fund to non-major governmental funds for traffic contributions and debt service payments.

\$3,230,025 was transferred from the General Fund to non-major enterprise funds for permit services, Tacoma Rail, Tacoma Rail Mountain Division, the glass museum, Cheney Stadium, and the theaters.

\$437,338 was transferred from the Transportation Capital & Engineering Fund to non-major governmental funds for road capital projects, paths and trails, and debt service.

\$3,527,924 was transferred from the Solid Waste Fund to the General Fund for 2015 Gross Earnings Tax.

\$1,175,975 was transferred from the Solid Waste Fund to non-major government funds for 2015 Gross Earnings Tax.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

\$5,805,828 was transferred from the Waste Water Fund to the General Fund for 2015 Gross Earnings Tax.

\$73,788 was transferred from the Waste Water Fund to internal service funds for 2015 fleet services.

\$1,944,676 was transferred from the Waste Water Fund to non-major government funds for 2015 Gross Earnings Tax.

\$5,156,877 was transferred from the Water Fund to the General Fund for 2015 Gross Earnings Tax.

\$213,199 was transferred from the Water Fund to internal service funds for 2015 fleet services.

\$1,621,263 was transferred from the Water Fund to non-major governmental funds for 2015 Gross Earnings Tax.

\$25,041,967 was transferred from the Power Fund to the General Fund for 2015 Gross Earnings Tax.

\$2,000 was transferred from the Power Fund to the Waste Water Fund for community sponsorships.

\$69,228 was transferred from the Power Fund to internal service funds for 2015 fleet Services.

\$439,856 was transferred from the Power Fund to non-major governmental funds for 2015 Gross Earnings Tax.

\$949,679 was transferred from the internal service funds to the General Fund due to fund closure.

\$25,397 was transferred from the internal service funds to the Transportation Capital & Engineering Fund due to fund closure.

\$259,907 was transferred from the internal service funds to the Solid Waste Fund due to fund closure.

\$281,079 was transferred from the internal service funds to the Waste Water Fund due to fund closure.

\$117,872 was transferred from the internal service funds to the Water Fund due to fund closure.

\$581,629 was transferred from the internal service funds to the Power Fund due to fund closure.

\$1,416,168 was transferred from the internal service funds to internal service funds due to fund closure.

\$173,246 was transferred from the internal service funds to non-major governmental funds due to fund closure.

\$133,231 was transferred from the internal service funds to non-major enterprise funds due to fund closure.

\$157,250 was transferred from non-major governmental funds to the General Fund to fund emergency medical services.

\$1,597,825 was transferred from non-major governmental funds to the Transportation Capital & Engineering Fund for capital road projects.

\$217,034 was transferred from the non-major governmental funds to internal service funds for facilities.

\$15,212,706 was transferred from the non-major governmental funds to non-major governmental funds for various capital projects and debt service payments.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

\$4,536,136 was transferred from the non-major governmental funds to non-major enterprise funds for theaters and debt service payments.

\$1,859,273 was transferred from the non-major enterprise funds to the General Fund for 2015 Gross Earnings Tax.

\$45,317 was transferred from the non-major enterprise funds to internal service funds for fleet services.

\$6,075,075 was transferred from the non-major enterprise funds to non-major governmental funds for 2015 Gross Earnings Tax.

Note 8 Other information

A. Accounting changes

The City implemented GASB Statement No. 68, *Financial Reporting for Pension Plans; an amendment for GASB Statement No 27* which resulted in a restatement of the Beginning Fund balances in the following funds:

Fund Name	Fund #	Amount (in thousands)
Solid Waste	#4200	\$ 651
Permit Services	#4110	208
Parking Operating	#4140	39
Convention Center	#4165	51
Tacoma Dome	#4180	100
Wastewater & Surface Water	#4300-01	1,376
Tacoma Water	#4600	1,084
Tacoma Power	#4700	4,703
Finance Department	#5007	(17)
Graphic Services	#5042	(39)
Health Benefits	#(5)64xx	248
Self Insurance	#(5)4800	1,400
Total		\$ 9,804

In addition, the General Fund reported a change in accounting principle for the closure of an Internal Service Fund in the amount of \$84,000.

B. Risk management

The City is self-insured for tort liability, medical benefits, unemployment and worker's compensation and records its claims and liabilities in the accrual basis of accounting. Liabilities include an estimate for Incurred But Not Reported (IBNR) claims. The estimate for reported claims is based on Risk Management and Legal Departments' projections and is adjusted annually. The IBNR for the self-insured employee benefits is based on an average of 2-months claims from the reporting year. The IBNR for tort liabilities are calculated by a periodic actuarial study. The handling and paying of all tort liability claims for which the City is found legally liable is accounted for in either the Self-Insurance Claim Fund or the 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 general government of the City carries a supplemental liability policy with a \$15 million limit and a \$3 million self-insured retention, renewable on August 12 of each year. TPU carries separate supplemental liability policies with total limits of \$60,000,000 and a \$1,500,000 self-insured retention, renewable on December 1 of each year. The Belt Line Railroad carries separate Railroad Liability policies with total limits of \$50,000,000 each occurrence and a \$1,000,000 self-insured retention.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Mountain Rail carries a separate Railroad Liability policy a limit of \$7,000,000 each occurrence and a \$50,000 self-insured retention. These policies are provided to supplement the City's current self-insurance risk for settlements in excess of the self-insured retentions.

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

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

The TPU Self-Insurance Claim Fund was established in 1979 to cover general liability claims of the Light and Water divisions. The Belt Line Railroad became a participant in 1985. Total assets in this fund are \$6.9 million. Settlement payments were within amounts available for coverage for the last three years—2015, 2014, and 2013.

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	
	2015	2014	2015	2014	2015	2014
Balance 01/01	\$ 16,981	\$ 19,838	\$ 5,849	\$ 4,398	\$ 5,994	\$ 4,902
New Claims	678	828	2,330	2,873	696	22
Adjustments to Claims	1,566	(2,619)	3,490	4,132	(1,705)	1,365
Claims Payment	(1,162)	(1,066)	(5,251)	(5,554)	(278)	(295)
Balance 12/31	\$ 18,063	\$ 16,981	\$ 6,418	\$ 5,849	\$ 4,707	\$ 5,994

C. Prior-Period Adjustments

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

Subsequent to the issuance of the December 31, 2015 financial statements, prior period adjustments were made.
(amounts expressed in thousands)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Governmental Funds

Fund Name	Amount	Description
General Fund #0010	\$ 229	(\$948) - Correction of general fund wage expenditure in prior year; (\$17) - Proceeds from assets disposal originally posted to general fund in prior period; \$207 - Correction of prior period grant expenditure; (\$15) - Adjustment to prior period business tax revenue; \$1 - Prior period adjustment to miscellaneous expense; \$10 - Adjustment for capital asset expended in prior period; \$935 Correction of audit expenditures paid in prior period; 56 - Correction of GET Transfer In - Rail in prior period
Trans Capital and Engineering # (3)1060	159	\$169 - Prior year LID Collect - Principals correction to fund 1060; (\$9) - Correction of revenue account recorded in prior period.
Fire Department #1090	20	Correction of revenue posted in previous year.
Community & Econ Development #1195	(620)	(\$600) - Correction of deposit received in 2009 for a purchase of a capital asset; (\$20) - Write off late fees posted in previous years
Police #1267	895	(\$71) - Prior period grant posting correction; \$948 - Correction of general fund wage expenditure in prior year; \$17 - Proceeds from assets disposal originally posted to general fund in prior period
Municipal Cable #1431	(33)	Regaining revenue reversed incorrectly in prior year
LID Interim # 7070	(169)	Prior year LID Collect - Principal correction
Total	<u>\$ 481</u>	

Enterprise Funds

Fund Name	Amount	Description
Convention Center #4165	600	Correction of deposit received in 2009 for a purchase of a capital asset.
Total	<u>\$ 600</u>	

Internal Service Funds

Fund Name	Amount	Description
Finance #5007	\$ (17)	Lock box fees correction
Graphics #5042	(39)	Correction of 2014 reclassification of AR and AP
Health Benefits #64xx	247	Clearing IBNR that fund no longer needs
Self Insurance #(5)4800	1,400	Adjustment of prior year IBNR
Total	<u>1,591</u>	

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Government-wide Statements

Activity	Amount	Description
Governmental	\$ 481	General Funds, Trans Capital and Engineering, Fire, CED, Police, Municipal Cable, and LID
Governmental	1,591	Finance, Graphic Services, Health Benefits, and Self Insurance Claim
Business	600	Convention Center
Total	<u>\$ 2,672</u>	

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
Assets:				
Current assets	\$ 2,371	\$ 2,709	\$ 80	\$ -
Accounts receivable (net)	-	165	4052	-
Due from other funds	1	13	-	-
Inventory	-	-	-	-
Prepayments	45	45	-	-
Restricted assets	-	502	1,909	-
Capital assets (net)	50,216	62,058	-	-
Net pension assets	32	41	-	-
Other non-current assets	-	110	23,533	-
Total assets	<u>52,665</u>	<u>65,643</u>	<u>29,574</u>	<u>-</u>
Deferred outflow of resources.	<u>76</u>	<u>3,370</u>	<u>-</u>	<u>-</u>
Liabilities:				
Current liabilities	2,018	4,728	21,663	-
Due to other funds	35	52	-	-
Current liabilities payable from restricted assets	-	-	-	-
Non-current liabilities	13,243	71,050	6,977	-
Total liabilities	<u>15,296</u>	<u>75,830</u>	<u>28,640</u>	<u>-</u>
Deferred outflow of resources.	<u>119</u>	<u>89</u>	<u>-</u>	<u>-</u>
Net position;				
Net investment in capital assets	35,420	(9,591)	-	-
Restricted	-	650	1,909	-
Unrestricted	1,906	2,035	(975)	-
Total Net Position	<u>\$ 37,326</u>	<u>\$ (6,906)</u>	<u>\$ 934</u>	<u>\$ -</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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	\$ 7,321	\$ 2,731	\$ -	\$ -
Depreciation expense	(1,314)	(2,046)	-	-
Other operating expenses	(3,841)	(4,197)	(5)	-
Operating income	2,166	(3,512)	(5)	-
Nonoperating revenues (expenses)				
Interest revenue	24	2	-	-
Interest expense	(662)	(1,072)	(1,886)	-
Other nonoperating revenues(expenses)	25	4,401	1,886	-
Capital contributions	-	-	-	-
Transfers	(1,231)	1,031	-	-
Change in net position	322	850	(5)	-
Beginning net position	36,965	(8,406)	939	-
Prior period adjustments	-	600	-	-
Change in accounting principles	39	51		
Ending net position	\$ 37,326	\$ (6,905)	\$ 934	\$ -

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	\$ 3,836	\$ (898)	\$ 3,991	\$ -
Noncapital financing activities	14	2,976	-	-
Capital and related financing activities	(3,699)	224	(3,991)	-
Investing activities	24	2	-	-
Net increase (decrease)	175	2,304	-	-
Beginning cash and cash equivalents	2,196	907	1,989	1,693
Ending cash and cash equivalents	\$ 2,371	\$ 3,211	\$ 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, 2015

E. Tax expense – Utility Funds

The taxes expense shown in the statements for Enterprise Funds consists primarily of an 8.0% tax upon gross earnings for Tacoma Water, Tacoma Rail, Surface Water, Waste Water, and Solid Waste and a 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%.

F. Results of operations of joint ventures

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

The City participates in 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	
	12/31/2014		12/31/2014	
Balance Sheet Date				
Total Assets	\$	28,305	\$	8,954
Total Liabilities		3,703		3,729
Total Net Position		24,602		5,225
Non-current Liabilities		900		262
Capital Assets (net of accumulated depreciation)		6,796		1,049
 Total Revenues		26,514		29,328
Total Expenditures/Expenses		24,106		28,958
Other Non-operating Revenues/Expenditures		-		-
Transfers		-		-
Net Increase/(Decrease) in Net Assets		2,408		370
 City Contribution		11,074		1,196

Additional information about each entity can be obtained from separately published financial statements by each entity by contacting South Sound 911, Budget and Finance Manager, 955 Tacoma Avenue South #102, Tacoma, WA 98402 and the Tacoma/Pierce County Health Department, Christopher Schuler, Business Support Services, 3629 South D Street, Tacoma, WA 98418-6813.

Note 9 Claims, Judgements , and Commitments**A. Claims**

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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 8B for risk management information.

B. Construction Commitments

The City has various construction projects as of December 31, 2015. 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
2013A Wastewater, Surface, and Water Main Replacement	1,617	1,456	161
2013B Wastewater Main Replacements (Various Tacoma)	676	308	368
2014 Sidewalk Reconstruction Project	573	389	184
Cheney Stadium LID Retrofit	1,722	1,627	95
City of Tacoma Stormwater Pipe Retrofit Project	846	592	254
East Tacoma PCB Clean-up Phase 1	490	223	267
Franklin Truckline Improvement	1,883	1,316	567
LID 8653 & LID 8655-2	563	530	33
Lincoln & Alexander Pump Station AN4102 Upgrade	3,369	3,167	202
Nuisance Abatement Services	200	-	200
Pedestrian Crossing Improvement	3,838	2,774	1,064
Pioneer Way Wall and Gaurdail Repair	350	29	321
Port of Tacoma Rehabilitation Project	8,987	8,772	215
Site ii Phase ii - Easplande-Rodarte	1,420	482	938
South Tacoma Way Corridor Improvements	3,076	2,336	740
Stormwater Sewer Rehabilataion (CIPP) Project	1,344	1,047	297
Tacoma Landfill Stage 3 Closure	2,765	2,313	452
Urban Forestry Landfill Plant Storage Area	385	165	220
Wastewater & Water Main Replacment Project (Downtown)	1,919	1,442	477
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
	<u>\$ 41,055</u>	<u>\$ 33,242</u>	<u>\$ 7,813</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.

C. Tax Abatements

As of December 31, 2015, the City provides tax abatements for the following programs:

1. Multifamily Property Tax Exemption-Encourage development of market rate and affordable housing in mixed use areas
2. Special Valuation Tax Exemption-Encourage the owners of historic properties to invest in the improvement and rehabilitation of historic buildings
3. City Business and Occupation Tax Credit for New Employment-Stimulate business, reward businesses for creating good-paying jobs, and put our citizens to work
4. Multiple Activities Tax Credit-Ensure multiple activities conducted does not penalize taxpayer
5. Small Business Tax Credit-Relieve small businesses by reducing B & O taxes
6. Machinery and Equipment Sales and Use Tax Exemption-Encouraging growth and development of the private sector manufacturing industry

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Information relevant to the disclosure of those programs for the fiscal year ended December 31, 2015 is:

Tax Abatement Program	Amount of Taxes Abated in Thousands
Multifamily Property Tax Exemption	\$1,128
Special Valuation Tax Exemption	\$ 247
City Business and Occupation Tax Credit for New Employment	\$ 216
Multiple Activities Tax Credit	\$ 765
Small Business Tax Credit	\$ 50
Machinery and Equipment Sales and Use Tax Exemption	\$ 3,338

D. 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 \$18,851,000 as landfill closure and post closure liability at December 31, 2015 based on 100% use of total capacity of the landfill. This compares to \$25,720,000 at December 31, 2014 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.

E. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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 304th Street landfill operated by LRI. Solid Waste entered into this agreement to extend the life of the Tacoma Landfill and to secure a long-term disposal arrangement at a favorable disposal cost. The agreement excludes solid waste that LRI is not authorized by law or permit to receive, or which could create or expose LRI for Solid Waste to potential liability, among other things. Recycling 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 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 agreement.

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 (PCRCD) 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, PCRCD 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 provided notification to the Trustees in 2013 that the obligations of the NRDA Consent Decree had been fulfilled. In the Trustees response, they indicated that monitoring of a related project needed to be complete before the Consent Decree could be closed out. Included in the financial statements for the years 2015 and 2014 were liabilities of \$198,000. This amount will carry over until the Consent Decree can be closed out. Although the City resolved its NRDA liability, the City indemnified certain parties when it purchased real property along the Thea Foss Waterway in the late 1980’s and early 1990’s. The City expects that any financial obligation it may have related to these indemnities will be de minimus given the historical uses of the indemnified properties and the limited potential for releases from these properties to damage natural resources.

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, 2013 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 of \$296,396 as of December 31, 2015 and there is no liability remaining for this decree in 2016.

Wastewater (#4300-01 Foss Consent Decree – The City has an obligation under the Foss Consent Decree for continued monitoring until at least 2016. The results of this monitoring may result in additional cleanup efforts in the future. Obligations for future monitoring costs of \$600,000 in 2015 and \$500,000 in 2014 have been recognized in the financial statements as environmental liabilities.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

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, 2015 the remaining deposit is \$45,900.

Tacoma Rail (#4500), Department of Public Works, Mountain Division - Public Works own approximately 142 miles of track, called Mountain Division, which connects to Tacoma Rail track in Tacoma, Washington. 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.

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, 2015 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$4.1 million.

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

Tacoma Power (#4700) Capital Improvements - The financial requirement for Tacoma Power's biennial Capital Improvement Program is approximately \$182.7 million. At December 31, 2015, the remaining financial requirement was approximately \$102.6 million. The remaining financial requirement of Capital Improvement Programs relating to prior biennium is approximately \$10.7 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

On April 5, 2016, the City issued Consolidated Local Improvement District No.64 bonds in the amount of \$2,341,350.32 to (1) finance the costs of carrying out improvements in CLID No. 64, including without limitation, repayment of all or a portion of the currently outstanding amount of bond anticipation note issued to provide interim financing, and (2) pay the costs of issuance and sale of the bonds. The interest rate is 3.25% and the bonds mature February 1, 2038.

On June 15, 2016, the City issued 2016A Solid Waste Revenue Refunding Bonds in the amount of \$23,200,000 to advance refund and defease a portion of the City's outstanding 2006A Solid Waste Utility Revenue Bonds. The interest rates range from 3%-5% and the maturity date is December 31, 2036.

On June 15, 2016 the City issued 2016A Sewer Revenue Refunding Bonds in the amount of \$31,855,000 to advance refund and defease a portion of the City's outstanding 2009 TES Properties Lease Revenue Bonds, to make a deposit in the debt service reserve fund, and to pay the costs of issuance of the 2016A Bonds. The interest rates range from 1.75%-5% and the maturity date is in December 31, 2038.

Ordinance No 28356 approved the issuance of 2016B Solid Waste Revenue Refunding Bonds in the amount of \$15,230,000 to refund on a current basis a portion of the City's outstanding 2006B Solid Waste Utility Revenue Bonds to modify the debt service schedule and restructure the 2006B Bonds and to pay costs of issuance of the Bonds. These bonds have an expected delivery date of September 7, 2016. The interest rate for these bonds is 5%

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

and the maturity date is December 31, 2031.

Ordinance No 28356 approved the issuance of 2016B Sewer Revenue Refunding Bonds in the amount of \$11,865,000 to refund on a current basis a portion of the City's outstanding 2006 Sewer Revenue Bonds for debt service savings, and to pay for the costs of issuance of the 2016B bonds. These bonds have an expected delivery date of September 7, 2016. The interest rates range from 4%-5% and the maturity date is December 31, 2021.

CITY OF TACOMA, WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
FOR DECEMBER 31, 2015

NOTE 12
CHANGES IN LONG-TERM DEBT
(all dollar values expressed in thousands)

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01/01/15	ISSUED 2015	REDEEMED 2015	AMOUNT O/S 12/31/15	Reconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
GENERAL OBLIGATION BONDS, LOANS, & NOTES											
Unlimited General Obligation Bonds											
Genl Obl Bonds 2010	Refunding 2002 Bonds	11/10/10	2011-2022	21,870	2.6323	18,105	-	1,965	16,140	-	16,140
Subtotal Unlimited General Obligation Bonds (Voted)						18,105	-	1,965	16,140	-	16,140
Limited General Obligation Bonds											
Ltd. Genl Obl Bonds 1997 Ser B	Capital Improvements	08/05/97	2008-2018	16,100	5.4554	3,493	-	959	2,534	-	2,534
Ltd. Genl Obl Bonds 1997 Ser B Accreted Interest		08/06/97	2008-2019	16,100	5.4554	5,510	506	1,632	4,384	506	4,384
Ltd Genl Obl Bonds 2006A Conv Ctr	Improvements	09/10/06	2008-2036	16,475	4.4537	14,100	-	13,680	420	-	-
Ltd. Genl Obl Bonds 2006B	Refund 1997A LTGO	10/09/06	2007-2022	12,885	4.3942	12,885	-	12,885	-	-	-
Ltd. Genl Obl Bonds 2007 Parking Structure	Retrofit Parking Structure	12/21/07	2008-2027	9,610	5.6328	7,320	-	6,465	855	-	855
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011-2035	15,380	5.8600	14,890	-	185	14,705	-	14,705
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 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 Accreted Interest		12/18/09	2026-2036	13,526	5.7500	4,340	1,033	-	5,373	1,033	5,373
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 Accreted Interest		12/18/09	2023-2027	6,681	7.2020	2,786	690	-	3,476	690	3,476
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 1997B, 2001, 2004, 20	11/10/10	2015-2022	7,355	2.7966	7,355	-	1,065	6,290	-	2,249
Ltd. Genl Obl Bonds 2010C Refunding Bonds	Refund 2001, 2007, 2009 LTGO	11/10/10	2015-2022	7,355	3.8076	7,355	-	825	6,530	-	6,530
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015-2033	30,225	5.0399	30,225	-	1,240	28,985	-	28,985
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015-2040	9,130	5.7155	9,130	-	245	8,885	-	8,885
Ltd. Genl Obl Bonds 2013 Refunding Bonds	Refund 2001 & 2004	03/05/13	2015-2034	44,170	3.1768	44,170	-	1,300	42,870	-	-
Ltd. Genl Obl Bonds 2015A Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016-2036	12,735	3.2066	-	12,735	-	12,735	-	-
Ltd. Genl Obl Bonds 2015B Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016-2027	20,215	2.8933	-	20,215	-	20,215	20,215	20,215
Subtotal Limited General Obligation Bonds (Councilmanic)						192,061	35,179	40,481	186,759	22,444	126,693
Washington State Public Works Trust Fund Loan											
CTED PWTF No. 98-791-065	Capital Improvements	08/17/98	1999-2018	9,000	1.0000	2,161	-	540	1,621	-	1,621
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004-2024	4,500	0.5000	5,704	-	570	5,134	-	5,134
Subtotal Washington State Public Works Trust Fund Loan (Councilmanic)						7,865	-	1,110	6,755	-	6,755
Total General Obligation Bonds, Loans, & Notes						\$ 218,031	\$ 35,179	\$ 43,556	\$ 209,654	\$ 22,444	\$ 149,588

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01/01/15	ISSUED 2015	REDEEMED 2015	AMOUNT O/S 12/31/15	Reconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
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	19,990	-	19,990	-	-	-
Tac CC & Parking Rev/Ref Bonds, Series 2010	Refunding 2004 Bonds	11/10/10	2015-2024	5,015	3.7656	5,015	-	395	4,620	-	-
Tac CC & Parking Rev/Ref Bonds, Series 2015	Refunding 2004 Bonds	08/14/15	2015-2024	20,453	2.3304	-	20,453	1,906	18,547	-	-
Subtotal Greater Tacoma Convention Center						25,005	20,453	22,291	23,167	-	-
Wastewater Utility											
State Revolving Fund (SRF) Loan #40006A	Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	38,908	-	2,620	36,288	-	-
State Revolving Fund (SRF) Loan #40006B	Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	16,317	-	1,022	15,295	-	-
Sewer Rev & Ref Bonds 2006	Improvements/Refunding	06/29/06	2006 - 2036	55,000	4.8852	54,950	-	39,390	15,560	-	-
Sewer TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	16,558	5.2172	13,859	-	316	13,543	-	-
Sewer Rev & Ref Bonds 2011	Refunding	10/12/11	2022 - 2031	34,315	3.8768	34,315	-	-	34,315	-	-
Sewer Rev & Ref Bonds 2015	Refunding	03/18/15	2016-2045	109,300	3.5358	-	109,300	-	109,300	-	-
Subtotal Wastewater Utility						158,349	109,300	43,348	224,301	-	-
Surface Water Utility											
Surface Water TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	14,248	5.2172	15,129	-	345	14,784	-	-
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	407	-	20	387	-	-
Subtotal Surface Water Utility						15,536	-	365	15,171	-	-
Solid Waste Utility											
Solid Waste Revenue Bonds, 2006A	Capital Improvements	07/12/06	2013-2026	29,385		28,455	-	495	27,960	-	-
Solid Waste Rev/Ref Bonds, 2006B	Refunding	09/27/06	2014-2021	22,315		21,975	-	1,685	20,290	-	-
Solid Waste Rev/Ref Bonds, 2008	Refunding	09/05/08	2013-2017	12,055	3.8577	7,635	-	2,405	5,230	-	-
Solid Waste TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010-2038	7,702	5.2172	5,317	-	121	5,196	-	-
Solid Waste Revenue Bonds, 2015	Capital Improvements	03/18/15	2017-2025	21,095	2.1375	-	21,095	-	21,095	-	-
Subtotal Solid Waste Utility						63,382	21,095	4,706	79,771	-	-
Electric System											
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	21,300	-	21,300	-	-	-
Electric System 2010A Revenue Bonds	Capital Improvements	07/27/10	2014-2015	16,000	1.8644	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	-	2,815	178,795	-	-
Electric System 2013B Rev Ref Bonds	Refunding	06/13/13	2014-2030	35,620	3.3427	35,620	-	-	35,620	-	-
Subtotal Electric System						540,050	-	154,250	385,800	-	-
Water System											
PW-DWSRF-00-65120-031	Construction	10/07/02	2003-2021	3,060	2.5000	1,127		161	966	-	-
PW -00-691-PRE-115	Construction	04/11/01	2003-2021	1,000	0.5000	368		52	316	-	-
PW-01-691-061	Construction	08/27/01	2003-2021	10,000	0.5000	3,733		534	3,199	-	-
PW -01-691-PRE-127	Construction	02/15/02	2003-2021	1,000	0.5000	379		54	325	-	-
PW-02-691-056	Construction	04/15/02	2004-2022	10,000	0.5000	4,250		531	3,719	-	-
PW-04-691-PRE-101	Construction	03/19/04	2006-2024	1,000	0.5000	534		54	480	-	-

