

2016 Comprehensive Annual Financial Report



City of Tacoma, Washington For the Fiscal Year Ended December 31, 2016

2016 Comprehensive Annual Financial Report

of the City of Tacoma, Washington
for the Year Ending December 31, 2016

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, 2017

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Tacoma, Washington (the City), for the year ended December 31, 2016. The State Auditor has issued an unmodified opinion, or in layman's terms a "clean opinion" on the City of Tacoma's 2016 financial statements. The independent auditor's report can be found immediately after the MD&A section of the CAFR.

The 2016 CAFR is submitted in accordance with City Charter and state statutes which require that the City issue an annual 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. To provide reasonable assurance that the financial statements are free of any material misstatements, City management has developed a comprehensive framework of internal control. 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) require that the CAFR include the following sections:

- **Letter of Transmittal** - this letter is a narrative introduction provided by City management that typically includes a discussion of the legal requirements for submitting the CAFR, a profile of the City's government, economic information that is useful in assessing the economic condition of the City, and ends with a section on awards and acknowledgements;
- **Management's Discussion and Analysis (MD&A)** - this provides a narrative introduction, overview and analysis of the basic financial statements and is meant to be read with and supplement the Letter of Transmittal;
- **Financial Section** – this section provides detail on the City's financial position and activities including government wide financial statements, individual fund statements and notes that are intended to help explain the financial statements; and
- **Statistical Section** - this section includes some basic statistical information about the City and region.

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.

In addition to the CAFR, 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 (SEFA), the State Auditor's Office reports on the internal control structure, compliance with applicable laws and regulations, and a schedule of findings and questioned costs, if any, are included in a separately issued report that is typically issued in the fall.

CITY OF TACOMA PROFILE

The City was incorporated on January 7, 1884. The name Tacoma stems from the Indian name for Mt. Rainier, “Tacobet” or “Tahoma”, 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 50 square miles of land and 13 miles of waterfront. Lying between sea level and 440 feet above sea level, the 2015 population estimate was 207,948 which is an increase of 4.8% from the 2010 census count of 198,397.

The City Charter, under which the City 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 to the citizens of Tacoma including police & fire protection, electrical generation & distribution, water distribution, wastewater & surface water services, solid waste services, public works (which includes street operations, engineering, facility management and fleet operations), planning & development services, community & economic development, neighborhood & community services, and many others.

The Tacoma City Council adopts a biennial budget for all funds types and all budgets are controlled at the fund level which is the legal level of budgetary control.

The biennial budget process typically begins in February/ March of even numbered years. The Office of Management & Budget begins by using the City Council’s long-term strategic plan, goals, and priorities as a starting point. In April, City departments begin budget preparations and the revenue forecasting process begins. 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 by the City Manager to the City Council in early fall. 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 typically made after the public hearings and before the final adoption of the budget ordinance in December.

Washington State law requires the City Council adopt a balanced budget on or before December 31, and also requires that a mid-biennial review and modification be conducted between September 1 and December 31 of the first year of the biennium.

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.

FACTORS AFFECTING THE CITY’S FINANCIAL CONDITION

Economic Overview

The City’s economy benefits from the presence of large, stable employers in health care, education, professional services, and transportation. Tacoma is also a hub of government including major employers in federal, military, state, county and local governments. The City’s diverse economy is influenced by its ideal location in the central Puget Sound region.

The Port of Tacoma (Port), created by Pierce County citizens in 1918, has 2,700 acres that are used for shipping terminal activity as well as warehousing, distributing, and manufacturing. Tacoma has one of the few ports on the

West Coast with a large inventory of waterfront land available for development. The Port is a leading North American seaport, handling more than \$52.1 billion in two-way international trade in 2015. In addition, the Ports of Seattle and Tacoma formed the Northwest Seaport Alliance to strengthen the Puget Sound gateway - the third largest in North America - and create more economic development opportunities.

Government is the one of the largest regional employment sectors 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 several higher education institutions including University of Washington Tacoma, the University of Puget Sound, and Pacific Lutheran University. In addition to the higher education institutions, Tacoma has several technical and vocational schools including Tacoma Technical College, Bates Technical College, and Clover Park Technical College.

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 average year-to-date unemployment rate for the Tacoma metropolitan area was 6.0% as of February 2017 compared to 6.8% and 7.2% for February 2016 and 2015, respectively. Tacoma's median household income in 2015 was approximately \$52,000 as compared to \$51,200 in 2014 and \$50,500 in 2013.

The City's major revenue sources for the General Fund include property tax, business & occupation (B&O) tax, sales tax and a gross earnings tax (GET) on utilities.

Property Tax – represents approximately 25% of General Fund revenues. The 2017-2018 biennial budget estimated approximately \$116 million in property taxes in the General Fund. This is an increase of 4.6% from the 2015-2016 biennial budget. State law limits property tax revenues to only increase by 1% from year-to-year (in addition to revenues based on new construction).

B&O Tax – represents approximately 21% of General Fund revenues. Business taxes are based on the total income of a business. The 2017-2018 biennial budget estimated approximately \$95 million in B&O taxes in the General Fund. This is an increase of 1.7% from the 2015-2016 biennial budget. The City offers certain exemptions from businesses taxes such as exempting from tax those businesses with annual gross receipts less than \$250,000.

Sales Tax – represents approximately 21% of General Fund revenues. The 2017-2018 biennial budget estimated approximately \$99 million in sales taxes in the General Fund. This is an increase of 6.2% from the 2015-2016 biennial budget. Consumers within the City pay a sales tax rate of 9.6% of which 1% is the City's General Fund portion and 0.1% funds mental health and chemical dependency services.

Gross Earning Tax (GET) on Utilities – represents approximately 19% of General Fund revenues. The 2017-2018 biennial budget estimated approximately \$86 million in GET taxes in the General Fund. This is an increase of 2.9% from the 2015-2016 biennial budget. Utility taxes are paid by both private and public utilities and are calculated based on the total operating revenues earned by the utilities.

Property Tax 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 2016, the City levied at the statutory limitation of \$3.14 per \$1,000 of assessed value (this is the total levy and includes approximately \$0.20 per \$1,000 related to the Streets Initiative).

Relevant Financial Policies

Financial and Budget Policy Statements are presented on pages 177-183 of the 2017-2018 Biennial Budget and can be found on the City's website at www.cityoftacoma.org or at the following specific link: <http://www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=109596>.

MAJOR INITIATIVES

Port of Tacoma Road

The Port of Tacoma Road Rehabilitation, an \$11.9 million project, began in May 2015 and was completed in July 2016. The initial project included improvements from East 11th Street to Marshall Avenue. Additional funding added a second phase to the project and extended the improvements from Marshall Avenue to the SR 509 interchange. The project included replacing the existing failing asphalt pavement curb to curb with concrete pavement designed to heavy haul corridor standards, providing a continuous sidewalk to safely separate pedestrians from truck and rail traffic, improving three rail crossings, installing a permanent traffic signal to direct trucks in the off-road queuing yard into the Washington United Terminal, and installing infrastructure for an Intelligent Transportation System.

Tacoma avenue south bridge rehabilitation

The rehabilitation of the existing Tacoma Avenue South Bridge began in November 2014 and was completed in June 2016. The \$12.5 million project was funded from a combination of federal and local sources. The project replaced the driving deck, steel girders, guardrails and sidewalks. In addition, the project added bicycle lanes in each direction, reduced the roadway from four vehicle lanes to three vehicle lanes and the entire bridge was painted.

An Equity Lens for Everything

The Office of Equity and Human Rights was established in 2015 to carry out the Council policy priorities to achieve equity in service delivery, decision-making and community engagement. In 2016, this meant applying an equity lens in the budget process, diversifying the workforce, creating a more inclusive organizational culture, and engaging community members more meaningfully. Specifically, the budget process included a set of questions that asked departments to analyze the impact of the budget requests on underserved and/or vulnerable populations. Two major efforts took place in 2016 to diversify the workforce and create a more inclusive culture: 1) Managers began implementing recommendations from a Handbook for Recruiting, Hiring & Retention that applied an equity lens to every step of the hiring process; and 2) the City's values were updated to include equity. Applying an equity lens for community engagement included hosting meetings in Spanish, with translation services for the English-language speakers. 2017 will bring enhanced training, more outreach to the immigrant and refugee communities in Tacoma, and a focus on analyzing services with an equity lens.

AWARDS AND ACKNOWLEDGEMENTS

Awards

We are pleased to announce that for the 31st year in a row, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded the City of Tacoma a Certificate of Achievement for Excellence in Financial Reporting to the City of Tacoma for its 2015 CAFR. 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.

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 of Achievement for Excellence.

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 manner. We would also like to thank the citizens of the City of Tacoma for their continuing support and advocacy. We also would like to express our appreciation to all City employees for their service and dedication. This report would not be possible without their assistance throughout the year and for providing information for this report.

Special appreciation is extended to the employees of the Finance Department, whose commitment to excellence 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 Su Yi, Min Soo Chun, Mary Mansperger, Joel Sipes, Donna Ruby, Tina Hemphill and Thu Pham for their work in bringing the final document together.

Respectfully,



Andy Cherullo
Director of Finance



Susan Calderon
Assistant Director of Finance/
Controller

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Government Finance Officers Association

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

Presented to

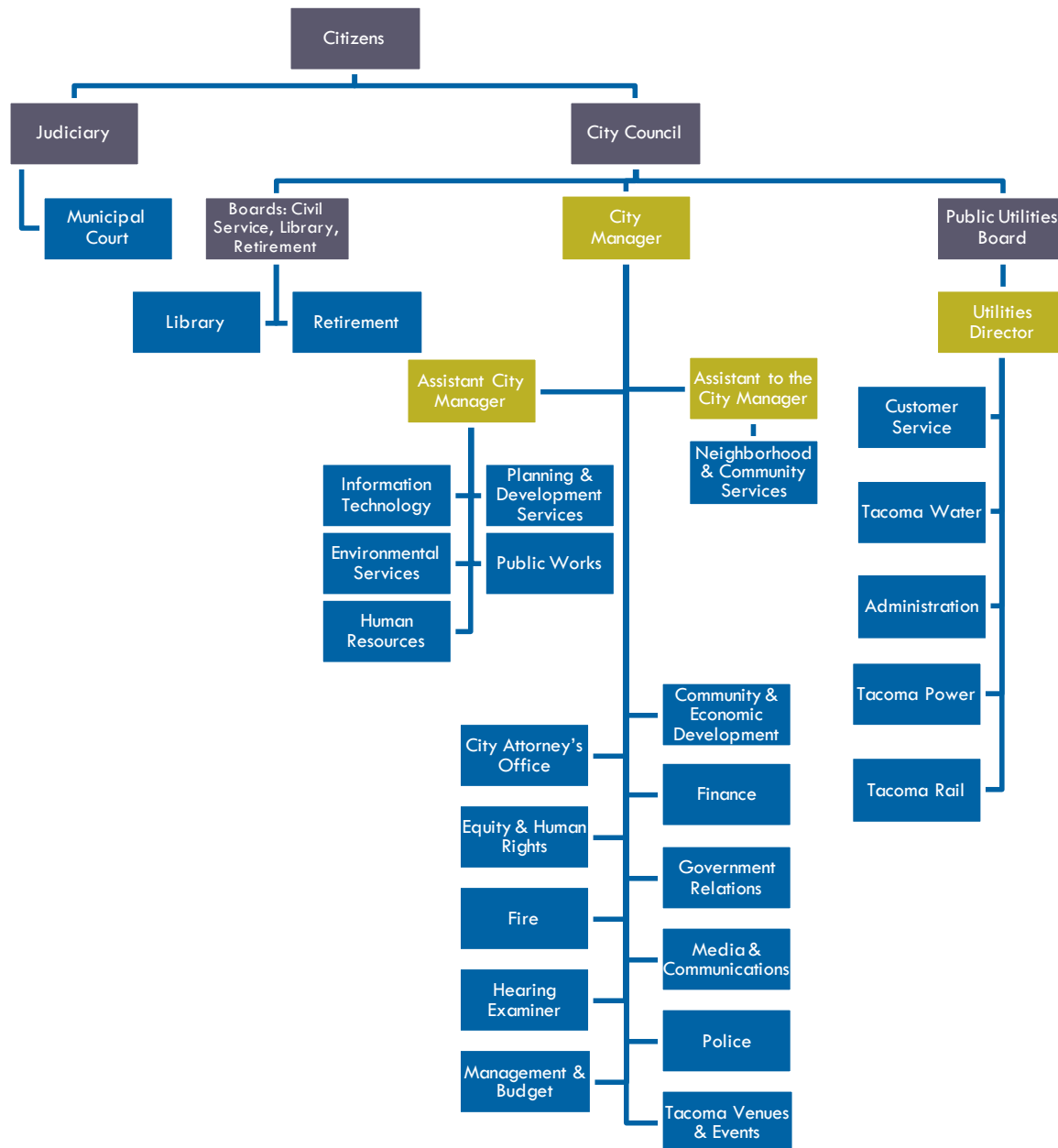
**City of Tacoma
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

Citywide Organizational Chart



2016 CITY OF TACOMA **MAYOR, CITY COUNCIL, AND CITY MANAGER**



Marilyn Strickland
Mayor



Ryan Mello
Deputy Mayor



Keith Blocker
Position 3



Marty Campbell
Position 4



Anders Ibsen
Position 1



Joe Lonergan
Position 5



Conor McCarthy
Position 5



Robert Thoms
Position 2



Victoria Woodards
At-Large



T.C. Broadnax
City Manager



City Officials as of December 31, 2016

Council Members

Marilyn Strickland
 Ryan Mello
 Keith Blocker
 Marty Campbell
 Anders Ibsen
 Joe Lonergan
 Connor McCarthy
 Robert Thoms
 Victoria Woodards

Mayor
 Deputy Mayor

Expiration of Term

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

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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Office of the Washington State Auditor Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

August 24, 2017

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, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Tacoma, Pierce County, Washington, as of and for the year ended December 31, 2016, 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 92 percent, 92 percent and 92 percent, respectively, of all the assets, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Tacoma Rail fund which represents one percent, two percent and four percent, respectively, of all assets, net position, and revenues of the business type activities and two percent, two percent, and seven percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units and 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, each major fund and the aggregate discretely presented component units and remaining fund information of the City of Tacoma, Pierce County, Washington, as of December 31, 2016, 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, 2016, the City has implemented the Governmental Accounting Standards Board *Statement No. 72, Fair Value Measurement and Application*, *Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, and *Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. 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 4-8 and budgetary comparison information on page 4-9, 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, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy

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, 2016. 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 of resources by \$2.8 billion. Of this amount, \$252 million is reported as unrestricted net position, representing amounts which are available to meet the City's on-going obligations to citizens and creditors.
- The City's overall net position decreased by \$839 thousand.
- Tacoma Power's net position for 2016 was \$821.8 million which was a decrease of \$4.2 million from 2015.
- Tacoma Water's net position for 2016 was \$549.6 million which was an increase of \$7.1 million from 2015.
- Sewer's net position for 2016 was \$421.9 million which was an increase of \$12.6 million from 2015.
- The City has adopted GASB Statement No. 72, *Fair Value Measurement and Application*, during the fiscal year 2016. The statement provides guidance for determining fair value to certain investments and disclosures related to all fair value measurements, and requires accounting for investments at fair value (see note 7).

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 intended to furnish additional detail to support the basic financial statements themselves.

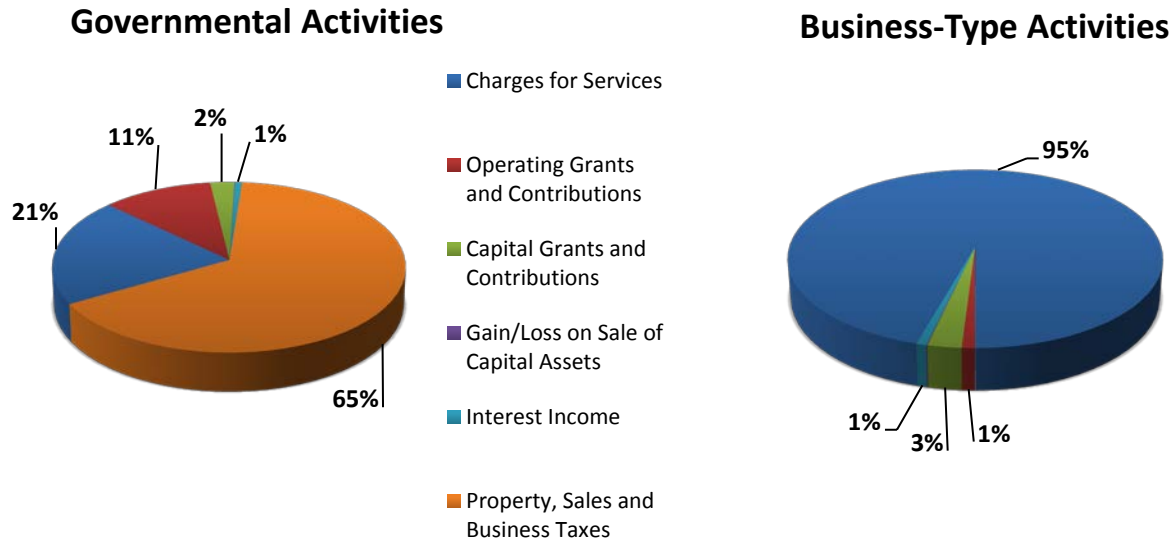
Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Tacoma's finances, and are similar to private sector financial statements. The statements also include the discretely presented component units, Tacoma Community Redevelopment Authority (TCRA), the Greater Tacoma Regional Convention Center Public Facilities District (GTRCCPF), and the Foss Waterway Development Authority (FWDA.)

The Statement of Net Position includes information on all assets and deferred outflows of resources and all liabilities and deferred inflows of resources of the City of Tacoma's general government as well as its business-type activities. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City of Tacoma is improving or deteriorating.

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

Figure 1. Comparison of Governmental and Business-Type 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.

Figure 2. Governmental Activities Expenditures

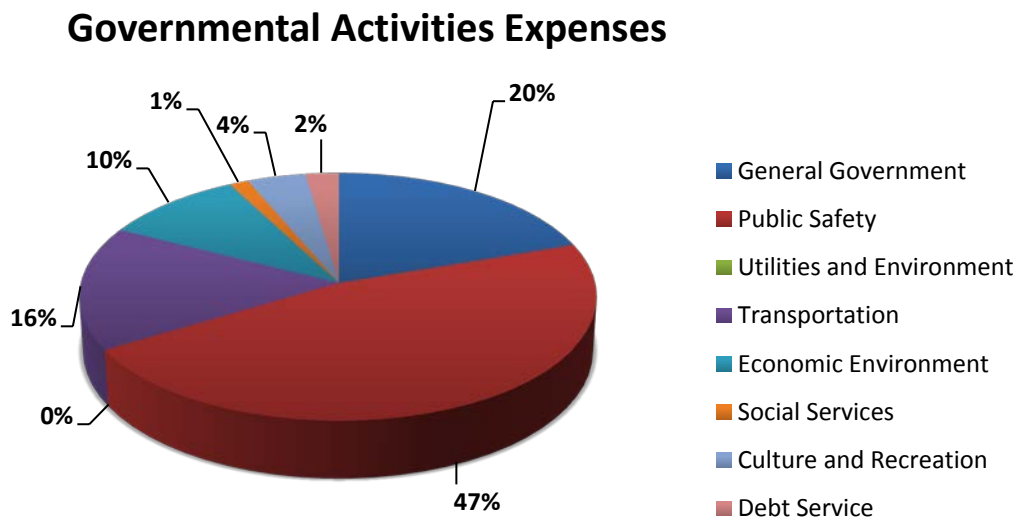
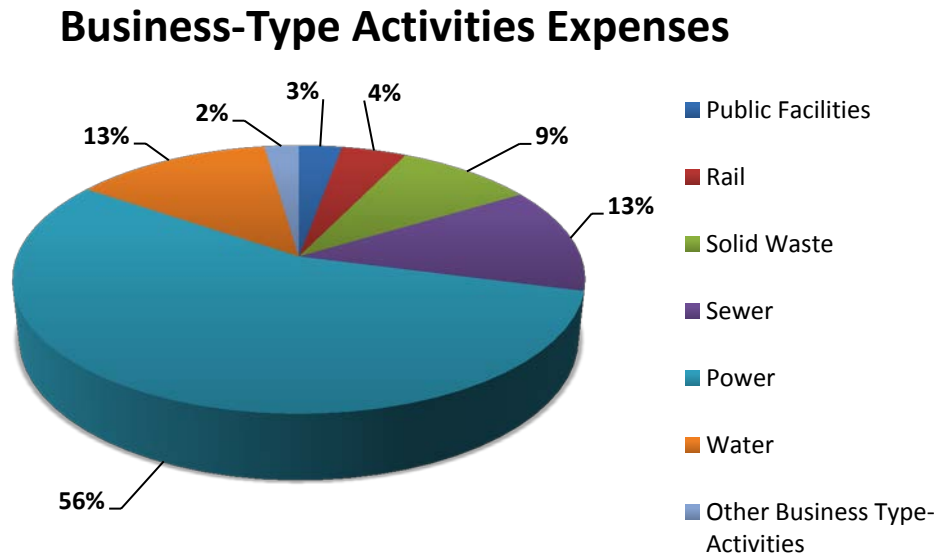


Figure 3. Business-Type Activities Expenses**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Tacoma, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Tacoma can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

The focus of the governmental fund statements is on major funds. A fund is considered major if it represents at least 10% of the assets, liabilities, revenues or expenditures of its fund category and at least 5% of the corresponding totals for the governmental and business-type activities combined. All other governmental funds are combined and presented as a single column in the respective governmental fund statements. Individual fund data for each of these combined non-major funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary Funds

There are two types of proprietary funds, internal service and enterprise, both of which the City of Tacoma uses. Internal service funds are used to accumulate and allocate costs internally among the City of Tacoma's various functions. Because these services primarily benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. 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 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 3-89 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

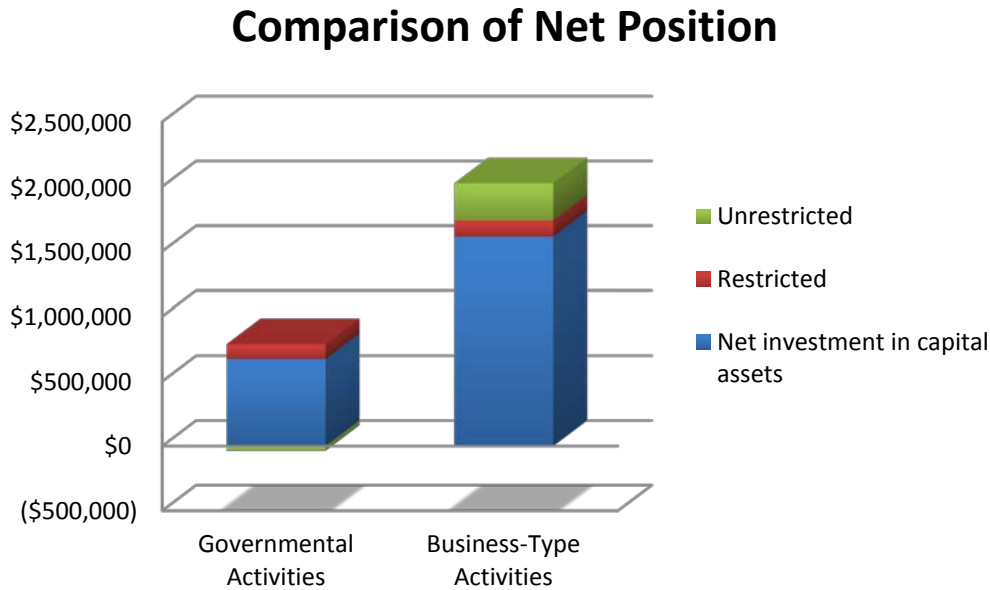
This section provides schedules of capital assets used in the operations of Governmental Funds and statistical information on Local Improvement District assessments. The Other Supplementary Information section can be found on pages 5-110 to 5-112.

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, 2016. 82.3% of the total net position reflects the City's investment in capital assets 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. 9.1% of the City's net position is unrestricted, meaning they are available for meeting the City's ongoing obligations. The remaining 8.6% of net position is restricted for other purposes such as debt redemption and new capital construction. Governmental activities represent 27% of total net position and business-type activities represent 73% of total net position.

Figure 4. Comparison of Net Position, By Activity Type (Amounts expressed in thousands)**Table 1. Summary Statement of Net Position**

Statement of Net Position For the Year Ended December 31, 2016						
(Amounts expressed in thousands)	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 316,348	\$ 306,333	\$ 877,669	\$ 886,107	\$ 1,194,017	\$ 1,192,440
Capital assets	819,394	833,394	2,824,020	2,782,358	3,643,414	3,615,752
Total assets	\$ 1,135,742	\$ 1,139,727	\$ 3,701,689	\$ 3,668,465	\$ 4,837,431	\$ 4,808,192
Deferred Outflow of Resources	\$ 21,512	\$ 16,560	\$ 77,892	\$ 23,173	\$ 99,404	\$ 39,733
Current and other liabilities	\$ 128,664	\$ 105,834	\$ 228,257	\$ 153,100	\$ 356,921	\$ 258,934
Long-term liabilities outstanding	236,901	233,500	1,406,754	1,410,514	1,643,655	1,644,014
Total liabilities	\$ 365,565	\$ 339,334	\$ 1,635,011	\$ 1,563,614	\$ 2,000,576	\$ 1,902,948
Deferred Inflows of Resources	\$ 39,876	\$ 45,176	\$ 119,281	\$ 121,860	\$ 159,157	\$ 167,036
Net Position:						
Net investment in capital assets	\$ 673,093	\$ 678,872	\$ 1,613,805	\$ 1,620,194	\$ 2,286,898	\$ 2,299,066
Restricted	113,897	110,825	124,289	127,008	238,186	237,833
Unrestricted	(35,177)	(17,920)	287,195	258,962	252,018	241,042
Total net position	\$ 751,813	\$ 771,777	\$ 2,025,289	\$ 2,006,164	\$ 2,777,102	\$ 2,777,941

In 2016, the City's total net position decreased by \$839 thousand, which was less than a 1% change in fund balance from 2015.