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01/01/15	ISSUED 2015	REDEEMED 2015	AMOUNT O/S 12/31/15	Reconcile to	Reconcile to
										Governmental Fund Statements	Changes in LTD in Notes
Water Sys Ref & Rev Bonds 2005	Construction & Refinance	10/11/05	2006-2025	46,550	4.6390	29,365		29,360	5	-	-
PW-06-962-043	Construction	07/18/06	2008-2026	7,000	0.5000	4,447		371	4,076	-	-
Water Sys Rev Bonds 2009 (Taxable BABS)	Capital Improvements	11/04/09	2033-2039	76,775	3.7780	76,775		-	76,775	-	-
PC08-951-047	Construction	11/25/09	2010-2028	10,000	0.5000	7,642		546	7,096	-	-
DM07-952-015	Construction	03/31/10	2010-2028	4,040	1.5000	3,012		216	2,796	-	-
PW-DWSRF 09-952-074	Construction	04/09/10	2013-2032	6,579	1.0000	6,608		368	6,240	-	-
Water Sys Rev & Ref Bonds 2010A	Refunding	08/24/10	2012-2023	29,100	3.2789	27,505		555	26,950	-	-
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	3,070		270	2,800	-	-
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	5,454		303	5,151	-	-
PW-DWSRF 11-952-035	Construction	06/30/11	2016-2035	6,060	1.5000	2,309		122	2,187	-	-
PW-DWSRF 11-952-036	Construction	06/30/11	2016-2035	6,060	1.5000	5,460		-	5,460	-	-
PC 12-951-017	Construction	07/01/11	2011-2031	10,000	0.5000	9,444		555	8,889	-	-
PW-DWSRF 12-952-088	Construction	01/22/13	2017-2036	12,120	1.5000	10,920		-	10,920	-	-
Water Sys Rev Ref Bonds 2013 (RWSS)	Refinance	04/16/13	2013-2032	64,795	3.1477	62,765		1,185	61,580	-	-
Water Sys Rev Ref Bonds 2013	Refinance	05/07/13	2013-2043	78,305	3.8523	74,355		-	74,355	-	-
PW-DWSRF-13-952-133	Construction	10/07/13	2018-2037	12,120	1.5000	10,920		-	10,920	-	-
PW-DWSRF-10-952-031	Construction	03/26/14	2015-2034	5,460	1.5000	5,460		273	5,187	-	-
PW-DWSRF-13-952-167	Construction	11/06/14	2015-2037	4,620	1.5000	4,620	6,300	-	10,920	-	-
Water Sys Ref Bonds 2015A	Refinance	05/12/15	2017-2025	16,645	1.9926	-	16,645	-	16,645	-	-
Water Sys Ref Bonds 2015B	Refinance	05/12/15	2016-2017	6,365	1.0732	-	6,365	-	6,365	-	-
DM15-952-033	Construction	06/01/14	2016-2034	120	1.5000	-	120	-	120	-	-
Subtotal Water System						479,752	29,430	35,510	473,672	-	-
Tacoma Rail											
Rail Revenue Bond 2006 (BofA)	Capital Improvements	12/21/06	2007-2017	2,000	5.3900	548	-	235	313	-	-
WA State Rail Loan RR00407 2009	Capital Improvements	08/04/09	2010-2024	26	0.0000	17	-	1	16	-	-
WA State Rail Loan RR00408 2009	Capital Improvements	08/04/09	2011-2025	249	0.0000	183	-	17	166	-	-
WA State Rail Loan RRB-1007	Capital Improvements	12/06/11	2013-2022	450	0.0000	360	-	45	315	-	-
WA State Rail Loan RRB-1010	Capital Improvements	03/28/12	2013-2022	612	0.0000	490	-	62	428	-	-
WA State Rail Loan RRB-1011	Capital Improvements	03/28/12	2013-2022	349	0.0000	279	-	35	244	-	-
WA State Rail Loan RRB-1026	Capital Improvements	09/06/12	2014-2023	347	0.0000	313	-	35	278	-	-
WA State Rail Loan RRB-1030	Capital Improvements	09/06/12	2014-2023	364	0.0000	328	-	36	292	-	-
WA State Rail Loan RRB-1045	Capital Improvements	08/01/13	2015-2024	823	0.0000	619	-	62	557	-	-
WA State Rail Loan RRB-1046	Capital Improvements	08/01/13	2015-2024	250	0.0000	250	-	25	225	-	-
WA State Rail Loan RRB-1052	Capital Improvements	10/24/13	2016-2025	366	0.0000	366	-	-	366	-	-
WA State Rail Loan RRB-1053	Capital Improvements	10/24/13	2016-2025	773	0.0000	773	-	-	773	-	-
WA State Rail Loan RRB-1054	Capital Improvements	10/24/13	2016-2025	1,015	0.0000	510	595	-	1,105	-	-
WA State Rail Loan RRB-1055	Capital Improvements	10/08/13	2016-2025	516	0.0000	-	516	-	516	-	-
WA State Rail Loan RRB-1086	Capital Improvements	10/27/15	2016-2025	1,037	0.0000	-	909	-	909	-	-
Subtotal Tacoma Rail						5,036	2,020	553	6,503	-	-
Lease Revenue											
Lease Revenue Bonds 1990	Construction	03/15/90	1992-2022	36,250	9.3476	19,210	-	1,870	17,340	-	-
Lease Revenue Bonds 1992	Construction	12/15/92	1993-2022	4,695	7.4769	2,350	-	235	2,115	-	-
Subtotal Lease Revenue						21,560	-	2,105	19,455	-	-

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01/01/15	ISSUED 2015	REDEEMED 2015	AMOUNT O/S 12/31/15	Reconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
Total Enterprise Revenue Bonds, Loans, & Notes						\$ 1,308,670	\$ 182,298	\$ 263,128	\$ 1,227,840	\$ -	\$ -
Total General Obligation Bonds , Enterprise Revenue Bonds, Loans, & Notes						\$ 1,526,701	\$ 217,477	\$ 306,684	\$ 1,437,494	\$ 22,444	\$ 149,588
SPECIAL ASSESSMENT BONDS											
Local Improvement District Bonds											
District #63 Bonds	Construction	09/29/11	2023	1,557	4.1800	774	-	156	618	-	618
District #65 Bonds	Construction	04/29/13	2043	30,999	5.7500	30,999	-	2,859	28,140	-	28,140
Subtotal LID Bonds/Notes						31,773	-	3,015	28,758	-	28,758
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	-	-	10,975	-	10,975
Total Special Assessment Bonds						\$ 42,748	\$ -	\$ 3,015	\$ 39,733	\$ -	\$ 39,733
Wells Fargo Revolving Line of Credit	Capital Improvements	05/15/15	5/11/2018	\$100mm Max	0.5000	-	50,250	-	50,250	-	-
Subtotal Wells Fargo Revolving Line of Credit						-	50,250	-	50,250	-	-
Washington State Dept of Transportation Loan STP-STPUL-3268(003)	Capital Improvements	11/03/10	2015-2020	20,000	0.0000	6,000		3,000	3,000	-	3,000
Subtotal Washington State Dept of Transportation Loan (Councilmanic)						6,000	-	3,000	3,000	-	3,000
Total Long-Term Debt						\$ 1,575,449	\$ 267,727	\$ 312,699	\$ 1,530,477	\$ 22,444	\$ 192,321

Notes related to debt increases:

- 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-13-952-167 - Draw from remaining loan balance.
- 5. WA State Rail Loan RRB-1054 - Draw from remaining loan balance.

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Required Supplementary Information**Tacoma Employee's Retirement System Fund (LEOFF 1)**Proportionate Share of the Net Pension Liability
Last 10 Years*

	Fiscal Year Ending December 31st	
	2015	2014-2006
Employer's proportion of the net pension liability(asset) as a percentage	1.09%	N/A
Employer's proportion share of net pension liability(asset)	(13,178,851)	N/A
Employer's covered payroll	117,194	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered employee payroll	-11245.33%	N/A
Plan fiduciary net position as a percentage the total pension liability	127.36%	N/A

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Schedule of the City of Tacoma's Contributions
Last 10 Fiscal Years

	Fiscal Year Ending December 31st	
	2015	2014-2006
Contractually required employer contribution	\$0	N/A
Contributions in relation to the contractually required employer contribution	0	N/A
Employer contribution deficiency (excess)	0	N/A
Employer's covered employee payroll	\$117,194	N/A
Employer contribution as a percentage of covered-employee payroll	0.00%	N/A

Tacoma Employee's Retirement System Fund (LEOFF 2)Proportionate Share of the Net Pension Liability
Last 10 Years*

	Fiscal Year Ending December 31st	
	2015	2014-2006
Employer's proportion of the net pension liability(asset) as a percentage	2.47%	N/A
Employer's proportion share of net pension liability(asset)	(25,352,743)	N/A
Employer's covered payroll	77,913,214	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered employee payroll	-32.54%	N/A
Plan fiduciary net position as a percentage the total pension liability	111.67%	N/A

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Schedule of the City of Tacoma's Contributions
Last 10 Fiscal Years

	Fiscal Year Ending December 31st	
	2015	2014-2006
Contractually required employer contribution	\$3,716,978	N/A
Contributions in relation to the contractually required employer contribution	(3,716,978)	N/A
Employer contribution deficiency (excess)	0	N/A
Employer's covered employee payroll	\$77,913,215	N/A
Employer contribution as a percentage of covered-employee payroll	4.77%	N/A

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

	Fiscal Year Ending December 31st	
	2015	2014-2006
Employer's proportion of the net pension liability(asset) as a percentage	92.67%	N/A
Employer's proportion share of net pension liability(asset)	(9,606,514)	N/A
Employer's covered payroll	205,085,611	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered employee payroll	-4.68%	N/A
Plan fiduciary net position as a percentage the total pension liability	100.71%	N/A

**The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.*

Schedule of the City of Tacoma's Contributions
Last 10 Fiscal Years

	Fiscal Year Ending December 31st	
	2015	2014-2006
Contractually required employer contribution	\$22,149,246	N/A
Contributions in relation to the contractually required employer contribution	(22,149,246)	N/A
Employer contribution deficiency (excess)	0	N/A
Employer's covered employee payroll	\$205,085,611	N/A
Employer contribution as a percentage of covered-employee payroll	10.80%	N/A

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
	(a)	(b)	(b)-(a)		(c)	(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%	-	

Police Relief and Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)		(c)	(b-a/c)
1/1/1998	-	23.50	23.50	0%	0.87	2694%
1/1/2000	-	23.00	23.00	0%	0.51	4449%
1/1/2002	-	25.80	25.80	0%	0.25	10169%
1/1/2004	1	26.50	25.40	4%	0.08	31390%
1/1/2006	3	24.80	34.70	10%	-	NA
1/1/2008	3	22.80	19.80	14%	-	NA
1/1/2010	5	22.00	16.80	24%	-	NA
1/1/2012	0	18.30	18.20	1%	-	NA
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%
1/1/2015	-	28.40	28.40	0.0%	231.29	12%

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%
1/1/2015	-	163.78	163.78	0.0%	0.18	90989%

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%
1/1/2015	-	13.84	13.84	0.0%	77.91	18%

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%
1/1/2015	-	2.80	2.80	0.0%	11.60	24.14%

Notes to Required Supplementary Information (RSI)**Note 1—Budgetary data****A. General budget policies**

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

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

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

Note 3 Pensions

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

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

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

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

For the Year Ended December 31, 2015

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 377,680	\$ 293,969	\$ 149,469	\$ (144,500)
Licenses and permits	7,440	7,440	4,042	(3,398)
Intergovernmental revenue	18,967	18,933	10,104	(8,829)
Charges for goods and services	4,495	4,945	18,450	13,505
Fines and penalties	3,280	2,848	1,018	(1,830)
Interest and other earnings	1,036	1,036	690	(346)
Miscellaneous revenues	91	76	306	230
TOTAL REVENUES	<u>412,989</u>	<u>329,247</u>	<u>184,079</u>	<u>(145,168)</u>
EXPENDITURES				
Current:				
General government	79,040	79,646	52,456	(27,190)
Public safety	242,776	244,080	120,438	(123,642)
Transportation	838	899	469	(430)
Economic environment	30,803	30,958	14,094	(16,864)
Culture and recreation	26,889	26,447	11,320	(15,127)
Capital expenditures	-	-	2,209	2,209
TOTAL EXPENDITURES	<u>380,346</u>	<u>382,030</u>	<u>200,986</u>	<u>(181,044)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>32,643</u>	<u>(52,783)</u>	<u>(16,907)</u>	<u>35,876</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	47	47	7	(40)
Insurance recoveries	-	-	148	148
Transfer in	314	84,473	42,494	(41,979)
Transfer (out)	(44,199)	(44,855)	(19,343)	25,512
TOTAL OTHER FINANCE SOURCES(USES)	<u>(43,838)</u>	<u>39,665</u>	<u>23,306</u>	<u>(16,359)</u>
NET CHANGE IN FUND BALANCE	<u>(11,195)</u>	<u>(13,118)</u>	<u>6,399</u>	<u>19,517</u>
FUND BALANCE - JANUARY 1	11,195	13,118	65,327	52,209
Prior period adjustment	-	-	229	229
Change in accounting principle	-	-	84	84
FUND BALANCE - JANUARY 1, RESTATED	<u>11,195</u>	<u>13,118</u>	<u>65,640</u>	<u>52,522</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,039</u>	<u>\$ 72,039</u>

Perspective Difference Reconciliation:

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

\$ 72,039

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

732

Unclaimed Property Fund#(1)6330

0

TOTAL FUND BALANCE - GENERAL FUND BALANCE
SHEET FOR GOVERNMENTAL FUNDS

\$ 72,771

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COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015
(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	\$ 104	\$ 577	\$ 370
Investments at fair value	-	-	-
Accounts receivables (net)	-	227	421
Due from other funds	-	170	-
Due from other governments	-	343	-
Inventories	-	1,870	-
Prepayments	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	<u>104</u>	<u>3,187</u>	<u>791</u>
DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 104</u>	<u>\$ 3,187</u>	<u>\$ 791</u>
LIABILITIES			
Accounts payable	\$ -	\$ 219	\$ -
Due to other funds	-	162	-
Due to other governments	-	-	-
Accrued wages	1	181	-
Accrued taxes	-	2	-
Customer deposits	-	-	-
Advances from other funds	-	-	-
TOTAL LIABILITIES	<u>1</u>	<u>564</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	1,870	-
Restricted	103	-	791
Committed	-	-	-
Assigned	-	753	-
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>103</u>	<u>2,623</u>	<u>791</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 104</u>	<u>\$ 3,187</u>	<u>\$ 791</u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015
(amounts expressed in thousands)
Page 2 of 9

	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	\$ 124	\$ 1,426	\$ 1,990	\$ 5,090
Investments at fair value	-	-	-	163
Accounts receivables (net)	324	52	8	-
Due from other funds	93	-	-	-
Due from other governments	-	726	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>541</u>	<u>2,204</u>	<u>1,998</u>	<u>5,253</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>\$ 541</u>	<u>\$ 2,204</u>	<u>\$ 1,998</u>	<u>\$ 5,253</u>
LIABILITIES				
Accounts payable	\$ -	\$ 16	\$ -	\$ -
Due to other funds	98	39	8	1
Due to other governments	-	-	-	-
Accrued wages	-	20	1	1
Accrued taxes	180	2	-	-
Customer deposits	-	-	31	-
Advances from other funds	-	800	-	-
TOTAL LIABILITIES	<u>278</u>	<u>877</u>	<u>40</u>	<u>2</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	26	564	1,031
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>26</u>	<u>564</u>	<u>1,031</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	1,476	-	4,220
Committed	263	-	-	-
Assigned	-	-	1,394	-
Unassigned	-	(175)	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>263</u>	<u>1,301</u>	<u>1,394</u>	<u>4,220</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 541</u>	<u>\$ 2,204</u>	<u>\$ 1,998</u>	<u>\$ 5,253</u>

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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	\$ 226	\$ 1,696	\$ 4,743	\$ 1,344
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	1,732	410	-
Due from other funds	65	8	66	-
Due from other governments	100	-	316	476
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>391</u>	<u>3,436</u>	<u>5,535</u>	<u>1,820</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>\$ 391</u>	<u>\$ 3,436</u>	<u>\$ 5,535</u>	<u>\$ 1,820</u>
LIABILITIES				
Accounts payable	\$ 52	\$ 144	\$ 110	\$ -
Due to other funds	1	7	51	-
Due to other governments	-	-	-	-
Accrued wages	-	-	107	-
Accrued taxes	-	26	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>53</u>	<u>177</u>	<u>268</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	528	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>528</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	338	-	4,739	1,820
Committed	-	-	-	-
Assigned	-	3,259	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>338</u>	<u>3,259</u>	<u>4,739</u>	<u>1,820</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 391</u>	<u>\$ 3,436</u>	<u>\$ 5,535</u>	<u>\$ 1,820</u>

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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	\$ 7,836	\$ 10,667	\$ 5,927	\$ 105
Investments at fair value	-	-	-	-
Accounts receivables (net)	33	1,000	20	-
Due from other funds	-	2	209	27
Due from other governments	1,069	645	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	130	-	-
TOTAL ASSETS	<u>8,938</u>	<u>12,444</u>	<u>6,156</u>	<u>132</u>
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,938</u>	<u>\$ 12,444</u>	<u>\$ 6,156</u>	<u>\$ 132</u>
LIABILITIES				
Accounts payable	\$ 608	\$ 1,637	\$ 1	\$ 2
Due to other funds	60	29	-	2
Due to other governments	-	-	-	-
Accrued wages	4	-	-	2
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>672</u>	<u>1,666</u>	<u>1</u>	<u>6</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	87	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>87</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	17	-
Restricted	8,040	9,931	4,561	126
Committed	19	-	-	-
Assigned	207	760	1,577	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>8,266</u>	<u>10,691</u>	<u>6,155</u>	<u>126</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 8,938</u>	<u>\$ 12,444</u>	<u>\$ 6,156</u>	<u>\$ 132</u>

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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	\$ 2,005	\$ 6,249	\$ 255	\$ 607
Investments at fair value	-	-	-	-
Accounts receivables (net)	19	35	-	-
Due from other funds	1	2	23	-
Due from other governments	217	-	7	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>2,242</u>	<u>6,286</u>	<u>285</u>	<u>607</u>
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,242</u>	<u>\$ 6,286</u>	<u>\$ 285</u>	<u>\$ 607</u>
LIABILITIES				
Accounts payable	\$ 25	\$ 4	\$ -	\$ 65
Due to other funds	21	28	2	10
Due to other governments	-	-	-	-
Accrued wages	9	24	2	20
Accrued taxes	-	-	-	-
Customer deposits	14	50	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>69</u>	<u>106</u>	<u>4</u>	<u>95</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	1,569	2,985	-	-
Committed	-	-	-	-
Assigned	604	3,195	281	512
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>2,173</u>	<u>6,180</u>	<u>281</u>	<u>512</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 2,242</u>	<u>\$ 6,286</u>	<u>\$ 285</u>	<u>\$ 607</u>

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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	\$ 1,123	\$ -	\$ -	\$ -
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	101	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>1,224</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>\$ 1,224</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	<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	1,144	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>1,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 1,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING BALANCE SHEET
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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	\$ -	\$ -	\$ 894
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	33,160
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>7</u>	<u>-</u>	<u>-</u>	<u>34,054</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>\$ 34,054</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Advances from other funds	-	-	-	2
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</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	-	-	2,782
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(7)
TOTAL FUND BALANCES (DEFICITS)	<u>7</u>	<u>-</u>	<u>-</u>	<u>2,775</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,054</u>

COMBINING BALANCE SHEET
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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	\$ 11,115	\$ -	\$ -
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	1	21	-	-
Due from other governments	-	1,711	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	2,095	-	-
TOTAL ASSETS	<u>88</u>	<u>14,942</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>\$ 88</u>	<u>\$ 14,942</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 95	\$ -	\$ -
Due to other funds	-	593	-	-
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	1	-	-
Customer deposits	-	-	-	-
Advances from other funds	130	-	4,200	-
TOTAL LIABILITIES	<u>130</u>	<u>689</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	-	12,156	-	-
Committed	88	-	-	-
Assigned	-	2,097	-	-
Unassigned	(130)	-	(4,200)	-
TOTAL FUND BALANCES (DEFICITS)	<u>(42)</u>	<u>14,253</u>	<u>(4,200)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 88</u>	<u>\$ 14,942</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
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	CAPITAL PROJECT FUNDS			
	2009 LTGO CAPITAL PROJECTS FUND #3218	2010 LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND #(3)7070	NON-MAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 1,666	\$ 7,285	\$ 2,030	\$ 75,548
Investments at fair value	-	-	-	163
Accounts receivables (net)	-	-	-	37,441
Due from other funds	108	1	-	797
Due from other governments	891	-	-	6,602
Inventories	-	-	-	1,870
Prepayments	-	-	-	-
Advances to other funds	-	-	-	2,225
TOTAL ASSETS	<u>2,665</u>	<u>7,286</u>	<u>2,030</u>	<u>124,646</u>
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,665</u>	<u>\$ 7,286</u>	<u>\$ 2,030</u>	<u>\$ 124,646</u>
LIABILITIES				
Accounts payable	\$ 910	\$ 39	\$ -	\$ 3,927
Due to other funds	36	269	-	1,417
Due to other governments	-	-	-	-
Accrued wages	-	-	-	372
Accrued taxes	-	-	-	211
Customer deposits	-	-	-	95
Advances from other funds	-	-	-	5,132
TOTAL LIABILITIES	<u>946</u>	<u>308</u>	<u>-</u>	<u>11,154</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	33,593
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,593</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	1,887
Restricted	1,719	6,978	2,030	67,515
Committed	-	-	-	370
Assigned	-	-	-	14,639
Unassigned	-	-	-	(4,512)
TOTAL FUND BALANCES (DEFICITS)	<u>1,719</u>	<u>6,978</u>	<u>2,030</u>	<u>79,899</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 2,665</u>	<u>\$ 7,286</u>	<u>\$ 2,030</u>	<u>\$ 124,646</u>

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

GOVERNMENTAL FUNDS

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	SPECIAL REVENUE FUNDS		
	COURTS SPECIAL REVENUE FUND #1020	PUBLIC WORKS STREET FUND #1065	TRANS BENEFIT DISTRICT FUND #1070
REVENUES			
Taxes	\$ -	\$ -	\$ 2,776
Licenses and permits	-	-	-
Intergovernmental revenue	69	2,092	-
Charges for goods and services	-	446	-
Fines and penalties	4	-	-
Interest and other earnings	-	3	-
Miscellaneous revenues	-	36	-
TOTAL REVENUES	<u>73</u>	<u>2,577</u>	<u>2,776</u>
EXPENDITURES			
Current:			
General government	56	-	-
Public safety	-	-	-
Utilities and environment	-	-	-
Transportation	-	17,679	-
Economic environment	-	44	-
Mental and physical health	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and other related costs	-	-	-
Capital expenditures	-	300	-
TOTAL EXPENDITURES	<u>56</u>	<u>18,023</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>17</u>	<u>(15,446)</u>	<u>2,776</u>
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	-	-
Proceeds of refunding long-term debt	-	-	-
Payments to refunded debt escrow agent	-	-	-
Proceeds from sales of capital assets	-	-	-
Transfer in	-	16,062	-
Transfer (out)	-	(23)	(2,396)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>16,039</u>	<u>(2,396)</u>
NET CHANGE IN FUND BALANCE	<u>17</u>	<u>593</u>	<u>380</u>
FUND BALANCE - JANUARY 1	86	2,030	411
Prior period adjustment	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	<u>86</u>	<u>2,030</u>	<u>411</u>
FUND BALANCE - DECEMBER 31	<u>\$ 103</u>	<u>\$ 2,623</u>	<u>\$ 791</u>

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

GOVERNMENTAL FUNDS

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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	\$ 829	\$ -	\$ -	\$ -
Licenses and permits	-	-	533	-
Intergovernmental revenue	-	4,191	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	10	11	34
Miscellaneous revenues	-	22	198	-
TOTAL REVENUES	<u>829</u>	<u>4,223</u>	<u>742</u>	<u>34</u>
EXPENDITURES				
Current:				
General government	-	-	238	87
Public safety	-	2,944	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	8	-	-
Capital expenditures	-	1,386	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>4,338</u>	<u>238</u>	<u>87</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>829</u>	<u>(115)</u>	<u>504</u>	<u>(53)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	80	-
Transfer in	5,733	392	10	1
Transfer (out)	(6,449)	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(716)</u>	<u>392</u>	<u>90</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>113</u>	<u>277</u>	<u>594</u>	<u>(52)</u>
FUND BALANCE - JANUARY 1	150	1,003	800	4,272
Prior period adjustment	-	21	-	-
FUND BALANCE - JANUARY 1. RESTATED	<u>150</u>	<u>1,024</u>	<u>800</u>	<u>4,272</u>
FUND BALANCE - DECEMBER 31	<u>\$ 263</u>	<u>\$ 1,301</u>	<u>\$ 1,394</u>	<u>\$ 4,220</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

(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	\$ -	\$ -	\$ 8,990	\$ 4,090
Licenses and permits	-	-	-	-
Intergovernmental revenue	1,152	-	-	-
Charges for goods and services	-	346	3,166	-
Fines and penalties	-	253	-	-
Interest and other earnings	-	23	24	14
Miscellaneous revenues	-	-	13	-
TOTAL REVENUES	<u>1,152</u>	<u>622</u>	<u>12,193</u>	<u>4,104</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	13,223	-
Utilities and environment	-	-	-	-
Transportation	3	-	-	-
Economic environment	-	567	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	12	-	-	-
Capital expenditures	2,133	-	17	-
TOTAL EXPENDITURES	<u>2,148</u>	<u>567</u>	<u>13,240</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(996)</u>	<u>55</u>	<u>(1,047)</u>	<u>4,104</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	964	10	184	-
Transfer (out)	-	-	(157)	(4,019)
TOTAL OTHER FINANCE SOURCES(USES)	<u>964</u>	<u>10</u>	<u>27</u>	<u>(4,019)</u>
NET CHANGE IN FUND BALANCE	<u>(32)</u>	<u>65</u>	<u>(1,020)</u>	<u>85</u>
FUND BALANCE - JANUARY 1	370	3,194	5,759	1,735
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>370</u>	<u>3,194</u>	<u>5,759</u>	<u>1,735</u>
FUND BALANCE - DECEMBER 31	<u>\$ 338</u>	<u>\$ 3,259</u>	<u>\$ 4,739</u>	<u>\$ 1,820</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

(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	\$ 4,829	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	1,168	3,561	104	-
Charges for goods and services	89	1,011	5	256
Fines and penalties	-	-	-	-
Interest and other earnings	39	622	35	-
Miscellaneous revenues	52	13	55	-
TOTAL REVENUES	<u>6,177</u>	<u>5,207</u>	<u>199</u>	<u>256</u>
EXPENDITURES				
Current:				
General government	484	24	-	256
Public safety	458	982	-	-
Utilities and environment	-	-	-	-
Transportation	-	117	-	-
Economic environment	779	3,778	-	-
Mental and physical health	3,370	17	-	-
Culture and recreation	-	315	365	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	-	4,042	92	-
TOTAL EXPENDITURES	<u>5,091</u>	<u>9,275</u>	<u>457</u>	<u>256</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,086</u>	<u>(4,068)</u>	<u>(258)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	4	-	-
Transfer in	104	26	-	1
Transfer (out)	(133)	(294)	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(29)</u>	<u>(264)</u>	<u>-</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>1,057</u>	<u>(4,332)</u>	<u>(258)</u>	<u>1</u>
FUND BALANCE - JANUARY 1	7,209	15,643	6,413	125
Prior period adjustment	-	(620)	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>7,209</u>	<u>15,023</u>	<u>6,413</u>	<u>125</u>
FUND BALANCE - DECEMBER 31	<u>\$ 8,266</u>	<u>\$ 10,691</u>	<u>\$ 6,155</u>	<u>\$ 126</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

(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	\$ -	\$ 3,428	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	2,434	-	55	-
Charges for goods and services	313	286	239	-
Fines and penalties	790	-	6	2,806
Interest and other earnings	10	34	2	6
Miscellaneous revenues	6	11	-	-
TOTAL REVENUES	<u>3,553</u>	<u>3,759</u>	<u>302</u>	<u>2,812</u>
EXPENDITURES				
Current:				
General government	-	70	-	-
Public safety	3,114	-	-	3,031
Utilities and environment	-	2,704	-	-
Transportation	-	-	-	-
Economic environment	-	-	293	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	-	760	-	-
TOTAL EXPENDITURES	<u>3,114</u>	<u>3,534</u>	<u>293</u>	<u>3,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>439</u>	<u>225</u>	<u>9</u>	<u>(219)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	9	10	-	9
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>9</u>	<u>10</u>	<u>-</u>	<u>9</u>
NET CHANGE IN FUND BALANCE	<u>448</u>	<u>235</u>	<u>9</u>	<u>(210)</u>
FUND BALANCE - JANUARY 1	830	5,978	272	722
Prior period adjustment	895	(33)	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>1,725</u>	<u>5,945</u>	<u>272</u>	<u>722</u>
FUND BALANCE - DECEMBER 31	<u>\$ 2,173</u>	<u>\$ 6,180</u>	<u>\$ 281</u>	<u>\$ 512</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

(amounts expressed in thousands)

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	DEBT SERVICE FUNDS			
	VOTED	NON-VOTED	CED	2001
	BONDS FUND #2010	BONDS FUND #2035	PWTF LOANS FUND #2038	LTGO REFUNDING FUND #2039
REVENUES				
Taxes	\$ 2,806	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>2,806</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	1,965	958	1,111	-
Interest and other related costs	743	2,856	50	-
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>2,708</u>	<u>3,814</u>	<u>1,161</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>98</u>	<u>(3,814)</u>	<u>(1,161)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	506	-	-
Proceeds of refunding long-term debt	-	13,505	-	-
Payments to refunded debt escrow agent	-	(13,381)	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	-	3,184	1,161	-
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>3,814</u>	<u>1,161</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	1,046	-	-	-
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	<u>1,046</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,144</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, 2015

(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	-	-	-	-
Fines and penalties	-	-	-	1,964
Interest and other earnings	-	-	-	7
Miscellaneous revenues	-	-	-	528
TOTAL REVENUES	-	-	-	2,499
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	185	3,770	1,300	3,016
Interest and other related costs	3,024	2,919	1,944	1,817
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	3,209	6,689	3,244	4,833
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,209)	(6,689)	(3,244)	(2,334)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	1,723	-	-	-
Proceeds of refunding long-term debt	-	6,710	-	-
Payments to refunded debt escrow agent	-	(6,652)	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	1,486	6,631	3,244	-
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	3,209	6,689	3,244	-
NET CHANGE IN FUND BALANCE	-	-	-	(2,334)
FUND BALANCE - JANUARY 1	7	-	-	5,109
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	7	-	-	5,109
FUND BALANCE - DECEMBER 31	\$ 7	\$ -	\$ -	\$ 2,775

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

(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	\$ -	\$ 7,619	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	285	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	76	-	-
Miscellaneous revenues	-	26	-	-
TOTAL REVENUES	-	8,006	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	289	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	20	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	4	36	-
Capital expenditures	-	938	-	-
TOTAL EXPENDITURES	-	1,251	36	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	6,755	(36)	-
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	1	457	36	-
Transfer (out)	-	(4,028)	-	-
TOTAL OTHER FINANCE SOURCES(USES)	1	(3,571)	36	-
NET CHANGE IN FUND BALANCE	1	3,184	-	-
FUND BALANCE - JANUARY 1	(43)	11,069	(4,200)	-
Prior period adjustment	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ (42)	\$ 14,253	\$ (4,200)	\$ -

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

(amounts expressed in thousands)

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	CAPITAL PROJECT FUNDS			NON-MAJOR GOVERNMENTAL FUNDS
	2009 LTGO CAPITAL PROJECTS FUND #3218	2010 LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND #(3)7070	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 35,367
Licenses and permits	-	-	-	533
Intergovernmental revenue	2,225	-	-	17,336
Charges for goods and services	-	-	-	6,157
Fines and penalties	-	-	-	5,823
Interest and other earnings	26	49	-	1,025
Miscellaneous revenues	-	-	58	1,018
TOTAL REVENUES	<u>2,251</u>	<u>49</u>	<u>58</u>	<u>67,259</u>
EXPENDITURES				
Current:				
General government	-	-	-	1,215
Public safety	-	-	-	23,752
Utilities and environment	-	-	-	2,704
Transportation	-	162	-	18,250
Economic environment	-	-	-	5,461
Mental and physical health	-	-	-	3,387
Culture and recreation	259	100	-	1,059
Debt service:				
Principal payments	-	-	-	12,305
Interest and other related costs	2	-	-	13,415
Capital expenditures	<u>7,737</u>	<u>218</u>	<u>-</u>	<u>17,623</u>
TOTAL EXPENDITURES	<u>7,998</u>	<u>480</u>	<u>-</u>	<u>99,171</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,747)</u>	<u>(431)</u>	<u>58</u>	<u>(31,912)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	2,229
Proceeds of refunding long-term debt	-	-	-	20,215
Payments to refunded debt escrow agent	-	-	-	(20,033)
Proceeds from sales of capital assets	-	-	-	84
Transfer in	3,110	-	-	42,825
Transfer (out)	<u>(508)</u>	<u>(3,713)</u>	<u>-</u>	<u>(21,720)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,602</u>	<u>(3,713)</u>	<u>-</u>	<u>23,600</u>
NET CHANGE IN FUND BALANCE	<u>(3,145)</u>	<u>(4,144)</u>	<u>58</u>	<u>(8,312)</u>
FUND BALANCE - JANUARY 1	4,864	11,122	2,140	88,116
Prior period adjustment	-	-	(168)	95
FUND BALANCE - JANUARY 1, RESTATED	<u>4,864</u>	<u>11,122</u>	<u>1,972</u>	<u>88,211</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,719</u>	<u>\$ 6,978</u>	<u>\$ 2,030</u>	<u>\$ 79,899</u>

SPECIAL REVENUE FUND - COURTS (1020)

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

For the Year Ended December 31, 2015

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 137	\$ 137	\$ 69	\$ (68)
Fines and penalties	8	8	4	(4)
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>145</u>	<u>145</u>	<u>73</u>	<u>(72)</u>
EXPENDITURES				
Current:				
General government	<u>150</u>	<u>150</u>	<u>56</u>	<u>(94)</u>
TOTAL EXPENDITURES	<u>150</u>	<u>150</u>	<u>56</u>	<u>(94)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5)</u>	<u>(5)</u>	<u>17</u>	<u>22</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(5)</u>	<u>(5)</u>	<u>17</u>	<u>22</u>
FUND BALANCE - JANUARY 1	<u>5</u>	<u>5</u>	<u>86</u>	<u>81</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103</u>	<u>\$ 103</u>

SPECIAL REVENUE FUND - CONTINGENCY (1030)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 5	\$ 5
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES				
Current:				
General government	<u>752</u>	<u>752</u>	<u>246</u>	<u>(506)</u>
TOTAL EXPENDITURES	<u>752</u>	<u>752</u>	<u>246</u>	<u>(506)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(752)</u>	<u>(752)</u>	<u>(241)</u>	<u>511</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(752)</u>	<u>(752)</u>	<u>(241)</u>	<u>511</u>
FUND BALANCE - JANUARY 1	<u>752</u>	<u>752</u>	<u>973</u>	<u>221</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 732</u>	<u>\$ 732</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, 2015

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	3,978	3,978	2,092	(1,886)
Charges for goods and services	-	819	446	(373)
Interest and other earnings	-	-	3	3
Miscellaneous revenues	-	4	36	32
TOTAL REVENUES	<u>3,978</u>	<u>4,801</u>	<u>2,577</u>	<u>(2,224)</u>
EXPENDITURES				
Current:				
Transportation	35,974	36,853	17,679	(19,174)
Economic environment	-	-	44	44
Debt service:				
Interest and other related costs	-	-	-	-
Capital expenditures	-	-	300	300
TOTAL EXPENDITURES	<u>35,974</u>	<u>36,853</u>	<u>18,023</u>	<u>(18,830)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(31,996)</u>	<u>(32,052)</u>	<u>(15,446)</u>	<u>16,606</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	-	-
Transfer in	31,996	31,954	16,062	(15,892)
Transfer (out)	-	-	(23)	(23)
TOTAL OTHER FINANCE SOURCES(USES)	<u>31,996</u>	<u>31,954</u>	<u>16,039</u>	<u>(15,915)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(98)</u>	<u>593</u>	<u>691</u>
FUND BALANCE - JANUARY 1	-	98	2,030	1,932
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,623</u>	<u>\$ 2,623</u>

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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 4,793	\$ 5,293	\$ 2,776	\$ (2,517)
TOTAL REVENUES	<u>4,793</u>	<u>5,293</u>	<u>2,776</u>	<u>(2,517)</u>
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,793</u>	<u>5,293</u>	<u>2,776</u>	<u>(2,517)</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	<u>(4,793)</u>	<u>(5,293)</u>	<u>(2,396)</u>	<u>2,897</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>(4,793)</u>	<u>(5,293)</u>	<u>(2,396)</u>	<u>2,897</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>380</u>	<u>380</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>411</u>	<u>411</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 791</u>	<u>\$ 791</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, 2015

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 13,086	\$ 1,516	\$ 829	\$ (687)
Interest and other earnings	-	-	-	-
TOTAL REVENUES	<u>13,086</u>	<u>1,516</u>	<u>829</u>	<u>(687)</u>
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>13,086</u>	<u>1,516</u>	<u>829</u>	<u>(687)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	11,570	5,733	(5,837)
Transfer (out)	(13,086)	(13,086)	(6,449)	6,637
TOTAL OTHER FINANCE SOURCES(USES)	<u>(13,086)</u>	<u>(1,516)</u>	<u>(716)</u>	<u>800</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>113</u>	<u>113</u>
FUND BALANCE - JANUARY 1	-	-	150	150
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ 263</u>

SPECIAL REVENUE FUND - FIRE DEPARTMENT (1090)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 5,096	\$ 6,290	\$ 4,191	\$ (2,099)
Interest and other earnings	23	23	10	(13)
Miscellaneous revenues	5	5	22	17
TOTAL REVENUES	<u>5,124</u>	<u>6,318</u>	<u>4,223</u>	<u>(2,095)</u>
EXPENDITURES				
Current:				
Public safety	4,840	7,960	2,944	(5,016)
Debt service:				
Principal payments	267	267	-	(267)
Interest and other related costs	17	17	8	(9)
Capital expenditures	-	-	1,386	1,386
TOTAL EXPENDITURES	<u>5,124</u>	<u>8,244</u>	<u>4,338</u>	<u>(3,906)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,926)</u>	<u>(115)</u>	<u>1,811</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	920	392	(528)
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>920</u>	<u>392</u>	<u>(528)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(1,006)</u>	<u>277</u>	<u>1,283</u>
FUND BALANCE - JANUARY 1	-	1,006	1,003	(3)
Prior period adjustment	-	-	21	21
FUND BALANCE - JANUARY 1, RESTATED	<u>-</u>	<u>1,006</u>	<u>1,024</u>	<u>18</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,301</u>	<u>\$ 1,301</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 140	\$ 140	\$ 533	\$ 393
Interest and other earnings	-	-	11	11
Miscellaneous revenues	232	232	198	(34)
TOTAL REVENUES	<u>372</u>	<u>372</u>	<u>742</u>	<u>370</u>
EXPENDITURES				
Current:				
General government	975	1,180	238	(942)
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>975</u>	<u>1,180</u>	<u>238</u>	<u>(942)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(603)</u>	<u>(808)</u>	<u>504</u>	<u>1,312</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	200	200	80	(120)
Transfer in	-	-	10	10
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>200</u>	<u>200</u>	<u>90</u>	<u>(110)</u>
NET CHANGE IN FUND BALANCE	<u>(403)</u>	<u>(608)</u>	<u>594</u>	<u>1,202</u>
FUND BALANCE - JANUARY 1	403	608	800	192
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	<u>403</u>	<u>608</u>	<u>800</u>	<u>192</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,394</u>	<u>\$ 1,394</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 34	\$ 34
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	-	-	34	34
EXPENDITURES				
Current:				
General government	179	179	87	(92)
Debt service:				
Interest and other related costs	-	-	-	-
TOTAL EXPENDITURES	179	179	87	(92)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(179)	(179)	(53)	126
OTHER FINANCING SOURCES (USES)				
Transfer in	75	75	1	(74)
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	75	75	1	(74)
NET CHANGE IN FUND BALANCE	(104)	(104)	(52)	52
FUND BALANCE - JANUARY 1	104	104	4,272	4,168
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	104	104	4,272	4,168
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 4,220	\$ 4,220

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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 3,404	\$ 6,650	\$ 1,152	\$ (5,498)
Charges for goods and services	91	305	-	(305)
Interest and other earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>3,495</u>	<u>6,955</u>	<u>1,152</u>	<u>(5,803)</u>
EXPENDITURES				
Current:				
Transportation	5,561	9,556	3	(9,553)
Debt service:				
Interest and other related costs	-	-	12	12
Capital expenditures	-	-	2,133	2,133
TOTAL EXPENDITURES	<u>5,561</u>	<u>9,556</u>	<u>2,148</u>	<u>(7,408)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,066)</u>	<u>(2,601)</u>	<u>(996)</u>	<u>1,605</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	2,066	2,601	964	(1,637)
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,066</u>	<u>2,601</u>	<u>964</u>	<u>(1,637)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(32)</u>	<u>(32)</u>
FUND BALANCE - JANUARY 1	-	-	370	370
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ 338</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 404	\$ 404	\$ 346	\$ (58)
Fines and penalties	437	437	253	(184)
Interest and other earnings	-	-	23	23
Miscellaneous revenues	40	40	-	(40)
TOTAL REVENUES	<u>881</u>	<u>881</u>	<u>622</u>	<u>(259)</u>
EXPENDITURES				
Current:				
Economic environment	<u>1,448</u>	<u>1,904</u>	<u>567</u>	<u>(1,337)</u>
TOTAL EXPENDITURES	<u>1,448</u>	<u>1,904</u>	<u>567</u>	<u>(1,337)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(567)</u>	<u>(1,023)</u>	<u>55</u>	<u>1,078</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
NET CHANGE IN FUND BALANCE	<u>(567)</u>	<u>(1,023)</u>	<u>65</u>	<u>1,088</u>
FUND BALANCE - JANUARY 1	<u>567</u>	<u>1,023</u>	<u>3,194</u>	<u>2,171</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,259</u>	<u>\$ 3,259</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, 2015

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 18,316	\$ 18,315	\$ 8,990	\$ (9,325)
Intergovernmental revenue	-	-	-	-
Charges for goods and services	7,779	7,779	3,166	(4,613)
Interest and other earnings	100	100	24	(76)
Miscellaneous revenues	-	-	13	13
TOTAL REVENUES	<u>26,195</u>	<u>26,194</u>	<u>12,193</u>	<u>(14,001)</u>
EXPENDITURES				
Current:				
Public safety	26,864	26,864	13,223	(13,641)
Capital expenditures	-	-	17	17
TOTAL EXPENDITURES	<u>26,864</u>	<u>26,864</u>	<u>13,240</u>	<u>(13,624)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(669)</u>	<u>(670)</u>	<u>(1,047)</u>	<u>(377)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	184	184
Transfer (out)	(315)	(314)	(157)	157
TOTAL OTHER FINANCE SOURCES(USES)	<u>(315)</u>	<u>(314)</u>	<u>27</u>	<u>341</u>
NET CHANGE IN FUND BALANCE	<u>(984)</u>	<u>(984)</u>	<u>(1,020)</u>	<u>(36)</u>
FUND BALANCE - JANUARY 1	984	984	5,759	4,775
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	<u>984</u>	<u>984</u>	<u>5,759</u>	<u>4,775</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,739</u>	<u>\$ 4,739</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,665	\$ 6,665	\$ 4,090	\$ (2,575)
Interest and other earnings	-	-	14	14
TOTAL REVENUES	<u>6,665</u>	<u>6,665</u>	<u>4,104</u>	<u>(2,561)</u>
EXPENDITURES				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,665</u>	<u>6,665</u>	<u>4,104</u>	<u>(2,561)</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	(6,665)	(6,665)	(4,019)	2,646
TOTAL OTHER FINANCE SOURCES(USES)	<u>(6,665)</u>	<u>(6,665)</u>	<u>(4,019)</u>	<u>2,646</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>85</u>	<u>85</u>
FUND BALANCE - JANUARY 1	-	-	1,735	1,735
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,820</u>	<u>\$ 1,820</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 9,543	\$ 9,543	\$ 4,829	\$ (4,714)
Intergovernmental revenue	1,558	2,180	1,168	(1,012)
Charges for goods and services	2,486	2,486	89	(2,397)
Interest and other earnings	-	-	39	39
Miscellaneous revenues	637	637	52	(585)
TOTAL REVENUES	<u>14,224</u>	<u>14,846</u>	<u>6,177</u>	<u>(8,669)</u>
EXPENDITURES				
Current:				
General government	47	47	484	437
Public safety	1,306	1,592	458	(1,134)
Economic environment	3,359	3,647	779	(2,868)
Mental and physical health	12,786	13,483	3,370	(10,113)
TOTAL EXPENDITURES	<u>17,498</u>	<u>18,769</u>	<u>5,091</u>	<u>(13,678)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,274)</u>	<u>(3,923)</u>	<u>1,086</u>	<u>5,009</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	104	104
Transfer (out)	-	-	(133)	(133)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>(29)</u>	<u>(29)</u>
NET CHANGE IN FUND BALANCE	<u>(3,274)</u>	<u>(3,923)</u>	<u>1,057</u>	<u>4,980</u>
FUND BALANCE - JANUARY 1	<u>3,274</u>	<u>3,923</u>	<u>7,209</u>	<u>3,286</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,266</u>	<u>\$ 8,266</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 15,584	\$ 15,833	\$ 3,561	\$ (12,272)
Charges for goods and services	1,974	1,974	1,011	(963)
Fines and penalties	-	-	-	-
Interest and other earnings	330	330	622	292
Miscellaneous revenues	-	-	13	13
TOTAL REVENUES	<u>17,888</u>	<u>18,137</u>	<u>5,207</u>	<u>(12,930)</u>
EXPENDITURES				
Current:				
General government	743	743	24	(719)
Public safety	3,146	3,146	982	(2,164)
Transportation	579	579	117	(462)
Economic environment	21,976	25,256	3,778	(21,478)
Mental and physical health	-	-	17	17
Culture and recreation	652	652	315	(337)
Capital expenditures	-	-	4,042	4,042
TOTAL EXPENDITURES	<u>27,096</u>	<u>30,376</u>	<u>9,275</u>	<u>(21,101)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,208)</u>	<u>(12,239)</u>	<u>(4,068)</u>	<u>8,171</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	4	4
Transfer in	-	-	26	26
Transfer (out)	(100)	(100)	(294)	(194)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(100)</u>	<u>(100)</u>	<u>(264)</u>	<u>(164)</u>
NET CHANGE IN FUND BALANCE	<u>(9,308)</u>	<u>(12,339)</u>	<u>(4,332)</u>	<u>8,007</u>
FUND BALANCE - JANUARY 1	9,308	12,339	15,643	3,304
Prior period adjustment	-	-	(620)	(620)
FUND BALANCE - JANUARY 1, RESTATED	<u>9,308</u>	<u>12,339</u>	<u>15,023</u>	<u>2,684</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,691</u>	<u>\$ 10,691</u>

SPECIAL REVENUE FUND - LIBRARY (1200)

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

For the Year Ended December 31, 2015

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 133	\$ 133	\$ 104	\$ (29)
Charges for goods and services	10	10	5	(5)
Interest and other earnings	103	102	35	(67)
Miscellaneous revenues	60	60	55	(5)
TOTAL REVENUES	<u>306</u>	<u>305</u>	<u>199</u>	<u>(106)</u>
EXPENDITURES				
Current:				
Culture and recreation	675	907	365	(542)
Capital expenditures	-	-	92	92
TOTAL EXPENDITURES	<u>675</u>	<u>907</u>	<u>457</u>	<u>(450)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(369)</u>	<u>(602)</u>	<u>(258)</u>	<u>344</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(369)</u>	<u>(602)</u>	<u>(258)</u>	<u>344</u>
FUND BALANCE - JANUARY 1	369	602	6,413	5,811
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	<u>369</u>	<u>602</u>	<u>6,413</u>	<u>5,811</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,155</u>	<u>\$ 6,155</u>