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

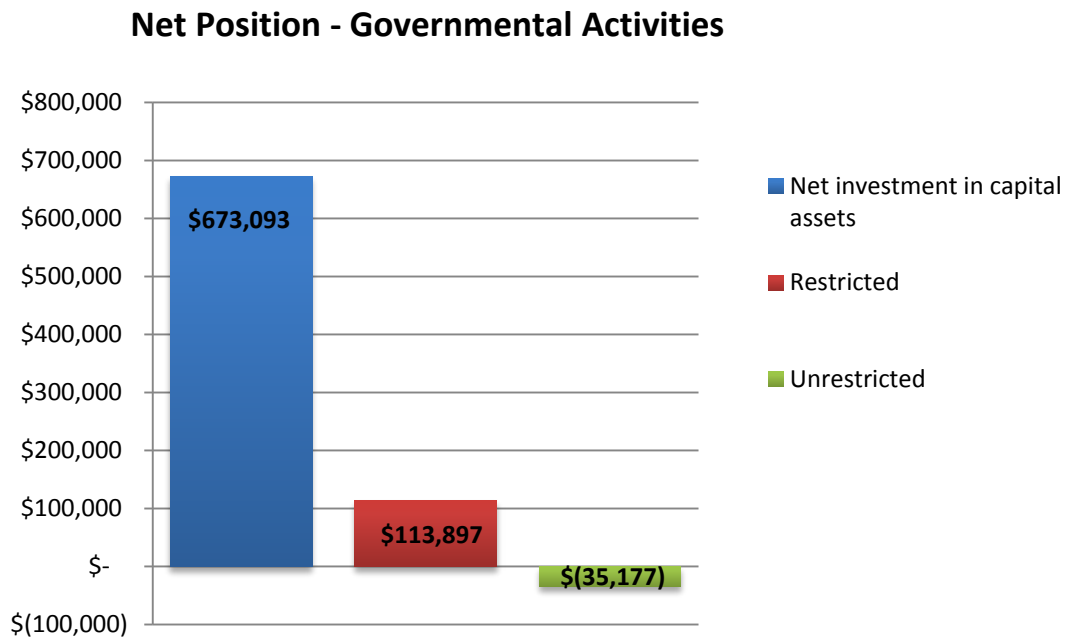


Figure 6. Composition of Net Position—Business-Type Activities (Amounts expressed in thousands)

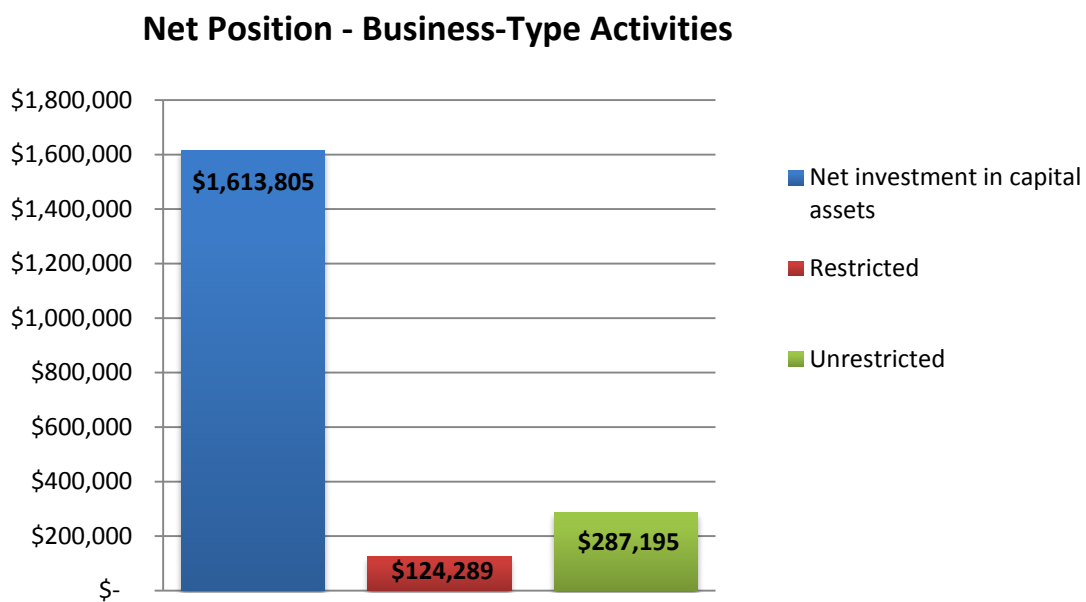


Table 2. Changes in Net Position

City of Tacoma, Washington Changes in Net Position						
(Amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues						
Charges for services	\$ 62,782	\$ 40,150	\$ 761,282	\$ 767,177	\$ 824,064	\$ 807,327
Operating grants and contributions	33,903	30,420	8,392	8,138	42,295	38,558
Capital grants and contributions	7,392	23,996	21,413	21,582	28,805	45,578
General revenues	-	-	-	-	-	-
Property taxes	78,886	67,313	-	-	78,886	67,313
Other taxes	122,310	118,097	-	-	122,310	118,097
Other	2,316	2,000	7,005	8,644	9,321	10,644
Total revenue	307,589	281,976	798,092	805,541	1,105,681	1,087,517
Expenses:						
General government	\$ 74,293	\$ 51,578	\$ -	\$ -	\$ 74,293	\$ 51,578
Public safety	175,131	144,312	-	-	175,131	144,312
Utilities and environment	1	2,864	-	-	1	2,864
Transportation	60,881	57,885	-	-	60,881	57,885
Social services	4,983	3,551	-	-	4,983	3,551
Economic Environment	36,759	20,887	-	-	36,759	20,887
Culture and recreation	15,258	18,448	-	-	15,258	18,448
Debt Service	8,670	13,643	-	-	8,670	13,643
Public assembly facilities	-	-	20,986	17,801	20,986	17,801
Rail	-	-	31,571	28,579	31,571	28,579
Solid waste	-	-	66,661	54,867	66,661	54,867
Waste water	-	-	92,958	84,984	92,958	84,984
Water	-	-	95,869	82,604	95,869	82,604
Power	-	-	404,566	425,044	404,566	425,044
Other business-type funds	-	-	16,721	16,594	16,721	16,594
Total expenses	375,976	313,168	729,332	710,473	1,105,308	1,023,641
Increase/(Decrease) in net position before transfers	(68,387)	(31,192)	68,760	95,068	373	63,876
Transfers	48,973	43,572	(48,973)	(43,572)	-	-
Increase/(Decrease) in net position	(19,414)	12,380	19,787	51,496	373	63,876
Net position--January 1	771,777	729,014	2,006,164	1,944,331	2,777,941	2,673,345
Prior Period Adjustments	(1,048)	675	(662)	2,000	(1,710)	2,675
Change in accounting principle	498	29,708	-	8,337	498	38,045
Net position--January 1	771,227	759,397	2,005,502	1,954,668	2,776,729	2,714,065
Net position--December 31	\$ 751,813	\$ 771,777	\$ 2,025,289	\$ 2,006,164	\$ 2,777,102	\$ 2,777,941

Tacoma's governmental activities reported a combined fund balance of \$752 million, which was a decrease of \$20 million from 2015, this decrease was due in a large part to increased spending on public safety.

Business-type activities showed a positive change, with an ending net position of \$2.03 billion which was an increase of \$19.1 million over 2015.

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 was \$80.3 million which increased by \$7.6 million, 10%, over 2015. The general funds unassigned fund balance saw an increase of \$12 million; this amount is not restricted for any specific purposes and may be used for spending at the government's discretion. Fund balance for the Transportation Capital and Engineering fund was \$6.5 million which increased by \$2.1 million (48%) in 2016 from a decrease in liabilities of \$2.1 million. Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, was \$85.1 million and was an increase of \$5.2 million (6.5%) from an increase in assets and deferred outflow of resources of \$4.7 million and an decrease of liabilities and deferred inflows of resources of \$500 thousand.

Fund Balances

At December 31, 2016, the City's governmental funds reported combined ending fund balances of \$172 million. Of this amount, \$9.7 million is nonspendable, either due to its form or legal constraints. \$78.7 million is restricted for specific programs by external constraints. \$1 million is committed for specific purposes as approved by City Council. \$17.5 million is assigned to specific purposes by management and the remaining \$64.5 million is unassigned.

Proprietary Fund Statements

Total net position for enterprise funds increased by \$17.3 million in 2016. Power, Water, Solid Waste and Sewer utilities make up the majority of the proprietary funds and activity in these utilities was the primary driver for the change in the net position. The Power funds position saw a fairly small decrease of \$4.2 million. The Water fund had an increase in their net position of \$7.1 million which was only a 1% increase from 2015. The Sewer fund had an increase in net position of \$12.7 million, or 3%, from increasing revenues by 8% to \$104 million. The Solid Waste funds net position stayed relatively the same with a small decrease of \$161 thousand which was less than 1%. The non-major Enterprise funds had an ending net position of \$156 million which was an increase of \$1.9 million. The total net position for internal service funds' was \$100.4 million and increased by \$8 million, or 9%, in 2016.

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, 2016 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.

Table 3. Schedule of Capital Assets

City of Tacoma, Washington Schedule of Capital Assets						
(Amounts expressed in thousands)	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 35,335	\$ 35,038	\$ 163,451	\$ 158,533	\$ 198,786	\$ 193,571
Construction in progress	57,538	87,346	57,691	135,796	115,229	223,142
Property, plant and equipment	255,700	231,760	4,338,447	4,123,184	4,594,147	4,354,944
Infrastructure	1,373,328	1,339,991	-	-	1,373,328	1,339,991
Less accumulated depreciation	(902,507)	(860,741)	(1,735,569)	(1,635,155)	(2,638,076)	(2,495,896)
	<u>\$ 819,394</u>	<u>\$ 833,394</u>	<u>\$ 2,824,020</u>	<u>\$ 2,782,358</u>	<u>\$ 3,643,414</u>	<u>\$ 3,615,752</u>

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, 2016 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.

Table 4. Schedule of Long Term Liabilities

City of Tacoma, Washington Schedule of Long Term Liabilities						
(Amounts expressed in thousands)	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Bonded debt and loans	\$ 182,106	\$ 193,819	\$ 1,396,763	\$ 1,369,551	\$ 1,578,869	\$ 1,563,370
Capital leases	-	-	-	33,523	-	33,523
Claims and judgments	27,183	24,481	-	-	27,183	24,481
Accrued landfill liability	-	-	21,118	19,649	21,118	19,649
Net Pension Obligation	9,662	9,433	-	-	9,662	9,433
Other Post Employment Benefits	62,495	54,725	20,181	18,355	82,676	73,080
Compensated absences	24,967	22,125	20,196	19,490	45,163	41,615
	<u>\$ 306,413</u>	<u>\$ 304,583</u>	<u>\$ 1,458,258</u>	<u>\$ 1,460,568</u>	<u>\$ 1,764,671</u>	<u>\$ 1,765,151</u>

The City's debt rating for 2016 is as follows:

Bond	Moody's	S&P	Fitch
GO	Aa3	AA	AA
LTGO	Aa3	AA	AA
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 6% which is a decrease of 0.1% from 2015.
- Expenditures for governmental activities reduced by \$1.6 million from 2015.
- Sales tax revenue was \$81.8 million in 2016, which is a \$33.8 million increase over 2015 sales tax revenues.
- Taxable property values have increased by \$1.7 billion over 2015, which is an 8.4% increase.
- The housing market continues to show great improvement.

City of Tacoma voters passed Proposition A and Proposition 3 in November 2015, which went into effect March 1st, 2016 and will increase both sales and property taxes in order to fund the repair and maintenance of roads, crosswalks and sidewalks. This will be accomplished through methods including pothole repair, street resurfacing, fixing sidewalk approaches and building missing sidewalks. Proposition A will raise sales tax by 1/10 of 1% over a period of 10 years. Proposition 3 will authorize an additional 1.5% earning tax on natural gas, electric and phone companies, and an increase in the regular property tax levy of \$.20 per \$1,000 of assessed value. The propositions together will provide an estimated \$17-18 million per year over the next ten years, with \$4.5 million from Proposition A and \$13 million from Proposition 3 per year. The City has also committed \$30 million and with matching grants the amount raised should total \$325 million.

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, 2016
(amounts expressed in thousands)
Page 1 of 2

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 200,076	\$ 423,826	\$ 623,902
Investments at fair value	3,341	-	3,341
Receivables (net of allowance for uncollectibles)	51,717	97,115	148,832
Due from other governmental units	24,621	1,132	25,753
Internal balances	6,009	(6,009)	-
Inventories	3,621	12,158	15,779
Prepays	1,035	9,806	10,841
Other current assets	-	-	-
Temporarily restricted assets:			
Cash and cash equivalents	-	263,117	263,117
Notes and contracts receivable	-	-	-
Contracts, notes, non-current leases	-	19,481	19,481
Capital assets (not being depreciated):			
Land	35,335	163,451	198,786
Art	2,186	-	2,186
Construction in progress	57,538	57,691	115,229
Capital assets:			
Property, plant, and equipment	253,514	4,338,447	4,591,961
Infrastructure	1,373,328	-	1,373,328
Accumulated depreciation	(902,507)	(1,735,569)	(2,638,076)
Non-current assets			
Capital assets held for resale	-	-	-
Net Pension Assets	25,514	-	25,514
Other non-current assets	414	57,043	57,457
Total assets	<u>1,135,742</u>	<u>3,701,689</u>	<u>4,837,431</u>
Deferred Outflow of Resources			
Unamortized loss on refunding	4,329	7,867	12,196
Deferred outflow for pensions	17,183	70,025	87,208
Total Deferred Outflow of Resources	<u>21,512</u>	<u>77,892</u>	<u>99,404</u>
LIABILITIES			
Accounts payable and other current liabilities	24,668	69,326	93,994
Deposits payable	45	10,504	10,549
Due to other governments	81	1,231	1,312
Unearned revenue	-	12,716	12,716
Payable from restricted assets			
current liabilities	-	5,730	5,730
Other liabilities	8,410	16,610	25,020
Special assessment debt with governmental commitment	29,426	-	29,426
Net Pension Liability	25,948	60,636	86,584
Non-current liabilities:			
Due within one year	40,086	51,504	91,590
Due in more than one year	236,901	1,406,754	1,643,655
Total liabilities	<u>365,565</u>	<u>1,635,011</u>	<u>2,000,576</u>
Deferred Inflow of Resources			
Advance payment of Special Assessments	38,059	-	38,059
Regulatory liability - rate stabilization	-	114,575	114,575
Deferred inflows for Pensions	1,817	4,059	5,876
Deferred gain on refunding	-	647	647
Total Deferred Inflow of Resources	<u>39,876</u>	<u>119,281</u>	<u>159,157</u>
NET POSITION			
Net investment in capital assets	673,093	1,613,805	2,286,898
Restricted for:			
Capital purchases	3,194	27,619	30,813
Debt Service	11,304	38,489	49,793
Water & assurance & system development	-	46,092	46,092
Culture and recreation	7,131	6,576	13,707
Self-insurance	-	2,806	2,806
Environmental services and programs	-	2,572	2,572
Inspections	-	135	135
Pensions	36,267	-	36,267
Public safety	8,792	-	8,792
Local improvement districts	-	-	-
Transportation	28,304	-	28,304
Grants	2,513	-	2,513
Housing & economic development	16,392	-	16,392
Unrestricted	(35,177)	287,195	252,018
Total net position	<u>\$ 751,813</u>	<u>\$ 2,025,289</u>	<u>\$ 2,777,102</u>

Page 2 of 2

COMPONENT UNITS		
TCRA	GTRCC PFD	FWDA
\$ 4,406	\$ 1,570	\$ 1,580
-	-	-
2,649	649	-
-	-	7
-	-	-
-	-	-
-	-	37
316	-	-
-	-	-
-	-	-
-	-	-
1,463	-	7,002
-	-	10
-	-	1,353
2,494	-	20,793
-	-	86
-	-	(5,444)
1,585	-	-
-	-	-
43,386	-	-
<u>56,299</u>	<u>2,219</u>	<u>25,424</u>
-	-	-
-	-	-
-	-	-
841	-	38
-	-	29
-	2,219	13
-	-	13
-	-	-
-	-	-
-	-	-
-	-	-
-	-	11
500	-	2,457
<u>1,341</u>	<u>2,219</u>	<u>2,561</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
51,002	-	-
-	-	1,519
<u>\$ 54,958</u>	<u>\$ -</u>	<u>\$ 22,863</u>

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016
(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	\$ 74,293	\$ 39,227	\$ 12,680	\$ -
Public safety	175,131	15,625	6,390	240
Utilities	1	-	-	-
Transportation	60,881	5,749	7,862	7,152
Social Services	4,983	-	-	-
Natural & econ environment	36,759	2,116	6,363	-
Culture and recreation	15,258	65	608	-
Interest on long-term debt	8,670	-	-	-
Total governmental activities	<u>375,976</u>	<u>62,782</u>	<u>33,903</u>	<u>7,392</u>
Business-type activities:				
Permit Services	9,575	9,379	11	-
Mountain Rail	2,948	1,550	52	-
Parking Garage	5,461	7,311	-	104
Convention Center	9,317	6,292	-	47
Cheney Stadium	1,675	1,228	-	159
Tacoma Dome	8,485	8,351	-	-
Performing Arts	1,509	-	-	-
Solid Waste	66,661	71,809	255	-
Waste Water	92,958	106,601	1	5,957
Union Station	1,685	1,682	-	4
Tacoma Rail	28,623	32,314	802	-
Water	95,869	94,433	3,579	10,204
Power	404,566	420,332	3,692	4,938
Low income Assistance	-	-	-	-
Power - Conservation	-	-	-	-
Total business-type activities	<u>729,332</u>	<u>761,282</u>	<u>8,392</u>	<u>21,413</u>
Total primary government	<u>1,105,308</u>	<u>824,064</u>	<u>42,295</u>	<u>28,805</u>
Component units:				
TCRA	2,217	-	3,485	-
GRTCC PDF	3,541	-	-	-
FWDA	1,314	215	(10)	122
Total component units	<u>\$ 7,072</u>	<u>\$ 215</u>	<u>\$ 3,475</u>	<u>\$ 122</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

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CHANGES IN NET POSITION			COMPONENT UNITS		
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TCRA	GTRCC PFD	FWDA
\$ (22,386)	\$ -	\$ (22,386)	\$ -	\$ -	\$ -
(152,876)	-	(152,876)	-	-	-
(1)	-	(1)	-	-	-
(40,118)	-	(40,118)	-	-	-
(4,983)	-	(4,983)	-	-	-
(28,280)	-	(28,280)	-	-	-
(14,585)	-	(14,585)	-	-	-
(8,670)	-	(8,670)	-	-	-
(271,899)	-	(271,899)	-	-	-
	(185)	(185)	-	-	-
-	(1,346)	(1,346)	-	-	-
-	1,954	1,954	-	-	-
-	(2,978)	(2,978)	-	-	-
-	(288)	(288)	-	-	-
-	(134)	(134)	-	-	-
-	(1,509)	(1,509)	-	-	-
-	5,403	5,403	-	-	-
-	19,601	19,601	-	-	-
-	1	1	-	-	-
-	4,493	4,493	-	-	-
-	12,347	12,347	-	-	-
-	24,396	24,396	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	61,755	61,755	-	-	-
(271,899)	61,755	(210,144)	-	-	-
-	-	-	1,268	-	-
-	-	-	-	(3,541)	-
-	-	-	-	-	(987)
\$ -	\$ -	\$ -	\$ 1,268	\$ (3,541)	\$ (987)
\$ 78,886	\$ -	\$ 78,886	\$ -	\$ -	\$ -
13,900	-	13,900	-	-	-
58,970	-	58,970	-	3,524	-
49,440	-	49,440	-	-	-
2,141	6,223	8,364	13	17	-
175	782	957	-	-	-
48,973	(48,973)	-	-	-	-
252,485	(41,968)	210,517	13	3,541	-
(19,414)	19,787	373	1,281	-	(987)
771,777	2,006,164	2,777,941	53,610	-	23,851
(1,048)	(662)	(1,710)	67	-	-
498	-	498	-	-	-
771,227	2,005,502	2,776,729	53,677	-	23,851
\$ 751,813	\$ 2,025,289	\$ 2,777,102	\$ 54,958	\$ -	\$ 22,863

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016
(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	\$ 61,687	\$ 3,833	\$ 77,993	\$ 143,513
Investments at fair value	-	-	3,341	3,341
Accounts receivables (net)	15,960	1,303	34,279	51,542
Due from other funds	1,848	239	1,815	3,902
Due from other governments	14,131	2,079	8,411	24,621
Inventories	1,105	-	1,780	2,885
Prepayments	6	-	113	119
Advances to other funds	4,200	-	1,660	5,860
TOTAL ASSETS	98,937	7,454	129,392	235,783
DEFERRED OUTFLOWS OF RESOURCES				
	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 98,937	\$ 7,454	\$ 129,392	\$ 235,783
LIABILITIES				
Accounts payable	\$ 3,429	\$ 389	\$ 3,607	\$ 7,425
Due to other funds	2,389	506	1,246	4,141
Due to other governments	81	-	-	81
Accrued wages	1,959	-	542	2,501
Accrued benefits	-	-	-	-
Accrued taxes	32	-	212	244
Customer deposits	-	-	45	45
Other current liabilities	1,351	-	1,276	2,627
Advances from other funds	-	-	4,997	4,997
TOTAL LIABILITIES	9,241	895	11,925	22,061
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	9,348	40	32,336	41,724
TOTAL DEFERRED INFLOWS OF RESOURCES	9,348	40	32,336	41,724
FUND BALANCES (DEFICITS)				
Nonspendable	7,774	-	1,887	9,661
Restricted	476	2,503	75,701	78,680
Committed	-	-	1,047	1,047
Committed - Council Contingencies	584	-	-	584
Assigned	2,592	4,016	10,925	17,533
Unassigned	68,922	-	(4,429)	64,493
TOTAL FUND BALANCES (DEFICITS)	80,348	6,519	85,131	171,998
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 98,937	\$ 7,454	\$ 129,392	\$ 235,783

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEETS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITON - GOVERNMENTAL FUNDS
December 31, 2016
(amounts expressed in thousands)

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 171,998
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.	782,918
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.	50,652
Net Pension Assets and Deferred Outflow for Pensions are not reported in the governmental funds balance sheet.	35,939
Certain taxes will be collected after year-end and will not be available to pay for current year expenditures and are reported as unavailable revenue.	3,665
Long Term Liabilities are not reported in the governmental funds balance sheet.	(2,222)
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.	(255,861)
Deferred Inflow of Resources for Pensions are not reported in the governmental funds balance sheet.	(80)
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.	(9,248)
Net Pension Liability 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.	(25,948)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>751,813</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

(amounts expressed in thousands)

	GENERAL FUND #0010	TRANS CAPITAL & ENGINEERING FUND #(3)1060	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 153,103	\$ -	\$ 44,428	\$ 197,531
Licenses and permits	5,028	142	4,165	9,335
Intergovernmental revenue	12,172	10,969	14,956	38,097
Charges for goods and services	31,190	1,969	6,385	39,544
Fines and penalties	2,215	8	4,959	7,182
Interest and other earnings	1,012	22	668	1,702
Miscellaneous revenues	185	42	3,206	3,433
TOTAL REVENUES	<u>204,905</u>	<u>13,152</u>	<u>78,767</u>	<u>296,824</u>
EXPENDITURES				
Current:				
General government	53,100	-	5,388	58,488
Public safety	132,942	-	22,451	155,393
Transportation	525	4,765	18,929	24,219
Economic environment	15,498	-	16,355	31,853
Mental and physical health	-	-	4,360	4,360
Culture and recreation	11,294	-	487	11,781
Debt service:				
Principal payments	3,000	-	13,074	16,074
Interest and other related costs	-	-	8,670	8,670
Capital expenditures	1,530	11,363	9,976	22,869
TOTAL EXPENDITURES	<u>217,889</u>	<u>16,128</u>	<u>99,690</u>	<u>333,707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(12,984)</u>	<u>(2,976)</u>	<u>(20,923)</u>	<u>(36,883)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	4,563	4,563
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	526	526
Insurance recoveries	55	-	-	55
Transfer in	42,358	5,811	50,305	98,474
Transfer (out)	(22,215)	(700)	(28,248)	(51,163)
TOTAL OTHER FINANCE SOURCES(USES)	<u>20,198</u>	<u>5,111</u>	<u>27,146</u>	<u>52,455</u>
NET CHANGE IN FUND BALANCE	7,214	2,135	6,223	15,572
FUND BALANCE - JANUARY 1	72,771	4,387	79,899	157,057
Prior period adjustment	(135)	(3)	(991)	(1,129)
Change in accounting principle	498	-	-	498
FUND BALANCE - JANUARY 1, RESTATED	<u>73,134</u>	<u>4,384</u>	<u>78,908</u>	<u>156,426</u>
FUND BALANCE - DECEMBER 31	<u>\$ 80,348</u>	<u>\$ 6,519</u>	<u>\$ 85,131</u>	<u>\$ 171,998</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, 2016
(amounts expressed in thousands)

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 15,572
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures in the year purchased. The entity wide statement of activities reports capital outlay as depreciation expense over the life of the asset. This is the amount by which capital outlays exceeded depreciation in the current period.	(18,116)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	6,137
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Net OPEB obligation	(7,770)
Compensated absences, claims	(3,525)
Accrued Interest Expense	(2,222)
Pension Expense	(24,434)
The net revenue of certain activities of internal service funds is reported with governmental activities:	3,426
Profit Loss reallocation that decrease expenditure	
Debt proceeds provide current financial resources to governmental funds but issuing debt increases non-current liabilities in the statement of net position.	(4,556)
Repayment of non-current debt is an expenditure in the governmental funds but on the statement of net position it reduces the liability:	
Principal repayment	16,074
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(19,414)</u>

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2016
 (amounts expressed in thousands)

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	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTEWATER & SURFACE WATER FUND #4300-01	TACOMA WATER FUND #4600	TACOMA POWER FUND #4700
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 29,102	\$ 77,657	\$ 54,769	\$ 214,475
Accounts receivable (net)	6,467	13,541	10,591	58,378
Due from other funds	58	85	108	2,226
Due from other governments	-	901	-	231
Inventory	-	1,028	2,342	7,469
Prepayments	-	226	1,118	6,385
Current restricted assets:				
C&CE - debt services, deposits and replacements	6,765	15,600	4,394	22,180
C&CE - construction accounts	10,319	21,163	41,717	13,387
C&CE - other special purposes	-	-	110,716	7,540
Total restricted assets	17,084	36,763	156,827	43,107
Total current assets	52,711	130,201	225,755	332,271
Non-current assets:				
Notes and contracts receivable (non-current)	-	-	-	-
Other non-current assets	-	1,453	2,866	52,614
Capital assets:				
Land	2,856	23,576	24,422	75,963
Property, plant, and equipment	192,599	799,152	1,050,069	1,928,424
Less: accumulated depreciation	(115,313)	(252,711)	(215,022)	(997,208)
Construction work in progress	243	5,959	20,572	26,412
Total capital assets net of depreciation	80,385	575,976	880,041	1,033,591
Net pension asset	-	-	-	-
Total non-current assets	80,385	577,429	882,907	1,086,205
TOTAL ASSETS	133,096	707,630	1,108,662	1,418,476
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	5,519	11,657	8,994	39,469
Unamortized loss on refunding	69	3,067	1,629	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	5,588	14,724	10,623	39,469

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2016
 (amounts expressed in thousands)
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	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS			
	SOLID WASTE FUND #4200	WASTEWATER & SURFACE WATER FUND #4300-01	TACOMA WATER FUND #4600	TACOMA POWER FUND #4700
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 2,039	\$ 3,373	\$ 1,548	\$ 29,354
Due to other funds	818	1,968	1,749	2,364
Due to other governments	-	1,229	-	-
Advances from other funds	-	-	-	-
Interest payable	-	220	1,898	9,513
Deposits payable	22	-	324	2,742
Accrued wages	261	529	411	1,837
Accrued benefits	126	321	270	1,076
Accrued taxes	723	924	1,492	7,515
Environmental liability - current	1,425	300	-	-
Notes, contracts & leases - current	-	3,798	-	-
Revenue bonds - current	-	4,428	13,339	12,730
Unearned revenue	198	324	7,569	3,015
Other	-	-	-	213
Current payables from restricted assets:				
Debt principal payable	4,645	402	-	-
Debt interest payable	243	655	-	-
Deposits and other payables	84	-	4,748	-
Total current liabilities	10,584	18,471	33,348	70,359
Non-current liabilities:				
Revenue bonds payable (net)	66,381	195,665	386,065	457,602
Compensated absences	1,135	2,891	2,429	9,682
Environmental liability - non-current	19,093	300	-	-
Notes, contracts & leases payable - non-current	-	44,443	99,496	-
Net OPEB obligation	2,120	2,784	3,385	10,891
Net pension liability	4,779	10,094	7,788	34,177
Other - non-current liabilities	-	-	1,096	3,173
Total non-current liabilities	93,508	256,177	500,259	515,525
TOTAL LIABILITIES	104,092	274,648	533,607	585,884
DEFERRED INFLOW OF RESOURCES				
Deferred liability - rate stabilization	6,000	25,000	35,575	48,000
Deferred inflows related to pensions	320	676	521	2,288
Deferred gain on refunding	556	91	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	6,876	25,767	36,096	50,288
NET POSITION				
Net investment in capital assets	26,773	392,365	446,518	581,629
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for debt	6,135	14,543	2,496	12,667
Restricted for waste assurance and systems development	-	-	43,534	-
Restricted for culture and recreation	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Restricted for reserves	-	-	-	2,558
Restricted for net pension assets	-	-	-	-
Unrestricted	(5,192)	15,031	57,034	224,919
TOTAL NET POSITION	\$ 27,716	\$ 421,939	\$ 549,582	\$ 821,773

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2016
 (amounts expressed in thousands)
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	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 20,381	\$ 396,384	\$ 84,005
Accounts receivable (net)	7,924	96,901	389
Due from other funds	16	2,493	5,823
Due from other governments	-	1,132	-
Inventory	1,024	11,863	1,031
Prepayments	2,077	9,806	916
Current restricted assets:			
C&CE - debt services, deposits and replacements	738	49,677	-
C&CE - construction accounts	-	86,586	-
C&CE - other special purposes	8,598	126,854	-
Total restricted assets	9,336	263,117	-
Total current assets	40,758	781,696	92,164
Non-current assets:			
Notes and contracts receivable (non-current)	19,481	19,481	-
Other non-current assets	110	57,043	-
Capital assets:			
Land	36,634	163,451	357
Property, plant, and equipment	302,432	4,272,676	172,589
Less: accumulated depreciation	(115,538)	(1,695,792)	(113,289)
Construction work in progress	4,249	57,435	3,070
Total capital assets net of depreciation	227,777	2,797,770	62,727
Net pension asset	-	-	-
Total non-current assets	247,368	2,874,294	62,727
TOTAL ASSETS	288,126	3,655,990	154,891
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	3,421	69,060	7,723
Unamortized loss on refunding	3,102	7,867	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	6,523	76,927	7,723

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2016

(amounts expressed in thousands)

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	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3,434	\$ 39,748	\$ 9,532
Due to other funds	659	7,558	520
Due to other governments	2	1,231	-
Advances from other funds	431	431	-
Interest payable	469	12,100	-
Deposits payable	7,416	10,504	-
Accrued wages	531	3,569	788
Accrued benefits	11	1,804	5
Accrued taxes	476	11,130	14
Environmental liability - current	-	1,725	-
Notes, contracts & leases - current	3,336	7,134	-
Revenue bonds - current	5,609	36,106	-
Unearned revenue	1,492	12,598	-
Other	2,020	2,233	27,920
Current payables from restricted assets:			
Debt principal payable	-	5,047	-
Debt interest payable	-	898	-
Deposits and other payables	-	4,832	-
Total current liabilities	<u>25,886</u>	<u>158,648</u>	<u>38,779</u>
Non-current liabilities:			
Revenue bonds payable (net)	93,427	1,199,140	-
Advances from other funds	431	431	-
Compensated absences	1,805	17,942	3,756
Environmental liability - non-current	-	19,393	-
Notes, contracts & leases payable - non-current	5,397	149,336	-
Net OPEB obligation	1,001	20,181	-
Net pension liability	2,963	59,801	6,687
Other - non-current liabilities	7,531	11,800	12,560
Total non-current liabilities	<u>112,555</u>	<u>1,478,024</u>	<u>23,003</u>
TOTAL LIABILITIES	<u>138,441</u>	<u>1,636,672</u>	<u>61,782</u>
DEFERRED INFLOW OF RESOURCES			
Deferred liability - rate stabilization	-	114,575	-
Deferred inflows related to pensions	198	4,003	448
Deferred gain on refunding	118	765	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>316</u>	<u>119,343</u>	<u>448</u>
NET POSITION			
Net investment in capital assets	140,270	1,587,555	62,726
Restricted:			
Restricted for capital purchases	1,343	1,343	26,276
Restricted for debt	2,648	38,489	-
Restricted for waste assurance and systems development	-	43,534	-
Restricted for culture and recreation	6,576	6,576	-
Restricted for self-insurance	-	-	2,806
Restricted for environmental services and programs	2,572	2,572	-
Restricted for inspections	135	135	-
Restricted for reserves	-	2,558	-
Restricted for net pension assets	-	-	-
Unrestricted	<u>2,348</u>	<u>294,140</u>	<u>8,576</u>
TOTAL NET POSITION	<u>\$ 155,892</u>	<u>\$ 1,976,902</u>	<u>\$ 100,384</u>

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

December 31, 2016

(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$	1,976,902
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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.	48,387
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NET POSITION OF BUSINESS ACTIVITIES	\$	<u><u>2,025,289</u></u>
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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2016

(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	\$ 63,569	\$ 104,279	\$ 93,059	\$ 417,438
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	-	-	-	1,176
TOTAL OPERATING REVENUES	<u>63,569</u>	<u>104,279</u>	<u>93,059</u>	<u>418,614</u>
OPERATING EXPENSES				
Salary and wages	13,507	23,934	18,953	79,913
Personnel benefits	7,309	11,471	8,463	33,661
Supplies	551	4,996	2,322	130,404
Services	27,343	26,885	17,413	68,813
Intergovernmental services (interfund taxes)	934	1,716	4,639	19,727
Depreciation expense	5,908	15,575	23,823	55,702
TOTAL OPERATING EXPENSES	<u>55,552</u>	<u>84,577</u>	<u>75,613</u>	<u>388,220</u>
OPERATING INCOME (LOSS)	<u>8,017</u>	<u>19,702</u>	<u>17,446</u>	<u>30,394</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	521	1,138	1,826	2,406
Interest and other related costs	(3,861)	(7,611)	(18,988)	(16,360)
Operating contributions - interfund	-	-	-	-
Operating contributions - federal/state/local	255	1	3,579	3,692
Other non revenues and (expenses)	150	1,551	105	1,135
Gain(loss) on disposition of property	177	(38)	(339)	96
NON OPERATING REVENUE NET OF EXPENSE	<u>(2,758)</u>	<u>(4,959)</u>	<u>(13,817)</u>	<u>(9,031)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>5,259</u>	<u>14,743</u>	<u>3,629</u>	<u>21,363</u>
Capital contributions - federal/state/local	-	5,264	-	-
Capital contributions - private	-	693	10,204	4,938
Transfer in	327	2,277	-	-
Transfer (out)	(5,747)	(10,342)	(6,753)	(30,462)
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>(5,420)</u>	<u>(2,108)</u>	<u>3,451</u>	<u>(25,524)</u>
CHANGE IN NET POSITION	<u>(161)</u>	<u>12,635</u>	<u>7,080</u>	<u>(4,161)</u>
NET POSITION				
NET POSITION - JANUARY 1	27,877	409,304	542,502	825,934
Prior period adjustments	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>27,877</u>	<u>409,304</u>	<u>542,502</u>	<u>825,934</u>
NET POSITION - DECEMBER 31	<u>\$ 27,716</u>	<u>\$ 421,939</u>	<u>\$ 549,582</u>	<u>\$ 821,773</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2016

(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	\$ 61,966	\$ 740,311	\$ 61,513
Interfund insurance premiums	-	-	88,045
Miscellaneous revenues	-	1,176	835
TOTAL OPERATING REVENUES	61,966	741,487	150,393
OPERATING EXPENSES			
Salary and wages	19,819	156,126	21,564
Personnel benefits	9,297	70,201	6,136
Supplies	2,208	140,481	3,689
Services	23,887	164,341	106,636
Intergovernmental services (interfund taxes)	796	27,812	-
Depreciation expense	8,355	109,363	7,823
TOTAL OPERATING EXPENSES	64,362	668,324	145,848
OPERATING INCOME (LOSS)	(2,396)	73,163	4,545
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	222	6,113	551
Interest and other related costs	(4,718)	(51,538)	(1)
Operating contributions - interfund	-	-	-
Operating contributions - federal/state/local	865	8,392	1
Other non revenues and (expenses)	5,484	8,425	51
Gain(loss) on disposition of property	563	459	498
NON OPERATING REVENUE NET OF EXPENSE	2,416	(28,149)	1,100
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	20	45,014	5,645
Capital contributions - federal/state/local	-	5,264	-
Capital contributions - private	773	16,608	-
Transfer in	6,822	9,426	1,728
Transfer (out)	(5,096)	(58,400)	(65)
TOTAL CONTRIBUTIONS AND TRANSFERS	2,499	(27,102)	2,414
CHANGE IN NET POSITION	2,519	17,912	8,059
NET POSITION			
NET POSITION - JANUARY 1	154,035	1,959,652	92,366
Prior period adjustments	(662)	(662)	(41)
NET POSITION - JANUARY 1 RESTATED	153,373	1,958,990	92,325
NET POSITION - DECEMBER 31	\$ 155,892	\$ 1,976,902	\$ 100,384

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, 2016
(amounts expressed in thousands)

NET CHANGES IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 17,912
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	1,875
CHANGES IN NET POSITION OF BUSINESS ACTIVITIES	<u>\$ 19,787</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016
 (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	\$ 62,957	\$ 103,022	\$ 92,765	\$ 420,098
Receipts from interfund services provided	81	316	865	20,251
Payments to suppliers	(19,410)	(14,141)	(7,299)	(185,823)
Payments to employees	(20,410)	(34,829)	(26,998)	(112,167)
Payments for taxes	(912)	(1,634)	(4,989)	(19,695)
Payments for interfund services used	(5,140)	(11,201)	(10,072)	(27,254)
Other operating or non-operating revenues (expenses)	148	1,531	34	1,393
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	17,314	43,064	44,306	96,803
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	(4,980)	(8,205)	(6,774)	(29,922)
Grants received	386	25	3,579	3,692
Contributions and Donations	2	20	-	(481)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(4,592)	(8,160)	(3,195)	(26,711)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	327	70	223
Transfers (to) funds	(327)	-	-	-
Acquisition and construction of capital assets	(1,233)	(35,063)	(19,029)	(86,264)
Proceeds from the sale of capital assets	263	-	40	59
Principal paid on capital debt	(30,646)	92,932	4,018	15,265
Interest and issuance costs paid on capital debt	(4,774)	(8,419)	(20,140)	(9,932)
Premium and net refunding from capital debt	25,026	(65,861)	407	(6,492)
Capital lease obligation	(5,196)	(28,326)	-	-
Contributions and donations	-	5,639	10,204	4,939
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(16,887)	(38,771)	(24,430)	(82,202)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	534	1,185	1,990	2,533
Investment long-term	(13)	(46)	(163)	(127)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	521	1,139	1,827	2,406
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(3,644)	(2,728)	18,508	(9,704)
CASH & CASH EQUIVALENTS, JANUARY 1	49,830	117,148	193,088	267,286
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 46,186	\$ 114,420	\$ 211,596	\$ 257,582

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016
 (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)	\$ 8,017	\$ 19,702	\$ 17,446	\$ 30,394
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	5,908	15,575	23,823	55,702
(increase) decrease in accounts receivable	(612)	(1,303)	(37)	365
(Increase) decrease in intergovernmental receivables	-	1,223	-	3
(Increase) decrease in due from other funds	81	316	608	(702)
(Increase) decrease in inventories	-	(16)	145	(1,150)
(Increase) decrease in prepaid items	-	95	(178)	(668)
(Increase) decrease in other current assets	(3,046)	(5,132)	(5,079)	(30,346)
Increase (decrease) in deposits payable	(14)	-	244	(343)
Increase (decrease) in accounts payable	(149)	(575)	(221)	5,446
Increase (decrease) in accrued wages payable	67	113	96	425
Increase (decrease) in compensated absences	338	464	322	982
Increase (decrease) in due to other funds	171	1,241	96	816
Increase (decrease) in unearned revenues	198	324	(336)	1,699
Increase (decrease) in other current liabilities	820	(348)	-	42
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in other long-term liabilities	5,387	9,738	7,272	32,522
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	148	1,647	105	1,616
Total adjustments	9,297	23,362	26,860	66,409
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 17,314	\$ 43,064	\$ 44,306	\$ 96,803
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	1,545	4,567	421

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016
 (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	\$ 65,379	\$ 744,221	\$ 32,116
Receipts from interfund services provided	59	21,572	25,640
Contributions received - employee/employer	-	-	86,435
Payments to suppliers	(20,684)	(247,357)	(97,778)
Payments to employees	(28,698)	(223,102)	(23,620)
Payments for taxes	(817)	(28,047)	(1,481)
Payments for interfund services used	(4,260)	(57,927)	(4,191)
Other operating or non-operating revenues (expenses)	2,056	5,162	50
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>13,035</u>	<u>214,522</u>	<u>17,171</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	5,843	5,843	578
Transfers (to) other funds	(2,578)	(52,459)	-
Advances (to) other funds	(2,889)	(2,889)	-
Grants received	865	8,547	1
Debt service related to environmental	-	-	-
Contributions and Donations	3,426	2,967	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>4,667</u>	<u>(37,991)</u>	<u>579</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	979	1,599	1,836
Acquisition and construction of capital assets	(8,027)	(149,616)	(15,415)
Proceeds from the sale of capital assets	2,661	3,023	-
Principal paid on capital debt	(9,821)	71,748	-
Interest and issuance costs paid on capital debt	(4,917)	(48,182)	-
Premium and net refunding from capital debt	-	(46,920)	-
Capital lease obligation	-	(33,522)	-
Contributions and donations	774	21,556	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(18,351)</u>	<u>(180,641)</u>	<u>(13,579)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	247	6,489	603
Rental and other income	-	-	-
Investment long-term	(24)	(373)	(56)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>223</u>	<u>6,116</u>	<u>547</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(426)	2,006	4,718
CASH & CASH EQUIVALENTS, JANUARY 1	30,143	657,495	79,286
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>29,717</u>	<u>659,501</u>	<u>84,004</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016
 (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)	\$ <u>(2,396)</u>	\$ <u>73,163</u>	\$ <u>4,545</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	8,355	109,363	7,823
(increase) decrease in accounts receivable	3,986	2,399	(206)
(Increase) decrease in intergovernmental receivables	-	1,226	10
(Increase) decrease in due from other funds	59	362	(3,747)
(Increase) decrease in inventories	(87)	(1,108)	(133)
(Increase) decrease in prepaid items	159	(592)	(410)
(Increase) decrease in other current assets	(2,331)	(45,934)	(5,150)
Increase (decrease) in deposits payable	1,438	1,325	-
Increase (decrease) in accounts payable	799	5,300	7,309
Increase (decrease) in accrued wages payable	78	779	257
Increase (decrease) in compensated absences	342	2,448	1,706
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	143	2,467	(128)
Increase (decrease) in unearned revenues	(239)	1,646	(70)
Increase (decrease) in other current liabilities	126	640	(1,216)
Increase (decrease) in notes, contracts, and leases payable	(168)	(168)	-
Increase (decrease) in other long-term liabilities	1,377	56,296	6,450
Increase (decrease) in prior period adjustments	(663)	(663)	81
Miscellaneous non-operating revenues (expenditures)	2,057	5,573	50
Total adjustments	<u>15,431</u>	<u>141,359</u>	<u>12,626</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>13,035</u></u>	\$ <u><u>214,522</u></u>	\$ <u><u>17,171</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	311	6,844	-

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2016
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6100, 6450
ASSETS	
Cash and cash equivalents	\$ 26,564
Investments at fair value:	
Equities	837,165
Fixed income	531,002
Real estate	80,382
Venture capital and partnerships	94,691
Securities lending collateral	56,922
Receivables - net uncollectible accounts	1
Due from other governments	866
Interest and dividends	2,596
Investment sales	3,720
Capital assets - net of accumulated depreciation	11
Net pension assets	-
TOTAL ASSETS	<u>1,633,920</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflow of pensions	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>
LIABILITIES	
Current liabilities:	
Accounts payable	5,381
Accrued wages and benefits payable	1,289
Due to the governmental units	34
Investments purchase payable	79,421
Other current liabilities	5
Total current liabilities	<u>86,130</u>
Non-current liabilities:	
Accrued employee leave benefits	81
Total non-current liabilities	<u>81</u>
TOTAL LIABILITIES	<u>86,211</u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflow of pensions	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>
NET POSITION	
Held in trust for pension benefits and other purposes	<u>\$ 1,547,709</u>

FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6100, 6450
ADDITIONS	
Employer contributions	\$ 25,536
Member contributions	22,407
Other contributions	77
Total contributions	<u>48,020</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	99,863
Interest & dividends	31,170
Total investment income	<u>131,033</u>
Less investment expenses:	
Investment management fees	(5,910)
Securities lending - agent fees	(75)
Securities lending - broker rebates	(108)
Total investment expense	<u>(6,093)</u>
Net investment income	<u>124,940</u>
TOTAL ADDITIONS	<u>172,960</u>
DEDUCTIONS	
Wages and benefits	947
Benefit payments	70,122
Refunds of contributions	1,874
Administrative expense	1,174
TOTAL DEDUCTIONS	<u>74,117</u>
NET INCREASE (DECREASE)	<u>98,843</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,448,950
Prior period adjustment	(84)
Net position - beginning (restated)	<u>1,448,866</u>
Net position - ending	<u>\$ 1,547,709</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016**NOTES TO FINANCIAL STATEMENTS**

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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, 2016

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, 2016

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 2016 (*as applicable*), the following:

- Statement No. 72, issued in February 2015, *Fair Value Measurement and Application* for financial statements for periods beginning after June 15, 2015.
- Statement No. 73, issued in June 2015, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. Provisions in Statement No. 73 are effective for fiscal years beginning after June 15,

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

2015 – except those provisions that address employers and governmental non-employers contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016.

- Statement No. 76, issued in June 2015, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* for financial statements beginning after June 15, 2015.
- Statement 78, issued in December 2015, *Pensions Provided through Certain Multiple-Employer Defined Benefit Plans* for reporting periods beginning after December 15, 2015.
- Statement No. 79, issued in December 2015, *Certain External Investment Pools and Pool Participants* for statements beginning after December 15, 2015.
- Statement No. 81, issued in March 2016, *Irrevocable Split-Interest Agreements*, effective for financial statements beginning after December 15, 2016.

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			Non-major Funds	
General Fund				
\$	5,127	\$	2,313	\$ 15,249

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, 2016

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 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.
- Streets Initiative Fund (#1085) accounts for resources collected from Propositions 3 & A and expenditures for street repairs identified in the Infrastructure Maintenance Plan.
- 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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

opportunities to qualified small businesses doing business with the City.

- Police fund (#1267) accounts for cost related to specific special revenues or grants for police services.
- Municipal Cable fund (#1431) supports the accounting for TV Tacoma, the City's television station.
- Human Resources Special Revenue fund (#1500) accounts for activities within the human resources department.
- Traffic Enforcement, Engineering and Education fund (#1650) manages the "red light" traffic camera program.
- Unclaimed Property fund (#1-6330) accounts for assets held by the City (primarily uncashed checks) until owners can be located.

Debt Service Funds:

- Voted Bonds fund (#2010) accounts for the debt service of unlimited general obligation bonds issued by the City of Tacoma.
- Non-voted Bonds fund (#2035) accounts for the debt service of limited general obligation bonds issued by the City of Tacoma.
- CED PWTF Loans fund (#2038) accounts for the debt service of obtaining public works trust fund loans.
- 2001 LTGO Refunding fund (#2039) accounts for the debt service of the 2001 LTGO refunding bonds.
- 2009 LTGO Bonds Series A-F fund (#2040) accounts for the debt service of the 2009 LTGO bonds.
- 2010 LTGO Bonds fund (#2041) accounts for the debt service of the 2010 LTGO bonds.
- 2013 LTGO Bonds (#2042) accounts for the debt service of the 2013 LTGO Bonds.
- Consolidated LID Bond Redemption fund (#2-7999) accounts for the debt service related to LIDs.

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.
- 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.
- TPU Fleet Services fund (#5050) accounts for costs of maintaining and replacing City vehicles for business-

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 (#6050) 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.

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."

Advances between funds, as reported in the governmental fund financial statements, are included in the non-spendable classification in fund balance unless the proceeds from collection are restricted, committed, or assigned.

Property taxes are levied in November and become a property lien as of January 1. The first half is due April 30 and the second half on October 31. If the first half is not paid by April 30, the total annual tax becomes delinquent. Property taxes are collected by Pierce County and remitted to the City monthly. An allowance for uncollectible accounts is deemed unnecessary as delinquent taxes become an enforceable lien on the property. Property taxes collected within 60 days after year-end are considered measurable and available and are recognized as revenues in the fund statements. The total levy is recognized as revenue in the government-wide financial statements, regardless of when collected.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 acquisition 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, 2016

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 proprietary funds, unamortized debt issue costs for insurance are recorded as an asset and bonds are displayed net of premium or discount; annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt issue costs and discount.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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, 2016

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

Bonds and leases payable	\$ (157,567)
Discount on bond issuance	58
Premium on bond issuance	(1,229)
Net other post employment benefits obligation	(62,495)
Compensated absences	(24,966)
Net pension obligation	<u>(9,662)</u>
Sub-total	(255,861)
Net pension liability	(25,948)
Net adjustment to reduce fund balance for total governmental funds to arrive at net position for governmental activities	<u>\$ (281,809)</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	\$ 22,869
Depreciation Expense	<u>(40,985)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (18,116)</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, 2016

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

OPEB	\$ (7,770)
Compensated absences	(3,525)
Accrued interest	(2,222)
Pension Expense	<u>(24,434)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position	 <u>\$ (37,951)</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. Capital Project funds are also not legally required to adopt a budget but in 2016, the 2009 LTGO Bond Capital Project Fund (3218) had overspent their appropriation by \$1.6 million.

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 \$37,339,874 for 2016.

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 due to a reclassification of reporting internal note proceeds as an interfund loan which was received in prior years. The 2002 Police Facility had a \$41 thousand decrease in fund balance due to interest charges. The fund is reviewed periodically to determine the necessary transfer amounts the General Fund needs to contribute.

The \$6.4 million deficit in the Convention Center fund resulted from cumulative expenses exceeding revenues/transfers and the fund balance has decreased \$500 thousand over the previous year. Operating losses were \$ 3.9 million for the year as compared to \$3.5 million for the prior year. 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 \$14.3 million, an increase of \$3.1 million over the prior year, due to an increase in claims.

The Worker's Compensation Fund has a net position deficit of \$2.2 million due insufficient contributions from the departments and an excess of accrued and IBNR claims over total assets. The Worker's Compensation fund has a positive net change in 2016 which decreased the deficit by \$1.3 million.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Net Deficit
(amounts expressed in thousands)

FUNDS	
1997 Bond Issue Fund (#3209)	(42)
2002 Police Facility (#3216)	(4,200)
Convention Center (#4165)	(6,427)
Third Party Liability Claims (#5550)	(14,385)
Worker's Compensation (#5570)	(2,225)
	<u>\$ (27,279)</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 \$55,749,027.

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 2016, 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. In June, 2016, the City terminated its security lending agreement with the Bank of New York Mellon. As of December 31, 2016, the City was not a party to any security lending arrangements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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

Type of Securities Lent	2016		2015	
	Fair Values of Securities Lent	Collateral	Fair Values of Securities Lent	Collateral
U.S. Government and Agencies	-	-	63,232	64,547
Total Securities Lent	-	-	63,232	64,547

Collateral	2016	2015
U.S. Corporate Obligations	-	54,956
U.S. Treasury Strips	-	-
Government Sponsored Enterprises	-	7,000
Asset Backed Securities	-	1,141
Repurchase Agreements/Money Mkt	-	1,450
Total Collateral	-	64,547

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 20% of the total portfolio with no more than 5% 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 5% in any one issuer.
5. **Repurchase Agreements:** Portfolio mix guidelines suggest repurchase agreements be limited to maximum of 25% 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 2016.
7. **Municipal Bonds:** Portfolio mix guidelines allow 30% of the portfolio to be invested in municipal bonds with no more than 5% of the portfolio being invested in bonds of any one municipal bond issuer. The maximum maturity for investments in municipal bonds shall be limited to five years.
8. **Certificates of Deposit (CDs):** The percentage of CDs may not exceed 25% of the total assets of the portfolio with the percentage limited to 3% for any single bank or savings and loan association. Maturities shall not exceed one year.
9. **Local Government Investment Pools:** A maximum of 25% of the portfolio may be invested in local government investment pools.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

2. Deposits and investments – December 31, 2016

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, 2016, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments
December 31, 2016
(amounts expressed in thousands)

Reconciliation of Cash and Investments:

Investments (less Component Units)	\$ 2,461,378
Certificates of Deposit	4,000
Treasurer's Cash, net	51,474
Petty Cash Funds	275
Sub-total	<u>2,517,127</u>
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	1,552
TCRA - External Cash	2,854
Foss Waterway Development Authority (FWDA)	1,310
FWDA - External Cash	270
Public Facilities District (PFD)	1,571
Sub-total (Component Units)	<u>7,557</u>
Total	<u>\$ 2,524,684</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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

Investments:	Fair Value at 12/31/16
Financial Institutions	
WA State Local Government Investment Pool	\$ 86,230
US Treasury Securities	-
Government Agencies (various)	752,855
Bankers Acceptances	-
Electric System Revenue Bond Investments	-
Equity in Pool Transferred to Component Units	(4,432)
Total Investments with Financial Institutions	834,653
Pension Trust	
Equities	837,165
Fixed Income	531,002
Real Estate	80,382
Venture Capital & Partnerships	94,691
Short Term Bill & Notes	110
Cash and Cash Equivalents	26,454
Securities Lending Collateral	56,921
Total Other Investments - Pension Trust	1,626,725
Total	\$ 2,461,378

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 \$85,720,759 with the State Treasurer's Local Government Investment Pool, \$4,000,000 in an interest bearing certificate of deposit with a commercial bank and \$47,022,275 in the city's deposit accounts with commercial banks. The monies from these accounts are available immediately.