SPECIAL REVENUE FUND - HUB (1236)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 547	\$ 547	\$ 256	\$ (291)
TOTAL REVENUES	<u>547</u>	<u>547</u>	<u>256</u>	<u>(291)</u>
EXPENDITURES				
Current:				
General government	<u>547</u>	<u>547</u>	<u>256</u>	<u>(291)</u>
TOTAL EXPENDITURES	<u>547</u>	<u>547</u>	<u>256</u>	<u>(291)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</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>125</u>	<u>125</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 126</u></u>	<u><u>\$ 126</u></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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ -	\$ -	-
Intergovernmental revenue	4,456	4,456	2,434	(2,022)
Charges for goods and services	547	547	313	(234)
Fines and penalties	573	573	790	217
Interest and other earnings	-	-	10	10
Miscellaneous revenues	493	493	6	(487)
TOTAL REVENUES	<u>6,069</u>	<u>6,069</u>	<u>3,553</u>	<u>(2,516)</u>
EXPENDITURES				
Current:				
Public safety	6,475	6,475	3,114	(3,361)
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>6,475</u>	<u>6,475</u>	<u>3,114</u>	<u>(3,361)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(406)</u>	<u>(406)</u>	<u>439</u>	<u>845</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	16	16	9	(7)
TOTAL OTHER FINANCE SOURCES(USES)	<u>16</u>	<u>16</u>	<u>9</u>	<u>(7)</u>
NET CHANGE IN FUND BALANCE	<u>(390)</u>	<u>(390)</u>	<u>448</u>	<u>838</u>
FUND BALANCE - JANUARY 1	390	390	830	440
Prior period adjustment	-	-	895	895
FUND BALANCE - JANUARY 1. RESTATED	<u>390</u>	<u>390</u>	<u>1,725</u>	<u>1,335</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,173</u>	<u>\$ 2,173</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,833	\$ 6,833	\$ 3,428	\$ (3,405)
Charges for goods and services	462	462	286	(176)
Interest and other earnings	-	-	34	34
Miscellaneous revenues	72	72	11	(61)
TOTAL REVENUES	<u>7,367</u>	<u>7,367</u>	<u>3,759</u>	<u>(3,608)</u>
EXPENDITURES				
Current:				
General government	130	130	70	(60)
Utilities and environment	8,061	10,569	2,704	(7,865)
Capital expenditures	-	-	760	760
TOTAL EXPENDITURES	<u>8,191</u>	<u>10,699</u>	<u>3,534</u>	<u>(7,165)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(824)</u>	<u>(3,332)</u>	<u>225</u>	<u>3,557</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	10	10
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
NET CHANGE IN FUND BALANCE	<u>(824)</u>	<u>(3,332)</u>	<u>235</u>	<u>3,567</u>
FUND BALANCE - JANUARY 1	824	3,332	5,978	2,646
Prior period adjustment	-	-	(33)	(33)
FUND BALANCE - JANUARY 1, RESTATED	<u>824</u>	<u>3,332</u>	<u>5,945</u>	<u>2,613</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,180</u>	<u>\$ 6,180</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 219	\$ 219	\$ 55	\$ (164)
Charges for goods and services	553	553	239	(314)
Fines and penalties	18	18	6	(12)
Interest and other earnings	-	-	2	2
TOTAL REVENUES	<u>790</u>	<u>790</u>	<u>302</u>	<u>(488)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Economic environment	790	790	293	(497)
TOTAL EXPENDITURES	<u>790</u>	<u>790</u>	<u>293</u>	<u>(497)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>272</u>	<u>272</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281</u>	<u>\$ 281</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Fines and penalties	\$ 3,837	\$ 3,837	\$ 2,806	\$ (1,031)
Interest and other earnings	-	-	6	6
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>3,837</u>	<u>3,837</u>	<u>2,812</u>	<u>(1,025)</u>
EXPENDITURES				
Current:				
Public safety	<u>6,491</u>	<u>6,491</u>	<u>3,031</u>	<u>(3,460)</u>
TOTAL EXPENDITURES	<u>6,491</u>	<u>6,491</u>	<u>3,031</u>	<u>(3,460)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,654)</u>	<u>(2,654)</u>	<u>(219)</u>	<u>2,435</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>2,654</u>	<u>2,654</u>	<u>9</u>	<u>(2,645)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,654</u>	<u>2,654</u>	<u>9</u>	<u>(2,645)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(210)</u>	<u>(210)</u>
FUND BALANCE - JANUARY 1	-	-	722	722
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>-</u>	<u>-</u>	<u>722</u>	<u>722</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512</u>	<u>\$ 512</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,412	\$ 5,412	\$ 2,806	\$ (2,606)
Interest and other earnings	-	-	-	-
TOTAL REVENUES	<u>5,412</u>	<u>5,412</u>	<u>2,806</u>	<u>(2,606)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	3,985	3,985	1,965	(2,020)
Interest and other related costs	<u>1,427</u>	<u>1,427</u>	<u>743</u>	<u>(684)</u>
TOTAL EXPENDITURES	<u>5,412</u>	<u>5,412</u>	<u>2,708</u>	<u>(2,704)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>98</u>	<u>98</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>98</u>	<u>98</u>
FUND BALANCE - JANUARY 1	-	-	1,046	1,046
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,144</u>	<u>\$ 1,144</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	1,862	1,862	958	(904)
Interest and other related costs	4,507	4,507	2,856	(1,651)
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>6,369</u>	<u>6,369</u>	<u>3,814</u>	<u>(2,555)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,369)</u>	<u>(6,369)</u>	<u>(3,814)</u>	<u>2,555</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	506	506
Proceeds of refunding long-term debt	-	-	13,505	13,505
Payments to refunded debt escrow agent	-	-	(13,381)	(13,381)
Transfer in	<u>6,369</u>	<u>6,369</u>	<u>3,184</u>	<u>(3,185)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>6,369</u>	<u>6,369</u>	<u>3,814</u>	<u>(2,555)</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	2,222	2,222	1,111	(1,111)
Interest and other related costs	92	92	50	(42)
TOTAL EXPENDITURES	<u>2,314</u>	<u>2,314</u>	<u>1,161</u>	<u>(1,153)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,314)</u>	<u>(2,314)</u>	<u>(1,161)</u>	<u>1,153</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	2,314	2,314	1,161	(1,153)
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,314</u>	<u>2,314</u>	<u>1,161</u>	<u>(1,153)</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Premium on bonds sold (HIDE)	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Transfer in	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

DEBT SERVICE FUND - 2009 LTGO REFUNDING (SERIES A-F) (2040)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Debt service:				
Principal payments	405	405	185	(220)
Interest and other related costs	2,593	2,593	3,024	431
TOTAL EXPENDITURES	2,998	2,998	3,209	211
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,998)	(2,998)	(3,209)	(211)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	1,723	1,723
Transfer in	2,998	2,998	1,486	(1,512)
TOTAL OTHER FINANCE SOURCES(USES)	2,998	2,998	3,209	211
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	7	7
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 7	\$ 7

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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal payments	7,615	7,615	3,770	(3,845)
Interest and other related costs	5,616	5,616	2,919	(2,697)
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	13,231	13,231	6,689	(6,542)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,231)	(13,231)	(6,689)	6,542
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Proceeds of refunding long-term debt	-	-	6,710	6,710
Payments to refunded debt escrow agent	-	-	(6,652)	(6,652)
Transfer in	13,231	13,231	6,631	(6,600)
TOTAL OTHER FINANCE SOURCES(USES)	13,231	13,231	6,689	(6,542)
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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Debt service:				
Principal payments	2,805	2,805	1,300	(1,505)
Interest and other related costs	3,848	3,848	1,944	(1,904)
TOTAL EXPENDITURES	6,653	6,653	3,244	(3,409)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,653)	(6,653)	(3,244)	3,409
OTHER FINANCING SOURCES (USES)				
Transfer in	6,653	6,653	3,244	(3,409)
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	6,653	6,653	3,244	(3,409)
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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ -	\$ -	\$ -	\$ -
Fines and penalties	-	-	1,964	1,964
Interest and other earnings	-	-	7	7
Miscellaneous revenues	-	-	528	528
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,499</u>	<u>\$ 2,499</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	-	-	3,016	3,016
Interest and other related costs	-	-	1,817	1,817
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>4,833</u>	<u>4,833</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(2,334)</u>	<u>(2,334)</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(2,334)</u>	<u>(2,334)</u>
FUND BALANCE - JANUARY 1	-	-	5,109	5,109
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,775</u>	<u>\$ 2,775</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 795	\$ 1,247	\$ 168	\$ (1,079)
Intergovernmental revenue	31,211	93,593	24,586	(69,007)
Charges for goods and services	650	1,941	2,007	66
Fines and penalties	-	-	1	1
Interest and other earnings	-	-	38	38
Miscellaneous revenues	-	-	3	3
TOTAL REVENUES	<u>32,656</u>	<u>96,781</u>	<u>26,803</u>	<u>(69,978)</u>
EXPENDITURES				
Current:				
Public safety	-	-	141	141
Transportation	38,834	121,004	7,643	(113,361)
Economic environment	-	-	5	5
Debt service:				
Interest and other related costs	-	-	202	202
Capital expenditures	-	-	25,741	25,741
TOTAL EXPENDITURES	<u>38,834</u>	<u>121,004</u>	<u>33,732</u>	<u>(87,272)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,178)</u>	<u>(24,223)</u>	<u>(6,929)</u>	<u>17,294</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	4,668	-	(4,668)
Proceeds of refunding long-term debt	-	398	-	(398)
Transfer in	6,411	17,209	1,993	(15,216)
Transfer (out)	(233)	(333)	(437)	(104)
TOTAL OTHER FINANCE SOURCES(USES)	<u>6,178</u>	<u>21,942</u>	<u>1,556</u>	<u>(20,386)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(2,281)</u>	<u>(5,373)</u>	<u>(3,092)</u>
FUND BALANCE - JANUARY 1	-	2,281	9,601	7,320
Prior period adjustment	-	-	159	159
FUND BALANCE - JANUARY 1. RESTATED	-	2,281	9,760	7,479
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,387</u>	<u>\$ 4,387</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	1	1
TOTAL OTHER FINANCE SOURCES(USES)	-	-	1	1
NET CHANGE IN FUND BALANCE	-	-	1	1
FUND BALANCE - JANUARY 1	-	-	(43)	(43)
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ (42)	\$ (42)

CAPITAL PROJECT FUND - CAPITAL PROJECTS (3211)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 8,216	\$ 10,343	\$ 7,619	\$ (2,724)
Intergovernmental revenue	-	-	285	285
Interest and other earnings	199	199	76	(123)
Miscellaneous revenues	-	-	26	26
TOTAL REVENUES	<u>8,415</u>	<u>10,542</u>	<u>8,006</u>	<u>(2,536)</u>
EXPENDITURES				
Current:				
Transportation	2,037	1,933	289	(1,644)
Culture and recreation	-	-	20	20
Debt service:				
Interest and other related costs	-	-	4	4
Capital expenditures	-	4,700	938	(3,762)
TOTAL EXPENDITURES	<u>2,037</u>	<u>6,633</u>	<u>1,251</u>	<u>(5,382)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,378</u>	<u>3,909</u>	<u>6,755</u>	<u>2,846</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	3,579	457	(3,122)
Transfer (out)	(10,941)	(16,563)	(4,028)	12,535
TOTAL OTHER FINANCE SOURCES(USES)	<u>(10,941)</u>	<u>(12,984)</u>	<u>(3,571)</u>	<u>9,413</u>
NET CHANGE IN FUND BALANCE	<u>(4,563)</u>	<u>(9,075)</u>	<u>3,184</u>	<u>12,259</u>
FUND BALANCE - JANUARY 1	4,563	9,075	11,069	1,994
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>4,563</u>	<u>9,075</u>	<u>11,069</u>	<u>1,994</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,253</u>	<u>\$ 14,253</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Debt service:				
Interest and other related costs	<u>72</u>	<u>72</u>	<u>36</u>	<u>(36)</u>
TOTAL EXPENDITURES	<u>72</u>	<u>72</u>	<u>36</u>	<u>(36)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(72)</u>	<u>(72)</u>	<u>(36)</u>	<u>36</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>72</u>	<u>72</u>	<u>36</u>	<u>(36)</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>72</u>	<u>72</u>	<u>36</u>	<u>(36)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>(4,200)</u>	<u>(4,200)</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, 2015

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current:				
Transportation	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 1,143	\$ 2,225	\$ 1,082
Interest and other earnings	-	-	26	26
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>1,143</u>	<u>2,251</u>	<u>1,108</u>
EXPENDITURES				
Current:				
Economic environment	-	-	-	-
Culture and recreation	-	6,399	259	(6,140)
Debt service:				
Interest and other related costs	-	-	2	2
Capital expenditures	-	-	7,737	7,737
TOTAL EXPENDITURES	<u>-</u>	<u>6,399</u>	<u>7,998</u>	<u>1,599</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(5,256)</u>	<u>(5,747)</u>	<u>(491)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	2,310	3,110	800
Transfer (out)	-	(3,173)	(508)	2,665
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(863)</u>	<u>2,602</u>	<u>3,465</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(6,119)</u>	<u>(3,145)</u>	<u>2,974</u>
FUND BALANCE - JANUARY 1	-	6,119	4,864	(1,255)
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>-</u>	<u>6,119</u>	<u>4,864</u>	<u>(1,255)</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,719</u>	<u>\$ 1,719</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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Interest and other earnings	-	-	49	49
TOTAL REVENUES	-	-	49	49
EXPENDITURES				
Current:				
Transportation	-	1,029	162	(867)
Culture and recreation	-	339	100	(239)
Debt service:				
Interest and other related costs	-	-	-	-
Capital expenditures	-	-	218	218
TOTAL EXPENDITURES	-	1,368	480	(888)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,368)	(431)	937
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	(9,632)	(3,713)	5,919
TOTAL OTHER FINANCE SOURCES(USES)	-	(9,632)	(3,713)	5,919
NET CHANGE IN FUND BALANCE	-	(11,000)	(4,144)	6,856
FUND BALANCE - JANUARY 1	-	11,000	11,122	122
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 6,978	\$ 6,978

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, 2015
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2015	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ -	\$ -	\$ 58	\$ 58
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>58</u>	<u>58</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>58</u>	<u>58</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	-	-
Transfer (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>58</u>	<u>58</u>
FUND BALANCE - JANUARY 1	-	-	2,140	2,140
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(168)</u>	<u>(168)</u>
FUND BALANCE - JANUARY 1, RESTATED	<u>-</u>	<u>-</u>	<u>1,972</u>	<u>1,972</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,030</u>	<u>\$ 2,030</u>

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2015
 (amounts expressed in thousands)
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING OPERATING FUND #4140
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,528	\$ 1,047	\$ 2,371
Accounts receivable (net)	293	317	-
Due from other funds	-	2	1
Due from other governments	100	-	-
Inventory	-	-	-
Prepayments	-	48	45
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	5	-
C&CE - other special purposes	-	-	-
Total restricted assets	<u>-</u>	<u>5</u>	<u>-</u>
Total current assets	<u>3,921</u>	<u>1,419</u>	<u>2,417</u>
Non-current assets:			
Notes and contracts receivable (non-current)	-	-	-
Other non-current assets	-	-	-
Capital assets:			
Land	-	1,110	11,806
Property, plant, and equipment	268	28,787	51,844
Less: accumulated depreciation	(83)	(8,251)	(13,444)
Construction work in progress	-	-	10
Total capital assets net of depreciation	<u>185</u>	<u>21,646</u>	<u>50,216</u>
Net pension asset	<u>169</u>	<u>-</u>	<u>32</u>
Total non-current assets	<u>354</u>	<u>23,065</u>	<u>50,248</u>
TOTAL ASSETS	<u>4,275</u>	<u>23,065</u>	<u>52,665</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	401	-	76
Deferred charges	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 401</u>	<u>-</u>	<u>76</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
December 31, 2015
(amounts expressed in thousands)
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING OPERATING FUND #4140
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 52	\$ 71	\$ 299
Due to other funds	132	58	35
Due to other governments	1	-	-
Advances from other funds	-	-	-
Interest payable	-	5	-
Deposits payable	125	45	-
Accrued wages	123	-	19
Accrued benefits	-	-	-
Accrued taxes	-	20	2
Notes, contracts & leases - current	-	-	168
Revenue bonds - current	-	-	1,510
Unearned revenue	-	-	20
Other	-	-	-
Total current liabilities	<u>433</u>	<u>199</u>	<u>2,053</u>
Non-current liabilities:			
Revenue bonds payable (net)	-	-	13,200
Advances from other funds	-	2,251	-
Compensated absences	453	-	43
Net OPEB obligation	-	-	-
Net pension liability	-	-	-
Other - non-current liabilities	-	-	-
TOTAL LIABILITIES	<u>886</u>	<u>2,450</u>	<u>15,296</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to pensions	178	-	34
Deferred gain on refunding	-	-	85
TOTAL DEFERRED INFLOW OF RESOURCES	<u>178</u>	<u>-</u>	<u>119</u>
NET POSITION			
Net investment in capital assets	186	19,395	35,420
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	-	-	-
Restricted for culture and recreation	-	-	-
Restricted for environmental services and programs	3,244	-	-
Restricted for inspections	142	-	-
Restricted for net pension assets	169	-	32
Unrestricted	(129)	1,220	1,874
TOTAL NET POSITION	<u>\$ 3,612</u>	<u>\$ 20,615</u>	<u>\$ 37,326</u>

COMBINING STATEMENT OF NET POSITION
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	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,709	\$ 26	\$ 432	\$ 590
Accounts receivable (net)	165	54	139	-
Due from other funds	13	-	6	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Prepayments	45	19	42	20
Current restricted assets:				
C&CE - debt services, deposits and replacements	502	2	-	-
C&CE - other special purposes	-	84	5,212	605
Total restricted assets	<u>502</u>	<u>86</u>	<u>5,212</u>	<u>605</u>
Total current assets	<u>3,434</u>	<u>185</u>	<u>5,831</u>	<u>1,215</u>
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	-
Other non-current assets	110	-	-	-
Capital assets:				
Land	15,086	224	6,161	2,087
Property, plant, and equipment	69,039	39,183	48,475	22,047
Less: accumulated depreciation	(22,086)	(8,616)	(31,054)	(7,258)
Construction work in progress	19	-	-	98
Total capital assets net of depreciation	<u>62,058</u>	<u>30,791</u>	<u>23,582</u>	<u>16,974</u>
Net pension asset	<u>41</u>	<u>-</u>	<u>81</u>	<u>-</u>
Total non-current assets	<u>62,209</u>	<u>30,976</u>	<u>23,663</u>	<u>18,189</u>
TOTAL ASSETS	<u>65,643</u>	<u>30,976</u>	<u>29,494</u>	<u>18,189</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	97	-	192	-
Deferred charges	3,273	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 3,370</u>	<u>\$ -</u>	<u>\$ 192</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION
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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	\$ 252	\$ -	\$ 171	\$ 130
Due to other funds	52	2	47	6
Due to other governments	-	-	-	-
Advances from other funds	-	-	431	77
Interest payable	-	-	-	-
Deposits payable	419	-	5,345	-
Accrued wages	22	-	46	-
Accrued benefits	-	-	-	-
Accrued taxes	8	-	13	-
Notes, contracts & leases - current	-	-	-	-
Revenue bonds - current	4,013	-	-	-
Unearned revenue	-	-	29	-
Other	13	-	-	-
Total current liabilities	<u>4,779</u>	<u>2</u>	<u>6,082</u>	<u>213</u>
Non-current liabilities:				
Revenue bonds payable (net)	70,986	-	-	-
Advances from other funds	-	-	863	-
Compensated absences	64	-	194	-
Net OPEB obligation	-	-	-	-
Other - non-current liabilities	-	-	-	-
TOTAL LIABILITIES	<u>75,829</u>	<u>2</u>	<u>7,139</u>	<u>213</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	43	-	85	-
Deferred gain on refunding	46	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>89</u>	<u>-</u>	<u>85</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	(9,591)	30,790	23,583	16,974
Restricted:				
Restricted for capital purchases	108	84	-	605
Restricted for debt	502	57	-	-
Restricted for culture and recreation	-	-	5,211	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Restricted for net pension assets	41	-	81	-
Unrestricted	2,035	43	(6,413)	397
TOTAL NET POSITION	<u>\$ (6,905)</u>	<u>30,974</u>	<u>22,462</u>	<u>17,976</u>

COMBINING STATEMENT OF NET POSITION
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	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 80	\$ 9,096	\$ 1,880
Accounts receivable (net)	4,052	2,840	-
Due from other funds	-	53	-
Due from other governments	-	-	-
Inventory	-	937	-
Prepayments	-	1,918	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	65	-
C&CE - other special purposes	1,909	-	-
Total restricted assets	<u>1,909</u>	<u>65</u>	<u>-</u>
Total current assets	<u>6,041</u>	<u>14,909</u>	<u>1,880</u>
Non-current assets:			
Notes and contracts receivable (non-current)	23,533	-	-
Other non-current assets	-	-	-
Capital assets:			
Land	-	160	-
Property, plant, and equipment	-	41,147	-
Less: accumulated depreciation	-	(17,374)	-
Construction work in progress	-	816	-
Total capital assets net of depreciation	<u>-</u>	<u>24,749</u>	<u>-</u>
Net pension asset	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current assets	<u>29,574</u>	<u>39,658</u>	<u>1,880</u>
TOTAL ASSETS	<u>29,574</u>	<u>39,658</u>	<u>1,880</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	-	-	-
Deferred charges	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION
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	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2	\$ 1,746	\$ -
Due to other funds	-	184	-
Due to other governments	-	2	-
Advances from other funds	-	-	-
Interest payable	524	4	-
Deposits payable	-	46	-
Accrued wages	-	244	-
Accrued benefits	-	11	-
Accrued taxes	-	263	-
Notes, contracts & leases - current	-	946	-
Revenue bonds - current	-	-	-
Unearned revenue	1,682	-	-
Other	2,300	-	1,880
Total current liabilities	<u>4,508</u>	<u>3,446</u>	<u>1,880</u>
Non-current liabilities:			
Revenue bonds payable (net)	17,155	64	-
Advances from other funds	-	-	-
Compensated absences	-	1,018	-
Net OPEB obligation	-	696	-
Other - non-current liabilities	6,977	6,213	-
TOTAL LIABILITIES	<u>28,640</u>	<u>12,617</u>	<u>1,880</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to pensions	-	-	-
Deferred gain on refunding	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	18,246	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	1,909	65	-
Restricted for culture and recreation	-	-	-
Restricted for environmental services and programs	-	-	-
Restricted for inspections	-	-	-
Restricted for net pension assets	-	-	-
Unrestricted	(975)	8,730	-
TOTAL NET POSITION	<u>\$ 934</u>	<u>\$ 27,041</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2015
 (amounts expressed in thousands)
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	NON-MAJOR ENTERPRISE FUNDS
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 21,759
Accounts receivable (net)	7,860
Due from other funds	75
Due from other governments	100
Inventory	937
Prepayments	2,137
Current restricted assets:	
C&CE - debt services, deposits and replacements	574
C&CE - other special purposes	7,810
Total restricted assets	<u>8,384</u>
Total current assets	<u>41,252</u>
Non-current assets:	
Notes and contracts receivable (non-current)	23,533
Other non-current assets	110
Capital assets:	
Land	36,634
Property, plant, and equipment	300,790
Less: accumulated depreciation	(108,166)
Construction work in progress	943
Total capital assets net of depreciation	<u>230,201</u>
Net pension asset	<u>323</u>
Total non-current assets	<u>254,167</u>
TOTAL ASSETS	<u>295,419</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pensions	766
Deferred charges	3,273
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 4,039</u>

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2015
 (amounts expressed in thousands)
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	NON-MAJOR ENTERPRISE FUNDS
<hr/>	
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 2,723
Due to other funds	516
Due to other governments	3
Advances from other funds	508
Interest payable	533
Deposits payable	5,980
Accrued wages	454
Accrued benefits	11
Accrued taxes	306
Notes, contracts & leases - current	1,114
Revenue bonds - current	5,523
Unearned revenue	1,731
Other	4,193
Total current liabilities	<hr/> 23,595 <hr/>
Non-current liabilities:	
Revenue bonds payable (net)	101,405
Advances from other funds	3,114
Compensated absences	1,772
Net OPEB obligation	696
Other - non-current liabilities	13,190
TOTAL LIABILITIES	<hr/> 144,952 <hr/>
DEFERRED INFLOW OF RESOURCES	
Deferred inflows related to pensions	340
Deferred gain on refunding	131
TOTAL DEFERRED INFLOW OF RESOURCES	<hr/> 471 <hr/>
NET POSITION	
Net investment in capital assets	135,003
Restricted:	
Restricted for capital purchases	797
Restricted for debt	2,533
Restricted for culture and recreation	5,211
Restricted for environmental services and programs	3,244
Restricted for inspections	142
Restricted for net pension assets	323
Unrestricted	6,782
TOTAL NET POSITION	<hr/> \$ 154,035 <hr/>

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

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2015

(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	\$ 8,224	\$ 1,568	\$ 7,320
Miscellaneous revenues	-	93	-
TOTAL OPERATING REVENUES	<u>8,224</u>	<u>1,661</u>	<u>7,320</u>
OPERATING EXPENSES			
Salary and wages	4,586	651	851
Personnel benefits	1,779	7	404
Supplies	105	67	18
Services	2,397	1,047	2,513
Intergovernmental services (interfund taxes)	-	44	55
Depreciation expense	19	886	1,314
TOTAL OPERATING EXPENSES	<u>8,886</u>	<u>2,702</u>	<u>5,155</u>
OPERATING INCOME (LOSS)	<u>(662)</u>	<u>(1,041)</u>	<u>2,165</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	21	8	24
Interest and other related costs	(1)	(29)	(662)
Amortization of bond discount & expense	-	-	25
Operating contributions - interfund	-	-	-
Operating contributions - federal/state/local	-	-	-
Other non revenues and (expenses)	4	243	-
Gain(loss) on disposition of property	-	3,748	-
NON OPERATING REVENUE NET OF EXPENSE	<u>24</u>	<u>3,970</u>	<u>(613)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(638)</u>	<u>2,929</u>	<u>1,552</u>
Capital contributions - federal/state/local	-	-	-
Transfer in	855	206	14
Transfer (out)	-	-	(1,244)
CHANGE IN NET POSITION	<u>217</u>	<u>3,135</u>	<u>322</u>
NET POSITION			
NET POSITION - JANUARY 1	3,187	17,480	36,965
Prior period adjustments	-	-	-
Change in accounting principle	208	-	39
NET POSITION - JANUARY 1 RESTATED	<u>3,395</u>	<u>17,480</u>	<u>37,004</u>
NET POSITION - DECEMBER 31	<u>\$ 3,612</u>	<u>\$ 20,615</u>	<u>\$ 37,326</u>

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

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2015

(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	\$ 2,729	\$ 849	\$ 6,791	\$ -
Miscellaneous revenues	2	-	365	-
TOTAL OPERATING REVENUES	<u>2,731</u>	<u>849</u>	<u>7,156</u>	<u>-</u>
OPERATING EXPENSES				
Salary and wages	1,025	-	1,854	-
Personnel benefits	424	-	734	-
Supplies	379	4	369	20
Services	2,305	78	3,579	929
Intergovernmental services (interfund taxes)	64	64	85	-
Depreciation expense	2,046	1,504	587	654
TOTAL OPERATING EXPENSES	<u>6,243</u>	<u>1,650</u>	<u>7,208</u>	<u>1,603</u>
OPERATING INCOME (LOSS)	<u>(3,512)</u>	<u>(801)</u>	<u>(52)</u>	<u>(1,603)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	2	3	-	7
Interest and other related costs	(1,072)	(1)	(13)	-
Amortization of bond discount & expense	1,094	-	-	-
Operating contributions - interfund	-	175	-	-
Operating contributions - federal/state/local	-	-	-	-
Other non revenues and (expenses)	2,957	38	(12)	-
Gain(loss) on disposition of property	350	-	(52)	-
NON OPERATING REVENUE NET OF EXPENSE	<u>3,331</u>	<u>215</u>	<u>(77)</u>	<u>7</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(181)</u>	<u>(586)</u>	<u>(129)</u>	<u>(1,596)</u>
Capital contributions - federal/state/local	-	-	-	1,108
Transfer in	4,038	628	532	1,367
Transfer (out)	<u>(3,007)</u>	<u>(1,274)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>850</u>	<u>(1,232)</u>	<u>403</u>	<u>879</u>
NET POSITION				
NET POSITION - JANUARY 1	(8,406)	32,206	21,959	17,097
Prior period adjustments	600	-	-	-
Change in accounting principle	51	-	100	-
NET POSITION - JANUARY 1 RESTATED	<u>(7,755)</u>	<u>32,206</u>	<u>22,059</u>	<u>17,097</u>
NET POSITION - DECEMBER 31	<u>\$ (6,905)</u>	<u>\$ 30,974</u>	<u>\$ 22,462</u>	<u>\$ 17,976</u>