Investment Type	Par	Maturing (in months)				
		Less than 12	13-24	25-36	37-48	49-60
Main Bank Demand Deposits	\$ 47,022,275	\$ 47,022,275	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	86,230,191	86,230,191	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	61,450,051	23,444,446	18,488,031	5,448,050	2,244,524	11,825,000
Fixed Rate Non-Callable Agency Securities	480,370,031	186,049,658	149,882,941	95,171,685	24,877,620	24,388,127
Fixed Rate Callable Agency Securities	64,209,801	22,003,998	27,334,398	14,871,405	-	-
Totals	\$ 739,282,349	\$ 364,750,568	\$ 195,705,370	\$ 115,491,140	\$ 27,122,144	\$ 36,213,127
Percent of Total		49.34%	26.47%	15.62%	3.67%	4.90%

4. GASB 40 - Disclosure Relating to Credit Risk

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 2016 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	\$ 133,252,466	FDIC & PDPC	\$ 133,252,466	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	61,450,051	A	-	8,954,679	29,664,202	22,831,170
Fixed Rate Non-Callable Agency Securities	480,370,031	AAA	-	480,370,031	-	-
Fixed Rate Callable Agency Securities	64,209,801	AAA	-	64,209,801	-	-
Total	\$ 739,282,349		\$ 133,252,466	\$ 553,534,511	\$ 29,664,202	\$ 22,831,170

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	71,893,015	9.5%
Federal Home Loan Bank	Agency Securities	223,352,550	29.7%
Federal Home Mortgage Corporation	Agency Securities	135,896,972	18.0%
Federal National Mortgage Association	Agency Securities	113,437,294	15.1%
Total		\$ 544,579,831	

6. Disclosure of Custodial Credit Risk

Custodial Credit Risk – Investment

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

7. Investments Measured at Fair Value

The City measures and records its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, where fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These guidelines recognize a three-tiered fair value hierarchy, as follows:

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

- Level 1 – Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.
- Level 2 – Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are sourced from pricing vendors using models that are market-based and corroborated by observable market data including: quoted prices; nominal yield spreads; benchmark yield curves; and other corroborated inputs.
- Level 3– Level 3 inputs are unobservable inputs for the asset or liability and should only be used when relevant Level 1 or Level 2 inputs are unavailable.

The fair value evaluations are provided by Interactive Data. Interactive Data utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information and for structured securities, cash flow and, when available, loan performance data. Because many fixed income securities do not trade on a daily basis, Interactive Data's evaluated pricing applications apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing, to prepare evaluations. In addition, Interactive Data uses model processes, such as the Option Adjusted Spread model to assess interest rate impact and development payment scenarios. Their models and processes take into account market convention. For each asset class, a team of evaluators gathers information from market sources and integrates relevant credit information, perceived market movements and sector news into the evaluated pricing applications and models.

Source: Interactive Data "Summary of Inputs by Asset Class Fixed Income Evaluations, Fair Value Information Service and Valuations of Certain Other Instruments" dated January 2016

Cash and cash equivalents include highly liquid investments including short-term investment funds. Cash and cash equivalents are valued at cost and, therefore, excluded from the fair value schedule.

Data regarding the City's investments, valued and categorized according to the above outlined levels is included below:

Investments Measured at Fair Value

Debt Securities	As of			
	12/31/2016	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 146,824,628	\$ -	\$ 146,824,628	\$ -
U.S. Agency Securities	544,579,831	-	544,579,831	-
Municipal Bonds	61,450,051	-	61,450,051	-
Total	\$ 752,854,510	\$ -	\$ 752,854,510	\$ -

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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)	\$ 15,960	\$ 1,303	\$ 34,279	\$ 6,467	\$ 13,541
Due from other Funds	1,848	239	1,815	58	85
Advances to other Funds	4,200	-	1,660	-	-
Due from Other Governments	14,131	2,079	8,411	-	901
Interest Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net long-term)	-	-	-	-	-
TOTAL	\$ 36,139	\$ 3,621	\$ 46,165	\$ 6,525	\$ 14,527

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)	\$ 10,591	\$ 58,378	\$ 7,924	\$ 389	\$ 1	\$ 148,833
Due from other Funds	108	2,226	16	5,823	-	12,218
Advances to other Funds	-	-	-	-	-	5,860
Due from Other Governments	-	231	-	-	866	26,619
Interest Receivable (net short-term)	-	-	-	-	2,596	2,596
Notes and Contracts Receivable (net short-term)	-	-	-	-	3,720	3,720
Notes and Contracts Receivable (net long-term)	-	-	19,481	-	-	19,481
TOTAL	\$ 10,699	\$ 60,835	\$ 27,421	\$ 6,212	\$ 7,183	\$ 219,327

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

C. Capital assets

Capital asset activity for the year-ended December 31, 2016 was as follows (amounts expressed in thousands):

Governmental activities	Beg Bal	Increases	Decreases	Prior Period Adjs	End Bal
Capital assets not being depreciated:					
Land	\$ 35,038	\$ 380	\$ (83)	\$ -	\$ 35,335
Property, plant, and equipment	2,050	136	-	-	2,186
Construction Work in progress	87,346	31,648	(61,456)	-	57,538
Total Capital assets, not being depreciated	<u>124,434</u>	<u>32,164</u>	<u>(61,539)</u>	<u>-</u>	<u>95,059</u>
Capital assets, being depreciated					
Property, plant, and equipment	229,710	24,502	(3,285)	2,587	253,514
Infrastructure	1,339,991	35,924	-	(2,587)	1,373,328
Total capital assets, being depreciated	<u>1,569,701</u>	<u>60,426</u>	<u>(3,285)</u>	<u>-</u>	<u>1,626,842</u>
Less Accumulated depreciation:					
Property, plant, and equipment	(132,067)	(11,153)	3,266	-	(139,954)
Infrastructure	(728,674)	(33,879)	-	-	(762,553)
Total accumulated depreciation	<u>\$ (860,741)</u>	<u>\$ (45,032)</u>	<u>\$ 3,266</u>	<u>\$ -</u>	<u>\$ (902,507)</u>
Governmental activities, capital assets (net of accumulated depreciation)	<u>833,394</u>	<u>47,558</u>	<u>(61,558)</u>	<u>-</u>	<u>819,394</u>

Business Type Activities	Beg Bal	Increases	Decreases	Prior Period Adjs	End Bal
Capital assets not being depreciated:					
Land	\$ 158,533	\$ 5,619	\$ (694)	\$ (7)	\$ 163,451
Construction Work in progress	135,796	141,996	(220,101)	-	57,691
Total Capital assets, not being depreciated	<u>294,329</u>	<u>147,615</u>	<u>(220,795)</u>	<u>(7)</u>	<u>221,142</u>
Capital assets, being depreciated					
Property, plant, and equipment	4,123,184	227,294	(12,039)	8	4,338,447
Total capital assets, being depreciated	<u>4,123,184</u>	<u>227,294</u>	<u>(12,039)</u>	<u>8</u>	<u>4,338,447</u>
Less Accumulated depreciation:					
Property, plant, and equipment	(1,635,155)	(112,350)	11,936	-	(1,735,569)
Total accumulated depreciation	<u>(1,635,155)</u>	<u>(112,350)</u>	<u>11,936</u>	<u>-</u>	<u>(1,735,569)</u>
Business Type Activities, capital assets (net of accumulated depreciation)	<u>\$ 2,782,358</u>	<u>\$ 262,559</u>	<u>\$ (220,898)</u>	<u>\$ 1</u>	<u>\$ 2,824,020</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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

Governmental Activities:

General Government	\$ 310
Public Safety	3,448
Transportation	34,390
Economic Environment	112
Culture and Recreation	1,935
Capital Assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>4,837</u>
Total depreciation expense - governmental activities	<u><u>45,032</u></u>

Business-type activities:

Permit	19
Mountain Rail	895
Parking Garage	1,303
Convention Center	1,921
Baseball Park	1,506
Tacoma Dome	583
Performing Arts	654
TPU Fleet	2,988
Solid Waste	5,908
Waste Water	15,575
Tacoma Rail	1,473
Water	23,823
Power	<u>55,702</u>
Total depreciation expense - business-type activities	<u><u>\$ 112,350</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

D. Leases**Capital leases**

During June 2016, the TES Lease Revenue Bonds, Series 2009 were advance refunded and defeased with proceeds from the sale of City of Tacoma Sewer Revenue Refunding Bonds, Series 2016A. The bonds were issued mainly to terminate the capital lease obligation and to exercise the right to purchase the capital lease assets using bond proceeds. As a result, the project lease with TES was terminated and the ownership of the CUW building and land was conveyed back to the City of Tacoma.

The termination of the capital lease was accounted for by removing the capital lease building and lease obligation, with a gain of \$76,757 for the difference.

E. Short-term debt

Governmental activities: No short-term debt was issued or outstanding in 2016.

Business-type activities: No short-term debt was issued or outstanding in 2016.

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 \$275.4 million.

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of December 31, 2016, are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2017	\$ 8,148	\$ 4,852	\$ 2,657	\$ 5,168
2018	8,471	4,751	2,791	5,194
2019	9,128	4,146	2,597	4,863
2020	9,448	3,833	2,677	4,844
2021	9,812	3,488	2,763	4,806
2022-2026	35,096	23,711	13,631	21,976
2027-2031	28,925	23,754	16,670	21,560
2032-2036	25,836	12,803	13,650	14,900
2037-2041	1,915	292	-	-
Total	\$ 136,781	\$ 81,630	\$ 57,435	\$ 83,311

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	Outstanding December 31, 2016
Governmental activities	2.6323 - 7.2020%	\$ 136,781
Business-type activities	2.7966 - 4.4537%	\$ 57,435

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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, 2016, the amount of LID Special Assessment delinquency equals \$282,851. The bond interest rates range from 4.18 to 5.75% and are payable over the next twenty-seven 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
2017	\$ 511	\$ 1,645	\$ 2,156
2018	-	1,577	1,577
2019	-	1,577	1,577
2020	-	1,577	1,577
2021	461	1,577	2,038
2022-2026	-	7,840	7,840
2027-2031	-	7,810	7,810
2032-2036	1,830	7,810	9,640
2037-2041	27,135	10,517	37,652
Total	\$ 29,937	\$ 41,930	\$ 71,867

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, Washington State Department of Transportation Rail loans, and Drinking Water State Revolving Fund loans issued in prior years was \$1.5 billion. During 2016, new debt issues amounted to \$182.3 million for refunding, construction and capital improvements in the Wastewater and Surface Water, Solid Waste, Water, and Rail funds.

Business-type activities Revenue Bonds and Loans (amounts expressed in thousands)			
	Principal	Interest	Total
2017	\$ 44,875	\$ 52,528	\$ 97,403
2018	41,863	50,899	92,762
2019	42,258	49,364	91,622
2020	62,445	47,274	109,719
2021-2025	187,460	211,344	398,804
2026-2030	188,681	175,335	364,016
2031-2035	313,864	118,241	432,105
2035-2039	191,065	50,823	241,888
2040-2043	116,687	9,244	125,931
Total	\$ 1,189,198	\$ 765,052	\$ 1,954,250

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Changes in long-term liabilities for the year ended December 31, 2016 are as follows:

Changes in long-term liabilities

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	\$ 142,833	\$ 2,222	\$ (8,274)	\$ 136,781	\$ 8,148	\$ 136,781
Less: Unamortized discount	(63)	-	5	(58)	5	-
Add: Unamortized premium	1,561	-	(332)	1,229	(332)	-
Washington State DOT loan	3,000	-	(3,000)	-	-	-
Public works trust fund loans	6,755	-	(1,110)	5,645	1,110	5,645
Bond anticipation notes	10,975	8,843	(11,246)	8,572	8,572	8,572
Special assessment debt	28,758	2,341	(1,162)	29,937	511	29,937
Claims and judgments	24,481	5,687	(2,985)	27,183	19,433	-
Other post employment benefits obligation	54,725	7,770	-	62,495	-	-
Net pension obligation	9,433	229	-	9,662	-	-
Accrued employee leave benefits	22,125	25,053	(22,211)	24,967	2,639	-
Total governmental activities - long-term liabilities	\$ 304,583	\$ 52,145	\$ (50,315)	\$ 306,413	\$ 40,086	\$ 180,935

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$3.9 million of internal service funds compensated absences were included in the above amounts. Additionally, the governmental activities, 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 \$2,222 listed above represents the Governmental Funds issuance of long-term debt (\$2,222) reported in the government wide financial statements.

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	\$1,194,317	\$ 99,388	\$ (104,507)	\$1,189,198	\$ 44,913
Muckleshoot liability	7,320	-	(190)	7,130	186
General obligation bonds	60,066	-	(2,631)	57,435	2,657
Plus: Unamortized premium	57,626	10,490	(5,344)	62,772	-
Less: Unamortized discount	(28)	-	6	(22)	-
Capital leases	33,523	-	(33,523)	-	-
Revolving line of credit	50,250	30,000	-	80,250	-
Environmental liability	798	2	(200)	600	300
Landfill closure cost liability	18,851	2,703	(1,036)	20,518	1,425
Other post employment benefits obligation	18,355	1,826	-	20,181	-
Accrued employee leave benefits	19,490	11,225	(10,519)	20,196	2,023
Total business-type activities - long-term liabilities	\$1,460,568	\$ 155,634	\$ (157,944)	\$1,458,258	\$ 51,504

Note 12 summarizes changes in long-term debt.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Debt issued in 2016
Governmental activities

On April 5, 2016 the City issued Consolidated Local Improvement District No. 64 Bonds in the amount of \$2,341,350 with an interest rate of 3.25%. The proceeds were used to (1) finance the carrying costs of carrying out improvements of Consolidated Local Improvement District No. 64, including without limitation, repayment of all or a portion of the outstanding amount of the City's Local Improvement District Bond Anticipation Note (Revolving Line of Credit) dated as of June 23, 2015 issued to provide interim financing, and (2) pay the costs of issuance and sale of the Bonds.

On July 1 2016, The City entered into a \$15,000,000 line-of-credit agreement with Washington Federal, N. A. for intermediate financing for the various local improvement districts (LID) formed by the City and to pay off the City's existing LID line of credit with Bank of America. The line matures in July 1, 2021, and each advance will bear interest at a rate equal to the Prime Rate published by the Wall Street Journal multiplied by 64%. Each advance is secured by proceeds from LID funds as set forth in the Ordinance No. 23412. The balance outstanding is \$8.6 million as of December 31, 2016.

Business-type activities:

The 2016A Solid Waste Revenue and Refunding Bonds Division were issued in the amount of \$23,200,000 with interest rates ranging from 3.0% to 5.0%. A portion of the proceeds were used to advance refund \$27,445,000 of outstanding 2006A Solid Waste Revenue bonds which had interest rates ranging from 4.5% to 5%. A portion of net proceeds in the amount of \$28,085,561 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 2006A Solid Waste Revenue 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 \$245,762. This amount is presented as a deferred inflow of resources and amortized over the remaining life of the refunding debt. The Division advance refunded a portion of the 2006A Solid Waste Revenue bonds to reduce its total debt service payments over 20 years by \$5,472,387 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$790,762.

The 2016B Solid Waste Revenue and Refunding Bonds were issued in the amount of \$15,025,000 with interest rates of 5.0%. A portion of the proceeds were used to advance refund \$18,520,000 of outstanding 2006B Solid Waste Revenue and Refunding bonds which had an interest rate of 5.0%. A portion of net proceeds in the amount of \$18,983,000 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 2006B Solid Waste 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 \$343,488. This amount is presented as a deferred inflow of resources and amortized over the remaining life of the refunding debt. The Division advance refunded a portion of the 2006B Solid Waste Revenue and Refunding bonds to reduce its total debt service payments over 20 years by \$1,921,792 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$609,288.

The 2016A Sewer Revenue and Refunding Bonds were issued in the amount of \$31,855,000 with interest rates ranging from 1.75% to 5.0%. The proceeds were used to advance refund and defease the outstanding TES Bonds for debts service savings(as determined by comparing the monthly rent the City paid under the project lease to the debt service to be paid on the 2016A Bonds, to make a deposit to the reserve fund, and to pay costs of issuance of the 2016A Bonds.

The 2016B Sewer Revenue Refunding Bonds were issued in the amount of \$11,865,000 with interest rates ranging from 4.0% to 5.0%. A portion of the proceeds were used to advance refund \$12,935,000 of outstanding 2006 Sewer Revenue and Refunding bonds which had interest rates ranging from 4.55% to 5.0%. A portion of net proceeds in the amount of \$13,252,559 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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 \$97,443. This amount is presented as a deferred inflow of resources and amortized over the remaining life of the refunding debt. The Division advance refunded a portion of the 2006 Sewer Revenue and Refunding bonds to reduce its total debt service payments over 20 years by \$1,407,438 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,259,526.

In 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) of 1.64344% at December 31, 2016. Each advance is secured by Revenues as set forth in the Note Ordinance. The balance outstanding is \$80.3 million as of December 31, 2016.

During 2016, Tacoma Water received \$16.8 million in draws from previously awarded Drinking Water State Revolving Fund (DWSRF) Loans for capital projects. The loan balances outstanding is \$74.1 million as of December 31, 2016.

In 2016, Tacoma Rail received \$643,000 in draws from previously awarded Washington State loans from the Department of Transportation for capital track projects. The loan balances outstanding is \$6.1 million as of December 31, 2016.

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	\$ 49,677
Cash for construction	86,586
Cash for other special purposes	<u>126,854</u>
	<u>\$ 263,117</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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 examination was closed in January 2016 with no change to the position that interest paid to the bondholders is excludable from gross income.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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	\$ 6,663	\$ -	\$ -	\$ -	\$ -	\$ 6,663
Inventory	1,105	-	1,870	-	-	2,975
Prepays	6	-	-	-	-	6
Trust	-	-	17	-	-	17
Total nonspendable	<u>7,774</u>	<u>-</u>	<u>1,887</u>	<u>-</u>	<u>-</u>	<u>9,661</u>
Restricted:						
Business & Training Assistance	-	-	155	-	-	155
Crime Prevention & Safety	467	-	8,325	-	-	8,792
Debt service	-	-	3,554	6,503	1,247	11,304
Economic development programs	-	-	8,057	-	-	8,057
Facilities & Garages	-	-	-	-	441	441
Grants	-	-	535	-	-	535
Housing Development	-	-	239	-	-	239
Library, Arts & Preservation	-	-	4,647	-	155	4,802
Other capital & purchase	-	2,328	3,433	-	286	6,047
Parks & Recreation	-	-	-	-	2,329	2,329
Paths & Trails	-	-	514	-	-	514
Public services	9	-	7,932	-	-	7,941
Public Works projects	-	-	2,382	-	15,397	17,779
Sidewalk & Street projects	-	175	9,477	-	93	9,745
Total restricted	<u>476</u>	<u>2,503</u>	<u>49,250</u>	<u>6,503</u>	<u>19,948</u>	<u>78,680</u>
Committed:						
Council contingency	584	-	-	-	-	584
Neighborhoods	-	-	148	-	88	236
Public Works projects	-	-	811	-	-	811
Total committed	<u>584</u>	<u>-</u>	<u>959</u>	<u>-</u>	<u>88</u>	<u>1,631</u>
Assigned:						
Advances	-	-	-	-	1,532	1,532
Business & Training Assistance	-	-	267	-	-	267
Demolitions	-	-	2,494	-	-	2,494
Library	-	-	2,255	-	-	2,255
Municipal TV	-	-	566	-	-	566
Neighborhoods	-	-	2,291	-	-	2,291
Open Space Properties	-	-	531	-	-	531
Police activities	-	-	285	-	-	285
Public services	-	4,016	512	-	-	4,528
Crime Prevention & Safety	-	-	192	-	-	192
Other purposes	2,592	-	-	-	-	2,592
Total assigned	<u>2,592</u>	<u>4,016</u>	<u>9,393</u>	<u>-</u>	<u>1,532</u>	<u>17,533</u>
Unassigned:	<u>68,922</u>	<u>-</u>	<u>(99)</u>	<u>-</u>	<u>(4,330)</u>	<u>64,493</u>
Total fund balances:	<u>\$ 80,348</u>	<u>\$ 6,519</u>	<u>\$ 61,390</u>	<u>\$ 6,503</u>	<u>\$ 17,238</u>	<u>\$ 171,998</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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	\$ 3,194
Debt Service	11,304
Culture and recreation	7,131
Public safety	8,792
Transportation	28,304
Grants	2,513
Housing and economic development	16,392
Pension	36,267
	\$ 113,897

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 2016:

Aggregate Pension Amounts - All Plans	
Pension liabilities	(\$86,584,348)
Pension assets	\$25,514,736
Deferred outflows of resources	\$87,208,614
Deferred inflows of resources	(\$5,876,604)
Pension expense/expenditures	\$13,984,572

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 and can 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

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, and 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 Pierce Transit and South Sound 911 (formerly known as Law Enforcement Support Agency) who established membership in the System when these agencies were still departments of the City of Tacoma 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 January 1, 2016 is as follows:

Retirees and beneficiaries currently receiving benefits	2,234	
Terminated vested and other terminated participants	644	
Active members:		
City of Tacoma	2,654	
South Sound 911	4	
Pierce Transit	7	
Tacoma-Pierce County Health Department	262	
Total active members	<u>2,927</u>	
Total membership		<u><u>5,805</u></u>

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 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 41.54 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 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 base pay; the employer contributes 10.80%, for a combined total of 20.00%. This is consistent with the Board's goal of maintaining a contribution rate that is greater than or equal to the normal cost rate of 18.87%. The difference of 1.13% between the contribution rate and the normal cost rate will be used to amortize the unfunded liability of the System. Changes to the contribution rate are subject to Sections 1.30.340 and 1.30.360 of the Tacoma Municipal Code.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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

Measurement Date	December 31, 2015
Valuation Date	January 1, 2016
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 01/01/2016 • 4% amortization grown rate
Asset Valuation Method	4 year smoothing period; Corridor - None
Inflation	3%
Salary Increases	Varies by service; details in funding valuation report
Investment Rate of Return	7.25%
Cost of Living Adjustment	2.125%
Retirement Age	Varies by age, gender, eligibility; details in funding valuation report.
Turnover	Varies by service, gender; details in funding valuation report.
Mortality	RP-2000 Mortality for Healthy and Disabled Annuitants, with age adjustments. Generational improvements per projection per Scale AA.
Male Members and Male Beneficiaries	Combined Table for Healthy or Disabled for males set back one year.
Female Members and Female Beneficiaries:	Combined Table for Healthy or Disabled for females set back one year.

**Note that the actual contribution is used if that rate is greater than the rate necessary to amortize the UAAL in 30 years.*

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, 2015 and January 1, 2016 no assumptions were changed.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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

Valuations as of January 1

- 2016 No change
- 2015 No change
- 2014 The discount rate (investment return 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.

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, 2015. The target asset allocation is based on TERS Investment Policy Statement dated February 2014.

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Investment grade fixed income	15.0%	2.00%
US inflation-indexed bonds	5.0	1.41
High yield bonds	9.0	4.22
Emerging market debt	5.0	5.06
Global equity	41.5	5.72
Public real estate	2.0	6.07
Private real estate	2.5	3.60
Private equity	10.0	9.29
Master limited partnerships	4.0	3.98
Timber	2.0	3.73
Infrastructure	2.0	5.14
Agriculture	2.0	4.30
Assumed inflation - mean		3.00
Assumed inflation - standard deviation		1.89
Portfolio arithmetic real mean return		4.94
Portfolio median nominal geometric return		7.06
Portfolio standard deviation		11.84
Long-term expected rate of return, net of investment expenses		7.25

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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	\$1,610,455,416	\$1,428,527,047	\$1,275,322,956
Fiduciary net position	\$1,341,942,704	\$1,341,942,704	\$1,341,942,704
Net pension liability (asset)	\$ 268,512,712	\$ 86,584,343	\$ (66,619,748)

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)

As of December 31, 2015, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (5,795,258)	\$ 1,975,422
Changes of assumptions	-	54,356
Net difference between projected and actual earnings	-	82,620,960
Contributions made subsequent to the measurement date	NA	2,132,277
Changes in Employer Proportion	(81,346)	425,599
Total	(5,876,604)	87,208,614

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		
2016	\$	17,066,607
2017	\$	17,066,607
2018	\$	17,066,607
2019	\$	19,607,230
2020		(228,205)

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

projected long-term contribution effort.

Employer	2015 Employer Contributions	Rounded Percentage of Total Contributions	Beginning Net Pension Liability *	Ending Net Pension Liability **
City of Tacoma	\$ 22,746,593	92.63%	\$ (9,606,514)	\$ 86,584,348
South Sound 911	40,965	0.17%	(16,961)	155,932
Pierce Transit	54,224	0.22%	(21,186)	206,402
Health Department	1,715,608	6.98%	(722,874)	6,530,420
Grand Total	24,557,390	100.0%	(10,367,535)	93,477,102

* Based on unrounded contributions from 2014.

**Based on unrounded contributions from 2015.

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 2016. Employers paid only the administrative expense of 0.18 percent of covered payroll.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent 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 2016 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 \$4,026,349 for the year ended December 31, 2016.

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, 2016, the state contributed \$60,375,158 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 2016 with a valuation date of June 30, 2015. 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, 2015, to June 30, 2016, 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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

- Valuation software was corrected on how the nonduty disability benefits for LEOFF Plan 2 active members are calculated. New LEOFF Plan 2 benefit definitions were added within the OSA valuation software to model legislation signed into law during the 2015 legislative session.
- For all systems, except LEOFF Plan 2, the assumed valuation interest rate was lowered from 7.80% to 7.70%. Assumed administrative factors were updated.

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, 2016, 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%	

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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	(\$6,592,925)	(\$11,098,437)	(\$14,949,645)
LEOFF 2	\$40,427,279	(\$14,416,299)	(\$55,752,432)

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.

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

At June 30, 2016, the City of Tacoma reported a total LEOFF pension asset of \$25,514,735 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
LEOFF 1	(\$11,098,437)
LEOFF 2	(\$14,416,299)

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	(\$14,416,299)
LEOFF 2 – State's proportionate share of the net pension liability/(asset) associated with the employer	(\$9,398,378)
TOTAL	(\$23,814,677)

At June 30, 2016 the City of Tacoma's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/15	Proportionate Share 6/30/16	Change in Proportion
LEOFF 1	1.09%	1.08%	(.01%)
LEOFF 2	2.47%	2.48%	.01%

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 2016. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2016, 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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 2016, the state of Washington contributed 39.46 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.53 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2016, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2015, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2016, the City of Tacoma recognized pension expense as follows:

	Pension Expense
LEOFF 1	(\$1,272,574)
LEOFF 2	\$1,044,601
TOTAL	(\$227,973)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2016, 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	\$1,128,139	\$0
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	\$1,128,139	\$0

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,975,422	\$0
Net difference between projected and actual investment earnings on pension plan investments	\$5,180,355	\$0
Changes of assumptions	\$54,356	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$362,872	\$0
Contributions subsequent to the measurement date	\$2,132,277	\$0
TOTAL	\$9,705,282	\$0

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, 2016

LEOFF 1	(In thousands) Year-end December 31:							
	2015	2016	2017	2018	2019	2020	Thereafter	Totals
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	-	-	(233)	(233)	977	617	-	1,128
Changes in assumptions	-	-	-	-	-	-	-	-
Totals	\$ -	\$ -	\$ (233)	\$ (233)	\$ 977	\$ 617	\$ -	\$ 1,128

LEOFF 2	(In thousands) Year-end December 31:							
	2015	2016	2017	2018	2019	2020	Thereafter	Totals
Changes in proportion and differences between contributions and proportionate share of contributions			\$ 70	\$ 70	\$ 70	\$ 70	\$ 1	\$ 281
Net difference between expected and actual experience			464	464	464	464	121	1,977
Net difference between projected and actual on plan investments			(547)	(547)	3,804	2,470		5,180
Changes in assumptions			13	13	13	13	3	55
Totals	\$ -	\$ -	\$ -	\$ -	\$ 4,351	\$ 3,017	\$ 125	\$ 7,493

LEOFF 1 & 2 Totals	\$ -	\$ -	\$ (233)	\$ (233)	\$ 5,328	\$ 3,634	\$ 125	\$ 8,621
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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 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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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, 2016, there were 191 retired law enforcement officers and 231 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 \$2.2 million and \$2.5 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 \$4.3 million in 2016.

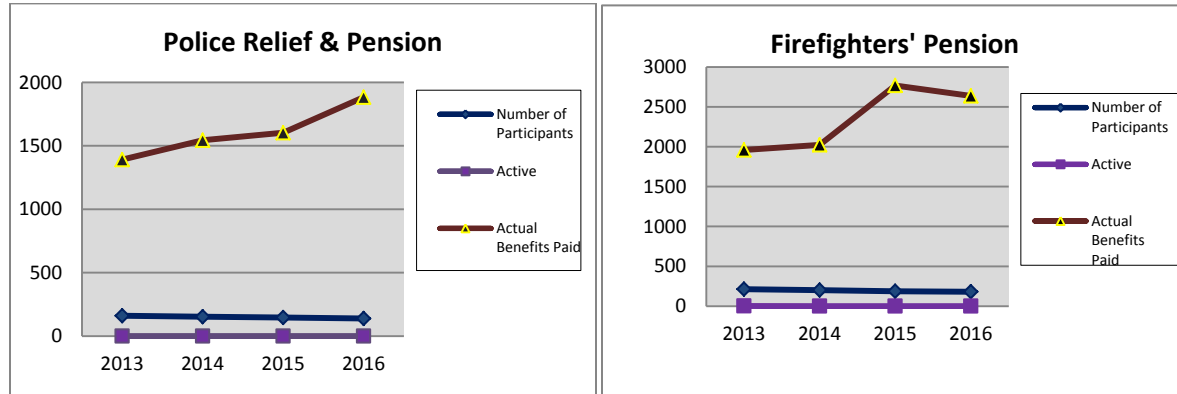
The FRP is funded from two sources: (1) 22-1/2 cents per \$1,000 of assessed valuation and has been earmarked from property taxes as authorized by R.C.W. 41.16.060, and 25% of the tax on fire insurance premiums collected by the State is earmarked by State law for distribution to cities for this purpose. This amount was \$5 million in 2016; and (2) the balance of \$100K is made up of a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. Total contributions to the FRP were \$4.9 million in 2016. There have been no required employee contributions to the police and firefighter's relief and pension plans since March 1, 1970.

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

Police Relief & Pension			Firefighter's Relief & Pension			Actual Benefits Paid	
Year End	Number of Participants	Active	Actual Benefits Paid	Year End	Number of Participants	Active	
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
12/31/2016	139	0	1,883	12/31/2016	182	0	2,637

(Tables amounts for Actual Benefits Paid expressed in thousands)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016



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, 2016, actuarial valuation are:

Firefighter's Relief & Pension	2014	1,823	102%	9,608
	2015	1,787	110%	9,433
	2016	2,430	85%	9,662
Police Relief & Pension	2014	1,318	97%	(444)
	2015	1,330	90%	(552)
	2016	1,686	92%	(414)

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

	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
Firefighter's Relief & Pension	\$ 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, 2016, based on the actuarial valuation as of January 1, 2016, was \$30.9 million for Firefighter's Relief and Pension and \$17.3 million for Police Relief and Pension. The AAL for the Firefighter' and Police Relief and Pension are funded on a pay-as-you-go basis. Annual requirement are funded through the City's adopted budgets, and any budget requirements exceeding the adopted budget are fully covered by supplemental appropriations.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

	Firefighter's Relief Pension			Police Relief Pension		
	2016	2015	2014	2016	2015	2014
Annual Required Contribution (ARC)						
Annual Normal Cost - Beginning of Year	0	0	0	0	0	0
Amortization of UAAL - Beginning of Yea	2,876	2,200	2,200	1,597	1,247	1,247
Interest to End of Year *	101	82	82	56	47	47
ARC at End of Year	2,977	2,282	2,282	1,653	1,294	1,294
Interest on NPO	326	356	362	(19)	(26)	(18)
Adjustment to ARC	(873)	(851)	(821)	52	62	42
Annual Pension Cost (APC)	2,430	1,787	1,823	1,686	1,330	1,318
Employer Contributions **	2,074	1,962	1,985	1,548	1,196	1,514
Change in NPO	356	(175)	(162)	138	134	(196)
NPO at Beginning of Year	9,306	9,481	9,643	(552)	(686)	(490)
NPO at End of Year	9,662	9,306	9,481	(414)	(552)	(686)

*"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 \$9.6 million net pension liability at December 31, 2016. The net pension obligation of the Police Relief and Pension Fund is \$.4 million net pension asset at December 31, 2016.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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, 2016	January 01, 2016
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 FPF benefits Based upon inflation assumption for some FPF 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, 2016

7. Individual financial statements:

**STATEMENT OF NET POSITION
FIREFIGHTERS' AND POLICE RELIEF AND PENSION FUNDS
December 31, 2016**

(In Thousand)

	Firefighters' Relief and Pension	Police Relief and Pension	2016	2015
Assets				
Cash and cash equivalents	\$ 418	\$ 304	\$ 722	\$ 746
Due from other fund	-	-	-	19
Total Assets	<u>418</u>	<u>304</u>	<u>722</u>	<u>765</u>
Liabilities				
Accounts Payable	63	16	79	77
Accrued wages and benefits payable	3	3	6	4
Due to other funds	8	7	15	8
Other current liabilities	88	67	155	162
Accrued employee leave benefits	-	-	-	10
Deferred Inflow for Pension	-	-	-	4
Total Liability	<u>162</u>	<u>93</u>	<u>255</u>	<u>265</u>
Net Position Held in Trust for Pension	<u>\$ 256</u>	<u>\$ 211</u>	<u>\$ 467</u>	<u>\$ 500</u>

**STATEMENT OF CHANGES IN PLAN NET POSITION
FIREFIGHTERS' AND POLICE RELIEF AND PENSION FUNDS
For Year Ended December 31, 2016**

(In Thousand)

	Firefighters' Relief and Pension	Police Relief and Pension	2016	2015
Addition				
Employer Contributions	\$ 4,916	\$ 4,329	9,245	\$ 9,261
Interest and Dividend	383	2	385	7
Total Addition	<u>5,299</u>	<u>4,331</u>	<u>9,630</u>	<u>9,268</u>
Deduction				
Healthcare benefit payment	5,125	4,155	9,280	9,041
Wages and other benefit payable	133	133	266	332
Administrative expenses	56	53	109	92
Total Deduction	<u>5,314</u>	<u>4,341</u>	<u>9,655</u>	<u>9,465</u>
Change in Net Position	<u>(15)</u>	<u>(10)</u>	<u>(25)</u>	<u>(197)</u>
Net Position - Beginning of Year	271	221	500	693
Net Position - End of Year	<u>\$ 256</u>	<u>\$ 211</u>	<u>\$ 467</u>	<u>\$ 500</u>

Per GASB No. 73 the financial statements of the PRP and FRP are included in the City's annual financial report in the General Fund. 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-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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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, 2016

Annual Required Contribution	TERS	LEOFF Plan 1	LEOFF Plan 2	Rail
Normal Cost at Year-end	\$ 2,609,556	\$ -	\$ 908,487	\$ 285,047
Amortization of UAAL	1,305,401	13,594,762	636,413	128,541
Annual Required Contribution (ARC)	3,914,957	13,594,762	1,544,900	413,588
Net OPEB Obligation				
Annual Required Contribution (ARC)	3,914,957	13,594,762	1,544,900	413,588
Interest on prior year Net OPEB obligation	1,050,069	1,062,431	527,883	26,086
Less Adjustments to ARC	1,301,574	1,995,422	654,317	32,334
Annual OPEB Cost	3,663,452	12,661,771	1,418,466	407,340
Contributions made	1,167,164	6,369,000	902,158	101,080
Increase in Net OPEB Obligation	2,496,288	6,292,771	516,308	306,260
Net OPEB Obligation - Beginning of Year	28,001,833	30,355,165	14,076,873	695,629
Net OPEB Obligation - End of Year	<u>\$ 30,498,121</u>	<u>\$ 36,647,937</u>	<u>\$ 14,593,181</u>	<u>\$ 1,001,889</u>

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

Value of Subsidy at 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 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
12/31/2014	5,529,916	28.5%	25,314,884
12/31/2015	3,742,248	28.9%	28,001,833
12/31/2016	3,663,452	31.9%	30,498,121

LEOFF Plan 1		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	11,265,541	67.0%	27,013,386
12/31/2015	10,347,583	67.7%	30,355,166
12/31/2016	12,661,771	50.3%	36,647,937

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	2,350,442	29.3%	13,419,763
12/31/2015	1,453,442	54.8%	14,076,873
12/31/2016	1,418,466	63.6%	14,593,181

Rail		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	153,125	49.0%	363,064
12/31/2015	411,114	19.1%	695,629
12/31/2016	407,340	24.8%	1,001,889

3. Funding Status and Funding Process:

The funded statuses of the plans as of January 1, 2015, 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	230,229,890	140,884	77,370,718	10,970,155
UAAL as a % of covered payroll	12%	116254%	18%	25%

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 2015 premium rates and relative age cost factors assumptions, Milliman developed the following age adjusted monthly PMPM health costs for 2015.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 2013 through 2015, the relative age cost factors assumptions, Milliman developed age adjusted monthly PMPM health costs for 2016 as follows:

Monthly Medical Claims Costs at Sample Ages LEOFF 1

Age	Police		Fire	
	Male	Female	Male	Female
55	943.97	1,044.64	879.66	973.48
60	1,223.14	1,229.42	1,139.82	1,145.67
64	1,548.97	1,419.08	1,443.40	1,322.41
65	779.06	734.41	725.99	684.38
70	871.68	803.48	812.30	748.75
75	944.37	857.69	880.04	799.27
80	980.77	884.11	913.96	823.88
85	984.05	873.56	917.01	814.06

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, 2016

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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.

Benefit Plan	Third Party Administrator	Pre-Tax Employer Contributions	Pre-Tax Employee Contributions	After-Tax Employee Contributions	Total by Plan
457 deferred compensation	ICMA	2,174,408.58	12,734,453.29	575,944.65	15,484,806.52
457 deferred compensation	Nationwide	1,261,694.57	1,999,319.65	56,868.18	3,317,882.40
Total		<u>\$ 3,436,103.15</u>	<u>\$ 14,733,772.94</u>	<u>\$ 632,812.83</u>	<u>\$ 18,802,688.92</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. 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, 2016 is as follows:

Due To	Due From									
	Trans Cap &		Waste		Water		Power	Internal Service	Non-major Governmental	Non-major Enterprise
	General Fund	Engineer Fund	Solid Waste Fund	Water Fund	Water Fund	Power Fund	Funds	Funds	Funds	Total
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,554	\$ 835	\$ -	\$ 2,389
Trans Cap & Engineer Fund	46	1	-	-	-	240	12	207	-	\$ 506
Solid Waste Fund	172	-	-	70	-	265	284	27	-	\$ 818
Waste Water Fund	300	43	26	-	-	619	848	132	-	\$ 1,968
Water Fund	162	-	25	-	85	971	429	77	-	\$ 1,749
Power Fund	463	-	-	-	-	-	1,668	233	-	\$ 2,364
Internal Service Funds	273	-	-	-	-	26	217	3	1	\$ 520
Non-major Governmental Funds	204	195	7	15	-	15	510	300	-	\$ 1,246
Non-major Enterprise Funds	228	-	-	-	23	90	301	1	15	\$ 658
Total	<u>\$ 1,848</u>	<u>\$ 239</u>	<u>\$ 58</u>	<u>\$ 85</u>	<u>\$ 108</u>	<u>\$ 2,226</u>	<u>\$ 5,823</u>	<u>\$ 1,815</u>	<u>\$ 16</u>	<u>\$ 12,218</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, 2016.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Advances From	Advances To			Total
	Major Governmental	Non-Major Governmental	Internal Service	
Non-Major Governmental	\$4,200	\$797	-	\$4,997
Non-Major Enterprise	-	863	-	863
Internal Service Funds	-	-	-	-
	\$4,200	\$1,660	-	\$5,860

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

\$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.

\$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.

\$863,061 was authorized from the Capital Projects Fund (#3211) to the Tacoma Dome (#4180) to finance various Tacoma Dome projects.

\$666,660 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 Out	Transfer In									Total
	General Fund	Trans Cap & Engineering Fund	Solid Waste Fund	Waste Water Fund	Water Fund	Power Fund	Internal Service Funds	Non-major Governmental Funds	Non-major Enterprise Funds	
General Fund	\$ -	\$ 1,222	\$ -	\$ 27	\$ -	\$ -	\$ 423	\$ 17,008	\$ 3,535	\$ 22,215
Trans Cap & Engineering Fund	-	3	-	-	-	-	-	697	-	700
Solid Waste Fund	3,820	-	327	327	-	-	-	1,273	-	5,747
Waste Water Fund	6,314	-	-	1,923	-	-	-	2,105	-	10,342
Water Fund	4,890	-	-	-	-	-	-	1,863	-	6,753
Power Fund	25,279	-	-	-	-	-	2	5,181	-	30,462
Internal Service Funds	-	-	-	-	-	-	65	-	-	65
Non-major Governmental Funds	163	4,586	-	-	-	-	1,238	18,974	3,287	28,248
Non-major Enterprise Funds	1,892	-	-	-	-	-	-	3,204	-	5,096
Total	\$ 42,358	\$ 5,811	\$ 327	\$ 2,277	\$ -	\$ -	\$ 1,728	\$ 50,305	\$ 6,822	\$ 109,628

The information below provides detail of the interfund transfer transactions:

\$1,221,788 was transferred from the General Fund to the Trans Capital & Engineering Fund for 2016 street contributions.

\$26,500 was transferred from the General Fund to the Waste Water Fund for capital projects.

\$423,232 was transferred from the General Fund to Internal Service funds for services and projects.

\$17,008,437 was transferred from the General Fund to Non-Major Governmental Funds for grant matches, debt service, capital projects, non-capital projects and operations.

\$3,534,842 was transferred from the General Fund to Non-Major Enterprise Funds for contributions to Tacoma Rail Mountain Division, Cheney Stadium, Tacoma Dome, Convention Center and Theaters.

\$2,825 was transferred in the Trans Capital & Engineering Fund for capital projects.

\$696,971 was transferred from the Trans Capital & Engineering Fund to Non-Major Governmental Funds for road

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

projects, paths and trails, and debt service.

\$3,819,811 was transferred from the Solid Waste Fund to the General Fund for 2016 Gross Earnings Tax.

\$327,283 was transferred in Solid Waste for Bond reserves.

\$327,283 was transferred from the Solid Waste Fund to the Waste Water Fund for Bond reserves.

\$1,273,270 was transferred from the Solid Waste Fund to Non-Major Governmental Funds for 2016 Gross Earnings Tax.

\$6,314,415 was transferred from the Waste Water Fund to the General Fund for 2016 Gross Earnings Tax.

\$1,922,783 was transferred in the Waste Water Fund for Bond reserves.

\$2,104,805 was transferred from the Waste Water Fund to the Non-Major Governmental Funds for special revenues.
\$4,889,748 was transferred from the Water Fund to the General Fund for 2016 Gross Earnings Tax.

\$1,863,313 was transferred from the Water Fund to the Non-Major Governmental Funds for special revenues.

\$25,279,340 was transferred from the Power Fund to the General Fund for 2016 Gross Earnings Tax.

\$2,181 was transferred from the Power Fund to the Internal Service Fund for assets.

\$5,180,757 was transferred from the Power Fund to the Non-Major Governmental Funds for special revenues.

\$64,705 was transferred from the Internal Service Funds to Internal Service Fund for equipment purchase.

\$162,910 was transferred from the Non-Major Governmental Funds to the General Fund to fund emergency medical services.

\$4,586,923 was transferred from the Non-Major Governmental funds to the Trans Capital & Engineering Fund for capital road projects.

\$1,237,966 was transferred from the Non-Major Governmental Funds to Internal Services Funds for facilities and equipment.

\$18,973,973 was transferred from the Non-Major Governmental funds to Non-Major Governmental Funds for various capital projects and debt service payments.

\$3,286,984 was transferred from the Non-Major Governmental funds to Non-Major Enterprise funds for capital projects and debt service payments.

\$1,891,741 was transferred from the Non-Major Enterprise Funds to the General Fund for 2016 Gross Earnings Tax.

\$3,204,069 was transferred from the Non-Major Enterprise Funds to Non-Major Governmental Funds for 2016 Gross Earnings Tax and debt service payments.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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

Beginning in 2016, the requirements of GASB Statement 73, paragraph 115 are effective. The pension trust fund can no longer be reported as a fiduciary fund. It is rolled into the general fund for financial statement reporting.

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 \$20 million limit and a \$3 million self-insured retention, renewable on September 12 of each year. TPU carries separate supplemental liability policies with total limits of \$60,000,000, \$200,000 retention for wrongful acts claims and a \$1,500,000 self-insured retention for all other covered claims, 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. 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 for each occurrence as well as an additional \$250,000 for any one policy year. 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 \$7.6 million. Settlement payments were within amounts available for coverage for the last three years—2016, 2015, and 2014.

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	
	2016	2015	2016	2015	2016	2015
Balance 01/01	\$ 18,063	\$ 16,981	\$ 6,418	\$ 5,849	\$ 4,707	\$ 5,994
New Claims	585	678	2,330	2,330	72	696
Adjustments to Claims	4,708	1,566	1,523	3,490	290	(1,705)
Claims Payment	(1,854)	(1,162)	(4,590)	(5,251)	(242)	(278)
Balance 12/31	\$ 21,502	\$ 18,063	\$ 5,681	\$ 6,418	\$ 4,827	\$ 4,707

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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, 2016 financial statements, prior period adjustments were made.

Governmental Funds

Fund Name	Description
General Fund #0010	Beginning net position was adjusted by \$126,980 for misstatements of GET taxes receivable, grant expenditures, ineligible wages, and revenues.
Transportation Capital and Engin #1060	Beginning net position increased by \$2,621 due to write-offs and misstated expenditures.
Special Funds #1065, 1090, 1145, 1185, 1195, 1200, 1236, 1267, and 1431	Beginning net position increased by \$993,193 due to write-offs, capital expenditures, grants expenditures and reversal of an accrual.
Capital project #3211	Beginning net position was adjusted by \$4,271 for a misstated expenditure.

Enterprise Funds

Fund Name	Description
Permit Service #4110 and Convention Center #4165	Beginning net position was adjusted by \$586,243 for revenues and vendor payments incorrectly posted to the fund.
Tacoma Dome #4180 & Performing Art #4190, and Convention Center #4165	Beginning net position was adjusted by \$76,099 for additional taxes due to WA State for years 2011-2014.

Internal Service Funds

Fund Name	Description
Health Benefit Funds #64xx	Beginning net position was adjusted by \$81,119 for accruals of liabilities.
Unemployment Compensation Fund #5560	Beginning net position was adjusted by (\$122,399.78) for a missing 2015 4th QTR unemployment payment to State.

Government-wide Statements
(amounts expressed in thousands)

Activity	Amount	Description
Governmental	\$ (1,127)	General Fund, Trans Capital and Engineering, PW Street, Fire, BLUS, HRHS, CED, Library, HUB, Police SR, Municipal Cable TV, Capital Project, Police Penions, and Firefighter Pension
	(41)	Health Benefits and Unemployment Compensation
Business	(662)	Permit Service, Convention Center, Tacoma Dome, and Performing Arts
Total	<u>\$ (1,830)</u>	

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

D. Segment Information

The following are the three segment enterprise funds maintained by the City. Segment information was as follows:
(Amounts expressed in thousands)

CONDENSED STATEMENT OF NET POSITION	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Assets:			
Current assets	\$ 2,490	\$ 1,083	\$ 75
Accounts receivable (net)	-	265	4052
Due from other funds	-	1	-
Inventory	-	-	-
Prepayments	39	52	-
Restricted assets	-	664	1,917
Capital assets (net)	49,671	60,366	-
Net pension assets	-	-	-
Other non-current assets	-	110	19,481
Total assets	52,200	62,541	25,525
Deferred outflow of resources	327	3,552	-
Liabilities:			
Current liabilities	2,163	4,768	4,441
Due to other funds	34	78	-
Current liabilities payable from restricted assets	-	-	-
Net pension liabilities	283	390	-
Non-current liabilities	11,704	67,216	20,153
Total liabilities	14,184	72,452	24,594
Deferred inflow of resources	95	67	-
Net position			
Net investment in capital assets	36,390	(7,645)	-
Restricted	-	1,030	1,917
Unrestricted	1,858	188	(986)
Total Net Position	\$ 38,248	\$ (6,427)	\$ 931

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

CONDENSED STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN NET POSITION

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Operating revenues	\$ 7,305	\$ 2,625	\$ -
Depreciation expense	(1,303)	(1,921)	-
Other operating expenses	(3,747)	(4,623)	(3)
Operating income	2,255	(3,919)	(3)
Nonoperating revenues (expenses)			
Interest revenue	30	27	-
Interest expense	(411)	(2,773)	(1,682)
Other nonoperating revenues(expenses)	6	3,667	1,682
Capital contributions	104	47	-
Transfers	(1,062)	3,471	-
Change in net position	922	520	(3)
Beginning net position	37,326	(6,905)	934
Prior period adjustments	-	(42)	-
Change in accounting principles	-	-	-
Ending net position	\$ 38,248	\$ (6,427)	\$ 931

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Net cash provided (used) by:			
Operating activities	\$ 3,727	\$ (1,991)	\$ 3,985
Noncapital financing activities	142	6,418	-
Capital and related financing activities	(3,780)	(5,918)	(3,982)
Investing activities	30	27	-
Net increase (decrease)	119	(1,464)	3
Beginning cash and cash equivalents	2,371	3,211	1,989
Ending cash and cash equivalents	\$ 2,490	\$ 1,747	\$ 1,992

- 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 7.5% 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, 7.5%; Cable TV, 8.0%; Electricity, 7.5%; Solid Waste Collection, 8% and Telephone, 7.5%.

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	
Balance Sheet Date		12/31/2015	12/31/2015
Total Assets	\$	30,089	\$ 10,893
Deferred Outflows		1,691	1,725
Total Liabilities		14,490	3,869
Deferred Inflows		1,733	1,066
Total Net Position		15,557	7,683
Non-current Liabilities		12,372	317
Capital Assets (net of accumulated depreciation)		7,688	847
Total Revenues		33,042	30,226
Total Expenditures/Expenses		30,725	28,554
Other Non-operating Revenues/Expenditures		-	-
Transfers		-	-
Net Increase/(Decrease) in Net Assets		2,317	1,672

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 inter-local agreements with the Tacoma-Pierce County Health Department. If, in fact, this entity were to suffer a catastrophic disaster, claim or lawsuit that exceeded the levels of insurance maintained by the

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

Health Department, their self-insurance funds or otherwise resources were to be depleted; the City and other participating jurisdictions may be required to stand behind and make good the excess liability.

Under state law, the City is required to pay for unemployment and industrial insurance and medical aid. The City has chosen to self-insure rather than remit its payments to the state pool. See Note 8 B for risk management information.

B. Construction Commitments

The City has various construction projects as of December 31, 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
2014 Sidewalk Reconstruction Project	1,016	987	29
Beautification of City Entryways and Improved Signage	267	206	61
East Tacoma PCB Clean-up Phase 1	490	386	104
East Tacoma PCB Clean-up Phase 2	538	476	62
Historic Water Ditch Trail IV	2,100	1,726	374
House Demolitions 4 Locations	47,366	0	47,366
Misc Traffic Calming and Pedestrian Improvements	189	72	117
Nuisance Abatement Services	300	-	300
On-Call Securing Properties	424	-	424
Parking Services Tenant Improvements	478	318	160
Pedestrian Crossing Improvement	3,838	3,736	102
Pier Removal on Thea Foss Waterway	50	51	(1)
Port of Tacoma Rehabilitation Project	10,652	10,553	99
Prairie Line Phase 1A	2,953	954	1,999
South 48th Street and Tacoma Mall Blvd Street Improvements	752	657	95
Streets Initiative Package #1	1,750	1,616	134
Streets Initiative Package #2	1,733	1,328	405
Union Ave Viaduct and Schuster Parkway Bridge Overlay	1,924	2,029	(105)
UWT Jefferson Ave Street Improvement Phase 2	491	418	73
	<u>\$ 77,311</u>	<u>\$ 25,513</u>	<u>\$ 51,798</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, 2016, the City provides tax abatements for the following programs:

Multifamily Housing Property Tax Exemption - The Multifamily Housing Property Tax Exemption Program encourages development of market rate and affordable housing in mixed use areas. This program was established under the Tacoma Municipal Code, Section 6A.110.020.

The applicant must be the owner of the property, and the property must be located within the boundaries of a mixed-use center. The Tax Review Committee, made up of City staff from the Community & Economic Development and Legal Departments, and a representative from the Pierce County Assessor's Office, approve the request. Once approved, the construction must be completed within 3 years. If the owner sells the property after the tax exemption has been granted, the exemption stays with the property and is transferred to the new owner. The contract includes the agreed upon specifications of the housing improvements. The exemption will begin after the improvements are completed. The City will issue a Final Certificate of Tax Exemption with the Pierce County Assessor's Office and the property owner's assessed value will be adjusted to reflect this exemption. The property

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

tax abatement is determined by a percentage of assessed value. In Pierce County, the tax rate in 2016 is .01683705 of assessed value. The City of Tacoma receives 22.548% of that tax.

Special Valuation Property Tax Exemption - This Special Valuation Property Tax Exemption Program encourages the owners of historic properties to invest in the improvement and rehabilitation of historic buildings. This program was established under the Washington State RCW Chapter 84.26, Historic Property.

Property owners may obtain a reduced tax assessment by submitting an application at the conclusion of project construction. The applicant must be the owner of the property, and the property must be listed on the Tacoma Register of Historic Places or be a historically contributing property within a local historic overlay zone. In addition, the project must meet the Secretary of Interior's Standards for Rehabilitation of Historic Buildings and must not adversely affect the building's historically significant, character defining elements. Exterior modifications must be approved by the Tacoma Landmarks Preservation Commission. The project investment expenditures must be a minimum of 25% of the assessed value of current improvements on the property over a 24 month consecutive period. The reduced assessment begins the tax year following the approval. This program is jointly processed and administered by the City's Historic Preservation Program and the Pierce County Assessor. The property owner's assessed value will be adjusted to reflect this exemption. The property tax abatement is determined by a percentage of assessed value. In Pierce County, the tax rate in 2016 is .01683705 of assessed value. The City of Tacoma receives 22.548% of that tax.

The tax abatement program relates to property taxes. The City Council approves each tax abatement request. Information relevant to the disclosure of those programs under contract with the City of Tacoma for the fiscal year ended December 31, 2016 is:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated in Thousands</u>
Multifamily Property Tax Exemption	\$ 1,231
Special Valuation Tax Exemption	\$ 244

D. Solid waste utility—landfill closure and post closure liabilities

The Division 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 settlement with the United States Environmental Protection Agency (EPA) and the Washington State Department of Ecology (DOE), titled United States et al v. City of Tacoma US District Court Case 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 the 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 above-referenced Consent Decree. The City 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 on the Tacoma Landfill site must be designed to accommodate differential settlement and allow for continued functioning of the environmental remediation systems.

The City reported approximately \$20,518,000 as landfill post-closure care liability as of December 31, 2016 based on 100% use of the total capacity of the Tacoma Landfill. This compares to \$18,851,000 at December 31, 2015 based on 100% of capacity. Actual care 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 pollutants 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.