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

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2015

(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	\$ -	\$ 30,630	\$ -
Miscellaneous revenues	-	-	-
TOTAL OPERATING REVENUES	-	30,630	-
OPERATING EXPENSES			
Salary and wages	-	10,731	-
Personnel benefits	-	5,004	-
Supplies	-	1,291	-
Services	5	7,142	-
Intergovernmental services (interfund taxes)	-	417	-
Depreciation expense	-	1,221	-
TOTAL OPERATING EXPENSES	5	25,806	-
OPERATING INCOME (LOSS)	(5)	4,824	-
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	-	51	-
Interest and other related costs	(1,885)	(42)	-
Amortization of bond discount & expense	-	-	-
Operating contributions - interfund	-	-	-
Operating contributions - federal/state/local	-	35	-
Other non revenues and (expenses)	1,886	139	-
Gain(loss) on disposition of property	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	1	183	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(4)	5,007	-
Capital contributions - federal/state/local	-	-	-
Transfer in	-	259	-
Transfer (out)	-	(2,455)	-
CHANGE IN NET POSITION	(4)	2,811	-
NET POSITION			
NET POSITION - JANUARY 1	938	24,230	-
Prior period adjustments	-	-	-
Change in accounting principle	-	-	-
NET POSITION - JANUARY 1 RESTATED	938	24,230	-
NET POSITION - DECEMBER 31	\$ 934	\$ 27,041	\$ -

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

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2015

(amounts expressed in thousands)

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	NON-MAJOR ENTERPRISE FUNDS
OPERATING REVENUES	
Charges for goods and services	\$ 58,111
Miscellaneous revenues	460
TOTAL OPERATING REVENUES	<u>58,571</u>
OPERATING EXPENSES	
Salary and wages	19,698
Personnel benefits	8,352
Supplies	2,253
Services	19,995
Intergovernmental services (interfund taxes)	729
Depreciation expense	8,231
TOTAL OPERATING EXPENSES	<u>59,258</u>
OPERATING INCOME (LOSS)	<u>(687)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and other earnings	116
Interest and other related costs	(3,705)
Amortization of bond discount & expense	1,119
Operating contributions - interfund	175
Operating contributions - federal/state/local	35
Other non revenues and (expenses)	5,255
Gain(loss) on disposition of property	4,046
NON OPERATING REVENUE NET OF EXPENSE	<u>7,041</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>6,354</u>
Capital contributions - federal/state/local	1,108
Transfer in	7,899
Transfer (out)	(7,980)
CHANGE IN NET POSITION	<u>7,381</u>
NET POSITION	
NET POSITION - JANUARY 1	145,656
Prior period adjustments	600
Change in accounting principle	398
NET POSITION - JANUARY 1 RESTATED	<u>146,654</u>
NET POSITION - DECEMBER 31	<u>154,035</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)
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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	\$ 7,965	\$ 1,701	\$ 7,337
Receipts from interfund services provided	7	(3)	35
Payments to suppliers	(1,653)	(1,156)	(1,843)
Payments to employees	(6,401)	(658)	(1,278)
Payments for taxes	-	(43)	(97)
Payments for interfund services used	(1,132)	(89)	(318)
Other operating or non-operating revenues (expenses)	4	243	(1)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,210)</u>	<u>(5)</u>	<u>3,835</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	855	206	14
Transfers (to) other funds	-	-	-
Advances (to) other funds	-	(3,999)	-
Grants received	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>855</u>	<u>(3,793)</u>	<u>14</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	(1)	(304)
Proceeds from the sale of capital assets	-	3,999	-
Principal paid on capital debt	-	-	(2,439)
Interest and issuance costs paid on capital debt	(2)	(29)	(662)
Premium and net refunding from capital debt	-	-	(293)
Contributions and donations	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(2)</u>	<u>3,969</u>	<u>(3,698)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	35	12	30
Investment long-term	(13)	(4)	(6)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>22</u>	<u>8</u>	<u>24</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(335)	179	175
CASH & CASH EQUIVALENTS, JANUARY 1	<u>3,863</u>	<u>873</u>	<u>2,196</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,528</u>	<u>\$ 1,052</u>	<u>\$ 2,371</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)
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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)	\$ (662)	\$ (1,041)	\$ 2,165
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	19	886	1,314
(increase) decrease in accounts receivable	(258)	40	15
(Increase) decrease in due from other funds	7	(2)	35
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	(5)	(48)	143
(Increase) decrease in other current assets	(570)	-	(108)
Increase (decrease) in deposits payable	(60)	-	-
Increase (decrease) in accounts payable	25	(109)	184
Increase (decrease) in accrued wages payable	(132)	-	(30)
Increase (decrease) in compensated absences	96	-	6
Increase (decrease) in due to other funds	(57)	26	12
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	(3)	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	25
Increase (decrease) in other long-term liabilities	178	-	34
Increase (decrease) in prior period adjustments	208	-	39
Miscellaneous non-operating revenues (expenditures)	4	243	1
Total adjustments	(548)	1,036	1,670
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (1,210)</u>	<u>\$ (5)</u>	<u>\$ 3,835</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2015
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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	\$ 3,326	\$ 795	\$ 7,209	\$ -
Receipts from interfund services provided	(11)	-	(6)	-
Payments to suppliers	(2,171)	(127)	(1,105)	(775)
Payments to employees	(1,466)	-	(2,701)	(1)
Payments for taxes	(66)	-	(79)	-
Payments for interfund services used	(508)	(17)	(347)	(50)
Other operating or non-operating revenues (expenses)	(1)	38	(12)	(1)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(897)	689	2,959	(827)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	2,976	803	532	851
Transfers (to) other funds	-	-	-	-
Advances (to) other funds	-	-	(432)	(153)
Grants received	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	2,976	803	100	698
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	4,019	-	-	516
Acquisition and construction of capital assets	(227)	(142)	-	(1,798)
Proceeds from the sale of capital assets	1,636	-	-	-
Principal paid on capital debt	(4,840)	(1,274)	-	-
Interest and issuance costs paid on capital debt	(1,072)	-	(13)	-
Premium and net refunding from capital debt	708	-	-	-
Contributions and donations	-	-	-	1,108
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	224	(1,416)	(13)	(174)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	11	2	17	12
Investment long-term	(10)	-	(17)	(4)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1	2	-	8
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	2,304	78	3,046	(295)
CASH & CASH EQUIVALENTS, JANUARY 1	907	34	2,598	1,490
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 3,211	\$ 112	\$ 5,644	\$ 1,195

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2015
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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)	\$ <u>(3,512)</u>	\$ <u>(801)</u>	\$ <u>(52)</u>	\$ <u>(1,603)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	2,046	1,504	587	654
(increase) decrease in accounts receivable	(5)	(54)	51	-
(Increase) decrease in due from other funds	(11)	-	(6)	-
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	56	-	1	-
(Increase) decrease in other current assets	(139)	-	(273)	-
Increase (decrease) in deposits payable	(104)	-	2,833	-
Increase (decrease) in accounts payable	107	-	(235)	123
Increase (decrease) in accrued wages payable	(32)	-	(81)	-
Increase (decrease) in compensated absences	16	-	(31)	-
Increase (decrease) in due to other funds	(14)	2	10	1
Increase (decrease) in unearned revenues	-	-	17	-
Increase (decrease) in other current liabilities	1	-	(35)	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in other long-term liabilities	43	-	85	-
Increase (decrease) in prior period adjustments	651	-	100	-
Miscellaneous non-operating revenues (expenditures)	<u>-</u>	<u>38</u>	<u>(12)</u>	<u>(2)</u>
Total adjustments	2,615	1,490	3,011	776
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>(897)</u></u>	\$ <u><u>689</u></u>	\$ <u><u>2,959</u></u>	\$ <u><u>(827)</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 1,108

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2015
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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	\$ 30,734	\$ -
Receipts from interfund services provided	-	50	-
Payments to suppliers	(1,946)	(7,222)	187
Payments to employees	-	(15,593)	-
Payments for taxes	-	(417)	-
Payments for interfund services used	-	(1,706)	-
Other operating or non-operating revenues (expenses)	1,886	140	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,992</u>	<u>5,986</u>	<u>187</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Transfers (to) other funds	-	(2,213)	-
Advances (to) other funds	-	393	-
Grants received	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(1,820)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	(4,910)	-
Proceeds from the sale of capital assets	-	-	-
Principal paid on capital debt	(2,105)	(249)	-
Interest and issuance costs paid on capital debt	(1,886)	(42)	-
Premium and net refunding from capital debt	-	-	-
Contributions and donations	-	35	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(3,991)</u>	<u>(5,166)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	(1)	80	-
Investment long-term	-	(27)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1)</u>	<u>53</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	-	(947)	187
CASH & CASH EQUIVALENTS, JANUARY 1	1,989	10,108	1,693
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31 \$	<u><u>1,989</u></u>	<u><u>\$ 9,161</u></u>	<u><u>\$ 1,880</u></u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)
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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)	\$ 4,824	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	1,221	-
(increase) decrease in accounts receivable	4,052	104	-
(Increase) decrease in due from other funds	-	50	-
(Increase) decrease in inventories	-	(52)	-
(Increase) decrease in prepaid items	-	71	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in deposits payable	-	-	-
Increase (decrease) in accounts payable	(55)	(419)	-
Increase (decrease) in accrued wages payable	-	(296)	-
Increase (decrease) in compensated absences	-	438	-
Increase (decrease) in due to other funds	-	(315)	-
Increase (decrease) in unearned revenues	(204)	-	-
Increase (decrease) in other current liabilities	-	-	187
Increase (decrease) in notes, contracts, and leases payable	-	-	-
Increase (decrease) in other long-term liabilities	(1,682)	220	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	1,886	140	-
Total adjustments	3,997	1,162	187
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,992</u>	<u>\$ 5,986</u>	<u>\$ 187</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)
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	NON-MAJOR ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 63,119
Receipts from interfund services provided	72
Payments to suppliers	(17,811)
Payments to employees	(28,098)
Payments for taxes	(702)
Payments for interfund services used	(4,167)
Other operating or non-operating revenues (expenses)	2,296
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>14,709</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	6,237
Transfers (to) other funds	(2,213)
Advances (to) other funds	(4,191)
Grants received	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(167)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	4,535
Acquisition and construction of capital assets	(7,382)
Proceeds from the sale of capital assets	5,635
Principal paid on capital debt	(10,907)
Interest and issuance costs paid on capital debt	(3,706)
Premium and net refunding from capital debt	415
Contributions and donations	1,143
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(10,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends received	198
Investment long-term	(81)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>117</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	4,392
CASH & CASH EQUIVALENTS, JANUARY 1	<u>25,751</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 30,143</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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 (amounts expressed in thousands)
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	NON-MAJOR ENTERPRISE FUNDS
<u></u>	
RECONCILIATION OF OPERATING INCOME	
(LOSS) TO NET CASH PROVIDED (USED)	
BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (687)
Adjustments to reconcile operating income	
(loss) to net cash provided (used)	
by operating activities:	
Depreciation expense	8,231
(increase) decrease in accounts receivable	3,945
(Increase) decrease in due from other funds	73
(Increase) decrease in inventories	(52)
(Increase) decrease in prepaid items	218
(Increase) decrease in other current assets	(1,090)
Increase (decrease) in deposits payable	2,669
Increase (decrease) in accounts payable	(379)
Increase (decrease) in accrued wages payable	(571)
Increase (decrease) in compensated absences	525
Increase (decrease) in due to other funds	(335)
Increase (decrease) in unearned revenues	(187)
Increase (decrease) in other current liabilities	150
Increase (decrease) in notes, contracts, and leases payable	25
Increase (decrease) in other long-term liabilities	(1,122)
Increase (decrease) in prior period adjustments	998
Miscellaneous non-operating revenues (expenditures)	<u>2,298</u>
Total adjustments	15,396
NET CASH PROVIDED (USED) BY	
OPERATING ACTIVITIES	\$ <u><u>14,709</u></u>
NONCASH INVESTING, CAPITAL, AND	
FINANCING ACTIVITIES	
Contributions of capital assets	\$ 1,108

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2015

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	FINANCE DEPARTMENT FUND #5007	BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 385	\$ -	\$ 143
Accounts receivable (net)	22	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Prepayments	-	-	-
Current restricted assets:			
C&CE - construction accounts	-	-	-
Total restricted assets	-	-	-
Total current assets	<u>407</u>	<u>-</u>	<u>143</u>
Capital assets:			
Land	-	-	-
Property, plant, and equipment	-	-	-
Less: accumulated depreciation	-	-	-
Construction work in progress	-	-	-
Total capital assets net of depreciation	-	-	-
Net pension asset	-	-	-
Total non-current assets	-	-	-
TOTAL ASSETS	<u>407</u>	<u>-</u>	<u>143</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
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	FINANCE DEPARTMENT FUND #5007	BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	378	-	-
Due to other governments	7	-	-
Accrued wages	-	-	-
Accrued benefits	-	-	-
Accrued taxes	-	-	-
Unearned revenue	-	-	-
Other	-	-	-
Total current liabilities	<u>385</u>	<u>-</u>	<u>-</u>
Non-current liabilities:			
Compensated absences	-	-	-
Other - non-current liabilities	-	-	-
TOTAL LIABILITIES	<u>385</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to pensions	-	-	-
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	-	-	-
Restricted for net pension assets	-	-	-
Unrestricted	22	-	143
TOTAL NET POSITION	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 143</u>

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2015

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	GRAPHIC SERVICES FUND #5042	TPU FLEET SERVICES FUND #5050	& EMPLOYMENT FU BUILD TACOMA FUND #5086	PUBLIC WORKS EQUIPMENT RENTAL FUND #5400
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 99	\$ 22,238	\$ 101	\$ 5,189
Accounts receivable (net)	-	44	-	7
Due from other funds	65	28	40	80
Due from other governments	-	-	-	-
Inventory	-	285	-	442
Prepayments	-	-	-	24
Current restricted assets:				
C&CE - construction accounts	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	<u>164</u>	<u>22,595</u>	<u>141</u>	<u>5,742</u>
Capital assets:				
Land	-	-	-	-
Property, plant, and equipment	-	58,502	-	50,932
Less: accumulated depreciation	-	(37,595)	-	(34,775)
Construction work in progress	-	1,368	-	455
Total capital assets net of depreciation	-	<u>22,275</u>	-	<u>16,612</u>
Net pension asset	-	101	-	138
Total non-current assets	-	<u>22,376</u>	-	<u>16,750</u>
TOTAL ASSETS	<u>164</u>	<u>44,971</u>	<u>141</u>	<u>22,492</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	-	240	-	328
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ 240	\$ -	\$ 328

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
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	GRAPHIC SERVICES FUND #5042	TPU FLEET SERVICES FUND #5050	& EMPLOYMENT FU BUILD TACOMA FUND #5086	PUBLIC WORKS EQUIPMENT RENTAL FUND #5400
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 153	\$ 409	\$ 1	\$ 142
Due to other funds	-	47	1	52
Due to other governments	-	-	-	-
Accrued wages	-	62	-	108
Accrued benefits	-	-	-	-
Accrued taxes	-	-	-	3
Unearned revenue	-	-	-	-
Other	-	-	-	-
Total current liabilities	<u>153</u>	<u>518</u>	<u>2</u>	<u>305</u>
Non-current liabilities:				
Compensated absences	-	220	-	489
Other - non-current liabilities	-	-	-	-
TOTAL LIABILITIES	<u>153</u>	<u>738</u>	<u>2</u>	<u>794</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	-	107	-	146
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>107</u>	<u>-</u>	<u>146</u>
NET POSITION				
Net investment in capital assets	-	22,275	-	16,750
Restricted:				
Restricted for capital purchases	-	26,285	-	-
Restricted for self-insurance	-	-	-	-
Restricted for net pension assets	-	101	-	138
Unrestricted	<u>11</u>	<u>(4,295)</u>	<u>139</u>	<u>4,992</u>
TOTAL NET POSITION	<u>\$ 11</u>	<u>\$ 44,366</u>	<u>\$ 139</u>	<u>\$ 21,880</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
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 280	\$ 4,269	\$ 6,866	\$ 686
Accounts receivable (net)	-	100	-	-
Due from other funds	8	2	5	-
Due from other governments	-	5	-	-
Inventory	153	-	-	-
Prepayments	-	-	-	-
Current restricted assets:				
C&CE - construction accounts	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	<u>441</u>	<u>4,376</u>	<u>6,871</u>	<u>686</u>
Capital assets:				
Land	11	-	-	-
Property, plant, and equipment	258	2,761	-	-
Less: accumulated depreciation	(258)	(2,761)	-	-
Construction work in progress	-	1,630	-	-
Total capital assets net of depreciation	<u>11</u>	<u>1,630</u>	<u>-</u>	<u>-</u>
Net pension asset	<u>7</u>	<u>22</u>	<u>1</u>	<u>-</u>
Total non-current assets	<u>18</u>	<u>1,652</u>	<u>1</u>	<u>-</u>
TOTAL ASSETS	<u>459</u>	<u>6,028</u>	<u>6,872</u>	<u>686</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	16	52	2	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 16</u>	<u>\$ 52</u>	<u>\$ 2</u>	<u>\$ -</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
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 22	\$ 15	\$ 26	\$ -
Due to other funds	7	25	70	1
Due to other governments	-	-	-	-
Accrued wages	2	20	1	-
Accrued benefits	-	-	-	-
Accrued taxes	-	9	-	-
Unearned revenue	-	69	-	-
Other	-	118	10,313	-
Total current liabilities	<u>31</u>	<u>256</u>	<u>10,410</u>	<u>1</u>
Non-current liabilities:				
Compensated absences	8	107	-	-
Other - non-current liabilities	-	-	7,750	-
TOTAL LIABILITIES	<u>39</u>	<u>363</u>	<u>18,160</u>	<u>1</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	7	23	1	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>7</u>	<u>23</u>	<u>1</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	11	1,630	-	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for net pension assets	7	23	1	-
Unrestricted	<u>411</u>	<u>4,041</u>	<u>(11,288)</u>	<u>685</u>
TOTAL NET POSITION	<u>\$ 429</u>	<u>\$ 5,694</u>	<u>\$ (11,287)</u>	<u>\$ 685</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
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,363	\$ 4,089	\$ 2,377	\$ 22,345
Accounts receivable (net)	-	1	2	3
Due from other funds	40	4	1,802	2
Due from other governments	-	-	7	2
Inventory	-	-	19	-
Prepayments	-	32	450	-
Current restricted assets:				
C&CE - construction accounts	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	<u>3,403</u>	<u>4,126</u>	<u>4,657</u>	<u>22,352</u>
Capital assets:				
Land	-	346	-	-
Property, plant, and equipment	-	17,960	22,751	-
Less: accumulated depreciation	-	(13,477)	(18,567)	-
Construction work in progress	-	813	4,281	-
Total capital assets net of depreciation	-	<u>5,642</u>	<u>8,465</u>	-
Net pension asset	<u>31</u>	<u>51</u>	<u>412</u>	-
Total non-current assets	<u>31</u>	<u>5,693</u>	<u>8,877</u>	-
TOTAL ASSETS	<u>3,434</u>	<u>9,819</u>	<u>13,534</u>	<u>22,352</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	<u>75</u>	<u>120</u>	<u>977</u>	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 75</u>	<u>\$ 120</u>	<u>\$ 977</u>	<u>\$ -</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
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 637	\$ 124	\$ 355	\$ 3,638
Due to other funds	12	19	7	9
Due to other governments	-	-	-	2
Accrued wages	13	39	283	-
Accrued benefits	-	-	-	5
Accrued taxes	-	-	18	-
Unearned revenue	-	-	-	1
Other	6,418	-	-	8,846
Total current liabilities	<u>7,080</u>	<u>182</u>	<u>663</u>	<u>12,501</u>
Non-current liabilities:				
Compensated absences	-	165	1,063	-
Other - non-current liabilities	-	-	-	-
TOTAL LIABILITIES	<u>7,080</u>	<u>347</u>	<u>1,726</u>	<u>12,501</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	34	54	434	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>34</u>	<u>54</u>	<u>434</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	5,642	8,465	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for net pension assets	31	51	412	-
Unrestricted	(3,636)	3,845	3,474	9,851
TOTAL NET POSITION	<u>\$ (3,605)</u>	<u>\$ 9,538</u>	<u>\$ 12,351</u>	<u>\$ 9,851</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,856	\$ 79,286
Accounts receivable (net)	-	179
Due from other funds	-	2,076
Due from other governments	-	14
Inventory	-	899
Prepayments	-	506
Current restricted assets:		
C&CE - construction accounts	-	-
Total restricted assets	-	-
Total current assets	<u>6,856</u>	<u>82,960</u>
Capital assets:		
Land	-	357
Property, plant, and equipment	-	153,164
Less: accumulated depreciation	-	(107,433)
Construction work in progress	-	8,547
Total capital assets net of depreciation	-	54,635
Net pension asset	-	763
Total non-current assets	-	55,398
TOTAL ASSETS	<u>6,856</u>	<u>138,358</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows related to pensions	-	1,810
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ 1,810

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 4	\$ 5,526
Due to other funds	11	639
Due to other governments	-	9
Accrued wages	-	528
Accrued benefits	-	5
Accrued taxes	-	30
Unearned revenue	-	70
Other	-	25,695
Total current liabilities	<u>15</u>	<u>32,502</u>
Non-current liabilities:		
Compensated absences	-	2,052
Other - non-current liabilities	4,692	12,442
TOTAL LIABILITIES	<u>4,707</u>	<u>46,996</u>
DEFERRED INFLOW OF RESOURCES		
Deferred inflows related to pensions	-	806
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>806</u>
NET POSITION		
Net investment in capital assets	-	54,773
Restricted:		
Restricted for capital purchases	-	26,285
Restricted for self-insurance	2,149	2,149
Restricted for net pension assets	-	764
Unrestricted	-	8,395
TOTAL NET POSITION	<u>\$ 2,149</u>	<u>\$ 92,366</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

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	FINANCE DEPARTMENT FUND #5007	BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
OPERATING REVENUES			
Charges for goods and services	\$ 6	\$ -	\$ -
Interfund insurance premiums	-	-	-
Miscellaneous revenues	-	-	-
TOTAL OPERATING REVENUES	<u>6</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Salary and wages	-	-	-
Personnel benefits	-	-	-
Supplies	-	-	-
Services	-	16	-
Depreciation expense	-	-	-
TOTAL OPERATING EXPENSES	<u>-</u>	<u>16</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>6</u>	<u>(16)</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	-	-	-
Interest and other related costs	-	-	-
Operating contributions - interfund	-	-	-
Other non revenues and (expenses)	(11)	(3)	-
Gain(loss) on disposition of property	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>(11)</u>	<u>(3)</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(5)</u>	<u>(19)</u>	<u>-</u>
Transfer in	1	-	-
Transfer (out)	(1,888)	(773)	-
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>(1,887)</u>	<u>(773)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(1,892)</u>	<u>(792)</u>	<u>-</u>
NET POSITION			
NET POSITION - JANUARY 1	1,931	792	143
Prior period adjustments	(17)	-	-
Change in accounting principle	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>1,914</u>	<u>792</u>	<u>143</u>
NET POSITION - DECEMBER 31	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 143</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

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	GRAPHIC SERVICES FUND #5042	TPU FLEET SERVICES FUND #5050	TRAINING & EMPLOYMENT FUND #5086	PUBLIC WORKS EQUIPMENT RENTAL FUND #5400
OPERATING REVENUES				
Charges for goods and services	\$ 693	\$ 8,202	\$ 118	\$ 10,050
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>693</u>	<u>8,202</u>	<u>118</u>	<u>10,050</u>
OPERATING EXPENSES				
Salary and wages	-	1,981	-	4,126
Personnel benefits	-	964	-	468
Supplies	-	125	-	86
Services	727	1,332	118	2,772
Depreciation expense	-	2,937	-	3,014
TOTAL OPERATING EXPENSES	<u>727</u>	<u>7,339</u>	<u>118</u>	<u>10,466</u>
OPERATING INCOME (LOSS)	<u>(34)</u>	<u>863</u>	<u>-</u>	<u>(416)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	-	-	1	25
Interest and other related costs	-	(25)	-	-
Operating contributions - interfund	-	-	-	-
Other non revenues and (expenses)	-	6	-	18
Gain(loss) on disposition of property	-	188	-	94
NON OPERATING REVENUE NET OF EXPENSE	<u>-</u>	<u>169</u>	<u>1</u>	<u>137</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(34)</u>	<u>1,032</u>	<u>1</u>	<u>(279)</u>
Transfer in	10	339	-	122
Transfer (out)	-	-	-	-
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>10</u>	<u>339</u>	<u>-</u>	<u>122</u>
CHANGE IN NET POSITION	<u>(24)</u>	<u>1,371</u>	<u>1</u>	<u>(157)</u>
NET POSITION				
NET POSITION - JANUARY 1	74	42,870	138	21,867
Prior period adjustments	(39)	-	-	-
Change in accounting principle	-	125	-	170
NET POSITION - JANUARY 1 RESTATED	<u>35</u>	<u>42,995</u>	<u>138</u>	<u>22,037</u>
NET POSITION - DECEMBER 31	<u>\$ 11</u>	<u>\$ 44,366</u>	<u>\$ 139</u>	<u>\$ 21,880</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