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

Wastewater (#4300-01) Commencement Bay Natural Resource Damages - The City resolved federal, state, and tribal natural resource damage claims associated with municipal storm water discharges in Commencement Bay through a Consent Decree, effective December 30, 1997. The stated value of the City's settlement was 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 was completed on four projects and the City made a payment to the Port of Tacoma of \$134,692 to construct the fifth project. This final project, Place of Circling Waters, was built in 2010 and the monitoring period was completed in 2016.

The City provided notification to the Trustees in 2013 that the obligations of the NRDA Consent Decree were fulfilled. In the Trustees response, they indicated that monitoring of Place of Circling Waters needed to be complete before the Consent Decree could be closed out. Included in the financial statements for the years 2016 and 2015 are liabilities of \$200,000 and \$198,000 respectively. This amount will carry over until the Consent Decree can be closed out. Now that the monitoring was completed, it is currently anticipated the closeout will occur in 2017.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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 Foss Consent Decree) – The City completed initial post-construction monitoring under the Foss Consent Decree in 2016 and is currently working with the Environmental Protection Agency to develop the monitoring plan for the next ten years. The City has an obligation under the Foss Consent Decree for continued monitoring until at least 2028. The results of this monitoring may result in additional cleanup efforts in the future. Included in the financial statements for 2016 are liabilities of \$400,000.

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, 2016, the deposit has been paid in full.

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 2017. 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, 2016 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$4.0 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, 2016, the remaining financial requirement was approximately \$12 million. The remaining financial requirement of Capital Improvement Programs relating to prior biennium is approximately \$932,445.

Grants

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

Note 11 Subsequent events

There are no subsequent events for 2016.

CITY OF TACOMA, WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2016

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 01-01-16	ISSUED 2016	REDEEMED 2016	AMOUNT O/S 12/31/16	Reconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
GENERAL OBLIGATION BONDS AND LOANS											
Unlimited General Obligation Bonds											
Genl Obl Bonds 2010	Refunding 2002 Bonds	11/10/10	2011 - 2022	21,870	2.6323	\$ 16,140	\$ -	\$ 2,020	\$ 14,120	\$ -	\$ 14,120
Subtotal Unlimited (Voted)						16,140	-	2,020	14,120	-	14,120
Limited General Obligation Bonds											
Ltd. Genl Obl Bonds 1997 Ser B	Capital Improvements	08/05/97	2008 - 2018	16,100	5.4554	2,534	-	904	1,630	-	1,630
Ltd. Genl Obl Bonds 1997 Ser B Acreted Interest		08/06/97	2008 - 2019	16,100	5.4554	4,384	390	1,686	3,088	390	3,088
Ltd Genl Obli Bonds 2006A Conv Ctr	Improvements	09/10/06	2008 - 2036	16,475	4.4537	420	-	420	-	-	-
Ltd. Genl Obl Bonds 2007 Parking Structure	Retrofit Parking Structure	12/21/07	2008 - 2027	9,610	5.6328	855	-	415	440	-	440
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011 - 2035	15,380	5.8600	14,705	-	220	14,485	-	14,485
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 Acreted Interest		12/18/09	2026 - 2036	13,526	5.7500	5,373	1,092	-	6,465	1,092	6,465
Ltd. Genl Obl Bonds 2009F Cheney & Env Remed	Capital Improvements	12/17/09	2023 - 2026	6,681	7.2020	6,681	-	-	6,681	-	6,681
Ltd. Genl Obl Bonds 2009F Acreted Interest		12/18/09	2023 - 2027	6,681	7.2020	3,476	740	-	4,216	740	4,216
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 1997B, 2001, 2004, 2006A LTGO Bonds	11/10/10	2015 - 2022	7,355	2.7966	6,290	-	1,075	5,215	-	1,865
Ltd. Genl Obl Bonds 2010C Refunding Bonds	Refund 2001, 2007, 2009 LTGO Bonds	11/10/10	2015 - 2022	7,355	3.8076	6,530	-	845	5,685	-	5,685
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015 - 2033	30,225	5.0399	28,985	-	1,260	27,725	-	27,725
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015 - 2040	9,130	5.7155	8,885	-	250	8,635	-	8,635
Ltd. Genl Obl Bonds 2013 Refunding Bonds	Refund 2001 & 2004	03/05/13	2015 - 2034	44,170	3.1768	42,870	-	1,505	41,365	-	-
Ltd. Genl Obl Bonds 2015A Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2036	12,735	3.2066	12,735	-	15	12,720	-	-
Ltd. Genl Obl Bonds 2015B Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2027	20,215	2.8933	20,215	-	290	19,925	-	19,925
Subtotal Limited (Councilmanic)						186,759	2,222	8,885	180,096	2,222	122,661
Washington State Public Works Trust Fund Loans											
CTED PWTF No. 98-791-065	Capital Improvements	08/17/98	1999 - 2018	9,000	1.0000	1,621	-	540	1,081	-	1,081
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004 - 2024	4,500	0.5000	5,134	-	570	4,564	-	4,564
Subtotal Washington State Loan (Councilmanic)						6,755	-	1,110	5,645	-	5,645
Total General Obligation Bonds and Loans						\$ 209,654	\$ 2,222	\$ 12,015	\$ 199,861	\$ 2,222	\$ 142,426

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-16	ISSUED 2016	REDEEMED 2016	AMOUNT O/S 12/31/16	Reconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
ENTERPRISE REVENUE BONDS, LOANS, AND NOTES											
Greater Tacoma Convention Center											
Tac CC & Parking Rev/Ref Bonds, Series 2010	Refunding 2004 Bonds	11/10/10	2015 - 2024	5,015	3.7656	4,620	-	415	4,205	-	-
Tac CC & Parking Rev/Ref Bonds, Series 2015	Refunding 2004 Bonds	08/14/15	2015 - 2024	20,453	2.3304	18,547	-	1,908	16,639	-	-
Subtotal Greater Tacoma Convention Center						23,167	-	2,323	20,844	-	-
Wastewater Utility											
State Revolving Fund (SRF) Loan #40006A	Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	36,288	-	2,659	33,629	-	-
State Revolving Fund (SRF) Loan #40006B	Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	15,295	-	1,049	14,246	-	-
Sewer Rev & Ref Bonds 2006	Improvements/Refunding	06/29/06	2006 - 2036	55,000	4.8852	15,560	-	15,555	5	-	-
Sewer TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	16,558	5.2172	13,543	-	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	-	1,245	108,055	-	-
Sewer Rev & Ref Bonds 2016A	Refunding	06/15/16	2016 - 2038	31,855	2.8277	-	31,855	525	31,330	-	-
Sewer Rev & Ref Bonds 2016B	Refunding	06/15/16	2017 - 2020	11,865	1.3269	-	11,865	-	11,865	-	-
Subtotal Wastewater Utility						224,301	43,720	34,576	233,445	-	-
Surface Water Utility											
Surface Water TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	14,248	5.2172	14,784	-	14,784	-	-	-
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	387	-	21	366	-	-
Subtotal Surface Water						15,171	-	14,805	366	-	-
Solid Waste Utility											
Solid Waste Revenue Bonds, 2006A	Capital Improvements	07/12/06	2013 - 2026	29,385		27,960	-	27,960	-	-	-
Solid Waste Rev/Ref Bonds, 2006B	Refunding	09/27/06	2014 - 2021	22,315		20,290	-	20,290	-	-	-
Solid Waste Rev/Ref Bonds, 2008	Refunding	09/05/08	2013 - 2017	12,055	3.8577	5,230	-	2,545	2,685	-	-
Solid Waste TES/Urban Waters Capital Lease	Property Agreement	01/20/09	2010 - 2038	7,702	5.2172	5,196	-	5,196	-	-	-
Solid Waste Revenue Bonds, 2015	Capital Improvements	03/18/15	2017 - 2025	21,095	2.1375	21,095	-	-	21,095	-	-
Solid Waste Rev/Ref Bonds, 2016A	Refunding	06/15/16	2031 - 2036	23,200	3.4260	-	23,200	-	23,200	-	-
Solid Waste Rev/Ref Bonds, 2016B	Refunding	06/15/16	2026 - 2031	15,025	2.9985	-	15,025	-	15,025	-	-
Subtotal Solid Waste						79,771	38,225	55,991	62,005	-	-
Electric System											
Electric System 2005A Revenue Bonds	Capital Improvements	10/04/05	2010 - 2021	93,480	4.2200	130	-	130	-	-	-
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	178,795	-	14,605	164,190	-	-
Electric System 2013B Rev Ref Bonds	Refunding	06/13/13	2014 - 2030	35,620	3.3427	35,620	-	-	35,620	-	-
Subtotal Electric System						385,800	-	14,735	371,065	-	-

NAME OF BOND ISSUE		PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-16	ISSUED 2016	REDEEMED 2016	AMOUNT O/S 12/31/16	Reconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
Water System												
PW-DWSRF-00-65120-031	Construction		10/07/02	2003 - 2021	3,060	2.5000	966	-	161	805	-	-
PW -00-691-PRE-115	Construction		04/11/01	2003 - 2021	1,000	0.5000	316	-	53	263	-	-
PW-01-691-061	Construction		08/27/01	2003 - 2021	10,000	0.5000	3,199	-	532	2,667	-	-
PW -01-691-PRE-127	Construction		02/15/02	2003 - 2021	1,000	0.5000	325	-	54	271	-	-
PW-02-691-056	Construction		04/15/02	2004 - 2022	10,000	0.5000	3,719	-	531	3,188	-	-
PW-04-691-PRE-101	Construction		03/19/04	2006 - 2024	1,000	0.5000	480	-	53	427	-	-
Water Sys Ref & Rev Bonds 2005	Construction & Refinance		10/11/05	2006 - 2025	46,550	4.6390	5	-	-	5	-	-
PW-06-962-043	Construction		07/18/06	2008 - 2026	7,000	0.5000	4,076	-	370	3,706	-	-
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	7,096	-	546	6,550	-	-
DM07-952-015	Construction		03/31/10	2010 - 2028	4,040	1.5000	2,796	-	215	2,581	-	-
PW-DWSRF 09-952-074	Construction		04/09/10	2013 - 2032	6,579	1.0000	6,240	-	367	5,873	-	-
Water Sys Rev & Ref Bonds 2010A	Refunding		08/24/10	2012 - 2023	29,100	3.2789	26,950	-	555	26,395	-	-
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	2,800	-	275	2,525	-	-
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	5,151	-	303	4,848	-	-
PW-DWSRF 11-952-035	Construction		06/30/11	2016 - 2035	6,060	1.5000	2,187	-	121	2,066	-	-
PW-DWSRF 11-952-036	Construction		06/30/11	2016 - 2035	6,060	1.5000	5,460	600	303	5,757	-	-
PC 12-951-017	Construction		07/01/11	2011 - 2031	10,000	0.5000	8,889	-	556	8,333	-	-
PW-DWSRF 12-952-088	Construction		01/22/13	2017 - 2036	12,120	1.5000	10,920	1,200	606	11,514	-	-
Water Sys Rev Ref Bonds 2013 (RWSS)	Refinance		04/16/13	2013 - 2032	64,795	3.1477	61,580	-	670	60,910	-	-
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	1,200	606	11,514	-	-
PW-DWSRF-10-952-031	Construction		03/26/14	2015 - 2034	5,460	1.5000	5,187	600	305	5,482	-	-
PW-DWSRF-13-952-167	Construction		11/06/14	2015 - 2037	4,620	1.5000	10,920	1,200	606	11,514	-	-
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	-	4,580	1,785	-	-
DM15-952-033	Construction		06/01/14	2016 - 2034	120	1.5000	120	12,000	-	12,120	-	-
Subtotal Water System							473,672	16,800	12,368	478,104	-	-
Tacoma Rail												
Rail Revenue Bond 2006 (BofA)	Capital Improvements		12/21/06	2007 - 2017	2,000	5.3900	313	-	249	64	-	-
WA State Rail Loan RR00407 2009	Capital Improvements		08/04/09	2010 - 2024	26	0.0000	16	-	2	14	-	-
WA State Rail Loan RR00408 2009	Capital Improvements		08/04/09	2011 - 2025	249	0.0000	166	-	16	150	-	-
WA State Rail Loan RRB-1007	Capital Improvements		12/06/11	2013 - 2022	450	0.0000	315	-	45	270	-	-
WA State Rail Loan RRB-1010	Capital Improvements		03/28/12	2013 - 2022	612	0.0000	428	-	61	367	-	-
WA State Rail Loan RRB-1011	Capital Improvements		03/28/12	2013 - 2022	349	0.0000	244	-	35	209	-	-
WA State Rail Loan RRB-1026	Capital Improvements		09/06/12	2014 - 2023	347	0.0000	278	-	35	243	-	-
WA State Rail Loan RRB-1030	Capital Improvements		09/06/12	2014 - 2023	364	0.0000	292	-	37	255	-	-
WA State Rail Loan RRB-1045	Capital Improvements		08/01/13	2015 - 2024	823	0.0000	557	-	62	495	-	-
WA State Rail Loan RRB-1046	Capital Improvements		08/01/13	2015 - 2024	250	0.0000	225	-	25	200	-	-
WA State Rail Loan RRB-1052	Capital Improvements		10/24/13	2016 - 2025	366	0.0000	366	-	36	330	-	-
WA State Rail Loan RRB-1053	Capital Improvements		10/24/13	2016 - 2025	773	0.0000	773	-	77	696	-	-
WA State Rail Loan RRB-1054	Capital Improvements		10/24/13	2016 - 2025	1,015	0.0000	1,105	-	110	995	-	-
WA State Rail Loan RRB-1055	Capital Improvements		10/08/13	2016 - 2025	516	0.0000	516	-	52	464	-	-
WA State Rail Loan RRB-1086	Capital Improvements		10/27/15	2016 - 2025	1,037	0.0000	909	-	90	819	-	-
WA State Rail Loan RRB-1109	Capital Improvements		09/29/16	2017 - 2026	121	0.0000	-	121	-	121	-	-
WA State Rail Loan RRB-1110	Capital Improvements		09/08/16	2017 - 2026	406	0.0000	-	406	-	406	-	-
WA State Rail Loan RRB-1112	Capital Improvements		12/06/16	2017 - 2026	150	0.0000	-	116	-	116	-	-
Subtotal Tacoma Rail							6,503	643	932	6,214	-	-
Lease Revenue												
Lease Revenue Bonds 1990	Construction		03/15/90	1992-2022	36,250	9.3476	17,340	-	2,045	15,295	-	-
Lease Revenue Bonds 1992	Construction		12/15/92	1993-2022	4,695	7.4769	2,115	-	255	1,860	-	-
Subtotal Lease Revenue							19,455	-	2,300	17,155	-	-
Total Enterprise Revenue Bonds, Loans, and Notes							\$ 1,227,840	\$ 99,388	\$ 138,030	\$ 1,189,198	\$ -	\$ -
Total General Obligation Bonds, Enterprise Revenue Bonds, Loans, and Notes							\$ 1,437,494	\$ 101,610	\$ 150,045	\$ 1,389,059	\$ 2,222	\$ 142,426

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-16	ISSUED 2016	REDEEMED 2016	AMOUNT O/S 12/31/16	Reconcile to Governmental Fund Statements	Reconcile to Changes in LTD in Notes
SPECIAL ASSESSMENT BONDS											
Local Improvement District Bonds											
District #63 Bonds	Construction	09/29/11	2023	1,557	4.1800	618	-	157	461	-	461
District #64 Bonds	Construction	04/05/16		2,341	3.2500	-	2,341	-	2,341	2,341	2,341
District #65 Bonds	Construction	04/29/13	2043	30,999	5.7500	28,140	-	1,005	27,135	-	27,135
Subtotal Local Improvement District Bonds						28,758	2,341	1,162	29,937	2,341	29,937
Bond Anticipation Notes											
Revolving Line of Credit	LID Construction	06/30/00	At CLID Issue	\$13mm Max	Floating	10,975	-	10,975	-	-	-
Revolving Line of Credit	LID Construction	07/01/16	At CLID Issue	\$15mm Max	Floating	-	8,843	271	8,572	8,843	8,572
Subtotal Bond Anticipation Notes						10,975	8,843	11,246	8,572	8,843	8,572
Total Special Assessment Bonds						39,733	11,184	12,408	38,509	11,184	38,509
Wells Fargo Revolving Line of Credit	Capital Improvements	05/15/15	5/11/2018	\$100mm Max	0.5000	50,250	30,000	-	80,250	-	-
Subtotal Wells Fargo Revolving Line of Credit						50,250	30,000	-	80,250	-	-
Washington State Dept of Transportation Loan STP-STPUL-3268(003)	Capital Improvements	11/03/10	2015-2020	20,000	0.0000	3,000	-	3,000	-	-	-
Subtotal Washington State Dept of Transportation Loan (Councilmanic)						3,000	-	3,000	-	-	-
Total Long-Term Debt						\$ 1,530,477	\$ 142,794	\$ 165,453	\$ 1,507,818	\$ 13,406	\$ 180,935

Notes related to debt increases:

1. Ltd. Genl Obl Bonds 1997 Ser B - Additions represent accreted interest capitalized to bond principal.
2. Ltd. Genl Obl Bonds 2009E Multiple Projects - Additions represent accreted interest capitalized to bond principal.
3. Ltd. Genl Obl Bonds 2009F Cheney & Env Remed - Additions represent accreted interest capitalized to bond principal.
4. PW-DWSRF & DM - Additions for each of these represent an additional draw from available funds.
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	
	2016	2015-2007
Employer's proportion of the net pension liability(asset) as a percentage	1.08%	1.09%
Employer's proportion share of net pension liability(asset)	(11,098,437)	(13,178,851)
Employer's covered payroll	140,884	117,194
Employer's proportionate share of net pension liability (asset) as a percentage of its covered employee payroll	-7877.71%	-11245.33%
Plan fiduciary net position as a percentage the total pension liability	123.74%	127.36%

*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	
	2016	2015-2007
Contractually required employer contribution	\$0	0
Contributions in relation to the contractually required employer contribution	0	0
Employer contribution deficiency (excess)	0	0
Employer's covered employee payroll	\$140,884	\$117,194
Employer contribution as a percentage of covered-employee payroll	0.00%	0.00%

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

	Fiscal Year Ending December 31st	
	2016	2015-2007
Employer's proportion of the net pension liability(asset) as a percentage	2.48%	2.47%
Employer's proportion share of net pension liability(asset)	(14,416,299)	(25,352,743)
Employer's covered payroll	77,370,718	77,913,214
Employer's proportionate share of net pension liability (asset) as a percentage of its covered employee payroll	-18.63%	-32.54%
Plan fiduciary net position as a percentage the total pension liability	106.04%	111.67%

*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	
	2016	2015-2007
Contractually required employer contribution	\$4,026,349	\$3,716,978
Contributions in relation to the contractually required employer contribution	(4,026,349)	(3,716,978)
Employer contribution deficiency (excess)	0	0
Employer's covered employee payroll	\$77,370,718	\$77,913,215
Employer contribution as a percentage of covered-employee payroll	5.20%	4.77%

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

	Fiscal Year Ending December 31st		
	2016	2015	2014-2007
Employer's proportion of the net pension liability(asset) as a percentage	92.63%	92.67%	N/A
Employer's proportion share of net pension liability(asset)	86,584,348	(9,606,514)	N/A
Employer's covered payroll	210,616,602	205,085,611	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered employee payroll	41.11%	-4.68%	N/A
Plan fiduciary net position as a percentage the total pension liability	93.94%	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		
	2016	2015	2014-2007
Contractually required employer contribution	\$22,746,593	\$22,149,246	N/A
Contributions in relation to the contractually required employer contribution	(22,746,593)	(22,149,246)	N/A
Employer contribution deficiency (excess)	0	0	N/A
Employer's covered employee payroll	\$210,616,602	\$205,085,611	N/A
Employer contribution as a percentage of covered-employee payroll	10.80%	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%	-	
1/1/2016	0	30.94	30.67	1%	-	N/A

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
1/1/2016	-	17.26	17.03	0%	-	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, 2016
(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 377,415	\$ 299,698	\$ 302,572	\$ 2,874
Licenses and permits	7,705	8,024	9,070	1,046
Intergovernmental revenue	18,967	21,002	21,896	894
Charges for goods and services	4,531	42,998	40,395	(2,603)
Fines and penalties	3,280	2,349	3,233	884
Interest and other earnings	1,036	1,765	1,695	(70)
Miscellaneous revenues	55	279	491	212
TOTAL REVENUES	<u>412,989</u>	<u>376,115</u>	<u>379,352</u>	<u>3,237</u>
EXPENDITURES				
Current:				
General government	79,040	109,935	105,649	(4,286)
Public safety	242,776	245,095	243,726	(1,369)
Transportation	838	1,098	994	(104)
Economic environment	30,803	32,153	29,592	(2,561)
Mental and physical health	-	-	-	-
Culture and recreation	26,889	26,127	22,612	(3,515)
Debt service:				
Principal payments	-	6,000	3,000	(3,000)
Capital expenditures	-	-	3,741	3,741
TOTAL EXPENDITURES	<u>380,346</u>	<u>420,408</u>	<u>409,314</u>	<u>(11,094)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>32,643</u>	<u>(44,291)</u>	<u>(29,962)</u>	<u>14,331</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	47	42	7	(35)
Insurance recoveries	-	-	203	203
Transfer in	314	85,025	84,852	(173)
Transfer (out)	(44,199)	(44,880)	(41,558)	3,322
TOTAL OTHER FINANCE SOURCES(USES)	<u>(43,838)</u>	<u>40,187</u>	<u>43,504</u>	<u>3,317</u>
NET CHANGE IN FUND BALANCE	<u>(11,195)</u>	<u>(4,104)</u>	<u>13,542</u>	<u>17,646</u>
FUND BALANCE - JANUARY 1	11,195	4,104	138,340	134,236
Prior period adjustment	-	-	102	102
Change in accounting principle	-	-	84	84
FUND BALANCE - JANUARY 1, RESTATED	<u>11,195</u>	<u>4,104</u>	<u>138,526</u>	<u>134,422</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,068</u>	<u>\$ 152,068</u>

Perspective Difference Reconciliation:

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

\$ 152,068

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

Contingency Fund #1030	584
Unclaimed Property Fund#(1)6330	0
Police Pension Fund #6120	211
Firefighters Pension Fund #6150	256

TOTAL FUND BALANCE - GENERAL FUND BALANCE
SHEET FOR GOVERNMENTAL FUNDS

\$ 153,119

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COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016
(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	2% GROSS EARNINGS TAX FUND #1080
ASSETS				
Cash and cash equivalents	\$ 123	\$ 665	\$ 933	\$ 106
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	356	446	810
Due from other funds	-	60	-	75
Due from other governments	-	-	1,004	-
Inventories	-	1,780	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>123</u>	<u>2,861</u>	<u>2,383</u>	<u>991</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>\$ 123</u>	<u>\$ 2,861</u>	<u>\$ 2,383</u>	<u>\$ 991</u>
LIABILITIES				
Accounts payable	\$ -	\$ 89	\$ -	\$ -
Due to other funds	-	357	-	-
Due to other governments	-	-	-	-
Accrued wages	1	227	-	-
Accrued taxes	-	1	-	180
Customer deposits	-	-	-	-
Other current liabilities	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>1</u>	<u>674</u>	<u>-</u>	<u>180</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	1,870	-	-
Restricted	122	-	2,383	-
Committed	-	-	-	811
Assigned	-	317	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>122</u>	<u>2,187</u>	<u>2,383</u>	<u>811</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 123</u>	<u>\$ 2,861</u>	<u>\$ 2,383</u>	<u>\$ 991</u>

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016
(amounts expressed in thousands)
Page 2 of 9

	SPECIAL REVENUE FUNDS			
	STREET INITIATIVE FUND #1085	FIRE DEPARTMENT FUND #1090	PROP MANAGEMENT STREET VACATION/ FUND #1100	LOCAL IMP GUARANTEE FUND #1110
ASSETS				
Cash and cash equivalents	\$ 4,975	\$ 1,664	\$ 2,796	\$ 5,054
Investments at fair value	-	-	-	121
Accounts receivables (net)	603	52	5	-
Due from other funds	714	-	-	138
Due from other governments	1,530	429	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>7,822</u>	<u>2,145</u>	<u>2,801</u>	<u>5,313</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>\$ 7,822</u>	<u>\$ 2,145</u>	<u>\$ 2,801</u>	<u>\$ 5,313</u>
LIABILITIES				
Accounts payable	\$ 867	\$ 71	\$ -	\$ -
Due to other funds	31	-	9	1
Due to other governments	-	-	-	-
Accrued wages	31	8	1	1
Accrued taxes	-	-	-	-
Customer deposits	-	-	31	-
Other current liabilities	-	-	-	-
Advances from other funds	-	667	-	-
TOTAL LIABILITIES	<u>929</u>	<u>746</u>	<u>41</u>	<u>2</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>1,696</u>	<u>26</u>	<u>469</u>	<u>1,031</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,696</u>	<u>26</u>	<u>469</u>	<u>1,031</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	5,197	1,472	-	4,280
Committed	-	-	-	-
Assigned	-	-	2,291	-
Unassigned	-	(99)	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>5,197</u>	<u>1,373</u>	<u>2,291</u>	<u>4,280</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 7,822</u>	<u>\$ 2,145</u>	<u>\$ 2,801</u>	<u>\$ 5,313</u>

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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
ASSETS				
Cash and cash equivalents	\$ 21	\$ 1,370	\$ 3,591	\$ 3,030
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	1,193	377	-
Due from other funds	137	-	15	-
Due from other governments	754	-	321	524
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>912</u>	<u>2,563</u>	<u>4,304</u>	<u>3,554</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>\$ 912</u>	<u>\$ 2,563</u>	<u>\$ 4,304</u>	<u>\$ 3,554</u>
LIABILITIES				
Accounts payable	\$ 397	\$ 29	\$ 50	\$ -
Due to other funds	1	14	80	-
Due to other governments	-	-	-	-
Accrued wages	-	1	192	-
Accrued taxes	-	25	3	-
Customer deposits	-	-	-	-
Other current liabilities	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>398</u>	<u>69</u>	<u>325</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	532	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>532</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	514	-	3,447	3,554
Committed	-	-	-	-
Assigned	-	2,494	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>514</u>	<u>2,494</u>	<u>3,447</u>	<u>3,554</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 912</u>	<u>\$ 2,563</u>	<u>\$ 4,304</u>	<u>\$ 3,554</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	\$ 8,839	\$ 11,059	\$ 6,329	\$ 116
Investments at fair value	-	-	-	-
Accounts receivables (net)	35	954	-	-
Due from other funds	-	38	-	15
Due from other governments	1,284	639	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	130	-	-
TOTAL ASSETS	<u>10,158</u>	<u>12,820</u>	<u>6,329</u>	<u>131</u>
DEFERRED OUTFLOWS OF RESOURCES				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 10,158</u>	<u>\$ 12,820</u>	<u>\$ 6,329</u>	<u>\$ 131</u>
LIABILITIES				
Accounts payable	\$ 1,224	\$ 379	\$ 1	\$ -
Due to other funds	17	7	-	2
Due to other governments	-	-	-	-
Accrued wages	5	-	-	2
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Other current liabilities	-	1,276	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>1,246</u>	<u>1,662</u>	<u>1</u>	<u>4</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	10	146	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10</u>	<u>146</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	17	-
Restricted	8,558	9,976	4,562	127
Committed	148	-	-	-
Assigned	196	1,036	1,749	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>8,902</u>	<u>11,012</u>	<u>6,328</u>	<u>127</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 10,158</u>	<u>\$ 12,820</u>	<u>\$ 6,329</u>	<u>\$ 131</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	\$ 1,714	\$ 4,230	\$ 259	\$ 298
Investments at fair value	-	-	-	-
Accounts receivables (net)	62	6	-	-
Due from other funds	1	-	9	-
Due from other governments	208	-	31	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>1,985</u>	<u>4,236</u>	<u>299</u>	<u>298</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>\$ 1,985</u>	<u>\$ 4,236</u>	<u>\$ 299</u>	<u>\$ 298</u>
LIABILITIES				
Accounts payable	\$ 16	\$ 146	\$ 29	\$ 57
Due to other funds	29	62	2	21
Due to other governments	-	-	-	-
Accrued wages	15	29	1	28
Accrued taxes	1	-	-	-
Customer deposits	14	-	-	-
Other current liabilities	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>75</u>	<u>237</u>	<u>32</u>	<u>106</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	1,625	3,433	-	-
Committed	-	-	-	-
Assigned	285	566	267	192
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>1,910</u>	<u>3,999</u>	<u>267</u>	<u>192</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 1,985</u>	<u>\$ 4,236</u>	<u>\$ 299</u>	<u>\$ 298</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	\$ 1,183	\$ 288	\$ -	\$ -
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	97	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>1,280</u>	<u>288</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>\$ 1,280</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Other current liabilities	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	77	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	1,203	288	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>1,203</u>	<u>288</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 1,280</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ -</u>