(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	\$ 1,895	\$ 2,482	\$ -	\$ -
Interfund insurance premiums	-	-	3,693	343
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>1,895</u>	<u>2,482</u>	<u>3,693</u>	<u>343</u>
OPERATING EXPENSES				
Salary and wages	174	557	31	-
Personnel benefits	104	195	8	-
Supplies	978	174	1	-
Services	318	449	3,531	440
Depreciation expense	1	-	-	-
TOTAL OPERATING EXPENSES	<u>1,575</u>	<u>1,375</u>	<u>3,571</u>	<u>440</u>
OPERATING INCOME (LOSS)	<u>320</u>	<u>1,107</u>	<u>122</u>	<u>(97)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	1	18	31	4
Interest and other related costs	-	-	-	-
Operating contributions - interfund	-	-	-	-
Other non revenues and (expenses)	-	-	-	-
Gain(loss) on disposition of property	-	(5)	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>1</u>	<u>13</u>	<u>31</u>	<u>4</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>321</u>	<u>1,120</u>	<u>153</u>	<u>(93)</u>
Transfer in	3	6	5	-
Transfer (out)	-	-	-	-
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>3</u>	<u>6</u>	<u>5</u>	<u>-</u>
CHANGE IN NET POSITION	<u>324</u>	<u>1,126</u>	<u>158</u>	<u>(93)</u>
NET POSITION				
NET POSITION - JANUARY 1	97	4,541	(11,446)	778
Prior period adjustments	-	-	-	-
Change in accounting principle	8	27	1	-
NET POSITION - JANUARY 1 RESTATED	<u>105</u>	<u>4,568</u>	<u>(11,445)</u>	<u>778</u>
NET POSITION - DECEMBER 31	<u>\$ 429</u>	<u>\$ 5,694</u>	<u>\$ (11,287)</u>	<u>\$ 685</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

(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	\$ -	\$ 4,878	\$ 19,931	\$ -
Interfund insurance premiums	8,558	-	-	73,150
Miscellaneous revenues	-	-	1	108
TOTAL OPERATING REVENUES	<u>8,558</u>	<u>4,878</u>	<u>19,932</u>	<u>73,258</u>
OPERATING EXPENSES				
Salary and wages	715	1,144	9,476	-
Personnel benefits	842	488	3,120	73,095
Supplies	51	362	883	123
Services	7,420	1,687	4,269	775
Depreciation expense	-	503	1,495	-
TOTAL OPERATING EXPENSES	<u>9,028</u>	<u>4,184</u>	<u>19,243</u>	<u>73,993</u>
OPERATING INCOME (LOSS)	<u>(470)</u>	<u>694</u>	<u>689</u>	<u>(735)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	16	17	8	119
Interest and other related costs	-	-	(5)	-
Operating contributions - interfund	-	-	-	-
Other non revenues and (expenses)	-	-	2	-
Gain(loss) on disposition of property	-	-	(44)	-
NON OPERATING REVENUE NET OF EXPENSE	<u>16</u>	<u>17</u>	<u>(39)</u>	<u>119</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(454)</u>	<u>711</u>	<u>650</u>	<u>(616)</u>
Transfer in	39	232	1,276	3
Transfer (out)	-	(1,276)	-	-
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>39</u>	<u>(1,044)</u>	<u>1,276</u>	<u>3</u>
CHANGE IN NET POSITION	<u>(415)</u>	<u>(333)</u>	<u>1,926</u>	<u>(613)</u>
NET POSITION				
NET POSITION - JANUARY 1	(3,229)	9,809	9,919	10,216
Prior period adjustments	-	-	-	248
Change in accounting principle	39	62	506	-
NET POSITION - JANUARY 1 RESTATED	<u>(3,190)</u>	<u>9,871</u>	<u>10,425</u>	<u>10,464</u>
NET POSITION - DECEMBER 31	<u>\$ (3,605)</u>	<u>\$ 9,538</u>	<u>\$ 12,351</u>	<u>\$ 9,851</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

(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	\$ -	\$ 48,255
Interfund insurance premiums	-	85,744
Miscellaneous revenues	1,240	1,349
TOTAL OPERATING REVENUES	1,240	135,348
OPERATING EXPENSES		
Salary and wages	-	18,204
Personnel benefits	-	79,284
Supplies	2	2,785
Services	758	24,612
Depreciation expense	-	7,950
TOTAL OPERATING EXPENSES	760	132,835
OPERATING INCOME (LOSS)	480	2,513
NON-OPERATING REVENUES (EXPENSES)		
Interest and other earnings	36	276
Interest and other related costs	-	(30)
Operating contributions - interfund	-	-
Other non revenues and (expenses)	-	12
Gain(loss) on disposition of property	-	233
NON OPERATING REVENUE NET OF EXPENSE	36	491
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	516	3,004
Transfer in	-	2,036
Transfer (out)	-	(3,937)
TOTAL CONTRIBUTIONS AND TRANSFERS	-	(1,901)
CHANGE IN NET POSITION	516	1,103
NET POSITION		
NET POSITION - JANUARY 1	233	88,733
Prior period adjustments	1,400	1,592
Change in accounting principle	-	938
NET POSITION - JANUARY 1 RESTATED	1,633	91,263
NET POSITION - DECEMBER 31	\$ 2,149	\$ 92,366

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COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
(amounts expressed in thousands)
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 14	\$ -	\$ -
Receipts from interfund services provided	113	59	-
Contributions received - employee/employer	-	-	-
Payments to suppliers	(27)	(16)	-
Payments to employees	(113)	-	-
Payments for taxes	-	-	-
Payments for interfund services used	374	(10)	-
Other operating or non-operating revenues (expenses)	(7)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>354</u>	<u>33</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Transfers (to) other funds	(1,888)	(773)	-
Advances from other funds	-	-	-
Contributions and Donations	(4)	(3)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(1,892)</u>	<u>(776)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	-	-
Proceeds from the sale of capital assets	-	-	-
Interest and issuance costs paid on capital debt	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	-	(1)	-
Investment long-term	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>(1)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(1,538)</u>	<u>(744)</u>	<u>-</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>1,923</u>	<u>744</u>	<u>143</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 385</u>	<u>\$ -</u>	<u>\$ 143</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
(amounts expressed in thousands)
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 6	\$ (16)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	-	-
(increase) decrease in accounts receivable	7	-	-
(Increase) decrease in intergovernmental receivables	-	-	-
(Increase) decrease in due from other funds	113	59	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in accounts payable	(8)	-	-
Increase (decrease) in accrued wages payable	(38)	-	-
Increase (decrease) in compensated absences	(76)	-	-
Increase (decrease) in due to other funds	374	(10)	-
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-
Increase (decrease) in prior period adjustments	(17)	-	-
Miscellaneous non-operating revenues (expenditures)	(7)	-	-
Total adjustments	348	49	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 354	\$ 33	\$ -
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	-	-	-

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
(amounts expressed in thousands)
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	GRAPHICS SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 732	\$ 5,668	\$ -	\$ 7,852
Receipts from interfund services provided	174	1,721	331	704
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(728)	(1,009)	(342)	(2,367)
Payments to employees	-	(973)	-	(2,977)
Payments for taxes	-	(1)	-	-
Payments for interfund services used	(169)	(1,571)	(4)	(740)
Other operating or non-operating revenues (expenses)	-	2	-	17
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>9</u>	<u>3,837</u>	<u>(15)</u>	<u>2,489</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	10	11	-	48
Transfers (to) other funds	-	-	-	-
Advances from other funds	-	-	-	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>10</u>	<u>11</u>	<u>-</u>	<u>48</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	328	-	74
Acquisition and construction of capital assets	-	(3,639)	-	(2,259)
Proceeds from the sale of capital assets	-	-	-	-
Interest and issuance costs paid on capital debt	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(3,311)</u>	<u>-</u>	<u>(2,185)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	1	50	1	44
Investment long-term	-	(71)	-	(16)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1</u>	<u>(21)</u>	<u>1</u>	<u>28</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>20</u>	<u>516</u>	<u>(14)</u>	<u>380</u>
CASH & CASH EQUIVALENTS, JANUARY 1	79	21,722	115	4,809
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 99</u>	<u>\$ 22,238</u>	<u>\$ 101</u>	<u>\$ 5,189</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
(amounts expressed in thousands)
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	GRAPHICS SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (34)	\$ 863	\$ -	\$ (416)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	2,937	-	3,014
(increase) decrease in accounts receivable	39	(43)	-	3
(Increase) decrease in intergovernmental receivables	2	-	-	-
(Increase) decrease in due from other funds	174	1,395	213	(32)
(Increase) decrease in inventories	-	42	-	(28)
(Increase) decrease in prepaid items	-	-	-	1
(Increase) decrease in other current assets	-	(342)	-	(465)
Increase (decrease) in accounts payable	37	(193)	(228)	8
Increase (decrease) in accrued wages payable	-	(65)	-	(92)
Increase (decrease) in compensated absences	-	9	-	245
Increase (decrease) in due to other funds	(170)	(999)	-	(81)
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in other long-term liabilities	-	231	-	315
Increase (decrease) in prior period adjustments	(39)	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	2	-	17
Total adjustments	43	2,974	(15)	2,905
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 9	\$ 3,837	\$ (15)	\$ 2,489
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
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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	\$ 1,187	\$ 2,539	\$ -	\$ -
Receipts from interfund services provided	729	(2)	(5)	-
Contributions received - employee/employer	-	-	3,692	343
Payments to suppliers	(1,245)	(611)	(1,707)	(486)
Payments to employees	(302)	(760)	(40)	-
Payments for taxes	(61)	(13)	(9)	-
Payments for interfund services used	(75)	(210)	(732)	(13)
Other operating or non-operating revenues (expenses)	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>233</u>	<u>943</u>	<u>1,199</u>	<u>(156)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	3	6	5	-
Transfers (to) other funds	-	-	-	-
Advances from other funds	-	-	-	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>3</u>	<u>6</u>	<u>5</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Acquisition and construction of capital assets	-	4	-	-
Proceeds from the sale of capital assets	-	(5)	-	-
Interest and issuance costs paid on capital debt	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	3	33	54	8
Investment long-term	(1)	(14)	(23)	(3)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2</u>	<u>19</u>	<u>31</u>	<u>5</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>238</u>	<u>967</u>	<u>1,235</u>	<u>(151)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	42	3,302	5,631	837
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 280</u>	<u>\$ 4,269</u>	<u>\$ 6,866</u>	<u>\$ 686</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
(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)	\$ 320	\$ 1,107	\$ 122	\$ (97)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1	-	-	-
(increase) decrease in accounts receivable	-	56	-	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	21	(2)	(5)	-
(Increase) decrease in inventories	(59)	-	-	-
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other current assets	(22)	(74)	(3)	-
Increase (decrease) in accounts payable	(10)	(180)	1,103	(59)
Increase (decrease) in accrued wages payable	(7)	(16)	(1)	-
Increase (decrease) in compensated absences	(17)	9	-	-
Increase (decrease) in due to other funds	(10)	3	(19)	-
Increase (decrease) in unearned revenues	-	(8)	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in other long-term liabilities	15	50	2	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	1	(2)	-	-
Total adjustments	(87)	(164)	1,077	(59)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 233	\$ 943	\$ 1,199	\$ (156)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

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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	\$ -	\$ 4,898	\$ 1,463	\$ 320
Receipts from interfund services provided	(40)	(1)	21,053	(2)
Contributions received - employee/employer	8,558	-	-	72,937
Payments to suppliers	(5,547)	(1,809)	(8,034)	(73,997)
Payments to employees	(1,585)	(1,684)	(12,791)	(1)
Payments for taxes	(1,026)	(22)	17	-
Payments for interfund services used	(166)	(270)	1,131	(138)
Other operating or non-operating revenues (expenses)	-	-	2	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>194</u>	<u>1,112</u>	<u>2,841</u>	<u>(881)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	39	-	1,276	3
Transfers (to) other funds	-	(1,261)	-	-
Advances from other funds	-	-	-	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>39</u>	<u>(1,261)</u>	<u>1,276</u>	<u>3</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	217	-	-
Acquisition and construction of capital assets	-	624	(1,969)	-
Proceeds from the sale of capital assets	-	-	(7)	-
Interest and issuance costs paid on capital debt	-	-	(4)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>841</u>	<u>(1,980)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	29	31	16	198
Investment long-term	(11)	(13)	(7)	(80)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>18</u>	<u>18</u>	<u>9</u>	<u>118</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>251</u>	<u>710</u>	<u>2,146</u>	<u>(760)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>3,112</u>	<u>3,379</u>	<u>231</u>	<u>23,105</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,363</u>	<u>\$ 4,089</u>	<u>\$ 2,377</u>	<u>\$ 22,345</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
(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)	\$ (107)	\$ 694	\$ 689	\$ (735)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	503	1,495	-
(increase) decrease in accounts receivable	-	21	(2)	(1)
(Increase) decrease in intergovernmental receivables	-	-	9	313
(Increase) decrease in due from other funds	(40)	(1)	2,585	(2)
(Increase) decrease in inventories	-	19	(19)	-
(Increase) decrease in prepaid items	-	4	141	-
(Increase) decrease in other current assets	(107)	(171)	(1,389)	-
Increase (decrease) in accounts payable	(152)	39	(1,018)	(688)
Increase (decrease) in accrued wages payable	(28)	(58)	(294)	(1)
Increase (decrease) in compensated absences	-	7	100	-
Increase (decrease) in due to other funds	(14)	(60)	(399)	(5)
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in other current liabilities	569	-	-	(11)
Increase (decrease) in other long-term liabilities	72	116	941	-
Increase (decrease) in prior period adjustments	-	-	-	248
Miscellaneous non-operating revenues (expenditures)	1	(1)	2	1
Total adjustments	301	418	2,152	(146)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 194	\$ 1,112	\$ 2,841	\$ (881)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
(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	\$ 1,240	\$ 25,913
Receipts from interfund services provided	-	24,834
Contributions received - employee/employer	-	85,530
Payments to suppliers	(515)	(98,440)
Payments to employees	-	(21,226)
Payments for taxes	-	(1,115)
Payments for interfund services used	(132)	(2,725)
Other operating or non-operating revenues (expenses)	-	14
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>593</u>	<u>12,785</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	1,401
Transfers (to) other funds	-	(3,922)
Advances from other funds	-	-
Contributions and Donations	-	(7)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(2,528)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	619
Acquisition and construction of capital assets	-	(7,239)
Proceeds from the sale of capital assets	-	(12)
Interest and issuance costs paid on capital debt	-	(4)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(6,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	59	526
Investment long-term	(23)	(262)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>36</u>	<u>264</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>629</u>	<u>3,885</u>
CASH & CASH EQUIVALENTS, JANUARY 1	6,227	75,401
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,856</u>	<u>\$ 79,286</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015
(amounts expressed in thousands)
Page 10 of 10

	SELF INSURANCE CLAIMS FUND #(5)4800	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 480	\$ 2,876
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	-	7,950
(Increase) decrease in accounts receivable	-	80
(Increase) decrease in intergovernmental receivables	-	324
(Increase) decrease in due from other funds	-	4,478
(Increase) decrease in inventories	-	(45)
(Increase) decrease in prepaid items	-	146
(Increase) decrease in other current assets	-	(2,573)
Increase (decrease) in accounts payable	(39)	(1,388)
Increase (decrease) in accrued wages payable	-	(600)
Increase (decrease) in compensated absences	-	277
Increase (decrease) in due to other funds	(1)	(1,391)
Increase (decrease) in unearned revenues	-	(8)
Increase (decrease) in other current liabilities	-	558
Increase (decrease) in other long-term liabilities	(1,247)	495
Increase (decrease) in prior period adjustments	1,400	1,592
Miscellaneous non-operating revenues (expenditures)	-	14
Total adjustments	<u>113</u>	<u>9,909</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 593</u>	<u>\$ 12,785</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of capital assets	-	-

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2015
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ASSETS	
Cash and cash equivalents	\$ 28,910
Investments at fair value:	
Equities	786,116
Fixed income	501,035
Real estate	74,245
Venture capital and partnerships	78,269
Securities lending collateral	41,072
Receivables - net uncollectible accounts	127
Due from other governments	715
Interest and dividends	2,236
Investment sales	3,693
Capital assets - net of accumulated depreciation	12
Net pension assets	40
TOTAL ASSETS	<u>1,516,470</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflow of pensions	94
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>94</u>
LIABILITIES	
Current liabilities:	
Accounts payable	4,579
Accrued wages and benefits payable	1,832
Due to the governmental units	33
Investments purchase payable	60,370
Other current liabilities	169
Total current liabilities	<u>66,983</u>
Non-current liabilities:	
Accrued employee leave benefits	90
Total non-current liabilities	<u>90</u>
TOTAL LIABILITIES	<u>67,073</u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflow of pensions	42
TOTAL DEFERRED INFLOW OF RESOURCES	<u>42</u>
NET POSITION	
Held in trust for pension benefits and other purposes	<u>\$ 1,449,449</u>

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2015
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ADDITIONS	
Employer contributions	\$ 33,817
Member contributions	21,260
Other contributions	172
Total contributions	<u>55,249</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	(26,892)
Interest & dividends	27,206
Total investment income	<u>314</u>
Less investment expenses:	
Investment management fees	(6,100)
Securities lending - agent fees	(48)
Securities lending - broker rebates	(30)
Total investment expense	<u>(6,178)</u>
Net investment income	<u>(5,864)</u>
TOTAL ADDITIONS	<u>49,385</u>
DEDUCTIONS	
Wages and benefits	1,231
Benefit payments	75,153
Refunds of contributions	2,475
Administrative expense	552
TOTAL DEDUCTIONS	<u>79,411</u>
NET INCREASE (DECREASE)	<u>(30,026)</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,479,427
Changes in accounting principle	48
Net position - beginning (restated)	1,479,475
Net position - ending	<u>\$ 1,449,449</u>

COMBINING STATEMENT OF NET POSITION

TRUST FUNDS

December 31, 2015

(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	\$ 48	\$ 23,509	\$ 316
Investments at fair value:			
Equities	-	786,116	-
Fixed income	-	501,035	-
Real estate	-	74,245	-
Venture capital and partnerships	-	78,269	-
Securities lending collateral	-	41,072	-
Receivables - net uncollectible accounts	125		
Due from other governments	-	706	3
Interest and dividends	-	2,236	-
Investment sales	-	3,693	-
Capital assets - net of accumulated depreciation	-	12	-
Net pension assets	3	33	2
TOTAL ASSETS	<u>176</u>	<u>1,510,926</u>	<u>321</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow of pensions	8	78	4
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>8</u>	<u>78</u>	<u>4</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	1,710	29
Accrued wages and benefits payable	2	9	2
Due to the governmental units	1	24	4
Investments purchase payable	-	60,370	-
Securities lending collateral	-	-	-
Other current liabilities	-	5	59
Total current liabilities	<u>3</u>	<u>62,118</u>	<u>94</u>
Non-current liabilities:			
Accrued employee leave benefits	-	80	5
Total non-current liabilities	<u>-</u>	<u>80</u>	<u>5</u>
TOTAL LIABILITIES	<u>3</u>	<u>62,198</u>	<u>99</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow of pensions	3	35	2
TOTAL DEFERRED INFLOW OF RESOURCES	<u>3</u>	<u>35</u>	<u>2</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 178</u>	<u>\$ 1,448,773</u>	<u>\$ 224</u>

COMBINING STATEMENT OF NET POSITION

TRUST FUNDS

December 31, 2015

(amounts expressed in thousands)

Page 2 of 2

	RELIEF & PENSION FIREFIGHTERS FUND #6150	PAYROLL CLEARING FUND #6450	PENSION AND EMPLOYEE TRUST FUNDS #6050-6150, 6450
ASSETS			
Cash and cash equivalents	\$ 430	\$ 4,607	\$ 28,910
Investments at fair value:			
Equities	-	-	786,116
Fixed income	-	-	501,035
Real estate	-	-	74,245
Venture capital and partnerships	-	-	78,269
Securities lending collateral	-	-	41,072
Receivables - net uncollectible accounts	-	-	127
Due from other governments	4	2	715
Interest and dividends	-	-	2,236
Investment sales	-	-	3,693
Capital assets - net of accumulated depreciation	-	-	12
Net pension assets	2	-	40
TOTAL ASSETS	436	4,609	1,516,470
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow of pensions	4	-	94
TOTAL DEFERRED OUTFLOW OF RESOURCES	4	-	94
LIABILITIES			
Current liabilities:			
Accounts payable	48	2,792	4,579
Accrued wages and benefits payable	2	1,817	1,832
Due to the governmental units	4	-	33
Investments purchase payable	-	-	60,370
Other current liabilities	105	-	169
Total current liabilities	159	4,609	66,983
Non-current liabilities:			
Accrued employee leave benefits	5	-	90
Total non-current liabilities	5	-	90
TOTAL LIABILITIES	164	4,609	67,073
DEFERRED INFLOW OF RESOURCES			
Deferred inflow of pensions	2	-	42
TOTAL DEFERRED INFLOW OF RESOURCES	2	-	42
NET POSITION			
Held in trust for pension benefits and other purposes	\$ 274	\$ -	\$ 1,449,449

FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended December 31, 2015
 (amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100	RELIEF & PENSION POLICE FUND #6120
ADDITIONS			
Employer contributions	\$ -	\$ 24,557	\$ 3,801
Member contributions	-	21,259	-
Other contributions	172	-	-
Total contributions	<u>172</u>	<u>45,816</u>	<u>3,801</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(1)	(26,888)	(1)
Interest & dividends	2	27,199	2
Total investment income	<u>1</u>	<u>311</u>	<u>1</u>
Less investment expenses:			
Investment management fees	-	(6,100)	-
Securities lending - agent fees	-	(48)	-
Securities lending - broker rebates	-	(30)	-
Total investment expense	<u>-</u>	<u>(6,178)</u>	<u>-</u>
Net investment income	<u>1</u>	<u>(5,867)</u>	<u>1</u>
TOTAL ADDITIONS	<u>173</u>	<u>39,949</u>	<u>3,802</u>
DEDUCTIONS			
Wages and benefits	108	785	161
Benefit payments	-	66,132	3,643
Refunds of contributions	-	2,475	-
Administrative expense	78	372	50
TOTAL DEDUCTIONS	<u>186</u>	<u>69,764</u>	<u>3,854</u>
NET INCREASE (DECREASE)	(13)	(29,815)	(52)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Net position - beginning	187	1,478,548	274
Changes in accounting principle	4	40	2
Net position - beginning (restated)	191	1,478,588	276
Net position - ending	<u>\$ 178</u>	<u>\$ 1,448,773</u>	<u>\$ 224</u>

FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended December 31, 2015
 (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	\$ 5,459	\$ -	\$ 33,817
Member contributions	1	-	21,260
Other contributions	-	-	172
Total contributions	<u>5,460</u>	<u>-</u>	<u>55,249</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(2)	-	(26,892)
Interest & dividends	3	-	27,206
Total investment income	<u>1</u>	<u>-</u>	<u>314</u>
Less investment expenses:			
Investment management fees	-	-	(6,100)
Securities lending - agent fees	-	-	(48)
Securities lending - broker rebates	-	-	(30)
Total investment expense	<u>-</u>	<u>-</u>	<u>(6,178)</u>
Net investment income	<u>1</u>	<u>-</u>	<u>(5,864)</u>
TOTAL ADDITIONS	<u>5,461</u>	<u>-</u>	<u>49,385</u>
DEDUCTIONS			
Wages and benefits	177	-	1,231
Benefit payments	5,378	-	75,153
Refunds of contributions	-	-	2,475
Administrative expense	52	-	552
TOTAL DEDUCTIONS	<u>5,607</u>	<u>-</u>	<u>79,411</u>
NET INCREASE (DECREASE)	(146)	-	(30,026)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Net position - beginning	418	-	1,479,427
Prior period adjustment	-	-	-
Changes in accounting principle	2	-	48
Net position - beginning (restated)	420	-	1,479,475
Net position - ending	<u>\$ 274</u>	<u>\$ -</u>	<u>\$ 1,449,449</u>

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

Governmental Funds Capital Assets:	2014	2015
Land	\$ 26,745	\$ 34,681
Parks	5,337	5,442
Buildings	65,802	68,120
Improvements other than Buildings	14,677	19,607
Machinery and Equipment	31,734	33,906
Intangible Assets	1,523	1,523
Library Materials	5,739	6,450
Works of Art	1,903	2,050
Infrastructure	1,316,194	1,339,991
Work in Progress	77,491	80,167
Total Governmental Funds Capital Assets	<u>\$ 1,547,145</u>	<u>\$ 1,591,937</u>

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

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

Internal Service Funds Capital Assets:	2014	2015
Land	\$ 357	\$ 357
Parks	-	-
Buildings	21,580	21,580
Improvements other than Buildings	275	275
Machinery and Equipment	60,961	62,082
Intangible Assets	10,421	10,727
Library Materials	-	-
Works of Art	-	-
Infrastructure	-	-
Work in Progress	6,621	7,179
Total Governmental Funds Capital Assets	<u>\$ 100,215</u>	<u>\$ 102,200</u>

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

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

Total Capital Assets:	2014	2015
Land	\$ 27,102	\$ 35,038
Parks	5,337	5,442
Buildings	87,382	89,700
Improvements other than Buildings	14,952	19,882
Machinery and Equipment	92,695	95,988
Intangible Assets	11,944	12,250
Library Materials	5,739	6,450
Works of Art	1,903	2,050
Infrastructure	1,316,194	1,339,991
Work in Progress	84,112	87,346
Total Governmental Funds Capital Assets	<u>\$ 1,647,360</u>	<u>\$ 1,694,137</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 1/1/2015	Increases	Decreases	Prior Year Adjustments	Prior Year Reclass	Capital Assets 12/31/2015
General Government	\$ 16,369	\$ 6,323	\$ (40)	\$ -	\$ (448)	\$ 22,204
Public Safety	79,632	1,427	(42)	-	448	81,465
Transportation	1,323,852	29,590	(281)	-	-	1,353,161
Culture and Recreation	47,709	2,309	(1,172)	-	-	48,846
Economic Environment	2,092	4,002	-	-	-	6,094
Work In Progress	77,491	28,280	(25,604)	-	-	80,167
Total Capital Assets	<u>\$ 1,547,145</u>	<u>\$ 71,931</u>	<u>\$ (27,139)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,591,937</u>

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

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

Governmental Funds Capital Assets:	General Government	Public Safety	Transportation	Culture and Recreation	Economic Environment	Total Capital Assets
Land	\$ 13,232	\$ 4,564	\$ 2,930	\$ 11,808	\$ 2,147	\$ 34,681
Parks	-	-	-	5,442	-	5,442
Buildings	1,997	47,430	1,264	14,722	2,707	68,120
Improvements other than Buildings	2,914	1,303	8,879	6,511	-	19,607
Machinery and Equipment	3,693	27,047	2,496	578	92	33,906
Intangible Assets	319	782	-	422	-	1,523
Library Materials	-	-	-	6,450	-	6,450
Works of Art	49	339	-	616	1,046	2,050
Infrastructure	-	-	1,337,592	2,297	102	1,339,991
Work In Progress	3,012	1,506	68,771	6,836	42	80,167
Total Governmental Funds Capital Assets	<u>\$ 25,216</u>	<u>\$ 82,971</u>	<u>\$ 1,421,932</u>	<u>\$ 55,682</u>	<u>\$ 6,136</u>	<u>\$ 1,591,937</u>

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

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

Fiscal Year Ending 31-Dec	Assessments Levied	Assessments Collected	Total Assessments Outstanding
2006	59,717	588,235	1,669,219
2007	205,786	543,732	1,331,273
2008	-	406,320	924,953
2009	210,271	387,476	747,749
2010	2,121,294	749,841	2,119,201
2011	67,126	382,041	1,804,286
2012	245,501	602,084	1,447,703
2013	31,566,484	898,967	32,115,219
2014	1,642,736	2,465,027	31,292,927
2015	669,088	757,232	31,204,783

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

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities					
Net investment in capital assets	\$722,581 (1)	\$715,358 (2)	\$716,586	\$697,653 (4)	\$729,601 (6)
Restricted	26,101	22,297	23,144	48,852 (5)	36,943
Unrestricted	<u>148,214</u>	<u>146,240</u>	<u>120,151 (3)</u>	<u>32,193</u>	<u>44,682 (8)</u>
Total governmental activities net position	<u>896,896</u>	<u>883,895</u>	<u>859,881</u>	<u>778,698</u>	<u>811,226</u>
Business-type activities					
Net investment in capital assets	958,079	1,117,908	1,202,761	1,286,616	1,355,118 (7)
Restricted	202,206	61,950	54,137	94,139	93,429
Unrestricted	<u>117,707</u>	<u>228,300</u>	<u>269,378</u>	<u>276,939</u>	<u>246,032</u>
Total business-type activities net position	<u>1,277,992</u>	<u>1,408,158</u>	<u>1,526,276</u>	<u>1,657,694</u>	<u>1,694,579</u>
Primary government					
Net investment in capital assets	1,680,660	1,833,266	1,919,347	1,984,269	2,084,719
Restricted	228,307	84,247	77,281	142,991	130,372
Unrestricted	<u>265,921</u>	<u>374,540</u>	<u>389,529</u>	<u>309,132</u>	<u>290,714</u>
Total primary government net position	<u>\$2,174,888</u>	<u>\$2,292,053</u>	<u>\$2,386,157</u>	<u>\$2,436,392</u>	<u>\$2,505,805</u>

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

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

(3) 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.

(4) 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.

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities					
Net investment in capital assets	\$732,174	\$699,307	\$681,794 (9)	\$669,951	\$678,872
Restricted	84,842	82,405	74,670 (10)	79,630	110,825
Unrestricted	<u>(87,658)</u>	<u>(64,890)</u>	<u>(25,296) (10)</u>	<u>(20,567)</u>	<u>(17,920)</u>
Total governmental activities net position	<u><u>729,358</u></u>	<u><u>716,822</u></u>	<u><u>731,168</u></u>	<u><u>729,014</u></u>	<u><u>771,777</u></u>
Business-type activities					
Net investment in capital assets	1,365,324	1,401,679	1,508,950 (9)	1,515,858	1,620,194
Restricted	126,952	103,350	112,925	121,369	127,008
Unrestricted	<u>282,088</u>	<u>318,920</u>	<u>256,481</u>	<u>307,104</u>	<u>258,962</u>
Total business-type activities net position	<u><u>1,774,364</u></u>	<u><u>1,823,949</u></u>	<u><u>1,878,356</u></u>	<u><u>1,944,331</u></u>	<u><u>2,006,164</u></u>
Primary government					
Net investment in capital assets	2,097,498	2,100,986	2,190,744	2,185,809	2,299,066
Restricted	211,794	185,755	187,595	200,999	237,833
Unrestricted	<u>194,430</u>	<u>254,030</u>	<u>231,185</u>	<u>286,537</u>	<u>241,042</u>
Total primary government net position	<u><u>\$2,503,722</u></u>	<u><u>\$2,540,771</u></u>	<u><u>\$2,609,524</u></u>	<u><u>\$2,673,345</u></u>	<u><u>\$2,777,941</u></u>

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

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

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

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

(10) 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses					
Governmental activities:					
General government	\$ 20,100	\$ 19,992	\$ 24,504	\$ 27,788	\$ 28,806
Public Safety	115,572	146,328 (2)	143,922	168,059	157,488
Utilities	465	653	622	-	-
Transportation	44,744	52,706	53,007	37,608	19,609
Social Services	20,968 (3)	2,121	2,051	2,369	2,513
Public Works	-	-	-	-	-
Natural & Econ Environment	1,816 (3)	29,253	26,947	30,332	28,602
Culture and Recreation	13,409	17,643	22,815	30,052	21,777
Interest on long-term debt	4,005	3,157	3,905	3,777	8,186
Total governmental activities expense	<u>221,079</u>	<u>271,853</u>	<u>277,773</u>	<u>299,985</u>	<u>266,981</u>
Business-type activities:					
Public Assembly Facilities	17,640	18,465	18,562	19,051	18,764
Rail	18,507	18,992	20,286	16,986	19,162
Solid Waste	44,594	51,250	52,530	51,563	47,746
Sewer	46,930	54,008	55,121	61,681	75,758
Water	54,695	55,310	58,685	61,769	73,866
Power	323,555	319,777	334,180	317,481	383,424
Other business-type funds	7,254	7,427	6,922	3,017	9,691
Total business-type activities	<u>513,175</u>	<u>525,229</u>	<u>546,286</u>	<u>531,548</u>	<u>628,411</u>
Total primary government expenses	<u>\$ 734,254</u>	<u>\$ 797,082</u>	<u>\$ 824,059</u>	<u>\$ 831,533</u>	<u>\$ 895,392</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 5,651	\$ 8,396	\$ 12,482	\$ 11,747	\$ 13,861
Public Safety	5,331	3,917	8,202	12,409	9,201
Utilities	-	75	82	-	-
Transportation	4,036	4,050	9,426	7,820	7,968
Social Services	280	426	744	815	235
Public Works	-	-	-	-	-
Natural & Econ Environment	7,729	7,208	5,899	5,372	4,477
Culture and Recreation	422	447	447	411	390
Interest on long-term debt	657	606	-	-	-
Operating grants and contributions:	35,142 (1)	32,655	12,516	24,245	22,276
Capital grants and contributions	11,430	15,602	8,244	5,058	13,996
Total governmental activities program revenues	<u>70,678</u>	<u>73,382</u>	<u>58,042</u>	<u>67,877</u>	<u>72,404</u>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	7,528	9,749	14,410	9,864	9,966
Rail	17,559	21,396	20,612	17,579	18,940
Solid Waste	51,337	57,498	56,076	55,928	56,812
Sewer	62,989	66,145	67,850	75,098	77,988
Water	53,232	54,494	57,086	65,622	66,247
Power	399,716	401,899	407,664	361,699	375,688
Other business-type funds	3,591	4,031	3,995	3,509	6,764
Operating grants and contributions:	1,113	1,412	11,252 (4)	3,821	2,007
Capital grants and contributions	45,430	34,724	35,600	43,784	32,102
Total business-type activities program revenues	<u>642,495</u>	<u>651,348</u>	<u>674,545</u>	<u>636,904</u>	<u>646,514</u>
Total primary government program revenues	<u>\$ 713,173</u>	<u>\$ 724,730</u>	<u>\$ 732,587</u>	<u>\$ 704,781</u>	<u>\$ 718,918</u>
Net (expense)/revenue					
Governmental activities	\$ (150,401)	\$ (198,471)	\$ (219,731)	\$ (232,108)	\$ (194,577)
Business-type activities	<u>129,320</u>	<u>126,119</u>	<u>128,259</u>	<u>105,356</u>	<u>18,103</u>
Total primary government net expense	<u>\$ (21,081)</u>	<u>\$ (72,352)</u>	<u>\$ (91,472)</u>	<u>\$ (126,752)</u>	<u>\$ (176,474)</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 Positon
Last Ten Fiscal Years
Table 2
(accrual basis of accounting)
(amounts expressed in thousands)
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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses					
Governmental activities:					
General government	\$ 34,732	\$ 52,038	\$ 49,781	\$ 56,887	\$ 51,578
Public Safety	163,575	150,575	138,368	142,097	144,312
Utilities	102	2	2,477	2,580	2,864
Transportation	75,692	52,424	58,288	61,524	57,885
Social Services	3,129	757	1,953	2,649	3,551
Public Works	-	-	-	-	-
Natural & Econ Environment	24,023	23,510	21,255	22,856	20,887
Culture and Recreation	43,460	10,690	81,832	14,823	18,448
Interest on long-term debt	6,121	6,351	14,401	13,001	13,643
Total governmental activities expense	<u>350,834</u>	<u>296,347</u>	<u>305,355</u>	<u>316,417</u>	<u>313,168</u>
Business-type activities:					
Public Assembly Facilities	23,797	24,062	16,832	19,801	17,801
Rail	22,089	24,753	29,024	30,095	28,579
Solid Waste	54,518	59,391	67,591	61,040	54,867
Sewer	79,390	83,294	81,286	80,343	84,984
Water	76,161	76,755	79,773	72,324	82,604
Power	371,829	395,954	432,321	422,265	425,044
Other business-type funds	7,335	9,147	14,979	16,005	16,594
Total business-type activities	<u>635,119</u>	<u>673,356</u>	<u>721,806</u>	<u>701,873</u>	<u>710,473</u>
Total primary government expenses	<u>\$ 985,953</u>	<u>\$ 969,703</u>	<u>\$ 1,027,161</u>	<u>\$ 1,018,290</u>	<u>\$ 1,023,641</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 8,780	\$ 6,607	\$ 23,726	\$ 31,568	\$ 27,729
Public Safety	8,133	20,306	8,153	6,439	7,353
Utilities	82	93	287	353	297
Transportation	8,959	9,434	1,168	1,097	2,661
Social Services	761	421	207	-	-
Public Works	-	-	-	-	-
Natural & Econ Environment	1,111	2,380	3,396	2,096	2,024
Culture and Recreation	415	1,180	417	75	86
Interest on long-term debt	1,010	2,658	-	-	-
Operating grants and contributions:	13,138	14,974	33,925	30,378	30,420
Capital grants and contributions	38,445	37,338	19,813	15,882	23,996
Total governmental activities program revenues	<u>80,834</u>	<u>95,391</u>	<u>91,092</u>	<u>87,888</u>	<u>94,566</u>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	15,274	14,863	10,766	10,933	14,823
Rail	23,164	25,969	29,926	32,937	32,673
Solid Waste	57,781	57,541	62,026	64,642	66,843
Sewer	78,318	81,582	85,493	90,648	97,583
Water	70,235	81,508	96,365	99,426	100,305
Power	373,962	395,105	438,444	468,988	437,491
Other business-type funds	4,376	6,044	16,679	17,928	17,459
Operating grants and contributions:	601	180	7,438	7,968	8,138
Capital grants and contributions	61,585	31,222	25,150	19,587	21,582
Total business-type activities program revenues	<u>685,296</u>	<u>694,014</u>	<u>772,287</u>	<u>813,057</u>	<u>796,897</u>
Total primary government program revenues	<u>\$ 766,130</u>	<u>\$ 789,405</u>	<u>\$ 863,379</u>	<u>\$ 900,945</u>	<u>\$ 891,463</u>
Net (expense)/revenue					
Governmental activities	\$ (270,000)	\$ (200,956)	\$ (214,263)	\$ (228,529)	\$ (218,602)
Business-type activities	50,177	20,658	50,481	111,184	86,424
Total primary government net expense	<u>\$ (219,823)</u>	<u>\$ (180,298)</u>	<u>\$ (163,782)</u>	<u>\$ (117,345)</u>	<u>\$ (132,178)</u>

Changes in Net Position
Last Ten Fiscal Years
Table 2
(accrual basis of accounting)
(amounts expressed in thousands)
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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 53,177	\$ 57,410	\$ 58,498	\$ 62,564	\$ 61,900
Sales taxes	54,071	54,508	47,681	42,256	41,942
Business taxes	46,161	46,955	49,039	43,052	84,094 (7)
Unrestricted investment earnings	6,869	8,976	6,566	5,699	3,907
Gain on sale of capital assets	1,567	43	2,705	344	(1,648)
Transfers	35,673	38,600	35,212	34,383	(6,021)
Total governmental activities	<u>197,518</u>	<u>206,492</u>	<u>199,701</u>	<u>188,298</u>	<u>184,174</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	-
Sales taxes	458	605	1,715	-	-
Business taxes	-	-	-	-	-
Unrestricted investment earnings	27,309	36,090	30,674	18,427	15,059
Gain on sale of capital assets	55	5,667	(8,099) (5)	133	(1,222)
Transfers	(35,673)	(38,600)	(35,212)	(34,383)	6,021
Total business-type activities	<u>(7,851)</u>	<u>3,762</u>	<u>(10,922)</u>	<u>(15,823)</u>	<u>19,858</u>
Total primary government	<u>\$ 189,667</u>	<u>\$ 210,254</u>	<u>\$ 188,779</u>	<u>\$ 172,475</u>	<u>\$ 204,032</u>
Change in Net Position					
Governmental activities	\$ 47,117	\$ 8,021	\$ (20,030) (6)	\$ (43,810)	\$ (10,403)
Business-type activities	121,469	129,881	117,337	89,533	37,961
Total primary government	<u>\$ 168,586</u>	<u>\$ 137,902</u>	<u>\$ 97,307</u>	<u>\$ 45,723</u>	<u>\$ 27,558</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.

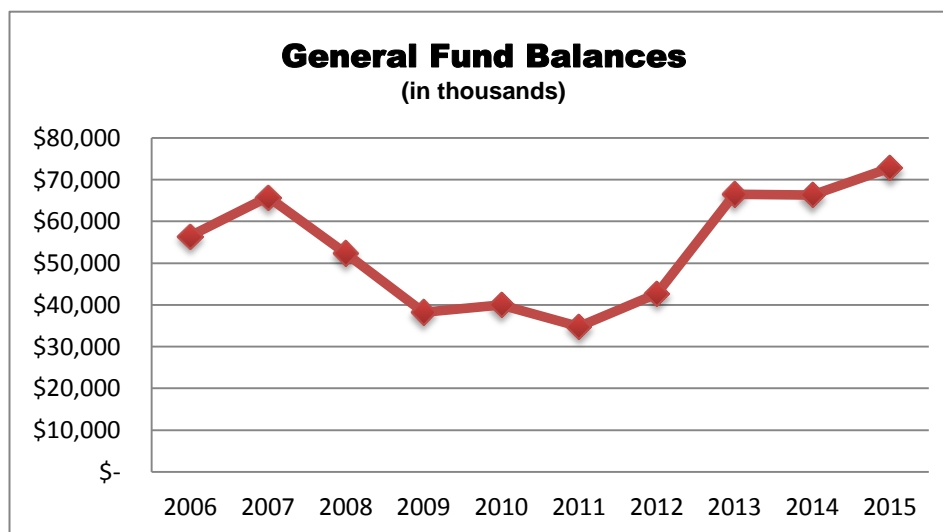
(7) In 2010 gross excise taxes are included in "Business Taxes." In previous years they were classified as Transfers In.

Changes in Net Positon
Last Ten Fiscal Years
Table 2
(accrual basis of accounting)
(amounts expressed in thousands)
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	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 60,733	\$ 64,900	\$ 62,487	\$ 64,204	\$ 67,313
Sales taxes	42,643	46,738	45,743	47,976	81,772
Business taxes	87,029	90,710	103,631	63,969	36,325
Unrestricted investment earnings	6,133	856	297	2,044	2,000
Gain on sale of capital assets	(184)	1,684	136	46	(103)
Transfers	(6,320)	(10,186)	(2,153)	44,853	43,572
Total governmental activities	<u>190,034</u>	<u>194,702</u>	<u>210,141</u>	<u>223,092</u>	<u>230,879</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	
Sales taxes	-	-	-	-	
Business taxes	-	-	-	-	
Unrestricted investment earnings	23,408	18,947	3,063	1,130	3,965
Gain on sale of capital assets	(84)	341	(184)	644	4,679
Transfers	6,320	10,186	2,153	(44,853)	(43,572)
Total business-type activities	<u>29,644</u>	<u>29,474</u>	<u>5,032</u>	<u>(43,079)</u>	<u>(34,928)</u>
Total primary government	<u>\$ 219,678</u>	<u>\$ 224,176</u>	<u>\$ 215,173</u>	<u>\$ 180,013</u>	<u>\$ 195,951</u>
Change in Net Position					
Governmental activities	\$ (79,966)	\$ (6,254)	\$ (4,122)	\$ (5,437)	\$ 12,277
Business-type activities	79,821	50,132	55,513	68,105	51,496
Total primary government	<u>\$ (145)</u>	<u>\$ 43,878</u>	<u>\$ 51,391</u>	<u>\$ 62,668</u>	<u>\$ 63,773</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved	\$ 9,553	\$ 19,526 (1)	\$ 24,871	\$ 24,517 (3)	\$ 20,947
Unreserved	46,955	46,308	27,534 (2)	13,744	19,048
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Committed - Council Contingencie	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 56,508</u>	<u>\$ 65,834</u>	<u>\$ 52,405</u>	<u>\$ 38,261</u>	<u>\$ 39,995</u>
All other governmental funds					
Reserved	\$ 17,307	\$ 35,286	\$ 33,763	\$ 50,960	\$ 48,665
Unreserved	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Committed - Council Contingencie	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 17,307</u>	<u>\$ 35,286</u>	<u>\$ 33,763</u>	<u>\$ 50,960</u>	<u>\$ 48,665</u>



Fund Balances of Governmental Funds
Last Ten Fiscal Years
Table 3
(modified accrual basis of accounting)
(amounts expressed in thousands)
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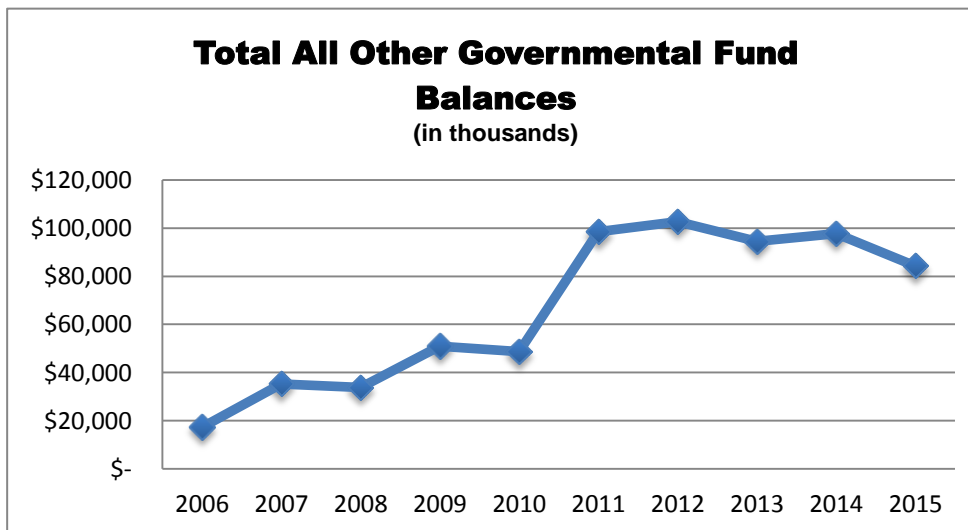
	<u>2011</u> ⁽⁴⁾	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	17,361	16,719	15,961	15,026	9,933
Restricted	2	-	9	9	9
Committed	-	-	-	-	-
Committed - Council Contingencies	1,117	1,130	982	973	732
Assigned	2,133	1,274	6,364	1,949	5,580
Unassigned	<u>14,239</u>	<u>23,573</u>	<u>43,178</u>	<u>48,343</u>	<u>56,517</u>
Total General Fund	<u>\$ 34,852</u>	<u>\$ 42,696</u>	<u>\$ 66,494</u>	<u>\$ 66,300</u>	<u>\$ 72,771</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	1,920	1,913	1,833	1,824	1,887
Restricted	85,191	78,341	74,797	79,622	69,493
Committed	18,928	20,669	21,728	237	370
Committed - Council Contingencies	-	-	-	-	-
Assigned	36,261	6,863	4,722	21,743	17,048
Unassigned	<u>(43,860)</u>	<u>(5,079)</u>	<u>(8,530)</u>	<u>(5,709)</u>	<u>(4,512)</u>
Total all other governmental funds	<u>\$ 98,440</u>	<u>\$ 102,707</u>	<u>\$ 94,550</u>	<u>\$ 97,717</u>	<u>\$ 84,286</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues					
Taxes	\$ 153,477	\$ 158,320	\$ 155,129	\$145,101 (4)	\$ 187,904 (7)
Licenses and permits	9,558	9,731	6,168	5,382	3,823
Intergovernmental revenue	46,510 (2)	48,257	31,461	40,991	48,259
Charges for services	8,984 (3)	9,557	10,663	10,836	9,473
Fines and forfeitures	2,829	3,869	4,366	4,617	6,080
Interest	6,869	8,976	6,566	4,131	2,982
Miscellaneous revenues	2,734	1,968	3,805	2,606	4,642
Total revenues	<u>230,961</u>	<u>240,678</u>	<u>218,158</u>	<u>213,664</u>	<u>263,163</u>
Expenditures					
General government	21,118	18,243	23,728	37,148	25,553
Security of persons & property	121,423	133,933	142,967	135,269	139,371
Physical environment	488	605	628	(2)	-
Transportation	18,029	22,828	24,670	24,066	26,220
Economic environment	22,028	27,046	27,055	28,682	25,972
Mental and physical health	1,909	1,965	2,138	2,256	2,093
Culture and recreation	14,087	14,795	16,212	13,185	13,339
Capital outlay	32,681	38,091	34,813	40,172	49,514
Debt Service:					
Principal retirement	17,730 (1)	5,521	4,934	4,949	5,490
Interest and fiscal charges	3,487	3,254	3,899	3,777	7,635
Total expenditures	<u>252,980</u>	<u>266,281</u>	<u>281,044</u>	<u>289,502</u>	<u>295,187</u>
Excess of revenues over (under) expenditures	(22,019)	(25,603)	(62,886)	(75,838)	(32,024)
Other financing sources (uses)					
Sale of capital asset	1,567	43	2,705	170	19
Transfers in	42,523	53,605	52,657	56,635	6,407 (7)
Transfers (out)	(9,319)	(15,775)	(17,788)	(16,612)	(13,330)
Insurance recoveries	-	-	-	-	-
Proceeds from bonds issues	19,675 (5)	10,145 (6)	4,468	56,335	43,305
Issuance of debt refunding bonds	-	-	-	-	29,671
Payment to escrow - refunded bonds	-	-	-	-	(29,152)
Contributions from property owners	-	-	11	-	-
Premium on issuance of debt	-	-	-	226	2,618
Discount on issuance of debt	-	(35)	-	(154)	(59)
Total other financing sources and (uses)	<u>54,446</u>	<u>47,983</u>	<u>42,053</u>	<u>96,600</u>	<u>39,479</u>
Net change in fund balances	<u>\$ 32,427</u>	<u>\$ 22,380</u>	<u>\$ (20,833)</u>	<u>\$ 20,762</u>	<u>\$ 7,455</u>
Debt service as a percentage of noncapital expenditures	9.6%	3.8%	3.6%	3.5%	5.3%

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

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

(3) 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.

(4) Collection of taxes decreased by \$10 million due to an economic downturn in 2009. account for uncollectible accounts as a reduction of revenue.