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	DEBT SERVICE FUNDS			
	2009 LTGO BONDS SERIES A-F FUND #2040	2009 LTGO BONDS LTGO BONDS FUND #2041	2009 LTGO BONDS LTGO BONDS FUND #2042	CONSOLIDATED LID BOND REDEMPTION FUND # (2)7999
ASSETS				
Cash and cash equivalents	\$ 7	\$ 23	\$ -	\$ 3,493
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	29,380
Due from other funds	-	-	-	596
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	<u>7</u>	<u>23</u>	<u>-</u>	<u>33,469</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>\$ 23</u>	<u>\$ -</u>	<u>\$ 33,469</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	138
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	-	-	-
Customer deposits	-	-	-	-
Other current liabilities	-	-	-	-
Advances from other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>138</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	28,349
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,349</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	7	23	-	4,982
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>7</u>	<u>23</u>	<u>-</u>	<u>4,982</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 7</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 33,469</u>

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	CAPITAL PROJECT FUNDS			
	1997 BOND ISSUE FUND #3209	CAPITAL PROJECTS FUND #3211	2002 POLICE FACILITY FUND #3216	2009 LTGO CAPITAL PROJECTS FUND #3218
ASSETS				
Cash and cash equivalents	\$ 88	\$ 13,920	\$ -	\$ 1,042
Investments at fair value	-	-	-	-
Accounts receivables (net)	-	-	-	-
Due from other funds	-	17	-	-
Due from other governments	-	1,590	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Advances to other funds	-	1,530	-	-
TOTAL ASSETS	<u>88</u>	<u>17,057</u>	<u>-</u>	<u>1,042</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>\$ 17,057</u>	<u>\$ -</u>	<u>\$ 1,042</u>
LIABILITIES				
Accounts payable	\$ -	\$ 137	\$ -	\$ 104
Due to other funds	-	201	-	10
Due to other governments	-	-	-	-
Accrued wages	-	-	-	-
Accrued taxes	-	2	-	-
Customer deposits	-	-	-	-
Other current liabilities	-	-	-	-
Advances from other funds	130	-	4,200	-
TOTAL LIABILITIES	<u>130</u>	<u>340</u>	<u>4,200</u>	<u>114</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	-	15,185	-	928
Committed	88	-	-	-
Assigned	-	1,532	-	-
Unassigned	(130)	-	(4,200)	-
TOTAL FUND BALANCES (DEFICITS)	<u>(42)</u>	<u>16,717</u>	<u>(4,200)</u>	<u>928</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 88</u>	<u>\$ 17,057</u>	<u>\$ -</u>	<u>\$ 1,042</u>

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	CAPITAL PROJECT FUNDS		
	2010 LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND #(3)7070	NON-MAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 2,750	\$ 1,247	\$ 77,993
Investments at fair value	-	-	3,341
Accounts receivables (net)	-	-	34,279
Due from other funds	-	-	1,815
Due from other governments	-	-	8,411
Inventories	-	-	1,780
Prepayments	113	-	113
Advances to other funds	-	-	1,660
TOTAL ASSETS	<u>2,863</u>	<u>1,247</u>	<u>129,392</u>
DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,863</u>	<u>\$ 1,247</u>	<u>\$ 129,392</u>
LIABILITIES			
Accounts payable	\$ 11	\$ -	\$ 3,607
Due to other funds	264	-	1,246
Due to other governments	-	-	-
Accrued wages	-	-	542
Accrued taxes	-	-	212
Customer deposits	-	-	45
Other current liabilities	-	-	1,276
Advances from other funds	-	-	4,997
TOTAL LIABILITIES	<u>275</u>	<u>-</u>	<u>11,925</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	32,336
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>32,336</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	1,887
Restricted	2,588	1,247	75,701
Committed	-	-	1,047
Assigned	-	-	10,925
Unassigned	-	-	(4,429)
TOTAL FUND BALANCES (DEFICITS)	<u>2,588</u>	<u>1,247</u>	<u>85,131</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 2,863</u>	<u>\$ 1,247</u>	<u>\$ 129,392</u>

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

GOVERNMENTAL FUNDS

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	SPECIAL REVENUE FUNDS			
	COURTS	PUBLIC WORKS	TRANS BENEFIT	2% GROSS
	SPECIAL REVENUE FUND #1020	STREET FUND #1065	DISTRICT FUND #1070	EARNINGS TAX FUND #1080
REVENUES				
Taxes	\$ -	\$ -	\$ 6,872	\$ 880
Licenses and permits	-	-	-	-
Intergovernmental revenue	72	1,449	-	-
Charges for goods and services	-	692	-	-
Fines and penalties	4	-	-	-
Interest and other earnings	-	11	3	2
Miscellaneous revenues	-	9	-	-
TOTAL REVENUES	<u>76</u>	<u>2,161</u>	<u>6,875</u>	<u>882</u>
EXPENDITURES				
Current:				
General government	83	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	18,224	-	-
Economic environment	-	-	7	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	-	1	-	-
TOTAL EXPENDITURES	<u>83</u>	<u>18,225</u>	<u>7</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7)</u>	<u>(16,064)</u>	<u>6,868</u>	<u>882</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	-	15	-	-
Transfer in	26	15,931	-	6,303
Transfer (out)	-	(240)	(5,276)	(6,637)
TOTAL OTHER FINANCE SOURCES(USES)	<u>26</u>	<u>15,706</u>	<u>(5,276)</u>	<u>(334)</u>
NET CHANGE IN FUND BALANCE	<u>19</u>	<u>(358)</u>	<u>1,592</u>	<u>548</u>
FUND BALANCE - JANUARY 1	103	2,623	791	263
Prior period adjustment	-	(78)	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>103</u>	<u>2,545</u>	<u>791</u>	<u>263</u>
FUND BALANCE - DECEMBER 31	<u>\$ 122</u>	<u>\$ 2,187</u>	<u>\$ 2,383</u>	<u>\$ 811</u>

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

GOVERNMENTAL FUNDS

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	SPECIAL REVENUE FUNDS			
	STREET INITIATIVE FUND #1085	FIRE DEPARTMENT FUND #1090	PROP MANAGEMENT STREET VACATION/ FUND #1100	LOCAL IMP GUARANTEE FUND #1110
REVENUES				
Taxes	\$ 5,465	\$ -	\$ -	\$ -
Licenses and permits	-	-	693	-
Intergovernmental revenue	-	2,004	-	-
Charges for goods and services	10	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	2	18	26	11
Miscellaneous revenues	-	1	108	-
TOTAL REVENUES	<u>5,477</u>	<u>2,023</u>	<u>827</u>	<u>11</u>
EXPENDITURES				
Current:				
General government	-	-	246	89
Public safety	-	1,573	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	9,782	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	8	-	-
Capital expenditures	-	915	-	-
TOTAL EXPENDITURES	<u>9,782</u>	<u>2,496</u>	<u>246</u>	<u>89</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,305)</u>	<u>(473)</u>	<u>581</u>	<u>(78)</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	-	2	506	-
Transfer in	10,388	533	-	138
Transfer (out)	(886)	-	(190)	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>9,502</u>	<u>535</u>	<u>316</u>	<u>138</u>
NET CHANGE IN FUND BALANCE	<u>5,197</u>	<u>62</u>	<u>897</u>	<u>60</u>
FUND BALANCE - JANUARY 1	-	1,301	1,394	4,220
Prior period adjustment	-	10	-	-
FUND BALANCE - JANUARY 1, RESTATED	-	1,311	1,394	4,220
FUND BALANCE - DECEMBER 31	<u>\$ 5,197</u>	<u>\$ 1,373</u>	<u>\$ 2,291</u>	<u>\$ 4,280</u>

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

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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	\$ -	\$ -	\$ 9,445	\$ 4,358
Licenses and permits	-	-	-	-
Intergovernmental revenue	2,621	-	-	-
Charges for goods and services	206	516	2,841	-
Fines and penalties	-	231	-	-
Interest and other earnings	5	25	33	21
Miscellaneous revenues	-	-	12	-
TOTAL REVENUES	<u>2,832</u>	<u>772</u>	<u>12,331</u>	<u>4,379</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	13,394	-
Utilities and environment	-	-	-	-
Transportation	18	-	-	-
Economic environment	-	450	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	3,648	-	201	-
TOTAL EXPENDITURES	<u>3,666</u>	<u>450</u>	<u>13,595</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(834)</u>	<u>322</u>	<u>(1,264)</u>	<u>4,379</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	1,071	-	129	-
Transfer (out)	(61)	(250)	(157)	(2,645)
TOTAL OTHER FINANCE SOURCES(USES)	<u>1,010</u>	<u>(250)</u>	<u>(28)</u>	<u>(2,645)</u>
NET CHANGE IN FUND BALANCE	<u>176</u>	<u>72</u>	<u>(1,292)</u>	<u>1,734</u>
FUND BALANCE - JANUARY 1	338	3,259	4,739	1,820
Prior period adjustment	-	(837)	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>338</u>	<u>2,422</u>	<u>4,739</u>	<u>1,820</u>
FUND BALANCE - DECEMBER 31	<u>\$ 514</u>	<u>\$ 2,494</u>	<u>\$ 3,447</u>	<u>\$ 3,554</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

(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	\$ 5,221	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	1,287	5,076	150	-
Charges for goods and services	1	1,072	4	230
Fines and penalties	-	-	-	-
Interest and other earnings	71	93	54	-
Miscellaneous revenues	60	3	33	-
TOTAL REVENUES	<u>6,640</u>	<u>6,244</u>	<u>241</u>	<u>230</u>
EXPENDITURES				
Current:				
General government	13	95	-	230
Public safety	647	1,085	-	-
Utilities and environment	-	-	-	-
Transportation	-	100	-	-
Economic environment	761	5,097	-	-
Mental and physical health	4,327	33	-	-
Culture and recreation	-	221	48	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	31	194	-	-
TOTAL EXPENDITURES	<u>5,779</u>	<u>6,825</u>	<u>48</u>	<u>230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>861</u>	<u>(581)</u>	<u>193</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	-	3	-	-
Transfer in	-	899	-	-
Transfer (out)	(135)	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(135)</u>	<u>902</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>726</u>	<u>321</u>	<u>193</u>	<u>-</u>
FUND BALANCE - JANUARY 1	8,266	10,691	6,155	126
Prior period adjustment	(90)	-	(20)	1
FUND BALANCE - JANUARY 1, RESTATED	<u>8,176</u>	<u>10,691</u>	<u>6,135</u>	<u>127</u>
FUND BALANCE - DECEMBER 31	<u>\$ 8,902</u>	<u>\$ 11,012</u>	<u>\$ 6,328</u>	<u>\$ 127</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

(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	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	3,472	-	-
Intergovernmental revenue	1,774	9	56	-
Charges for goods and services	390	238	185	-
Fines and penalties	203	-	-	2,909
Interest and other earnings	17	56	3	5
Miscellaneous revenues	22	-	-	-
TOTAL REVENUES	<u>2,406</u>	<u>3,775</u>	<u>244</u>	<u>2,914</u>
EXPENDITURES				
Current:				
General government	-	4,631	-	-
Public safety	2,518	-	-	3,234
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	258	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	-	-
Capital expenditures	99	1,404	-	-
TOTAL EXPENDITURES	<u>2,617</u>	<u>6,035</u>	<u>258</u>	<u>3,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(211)</u>	<u>(2,260)</u>	<u>(14)</u>	<u>(320)</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	8	-	-	-
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(203)</u>	<u>(2,260)</u>	<u>(14)</u>	<u>(320)</u>
FUND BALANCE - JANUARY 1	2,173	6,180	281	512
Prior period adjustment	(60)	79	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>2,113</u>	<u>6,259</u>	<u>281</u>	<u>512</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,910</u>	<u>\$ 3,999</u>	<u>\$ 267</u>	<u>\$ 192</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

(amounts expressed in thousands)

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	DEBT SERVICE FUNDS			
	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	PWTF LOANS FUND #2038	LTGO REFUNDING FUND #2039
REVENUES				
Taxes	\$ 2,763	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>2,763</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	2,020	2,760	1,111	-
Interest and other related costs	684	700	42	-
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	<u>2,704</u>	<u>3,460</u>	<u>1,153</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>59</u>	<u>(3,460)</u>	<u>(1,153)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	390	-	-
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	-	3,358	1,153	-
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>3,748</u>	<u>1,153</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>59</u>	<u>288</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1	1,144	-	-	-
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	<u>1,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	<u>\$ 1,203</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ -</u>

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

(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	-	-	-	1,612
Interest and other earnings	-	-	-	16
Miscellaneous revenues	-	-	-	2,930
TOTAL REVENUES	-	-	-	4,558
EXPENDITURES				
Current:				
General government	-	-	-	1
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	220	3,274	-	565
Interest and other related costs	3,124	2,424	-	1,647
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	3,344	5,698	-	2,213
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,344)	(5,698)	-	2,345
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	1,832	-	-	-
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Transfer in	1,512	5,721	-	-
Transfer (out)	-	-	-	(138)
TOTAL OTHER FINANCE SOURCES(USES)	3,344	5,721	-	(138)
NET CHANGE IN FUND BALANCE	-	23	-	2,207
FUND BALANCE - JANUARY 1	7	-	-	2,775
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	7	-	-	2,775
FUND BALANCE - DECEMBER 31	\$ 7	\$ 23	\$ -	\$ 4,982

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

(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	2009 LTGO CAPITAL PROJECTS FUND #3218
REVENUES				
Taxes	\$ -	\$ 9,424	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	458
Charges for goods and services	-	-	-	-
Fines and penalties	-	-	-	-
Interest and other earnings	-	131	-	13
Miscellaneous revenues	-	25	-	3
TOTAL REVENUES	-	9,580	-	474
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	501	-	-
Economic environment	-	-	-	-
Mental and physical health	-	-	-	-
Culture and recreation	-	25	-	53
Debt service:				
Principal payments	-	-	-	-
Interest and other related costs	-	-	41	-
Capital expenditures	-	341	-	2,581
TOTAL EXPENDITURES	-	867	41	2,634
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	8,713	(41)	(2,160)
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	-	829	41	2,247
Transfer (out)	-	(7,082)	-	(878)
TOTAL OTHER FINANCE SOURCES(USES)	-	(6,253)	41	1,369
NET CHANGE IN FUND BALANCE	-	2,460	-	(791)
FUND BALANCE - JANUARY 1	(42)	14,253	(4,200)	1,719
Prior period adjustment	-	4	-	-
FUND BALANCE - DECEMBER 31	\$ (42)	\$ 16,717	\$ (4,200)	\$ 928

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

(amounts expressed in thousands)

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	CAPITAL PROJECT FUNDS		
	2010 LTGO CAPITAL PROJECTS FUND #3220	LID INTERIM FINANCING FUND #(3)7070	NON-MAJOR GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ -	\$ -	\$ 44,428
Licenses and permits	-	-	4,165
Intergovernmental revenue	-	-	14,956
Charges for goods and services	-	-	6,385
Fines and penalties	-	-	4,959
Interest and other earnings	52	-	668
Miscellaneous revenues	-	-	3,206
TOTAL REVENUES	<u>52</u>	<u>-</u>	<u>78,767</u>
EXPENDITURES			
Current:	-	-	-
General government	-	-	5,388
Public safety	-	-	22,451
Utilities and environment	-	-	-
Transportation	86	-	18,929
Economic environment	-	-	16,355
Mental and physical health	-	-	4,360
Culture and recreation	140	-	487
Debt service:			
Principal payments	-	3,124	13,074
Interest and other related costs	-	-	8,670
Capital expenditures	561	-	9,976
TOTAL EXPENDITURES	<u>787</u>	<u>3,124</u>	<u>99,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u> <u>(735)</u>	<u>-</u> <u>(3,124)</u>	<u>-</u> <u>(20,923)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	2,341	4,563
Proceeds of refunding long-term debt	-	-	-
Payments to refunded debt escrow agent	-	-	-
Proceeds from sales of capital assets	-	-	526
Transfer in	18	-	50,305
Transfer (out)	(3,673)	-	(28,248)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(3,655)</u>	<u>2,341</u>	<u>27,146</u>
NET CHANGE IN FUND BALANCE	<u>(4,390)</u>	<u>(783)</u>	<u>6,223</u>
FUND BALANCE - JANUARY 1	6,978	2,030	79,899
Prior period adjustment	-	-	(991)
FUND BALANCE - JANUARY 1, RESTATED	<u>6,978</u>	<u>2,030</u>	<u>78,908</u>
FUND BALANCE - DECEMBER 31	\$ <u>2,588</u>	\$ <u>1,247</u>	\$ <u>85,131</u>

SPECIAL REVENUE FUND - COURTS (1020)

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

For the Year Ended December 31, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 137	\$ 137	\$ 141	\$ 4
Fines and penalties	8	8	8	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>145</u>	<u>145</u>	<u>149</u>	<u>4</u>
EXPENDITURES				
Current:				
General government	<u>150</u>	<u>150</u>	<u>139</u>	<u>(11)</u>
TOTAL EXPENDITURES	<u>150</u>	<u>150</u>	<u>139</u>	<u>(11)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5)</u>	<u>(5)</u>	<u>10</u>	<u>15</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
NET CHANGE IN FUND BALANCE	<u>(5)</u>	<u>(5)</u>	<u>36</u>	<u>41</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>\$ 122</u>	<u>\$ 122</u>

SPECIAL REVENUE FUND - CONTINGENCY (1030)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 11	\$ 11
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
EXPENDITURES				
Current:				
General government	752	752	399	(353)
TOTAL EXPENDITURES	<u>752</u>	<u>752</u>	<u>399</u>	<u>(353)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(752)</u>	<u>(752)</u>	<u>(388)</u>	<u>364</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>(388)</u>	<u>364</u>
FUND BALANCE - JANUARY 1	752	752	973	221
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585</u>	<u>\$ 585</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, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 3,978	\$ 3,978	\$ 3,541	\$ (437)
Charges for goods and services	-	818	1,138	320
Interest and other earnings	-	-	14	14
Miscellaneous revenues	-	5	45	40
TOTAL REVENUES	<u>3,978</u>	<u>4,801</u>	<u>4,738</u>	<u>(63)</u>
EXPENDITURES				
Current:				
Transportation	35,974	36,853	35,903	(950)
Economic environment	-	-	44	44
Debt service:				
Interest and other related costs	-	-	-	-
Capital expenditures	-	-	301	301
TOTAL EXPENDITURES	<u>35,974</u>	<u>36,853</u>	<u>36,248</u>	<u>(605)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(31,996)</u>	<u>(32,052)</u>	<u>(31,510)</u>	<u>542</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	15	15
Insurance recoveries	-	-	-	-
Transfer in	31,996	31,954	31,993	39
Transfer (out)	-	-	(263)	(263)
TOTAL OTHER FINANCE SOURCES(USES)	<u>31,996</u>	<u>31,954</u>	<u>31,745</u>	<u>(209)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(98)</u>	<u>235</u>	<u>333</u>
FUND BALANCE - JANUARY 1	-	98	2,030	1,932
Prior period adjustment	-	-	(78)	(78)
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>98</u>	<u>1,952</u>	<u>1,854</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,187</u>	<u>\$ 2,187</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 4,793	\$ 7,673	\$ 9,648	\$ 1,975
Interest and other earnings	-	-	3	3
TOTAL REVENUES	<u>4,793</u>	<u>7,673</u>	<u>9,651</u>	<u>1,978</u>
EXPENDITURES				
Current:				
Economic environment	-	-	7	7
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,793</u>	<u>7,673</u>	<u>9,644</u>	<u>1,971</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	(4,793)	(7,673)	(7,672)	1
TOTAL OTHER FINANCE SOURCES(USES)	<u>(4,793)</u>	<u>(7,673)</u>	<u>(7,672)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,972</u>	<u>1,972</u>
FUND BALANCE - JANUARY 1	-	-	411	411
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,383</u>	<u>\$ 2,383</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, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 13,086	\$ 1,516	\$ 1,709	\$ 193
Interest and other earnings	-	-	2	2
TOTAL REVENUES	<u>13,086</u>	<u>1,516</u>	<u>1,711</u>	<u>195</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>1,711</u>	<u>195</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	11,570	12,036	466
Transfer (out)	<u>(13,086)</u>	<u>(13,086)</u>	<u>(13,086)</u>	<u>-</u>
TOTAL OTHER FINANCE SOURCES(USES)	<u>(13,086)</u>	<u>(1,516)</u>	<u>(1,050)</u>	<u>466</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>661</u>	<u>661</u>
FUND BALANCE - JANUARY 1	-	-	150	150
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 811</u>	<u>\$ 811</u>

SPECIAL REVENUE FUND - STREET INITIATIVE (1085)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ 5,210	\$ 5,465	\$ 255
Charges for goods and services	-	-	10	10
Interest and other earnings	-	-	2	2
TOTAL REVENUES	-	5,210	5,477	267
EXPENDITURES				
Current:				
Economic environment	-	13,883	9,782	(4,101)
TOTAL EXPENDITURES	-	13,883	9,782	(4,101)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(8,673)	(4,305)	4,368
OTHER FINANCING SOURCES (USES)				
Transfer in	-	10,060	10,388	328
Transfer (out)	-	(1,387)	(886)	501
TOTAL OTHER FINANCE SOURCES(USES)	-	8,673	9,502	829
NET CHANGE IN FUND BALANCE	-	-	5,197	5,197
FUND BALANCE - JANUARY 1	-	-	-	-
Prior period adjustment	-	-	-	-
Change in accounting principle	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 5,197	\$ 5,197

SPECIAL REVENUE FUND - FIRE DEPARTMENT (1090)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 5,096	\$ 6,290	\$ 6,195	\$ (95)
Interest and other earnings	23	23	28	5
Miscellaneous revenues	5	5	23	18
TOTAL REVENUES	<u>5,124</u>	<u>6,318</u>	<u>6,246</u>	<u>(72)</u>
EXPENDITURES				
Current:				
Public safety	4,840	7,960	4,517	(3,443)
Debt service:				
Principal payments	267	267	-	(267)
Interest and other related costs	17	17	16	(1)
Capital expenditures	-	-	2,301	2,301
TOTAL EXPENDITURES	<u>5,124</u>	<u>8,244</u>	<u>6,834</u>	<u>(1,410)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,926)</u>	<u>(588)</u>	<u>1,338</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	2	2
Transfer in	-	920	925	5
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>920</u>	<u>927</u>	<u>7</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(1,006)</u>	<u>339</u>	<u>1,345</u>
FUND BALANCE - JANUARY 1	-	1,006	1,003	(3)
Prior period adjustment	-	-	31	31
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>1,006</u>	<u>1,034</u>	<u>28</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,373</u>	<u>\$ 1,373</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, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 340	\$ 340	\$ 1,226	\$ 886
Interest and other earnings	-	-	37	37
Miscellaneous revenues	32	32	306	274
TOTAL REVENUES	<u>372</u>	<u>372</u>	<u>1,569</u>	<u>1,197</u>
EXPENDITURES				
Current:				
General government	975	990	484	(506)
TOTAL EXPENDITURES	<u>975</u>	<u>990</u>	<u>484</u>	<u>(506)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(603)</u>	<u>(618)</u>	<u>1,085</u>	<u>1,703</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	200	200	586	386
Transfer in	-	-	10	10
Transfer (out)	-	(190)	(190)	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>200</u>	<u>10</u>	<u>406</u>	<u>396</u>
NET CHANGE IN FUND BALANCE	<u>(403)</u>	<u>(608)</u>	<u>1,491</u>	<u>2,099</u>
FUND BALANCE - JANUARY 1	403	608	800	192
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,291</u>	<u>\$ 2,291</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 45	\$ 45
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>45</u>	<u>45</u>
EXPENDITURES				
Current:				
General government	179	179	176	(3)
Debt service:				
Interest and other related costs	-	-	-	-
TOTAL EXPENDITURES	<u>179</u>	<u>179</u>	<u>176</u>	<u>(3)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(179)</u>	<u>(179)</u>	<u>(131)</u>	<u>48</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	75	75	139	64
TOTAL OTHER FINANCE SOURCES(USES)	<u>75</u>	<u>75</u>	<u>139</u>	<u>64</u>
NET CHANGE IN FUND BALANCE	<u>(104)</u>	<u>(104)</u>	<u>8</u>	<u>112</u>
FUND BALANCE - JANUARY 1	104	104	4,272	4,168
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,280</u>	<u>\$ 4,280</u>