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

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues					
Taxes	\$ 190,362	\$ 203,028	\$ 212,066	\$ 176,615	\$ 184,836
Licenses and permits	3,539	3,043	3,235	3,652	4,743
Intergovernmental revenue	61,376	52,295	53,466	46,260	52,026
Charges for services	9,512	24,115	23,323	25,840	26,614
Fines and forfeitures	3,612	3,772	6,395	7,761	6,842
Interest	4,657	2,658	994	1,626	1,758
Miscellaneous revenues	4,382	6,441	2,791	2,777	1,327
Total revenues	<u>277,440</u>	<u>295,352</u>	<u>302,270</u>	<u>264,531</u>	<u>278,146</u>
Expenditures					
General government	25,116	49,208	47,041	54,671	53,917
Security of persons & property	144,949	138,406	132,783	140,578	144,331
Physical environment	-	-	2,477	2,571	2,704
Transportation	33,525	21,379	21,597	21,997	26,362
Economic environment	21,892	19,633	21,123	20,846	19,560
Mental and physical health	2,109	684	1,953	2,640	3,387
Culture and recreation	13,266	14,133	10,688	12,198	12,379
Capital outlay	71,860	55,395	36,317	25,969	45,573
Debt Service:					
Principal retirement	5,924	3,991	34,263 (8)	15,652	12,305
Interest and fiscal charges	6,499	6,117	11,072	12,977	13,617
Total expenditures	<u>325,140</u>	<u>308,946</u>	<u>319,314</u>	<u>310,099</u>	<u>334,135</u>
Excess of revenues over (under) expenditures	(47,700)	(13,594)	(17,044)	(45,568)	(55,989)
Other financing sources (uses)					
Sale of capital asset	(91)	1,684	492	1,477	91
Transfers in	24,526	28,755	28,588	95,060	87,312
Transfers (out)	(32,419)	(33,023)	(32,145)	(50,705)	(41,500)
Insurance recoveries	-	43	58	121	148
Proceeds from bonds issues	-	30,235	37,769	2,203	22,444
Issuance of debt refunding bonds	16,539	-	-	-	-
Payment to escrow - refunded bonds	-	-	(1,105)	-	(20,033)
Contributions from property owners	-	-	-	-	-
Premium on issuance of debt	-	-	68	-	-
Discount on issuance of debt	-	(3)	-	-	-
Total other financing sources and (uses)	<u>8,555</u>	<u>27,691</u>	<u>33,725</u>	<u>48,156</u>	<u>48,462</u>
Net change in fund balances	<u>\$ (39,145)</u>	<u>\$ 14,097</u>	<u>\$ 16,681</u>	<u>\$ 2,588</u>	<u>\$ (7,527)</u>
Debt service as a percentage of noncapital expenditures	4.9%	4.0%	16.0%	10.1%	9.0%

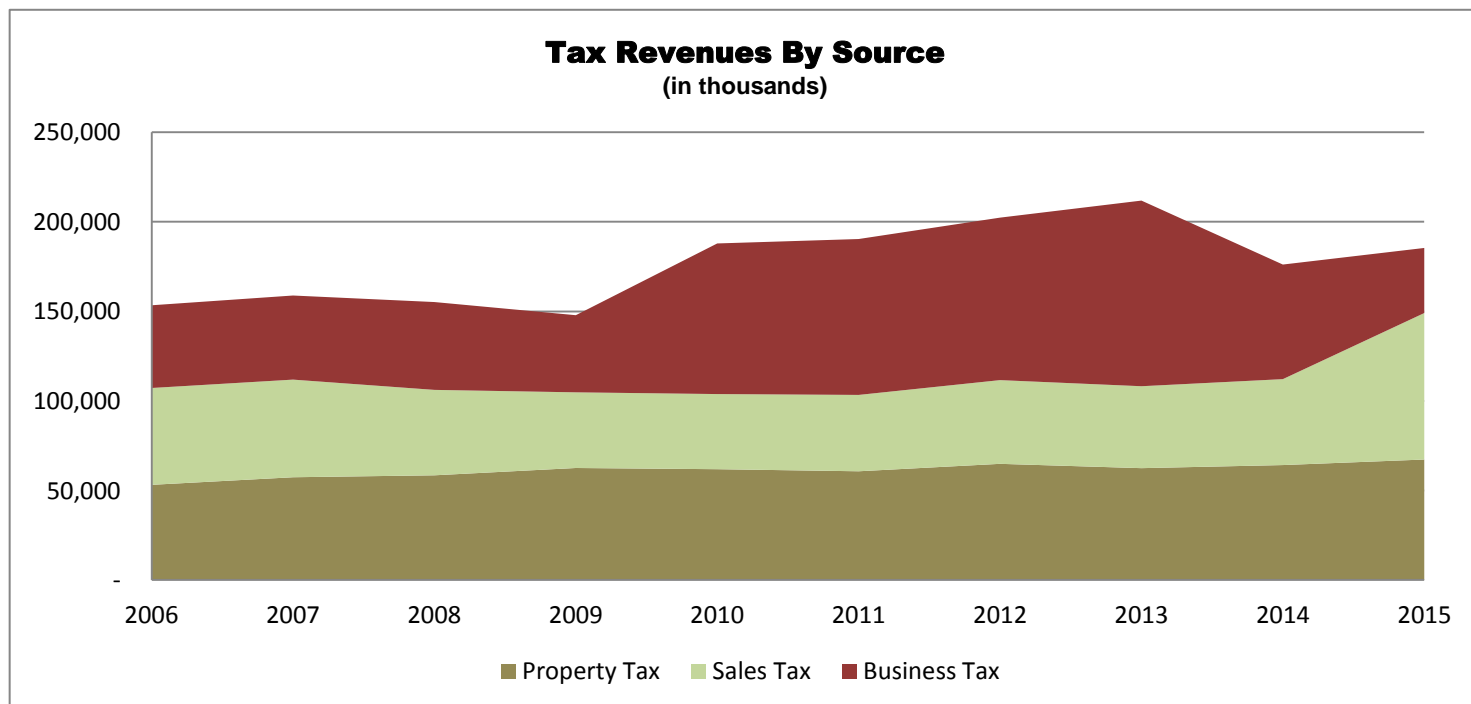
(6) Limited General Obligation Bonds were issued to retrofit one of the City's downtown public parking garages.

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

(8) 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)

Fiscal Year	Property Tax	Sales Tax	Business Tax	Total
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
2015	67,313	81,772	36,325	185,410



(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

Fiscal Year	Real Property Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)	Personal Property Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)	Total Assessed Value/ Estimated Actual Value (\$ in Thousands)	Total Direct Tax Rate	Growth Increase (Decrease) Dollars (\$ in Thousands)	Percent Increase	Assessed Value Per Capita
2006	17,557,779	998,499	18,556,278	3.08	-459,226	-2.42%	94,675
2007	19,480,923	1,109,464	20,590,388	2.84	2,034,110	10.96%	103,992
2008	20,442,955	1,182,132	21,625,087	2.81	1,034,699	5.03%	108,125
2009	19,520,248	1,196,953	20,717,201	2.99	-907,886	-4.20%	102,560
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%	86,948
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%	83,806
2014	16,647,219	1,239,951	17,887,171	3.71	1,293,665	7.80%	89,436
2015	17,752,477	1,263,026	19,015,504	3.79	1,128,333	6.31%	93,672

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

Fiscal Year Ended 31-Dec	City of Tacoma	Tacoma School District #10	Pierce County	Port of Tacoma	Metro Park District	Washington State	Total
DOLLARS PER \$1,000 OF ASSESSED VALUE							
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
2015	3.79	7.41	1.38	0.18	1.68	2.23	16.67

"CITY" TAX RATE BREAKDOWN:

	<u>2014</u>	<u>2015</u>
General Fund	\$2.90	\$3.00
Councilmanic Nonvoted Bonds	0.16	0.15
EMS Levy	0.50	0.50
G.O. Bonds	0.16	0.15
TOTAL CITY	<u>\$3.72</u>	<u>\$3.80</u>

- Above schedule includes both regular and voted excess tax levies. Property is being assessed at 100% of true and fair market value.
- In the State of Washington property taxes, by statute, are assessed and collected by the counties for the various taxing districts with distribution of collections made in accordance with taxes levied.
- First half property tax payments must be paid on or before April 30, after which date, if unpaid, the total annual tax becomes delinquent. The second half payment is payable on or before October 31, becoming delinquent November 1.
- Each year listed represents the levy year (i.e., the year 2005 represents 2006 tax rates).

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

Fiscal Year ended December 31	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Tax Levy Adjustment	Total Tax Collections	Total Tax Collected as a Percentage of Total Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Total Levy
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%	2,126	(254)	58,776	99.56%	3	0.01%
2009	60,752	57,981	95.44%	2,167	(597)	60,148	99.01%	6	0.01%
2010	61,918	59,115	95.47%	2,096	(684)	61,211	98.86%	21	0.03%
2011	61,823	58,881	95.24%	1,959	(941)	60,840	98.41%	37	0.06%
2012	63,821	61,484	96.34%	1,828	(423)	63,312	99.20%	71	0.11%
2013	63,031	60,795	96.45%	1,644	(284)	62,439	99.06%	306	0.49%
2014	64,789	62,855	97.01%	1,208	(193)	64,063	98.88%	533	0.82%
2015	66,494	64,839	97.51%	-	(258)	64,839	97.51%	1,397	2.10%

Source: Property Tax Collection Schedule prepared by the City Treasurer's Office.

Principal Taxpayers
Current Year and Nine Years Ago
Table 9
(dollar amounts expressed in thousands)
Page 1 of 2

TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2015

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	PERCENTAGE OF TL EMPLOYEES OF 10 <u>LEADING TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	15	0.1%	Cellular
Comcast of Tacoma Inc.	13	0.1%	Telecommunications
Multicare Health System	5,113	48.7%	Medical
Puget Sound Energy Inc.	200	1.9%	Natural Gas
Qwest Corporation	0	0.0%	Telecommunications
St Joseph Hospital	4,888	46.6%	Medical
T Mobile West LLC	19	0.2%	Cellular
US Oil Trading LLC	193	1.8%	Petroleum Refinery
Verizon Wireless	11	0.1%	Cellular
Washington United Terminals	45	0.4%	Cellular
Total	10,497	100.0%	

Total 2015 Aggregate B & O Tax
Collections of the Top Ten Taxpayers \$16,911,764

TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2006

<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	21.6%	Cable Television
Frank Russell Company	482	29.7%	Portfolio Management
Frank Russell Investment Management Co.	271	16.7%	Portfolio Management
New Cingular Wireless	5	0.3%	Cellular
Puget Sound Energy Inc.	223	13.7%	Natural Gas
Qwest Corporation	N/A	0.0%	Telecommunications
Silver Dollar Casino - Tacoma	140	8.6%	Casino
T Mobile West Corporation	3	0.2%	Cellular
US Oil & Refining company	148	9.1%	Petroleum Refinery
Verizon Wireless	N/A	0.0%	Cellular
Total	1622	100.0%	

Total 2006 Aggregate B & O Tax
Collections of the Top Ten Taxpayers \$14,650

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 2015

<u>TAXPAYERS</u>	<u>RANK</u>	2015 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$283,781	24.7%
Rocktehn CP LLC	2	187,888	16.3%
US Oil & Refining Co	3	185,427	16.1%
Puget Sound Energy/Gas	4	104,498	9.1%
Targa Sound Terminal LLC	5	89,590	7.8%
CSC of Tacoma LLC	6	71,397	6.2%
AT&T Mobility LLC	7	63,493	5.5%
Westridges Apartments Property Owners LLC	8	59,316	5.2%
Qwest Coporation	9	53,608	4.7%
University Street Properties I LLC	10	51,370	4.5%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$1,150,368</u>	<u>100.0%</u>

TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2006

<u>TAXPAYERS</u>	<u>RANK</u>	2006 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Corporation	1	\$160,922	25.9%
Simpson Kraft Company	2	140,148	22.5%
CSC of Tacoma LLC	3	51,052	8.2%
US Oil and Refining Company	4	42,425	6.8%
909 A Street LLC	5	42,025	6.8%
ERP Operating LP	6	41,323	6.6%
NGP Centennial Tacoma LLC	7	40,238	6.5%
Univserity Street Properties I LLC	8	35,386	5.7%
HAUB Brothers Enterprise Trust	9	34,639	5.6%
Multicare Health Systems	10	33,526	5.4%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$621,684</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
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	151,443	8,977	-	10,975	32,106 (6)	-
2014	148,226	7,865	-	10,975	31,773	-
2015	142,833	6,755	-	10,975	28,758	-

(1) U.S. Department of Commerce, Bureau of Economic Analysis (currently updated through 2009).

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

(3) The Revenue Bonds do not include unamortized premiums or discounts.

(4) In 2008 the City entered into a lease option of computer data storage equipment. At the end of the 5 yr lease the City will own the equipment.

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

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

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

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

Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Revenue Bonds & Loans (3)	General Obligation Bonds	Capital Leases			
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	1,284,168	62,330 (7)	-	1,549,999	4.30%	7,750
2014	1,274,365	61,940	-	1,535,144	4.23%	7,562
2015	1,194,317	60,066	-	1,443,704	3.98%	7,112

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund (1)	Total	% of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
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	213,773	970	212,803	1.28%	1,064
2014	210,166	1,053	209,113	1.17%	1,030
2015	202,899	1,151	201,748	1.06%	994

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

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

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

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

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

	Net Bonded Debt Outstanding (1)	Percentage Applicable To City (2)	City Residents Share of Debt
City of Tacoma	\$209,654	100.000%	\$209,654
<u>OVERLAPPING DEBT</u>			
Tacoma School District #10	574,370	92.630%	532,037
Metropolitan Park District	98,441	95.642%	94,151
Port of Tacoma	179,575	23.139%	41,553
Pierce County	147,950	23.139%	34,235
Franklin Pierce School District	11,097	0.596%	66
Fife School District	19,192	8.571%	1,645
Clover Park School District	137,830	2.031%	2,799
University Place School District	66,183	3.336%	2,208
TOTAL OVERLAPPING DEBT	<u>1,234,638</u>		<u>708,693</u>
 GRAND TOTAL	 <u><u>\$ 1,444,292</u></u>		 <u><u>918,347</u></u>
Population			203,500
Direct and Overlapping Debt per Capita			4.51

(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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed Value of Property	\$18,556,278	\$20,590,387	\$21,625,087	\$20,717,201	\$19,033,503
Debt Limit, 7.5% of Assessed Value	1,391,721	1,544,279	1,621,882	1,553,790	1,427,513
Total Net Debt Applicable to Limit	158,905	160,216	156,200	191,701	227,060
Legal Debt Margin	<u>\$1,232,816</u>	<u>\$1,384,063</u>	<u>\$1,465,682</u>	<u>\$1,362,089</u>	<u>\$1,200,453</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.4%	10.4%	9.6%	12.3%	15.9%

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

Assessed Value	\$19,015,503
Debt Limit (7.5% of assessed value)	1,426,163
Debt Applicable to Limit:	
General Obligation bonds and loans	209,654
Capital leases	0
Less: Assets available from Debt Svc Fund	0
Total Net Debt Applicable to Limit	209,654
Legal Debt Margin	<u>\$1,216,509</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed Value of Property	\$17,650,446	\$16,013,945	\$16,593,506	17,887,171	19,015,503
Debt Limit, 7.5% of Assessed Value	1,323,783	1,201,046	1,244,513	1,341,538	1,426,163
Total Net Debt Applicable to Limit	223,278	247,953	261,445	217,009	209,654
Legal Debt Margin	<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>	<u><u>\$1,216,509</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.9%	20.6%	21.0%	16.2%	14.7%

Computation of Constitutional Limit of Indebtedness
As of December 31, 2015
Table 14

As provided in the Revised Code of Washington Title 39 Chapter 36, the percentage limits for the various sections are layered cumulative totals. The total General Purpose Indebtedness cannot exceed 2.5% of the Total Taxable Property Value (PV); General and Utility Purpose Indebtedness cannot exceed 5.0% PV; and General, Utility and Open Space and Parks Facilities Indebtedness cannot exceed 7.5% PV. Non-voted General Purpose Indebtedness may be up to 1.5% PV only if Voted General Purpose Indebtedness does not exceed 1% PV. The limits for General Purpose debt cannot exceed 2.5% PV. However, Utility and Open Space Indebtedness may exceed 2.5% PV for the section and reduce the General Purpose Indebtedness available by an equivalent amount.

Total Taxable Property Value (Assessed at 100%, for taxes payable in 2015) (PV)		\$	19,015,503,769
GENERAL PURPOSE INDEBTEDNESS			
Non-Voted General Purpose Indebtedness and Capital Leases			
	Legal Limit 1.5% of Total Taxable Property Value		285,232,557
Indebtedness (Liabilities)			
Non-Voted General Obligation Bonds	235,839,592		
Capital Leases Payable	-		
Less Assets Available	-		
	Indebtedness Incurred - Non-Voted General Purposes		235,839,592
	Remaining Legally Available Non-Voted Debt Capacity - General Purposes		49,392,965
	Less Required Reserve (10% of Non-Voted Debt Capacity)		(28,523,256)
	Available Non-Voted Debt Capacity - net of Required Reserve	\$	20,869,709
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)			
	Legal Limit 2.5% of Total Taxable Property Value		475,387,594
Less:	Indebtedness Incurred - Non-Voted General Purposes		(235,839,592)
		\$	239,548,002
Indebtedness (Liabilities)			
Voted General Obligation Bonds	16,140,000		
Less Assets Available	(1,122,929)		
	Indebtedness Incurred - Voted General Purposes		15,017,071
	Total Remaining Debt Capacity - General Purposes	\$	224,530,931
UTILITY PURPOSE INDEBTEDNESS			
Indebtedness For Utility Purposes With 3/5 Vote of the People			
	Legal Limit 2.5% of Total Taxable Property Value	\$	475,387,594
	Remaining Debt Capacity - Utility Purposes	\$	475,387,594
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	\$	475,387,594
	Remaining Debt Capacity - Open Spaces and Parks Facilities	\$	475,387,594
SUMMARY			
Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value		1,426,162,783
Less: Indebtedness Incurred - General Purposes	1.3192%		250,856,663
Less: Indebtedness Incurred - Utility Purposes			-
Less: Indebtedness Incurred - Open Space And Parks Facilities			-
	Remaining Debt Capacity	6.1808%	\$ 1,175,306,120

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

Sewer Revenue Bonds						
Fiscal Year	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2015	97,810	60,945	36,865	780	8,031	4.18

Power Revenue Bonds						
Fiscal Year	Power Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2015	413,681	319,195	94,486	14,735	22,420	2.54

Solid Waste Revenue Bonds						
Fiscal Year	Solid Waste Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2015	59,494	43,617	15,877	4,585	3,610	1.94

Water Revenue Bonds						
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2015	92,203	48,438	43,765	4,874	13,913	2.33

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

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

Tacoma Rail Bond Anticipation Notes						
Fiscal Year	Rail Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2006	15,992	14,677	1,315	331	87	3.15
2007 (1)	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	19.16
2015	30,249	24,585	5,663	236	25	21.75

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

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

Convention Center and Parking Revenue Bonds					
Fiscal Year	Net Parking Revenues	District Contribution	Total Pledged Revenues	Total Bond Debt Service	Coverage
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	3339	2928	6267	2817	2.22
2014	4283	3063	7346	2817	2.61
2015	4591	3310	7901	3129	2.53

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

Parking System Rate Covenant			
Fiscal Year	Net Parking Revenues	District Contribution	Coverage
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	3339	311	10.74
2014	4300	311	13.83
2015	4591	346	13.27

Note: Net Parking Revenues represent Parking Operating Revenues less Parking Expenses plus Gross Enforcement Revenues. The rate covenant is a coverage of at least 1.5 times.

Demographic and Economic Statistics
Last Ten Fiscal Years
Table 16

Fiscal Year Ended 31-Dec	Population (in Thousands)	Personal Income (2) (in Thousands)	Per Capita Personal Income (2)	School Enrollment (3) (in Thousands)	Unemployment % Rate (4)
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	36,282,818	43,613	31	6.1
2015	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 2014).
(3) Tacoma School District No. 10; total students including alternative schools as of October 1 each year.
(4) Washington State Employment Security Department (monthly rates averaged).
(5) US Census Bureau.

Note: The decrease in population in 2010 reflects the results of the 2010 Census. Information provided by the Washington State Office of Financial Management are estimates based on previous census data, growth measures, and assumptions. In previous years, WAOFM overestimated the population growth of the City of Tacoma.

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

TOP TEN EMPLOYERS FOR 2015 (PIERCE COUNTY)

	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Joint Base Lewis McChord	66,054	8.0%	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	0.6%	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	13.3%	

2015 Pierce County Population 830,120

TOP TEN EMPLOYERS FOR 2006 (PIERCE COUNTY)

<u>EMPLOYEERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Federal Government	54,380	7.0%	Government
Local Government	29,086	3.8%	Government
Franciscan Health System	3,896	0.5%	Health Care
Multicare Health System	3,874	0.5%	Health Care
Fred Meyer Stores	1,689	0.2%	Retail
Emerald Queen Casino	1,688	0.2%	Entertainment
Safeway Stores	1,613	0.2%	Retail
Wal-Mart	1,480	0.2%	Retail
Good Samaritan Hospital	1,471	0.2%	Health Care
The Boeing Company	1,395	0.2%	Manufacturing
Total	100,572	13.0%	

2006 Pierce County Population 773,500

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 (2006 Population Data)

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	296	294	304	300	257	287	260	265	268	285
Public Safety										
Police	412	416	418	429	418	415	389	370	361	370
Fire	434	434	434	426	414	431	401	376	389	406
Law Enforcement Support Agency	155	162	165	160	151	159	160	N/A (4)		
Economic Environment										
Community & Economic Development	41	42	43	42	92	89	77	26 (3)	26	26
Planning and Development Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51	59	60
Hearing Examiner	4	3	3	3	3	4	3	3	3	3
Human Rights Human Services	34	29	33	38	37	33	31	54	48	41
Culture and Recreation	204	203	207	202	213	202	179	159	158	171
Transportation										
Public Works	750 (1)	777	773	800	744 (2)	743	691	707	713	718
Information Systems	108 (1)	113	114	139	136	136	112	109	109	116
Retirement	8	9	9	9	9	9	10	10	10	10
Tacoma Public Utilities										
Administration	9	8	8	9	9	11	10	10	10	11
Customer Service	165	174	174	157	153	153	153	140	143	148
Geographic Info System	9	9	9	12	N/A	N/A	N/A	N/A	N/A	N/A
Rail	101	98	99	99	95	91	99	107	115	116
Power	767	791	792	872	874	829	805	839	839	851
Water	257	266	267	267	259	248	240	240	239	236
Total	3,754	3,828	3,852	3,964	3,864	3,840	3,620	3,466	3,490	3,568

(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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Function					
<i>Public Safety</i>					
Police					
Violent Crimes	2,076	2,091	1,965	1,883	1,703
Property Crimes	16,663	14,736	14,813	13,337	12,405
Fire					
Incidents	30,354	37,182	37,844	38,534	38,232
<i>Utilities</i>					
Power customers	162,589	165,122	166,307	168,207	169,413
Power service units - MWH	6,689,448	6,794,354	6,652,547	6,618,995	6,781,964
Water customers	95,103	96,278	95,587	96,983	97,137
Water service units	25,292,615	24,760,182	24,400,467	24,720,956	23,229,748
Wastewater customers	60,412	60,694	60,698	60,651	60,705
Surface Water customers	68,363	69,091	70,120	70,422	70,204
Solid Waste customers	58,086	58,449	58,550	58,549	58,637
<i>Rail</i>					
Miles of track	38	38	38	38	38
Number of cars switched	100,074	83,416	77,194	60,924	73,175
<i>Parking Garages</i>					
Number of parking stalls - garages	2,219	2,219	2,282	2,384	2,384
Number of parking stalls - surface lots	480	235	73	73	73

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function					
<i>Public Safety</i>					
Police					
Violent Crimes	4,756	4,623	4,379	4,319	4,376
Property Crimes	20,102	21,961	21,534	20,573	20,531
Fire					
Incidents	38,239	39,810	39,244	41,094	45,266
<i>Utilities</i>					
Power customers	169,112	169,112	171,506	172,531	174,562
Power service units - MWH	7,237,792	7,885,213	7,050,749	7,602,630	6,510,290
Water customers	96,734	96,333	97,854	98,608	99,943
Water service units	23,074,632	23,201,613	23,886,864	24,553,529	26,087,248
Wastewater customers	60,673	60,591	60,758	61,348	61,919
Surface Water customers	70,544	70,479	70,459	70,512	70,611
Solid Waste customers	58,451	58,517	58,265	59,308	60,262
<i>Rail</i>					
Miles of track	57.5	57.5	57.5	57.5	57.5
Number of cars switched	68,953	92,117	138,410	108,137	102,173
<i>Parking Garages</i>					
Number of parking stalls - garages	2,384	2,362	2,362	2,362	2,282
Number of parking stalls - surface lots	102	108	108	98	98
Number of on-street metered spaces		1,403	1,403	1,800	1,800

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Function					
Public Safety					
Police					
Number of Stations	N/A	6	6	6	6
Vehicles:					
Marked Cars	N/A	236	249	245	247
Unmarked Cars - (includes seized vehicles)	N/A	94	99	113	123
Motorcycles	N/A	25	21	22	22
Fire					
Number of Stations	16	16	16	16	16
Pumpers	16	16	17	16	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	615.57	642.52 (1)	642.52	642.52	642.52
Miles of Unpaved Streets	<u>352.69</u>	<u>208.10 (1)</u>	<u>208.10</u>	<u>208.10</u>	<u>208.10</u>
Total	<u>968.26</u>	<u>850.62</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

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	256	269	290	282	265
Unmarked Cars - (includes seized vehicles)	119	101	125	106	110
Motorcycles	22	16	16	16	15
Fire					
Number of Stations	16	15	15	15	15
Pumpers	16	13	13	13	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	2	2	2	3
Squad Vehicles	N/A	1.5	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**

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

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Tina Hemphill, Financial Manager
Gwen Herring, Financial Manager
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Lisa Thornton, Financial Manager
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