SPECIAL REVENUE FUND - PATHS AND TRAILS (1140)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 3,404	\$ 6,650	\$ 3,773	\$ (2,877)
Charges for goods and services	91	305	206	(99)
Interest and other earnings	-	-	5	5
TOTAL REVENUES	<u>3,495</u>	<u>6,955</u>	<u>3,984</u>	<u>(2,971)</u>
EXPENDITURES				
Current:				
Transportation	5,561	10,046	21	(10,025)
Debt service:				
Interest and other related costs	-	-	12	12
Capital expenditures	-	-	5,781	5,781
TOTAL EXPENDITURES	<u>5,561</u>	<u>10,046</u>	<u>5,814</u>	<u>(4,232)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,066)</u>	<u>(3,091)</u>	<u>(1,830)</u>	<u>1,261</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	2,066	3,091	2,035	(1,056)
Transfer (out)	-	-	(61)	(61)
TOTAL OTHER FINANCE SOURCES(USES)	<u>2,066</u>	<u>3,091</u>	<u>1,974</u>	<u>(1,117)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>144</u>	<u>144</u>
FUND BALANCE - JANUARY 1	-	-	370	370
FUND BALANCE - JANUARY 1. RESTATED	-	-	370	370
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514</u>	<u>\$ 514</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 404	\$ 404	\$ 862	\$ 458
Fines and penalties	437	437	484	47
Interest and other earnings	-	-	48	48
Miscellaneous revenues	40	40	-	(40)
TOTAL REVENUES	<u>881</u>	<u>881</u>	<u>1,394</u>	<u>513</u>
EXPENDITURES				
Current:				
Economic environment	<u>1,448</u>	<u>1,904</u>	<u>1,017</u>	<u>(887)</u>
TOTAL EXPENDITURES	<u>1,448</u>	<u>1,904</u>	<u>1,017</u>	<u>(887)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(567)</u>	<u>(1,023)</u>	<u>377</u>	<u>1,400</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	10	10
Transfer (out)	-	(250)	(250)	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(250)</u>	<u>(240)</u>	<u>10</u>
NET CHANGE IN FUND BALANCE	<u>(567)</u>	<u>(1,273)</u>	<u>137</u>	<u>1,410</u>
FUND BALANCE - JANUARY 1	567	1,273	3,194	1,921
Prior period adjustment	-	-	(837)	(837)
FUND BALANCE - JANUARY 1, RESTATED	<u>567</u>	<u>1,273</u>	<u>2,357</u>	<u>1,084</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,494</u>	<u>\$ 2,494</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, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 18,316	\$ 18,315	\$ 18,435	\$ 120
Charges for goods and services	7,779	7,779	6,007	(1,772)
Interest and other earnings	100	100	57	(43)
Miscellaneous revenues	-	-	25	25
TOTAL REVENUES	<u>26,195</u>	<u>26,194</u>	<u>24,524</u>	<u>(1,670)</u>
EXPENDITURES				
Current:				
Public safety	26,864	26,864	26,617	(247)
Capital expenditures	-	-	218	218
TOTAL EXPENDITURES	<u>26,864</u>	<u>26,864</u>	<u>26,835</u>	<u>(29)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(669)</u>	<u>(670)</u>	<u>(2,311)</u>	<u>(1,641)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	313	313
Transfer (out)	(315)	(314)	(314)	-
TOTAL OTHER FINANCE SOURCES(USES)	<u>(315)</u>	<u>(314)</u>	<u>(1)</u>	<u>313</u>
NET CHANGE IN FUND BALANCE	<u>(984)</u>	<u>(984)</u>	<u>(2,312)</u>	<u>(1,328)</u>
FUND BALANCE - JANUARY 1	984	984	5,759	4,775
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,447</u>	<u>\$ 3,447</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 6,665	\$ 6,665	\$ 8,448	\$ 1,783
Interest and other earnings	-	-	35	35
TOTAL REVENUES	<u>6,665</u>	<u>6,665</u>	<u>8,483</u>	<u>1,818</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>8,483</u>	<u>1,818</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	(6,665)	(6,665)	(6,664)	1
TOTAL OTHER FINANCE SOURCES(USES)	<u>(6,665)</u>	<u>(6,665)</u>	<u>(6,664)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,819</u>	<u>1,819</u>
FUND BALANCE - JANUARY 1	-	-	1,735	1,735
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,554</u>	<u>\$ 3,554</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, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 9,543	\$ 9,543	\$ 10,050	\$ 507
Intergovernmental revenue	1,558	1,949	2,455	506
Charges for goods and services	2,486	2,986	90	(2,896)
Interest and other earnings	-	-	110	110
Miscellaneous revenues	637	137	112	(25)
TOTAL REVENUES	<u>14,224</u>	<u>14,615</u>	<u>12,817</u>	<u>(1,798)</u>
EXPENDITURES				
Current:				
General government	47	47	497	450
Public safety	1,306	1,593	1,105	(488)
Economic environment	3,359	3,981	1,540	(2,441)
Mental and physical health	12,786	13,124	7,697	(5,427)
Capital expenditures	-	-	31	31
TOTAL EXPENDITURES	<u>17,498</u>	<u>18,745</u>	<u>10,870</u>	<u>(7,875)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,274)</u>	<u>(4,130)</u>	<u>1,947</u>	<u>6,077</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	104	104
Transfer (out)	-	(25)	(268)	(243)
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(25)</u>	<u>(164)</u>	<u>(139)</u>
NET CHANGE IN FUND BALANCE	<u>(3,274)</u>	<u>(4,155)</u>	<u>1,783</u>	<u>5,938</u>
FUND BALANCE - JANUARY 1	3,274	4,155	7,209	3,054
Prior period adjustment	-	-	(90)	(90)
FUND BALANCE - JANUARY 1. RESTATED	<u>3,274</u>	<u>4,155</u>	<u>7,119</u>	<u>2,964</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,902</u>	<u>\$ 8,902</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 15,584	\$ 18,233	\$ 8,637	\$ (9,596)
Charges for goods and services	1,974	1,974	2,083	109
Interest and other earnings	330	330	715	385
Miscellaneous revenues	-	-	16	16
TOTAL REVENUES	<u>17,888</u>	<u>20,537</u>	<u>11,451</u>	<u>(9,086)</u>
EXPENDITURES				
Current:				
General government	743	703	119	(584)
Public safety	3,146	3,146	2,067	(1,079)
Transportation	579	579	217	(362)
Economic environment	21,976	28,426	8,875	(19,551)
Mental and physical health	-	-	50	50
Culture and recreation	652	652	536	(116)
Capital expenditures	-	-	4,236	4,236
TOTAL EXPENDITURES	<u>27,096</u>	<u>33,506</u>	<u>16,100</u>	<u>(17,406)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,208)</u>	<u>(12,969)</u>	<u>(4,649)</u>	<u>8,320</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	-	7	7
Transfer in	-	730	925	195
Transfer (out)	(100)	(100)	(294)	(194)
TOTAL OTHER FINANCE SOURCES(USES)	<u>(100)</u>	<u>630</u>	<u>638</u>	<u>8</u>
NET CHANGE IN FUND BALANCE	<u>(9,308)</u>	<u>(12,339)</u>	<u>(4,011)</u>	<u>8,328</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>\$ 11,012</u>	<u>\$ 11,012</u>

SPECIAL REVENUE FUND - LIBRARY (1200)

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

For the Year Ended December 31, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 133	\$ 133	\$ 254	\$ 121
Charges for goods and services	10	10	9	(1)
Interest and other earnings	103	102	89	(13)
Miscellaneous revenues	60	60	88	28
TOTAL REVENUES	<u>306</u>	<u>305</u>	<u>440</u>	<u>135</u>
EXPENDITURES				
Current:				
Culture and recreation	675	907	413	(494)
Capital expenditures	-	-	92	92
TOTAL EXPENDITURES	<u>675</u>	<u>907</u>	<u>505</u>	<u>(402)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(369)</u>	<u>(602)</u>	<u>(65)</u>	<u>537</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>(65)</u>	<u>537</u>
FUND BALANCE - JANUARY 1	369	602	6,413	5,811
Prior period adjustment	-	-	(20)	(20)
FUND BALANCE - JANUARY 1, RESTATED	<u>369</u>	<u>602</u>	<u>6,393</u>	<u>5,791</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,328</u>	<u>\$ 6,328</u>

SPECIAL REVENUE FUND - HUB (1236)

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

For the Year Ended December 31, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	\$ 547	\$ 546	\$ 486	\$ (60)
TOTAL REVENUES	<u>547</u>	<u>546</u>	<u>486</u>	<u>(60)</u>
EXPENDITURES				
Current:				
General government	547	546	486	(60)
TOTAL EXPENDITURES	<u>547</u>	<u>546</u>	<u>486</u>	<u>(60)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	1	1
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
FUND BALANCE - JANUARY 1	-	-	125	125
Prior period adjustment	-	-	1	1
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>-</u>	<u>126</u>	<u>126</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ 127</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 4,456	\$ 4,456	\$ 4,208	\$ (248)
Charges for goods and services	547	547	703	156
Fines and penalties	573	573	993	420
Interest and other earnings	-	-	27	27
Miscellaneous revenues	493	493	28	(465)
TOTAL REVENUES	<u>6,069</u>	<u>6,069</u>	<u>5,959</u>	<u>(110)</u>
EXPENDITURES				
Current:				
Public safety	6,475	6,475	5,632	(843)
Capital expenditures	-	-	99	99
TOTAL EXPENDITURES	<u>6,475</u>	<u>6,475</u>	<u>5,731</u>	<u>(744)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(406)</u>	<u>(406)</u>	<u>228</u>	<u>634</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	16	16	17	1
TOTAL OTHER FINANCE SOURCES(USES)	<u>16</u>	<u>16</u>	<u>17</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>(390)</u>	<u>(390)</u>	<u>245</u>	<u>635</u>
FUND BALANCE - JANUARY 1	390	390	830	440
Prior period adjustment	-	-	835	835
FUND BALANCE - JANUARY 1, RESTATED	<u>390</u>	<u>390</u>	<u>1,665</u>	<u>1,275</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,910</u>	<u>\$ 1,910</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 2,114	\$ -	\$ 3,428	\$ 3,428
Licenses and permits	4,719	6,833	3,472	(3,361)
Intergovernmental revenue	-	-	9	9
Charges for goods and services	462	462	524	62
Interest and other earnings	-	-	90	90
Miscellaneous revenues	72	72	11	(61)
TOTAL REVENUES	<u>7,367</u>	<u>7,367</u>	<u>7,534</u>	<u>167</u>
EXPENDITURES				
Current:				
General government	130	130	4,701	4,571
Utilities and environment	8,049	10,549	2,704	(7,845)
Economic environment	12	20	-	(20)
Capital expenditures	-	-	2,164	2,164
TOTAL EXPENDITURES	<u>8,191</u>	<u>10,699</u>	<u>9,569</u>	<u>(1,130)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(824)</u>	<u>(3,332)</u>	<u>(2,035)</u>	<u>1,297</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>(2,025)</u>	<u>1,307</u>
FUND BALANCE - JANUARY 1	824	3,332	5,978	2,646
Prior period adjustment	-	-	46	46
FUND BALANCE - JANUARY 1. RESTATED	<u>824</u>	<u>3,332</u>	<u>6,024</u>	<u>2,692</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,999</u>	<u>\$ 3,999</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ 219	\$ 219	\$ 111	\$ (108)
Charges for goods and services	553	552	424	(128)
Fines and penalties	18	18	6	(12)
Interest and other earnings	-	-	5	5
TOTAL REVENUES	<u>790</u>	<u>789</u>	<u>546</u>	<u>(243)</u>
EXPENDITURES				
Current:				
Economic environment	<u>790</u>	<u>789</u>	<u>551</u>	<u>(238)</u>
TOTAL EXPENDITURES	<u>790</u>	<u>789</u>	<u>551</u>	<u>(238)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(5)</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>(5)</u>	<u>(5)</u>
FUND BALANCE - JANUARY 1	<u>-</u>	<u>-</u>	<u>272</u>	<u>272</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267</u>	<u>\$ 267</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Fines and penalties	\$ 3,837	\$ 3,837	\$ 5,715	\$ 1,878
Interest and other earnings	-	-	11	11
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	<u>3,837</u>	<u>3,837</u>	<u>5,726</u>	<u>1,889</u>
EXPENDITURES				
Current:				
Public safety	<u>6,491</u>	<u>6,491</u>	<u>6,265</u>	<u>(226)</u>
TOTAL EXPENDITURES	<u>6,491</u>	<u>6,491</u>	<u>6,265</u>	<u>(226)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,654)</u>	<u>(2,654)</u>	<u>(539)</u>	<u>2,115</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>(530)</u>	<u>(530)</u>
FUND BALANCE - JANUARY 1	-	-	722	722
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>-</u>	<u>722</u>	<u>722</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192</u>	<u>\$ 192</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Charges for goods and services	-	-	4,329	4,329
Interest and other earnings	-	-	3	3
TOTAL REVENUES	\$ -	\$ -	\$ 4,332	\$ 4,332
EXPENDITURES				
Current:				
Public safety	-	-	4,341	4,341
TOTAL EXPENDITURES	-	-	4,341	4,341
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(9)	(9)
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	(9)	(9)
FUND BALANCE - JANUARY 1	-	-	-	-
Prior period adjustment	-	-	(4)	(4)
FUND BALANCE - JANUARY 1. RESTATED	-	-	220	220
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 211	\$ 211

DEBT SERVICE FUND - VOTED BONDS (2010)

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

For the Year Ended December 31, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,412	\$ 5,412	\$ 5,569	\$ 157
TOTAL REVENUES	<u>5,412</u>	<u>5,412</u>	<u>5,569</u>	<u>157</u>
EXPENDITURES				
Debt service:				
Principal payments	3,985	3,985	3,985	-
Interest and other related costs	<u>1,427</u>	<u>1,427</u>	<u>1,427</u>	<u>-</u>
TOTAL EXPENDITURES	<u>5,412</u>	<u>5,412</u>	<u>5,412</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>157</u>	<u>157</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>157</u>	<u>157</u>
FUND BALANCE - JANUARY 1	-	-	1,046	1,046
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JANUARY 1. RESTATED	<u>-</u>	<u>-</u>	<u>1,046</u>	<u>1,046</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,203</u>	<u>\$ 1,203</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal payments	1,862	1,862	3,718	1,856
Interest and other related costs	4,507	4,507	3,556	(951)
TOTAL EXPENDITURES	6,369	6,369	7,274	905
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,369)	(6,369)	(7,274)	(905)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	896	896
Proceeds of refunding long-term debt	-	-	13,505	13,505
Payments to refunded debt escrow agent	-	-	(13,381)	(13,381)
Transfer in	6,369	6,369	6,542	173
TOTAL OTHER FINANCE SOURCES(USES)	6,369	6,369	7,562	1,193
NET CHANGE IN FUND BALANCE	-	-	288	288
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 288	\$ 288

DEBT SERVICE FUND - CTD PUBLIC WORKS TRUST FUND LOANS (2038)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal payments	2,222	2,222	2,222	-
Interest and other related costs	92	92	92	-
TOTAL EXPENDITURES	2,314	2,314	2,314	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,314)	(2,314)	(2,314)	-
OTHER FINANCING SOURCES (USES)				
Transfer in	2,314	2,314	2,314	-
TOTAL OTHER FINANCE SOURCES(USES)	2,314	2,314	2,314	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ -	\$ -

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, 2016
 (amounts expressed in thousands)

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

DEBT SERVICE 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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal payments	405	405	405	-
Interest and other related costs	2,593	2,593	6,148	3,555
TOTAL EXPENDITURES	2,998	2,998	6,553	3,555
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,998)	(2,998)	(6,553)	(3,555)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	3,555	3,555
Transfer in	2,998	2,998	2,998	-
TOTAL OTHER FINANCE SOURCES(USES)	2,998	2,998	6,553	3,555
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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal payments	7,615	7,615	7,044	(571)
Interest and other related costs	5,616	5,616	5,343	(273)
TOTAL EXPENDITURES	13,231	13,231	12,387	(844)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,231)	(13,231)	(12,387)	844
OTHER FINANCING SOURCES (USES)				
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	12,352	(879)
TOTAL OTHER FINANCE SOURCES(USES)	13,231	13,231	12,410	(821)
NET CHANGE IN FUND BALANCE	-	-	23	23
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 23	\$ 23

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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
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)
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 REDEMPION (2-7999)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Fines and penalties	\$ -	\$ -	\$ 3,576	\$ 3,576
Interest and other earnings	-	-	23	23
Miscellaneous revenues	-	-	3,458	3,458
TOTAL REVENUES	-	-	7,057	7,057
EXPENDITURES				
Current:				
General government	-	-	1	1
Debt service:				
Principal payments	-	-	3,581	3,581
Interest and other related costs	-	-	3,464	3,464
TOTAL EXPENDITURES	-	-	7,046	7,046
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	11	11
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	-	-	(138)	(138)
NET CHANGE IN FUND BALANCE	-	-	(127)	(127)
FUND BALANCE - JANUARY 1	-	-	5,109	5,109
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 4,982	\$ 4,982

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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 795	\$ 1,247	\$ 310	\$ (937)
Intergovernmental revenue	31,211	94,101	35,555	(58,546)
Charges for goods and services	650	2,121	3,976	1,855
Fines and penalties	-	-	9	9
Interest and other earnings	-	-	60	60
Miscellaneous revenues	-	57	45	(12)
TOTAL REVENUES	<u>32,656</u>	<u>97,526</u>	<u>39,955</u>	<u>(57,571)</u>
EXPENDITURES				
Current:				
Public safety	-	-	141	141
Transportation	38,834	122,556	12,408	(110,148)
Economic environment	-	-	5	5
Debt service:				
Interest and other related costs	-	-	202	202
Capital expenditures	-	-	37,104	37,104
TOTAL EXPENDITURES	<u>38,834</u>	<u>122,556</u>	<u>49,860</u>	<u>(72,696)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,178)</u>	<u>(25,030)</u>	<u>(9,905)</u>	<u>15,125</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	5,066	-	(5,066)
Proceeds of refunding long-term debt	-	-	-	-
Transfer in	6,411	18,321	7,804	(10,517)
Transfer (out)	(233)	(763)	(1,137)	(374)
TOTAL OTHER FINANCE SOURCES(USES)	<u>6,178</u>	<u>22,624</u>	<u>6,667</u>	<u>(15,957)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(2,406)</u>	<u>(3,238)</u>	<u>(832)</u>
FUND BALANCE - JANUARY 1	-	2,406	9,601	7,195
Prior period adjustment	-	-	156	156
FUND BALANCE - JANUARY 1. RESTATED	-	2,406	9,757	7,351
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,519</u>	<u>\$ 6,519</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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 8,216	\$ 10,837	\$ 17,043	\$ 6,206
Intergovernmental revenue	-	-	285	285
Interest and other earnings	199	199	207	8
Miscellaneous revenues	-	-	51	51
TOTAL REVENUES	<u>8,415</u>	<u>11,036</u>	<u>17,586</u>	<u>6,550</u>
EXPENDITURES				
Current:				
Transportation	2,037	1,933	790	(1,143)
Culture and recreation	-	-	45	45
Debt service:				
Interest and other related costs	-	-	4	4
Capital expenditures	-	4,900	1,279	(3,621)
TOTAL EXPENDITURES	<u>2,037</u>	<u>6,833</u>	<u>2,118</u>	<u>(4,715)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,378</u>	<u>4,203</u>	<u>15,468</u>	<u>11,265</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	3,579	1,286	(2,293)
Transfer (out)	(10,941)	(16,662)	(11,110)	5,552
TOTAL OTHER FINANCE SOURCES(USES)	<u>(10,941)</u>	<u>(13,083)</u>	<u>(9,824)</u>	<u>3,259</u>
NET CHANGE IN FUND BALANCE	<u>(4,563)</u>	<u>(8,880)</u>	<u>5,644</u>	<u>14,524</u>
FUND BALANCE - JANUARY 1	4,563	7,425	11,069	3,644
Prior period adjustment	-	-	4	4
FUND BALANCE - JANUARY 1. RESTATED	<u>4,563</u>	<u>7,425</u>	<u>11,073</u>	<u>3,648</u>
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ (1,455)</u>	<u>\$ 16,717</u>	<u>\$ 18,172</u>

CAPITAL PROJECT FUND - 2009 LTGO - CAPITAL PROJECTS (3216)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Interest and other earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current:				
Interest and other related costs	72	72	36	(36)
Capital expenditures	-	-	-	-
TOTAL EXPENDITURES	72	72	36	(36)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(72)	(72)	(36)	36
OTHER FINANCING SOURCES (USES)				
Transfer in	72	72	36	(36)
Transfer (out)	-	-	-	-
TOTAL OTHER FINANCE SOURCES(USES)	72	72	36	(36)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - JANUARY 1	-	-	(4,200)	(4,200)
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1, RESTATED	-	-	(4,200)	(4,200)
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ (4,200)	\$ (4,200)

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, 2016

(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenue	\$ -	\$ 2,805	\$ 2,683	\$ (122)
Interest and other earnings	-	-	39	39
Miscellaneous revenues	-	-	3	3
TOTAL REVENUES	-	2,805	2,725	(80)
EXPENDITURES				
Current:				
Culture and recreation	-	8,997	312	(8,685)
Debt service:				
Interest and other related costs	-	-	2	2
Capital expenditures	-	-	10,318	10,318
TOTAL EXPENDITURES	-	8,997	10,632	1,635
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(6,192)	(7,907)	(1,715)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	2,310	5,357	3,047
Transfer (out)	-	(2,237)	(1,386)	851
TOTAL OTHER FINANCE SOURCES(USES)	-	73	3,971	3,898
NET CHANGE IN FUND BALANCE	-	(6,119)	(3,936)	2,183
FUND BALANCE - JANUARY 1	-	6,119	4,864	(1,255)
Prior period adjustment	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	-	6,119	4,864	(1,255)
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 928	\$ 928

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, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Interest and other earnings	\$ -	\$ -	\$ 101	\$ 101
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>
EXPENDITURES				
Current:				
Transportation	-	1,720	248	(1,472)
Culture and recreation	-	339	240	(99)
Debt service:				
Capital expenditures	-	-	779	779
TOTAL EXPENDITURES	<u>-</u>	<u>2,059</u>	<u>1,267</u>	<u>(792)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(2,059)</u>	<u>(1,166)</u>	<u>893</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	18	18
Transfer (out)	-	(9,379)	(7,386)	1,993
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>(9,379)</u>	<u>(7,368)</u>	<u>2,011</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(11,438)</u>	<u>(8,534)</u>	<u>2,904</u>
FUND BALANCE - JANUARY 1	-	11,438	11,122	11,122
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,588</u>	<u>\$ 2,588</u>

CAPITAL PROJECT FUND - LID INTERIM FINANCING (3-7070)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2015-2016 BIENNIUM	APPROVED REVISED BUDGET 2015-2016 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2016	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				
Debt service:				
Principal payments	-	-	3,124	3,124
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,124</u>	<u>3,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(3,066)</u>	<u>(3,066)</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	<u>-</u>	<u>-</u>	<u>2,341</u>	<u>2,341</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(725)</u>	<u>(725)</u>
FUND BALANCE - JANUARY 1	-	-	2,140	2,140
Prior period adjustment	-	-	(168)	(168)
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>\$ 1,247</u>	<u>\$ 1,247</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
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(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	\$ 3,345	\$ 1,601	\$ 2,490
Accounts receivable (net)	61	315	-
Due from other funds	5	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Prepayments	100	-	39
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	5	-
C&CE - other special purposes	-	-	-
Total restricted assets	-	5	-
Total current assets	3,511	1,921	2,529
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	26,436	52,128
Less: accumulated depreciation	(101)	(8,860)	(14,747)
Construction work in progress	-	-	484
Total capital assets net of depreciation	167	18,686	49,671
Net pension asset	-	-	-
Total non-current assets	167	18,686	49,671
TOTAL ASSETS	3,678	20,607	52,200
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	1,910	-	327
Unamortized loss on refunding	-	-	-
Deferred charges	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ 1,910	-	327

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
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(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	\$ 12	\$ 226	\$ 490
Due to other funds	191	24	34
Due to other governments	2	-	-
Advances from other funds	-	-	-
Interest payable	-	6	-
Deposits payable	125	195	-
Accrued wages	138	-	26
Accrued benefits	-	-	-
Accrued taxes	4	84	98
Notes, contracts & leases - current	-	-	-
Revenue bonds - current	-	-	1,549
Unearned revenue	-	-	-
Other	-	-	-
Total current liabilities	<u>472</u>	<u>535</u>	<u>2,197</u>
Non-current liabilities:			
Revenue bonds payable (net)	-	-	11,657
Advances from other funds	-	-	-
Compensated absences	461	-	47
Notes, contracts & leases payable - non-current	-	-	-
Net OPEB obligation	-	-	-
Net pension liability	1,654	-	283
Other - non-current liabilities	-	-	-
TOTAL LIABILITIES	<u>2,587</u>	<u>535</u>	<u>14,184</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to pensions	111	-	19
Deferred gain on refunding	-	-	76
TOTAL DEFERRED INFLOW OF RESOURCES	<u>111</u>	<u>-</u>	<u>95</u>
NET POSITION			
Net investment in capital assets	167	18,685	36,390
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	-	-	-
Restricted for culture and recreation	-	-	-
Restricted for environmental services and programs	2,572	-	-
Restricted for inspections	135	-	-
Restricted for net pension assets	-	-	-
Unrestricted	16	1,387	1,858
TOTAL NET POSITION	<u>\$ 2,890</u>	<u>\$ 20,072</u>	<u>\$ 38,248</u>

COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2016

(amounts expressed in thousands)

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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	\$ 1,083	\$ 36	\$ 1,244	\$ 503
Accounts receivable (net)	265	-	99	-
Due from other funds	1	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Prepayments	52	18	41	19
Current restricted assets:				
C&CE - debt services, deposits and replacements	664	3	-	-
C&CE - other special purposes	-	83	6,576	22
Total restricted assets	<u>664</u>	<u>86</u>	<u>6,576</u>	<u>22</u>
Total current assets	<u>2,065</u>	<u>140</u>	<u>7,960</u>	<u>544</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	69,235	39,869	48,090	21,757
Less: accumulated depreciation	(23,955)	(10,122)	(31,251)	(7,655)
Construction work in progress	-	-	7	1,503
Total capital assets net of depreciation	<u>60,366</u>	<u>29,971</u>	<u>23,007</u>	<u>17,692</u>
Net pension asset	-	-	-	-
Total non-current assets	<u>60,476</u>	<u>29,971</u>	<u>23,007</u>	<u>17,692</u>
TOTAL ASSETS	<u>62,541</u>	<u>30,111</u>	<u>30,967</u>	<u>18,236</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	450	-	734	-
Unamortized loss on refunding	3,102	-	-	-
Deferred charges	-	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 3,552</u>	<u>\$ -</u>	<u>\$ 734</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
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(amounts expressed in thousands)

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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	\$ 234	\$ 34	\$ 302	\$ -
Due to other funds	78	3	61	7
Due to other governments	-	-	-	-
Advances from other funds	-	-	431	-
Interest payable	-	-	-	-
Deposits payable	435	-	6,651	-
Accrued wages	31	-	56	-
Accrued benefits	-	-	-	-
Accrued taxes	5	-	6	-
Notes, contracts & leases - current	-	-	-	-
Revenue bonds - current	4,060	-	-	-
Unearned revenue	-	-	33	-
Other	2	-	-	-
Total current liabilities	<u>4,845</u>	<u>37</u>	<u>7,540</u>	<u>7</u>
Non-current liabilities:				
Revenue bonds payable (net)	67,135	-	-	-
Advances from other funds	-	-	431	-
Compensated absences	82	-	211	-
Notes, contracts & leases payable - non-current	-	-	-	-
Net OPEB obligation	-	-	-	-
Net pension liability	390	-	636	-
Other - non-current liabilities	-	-	-	-
TOTAL LIABILITIES	<u>72,452</u>	<u>37</u>	<u>8,818</u>	<u>7</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	26	-	42	-
Deferred gain on refunding	42	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>68</u>	<u>-</u>	<u>42</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	(7,645)	29,971	23,007	17,692
Restricted:				
Restricted for capital purchases	367	83	893	-
Restricted for debt	663	3	-	-
Restricted for culture and recreation	-	-	6,576	-
Restricted for environmental services and programs	-	-	-	-
Restricted for inspections	-	-	-	-
Restricted for net pension assets	-	-	-	-
Unrestricted	188	17	(7,635)	537
TOTAL NET POSITION	<u>\$ (6,427)</u>	<u>30,074</u>	<u>22,841</u>	<u>18,229</u>

COMBINING STATEMENT OF NET POSITION

NON-MAJOR ENTERPRISE FUNDS

December 31, 2016

(amounts expressed in thousands)

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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	\$ 75	\$ 7,986	\$ 2,018
Accounts receivable (net)	4,052	3,132	-
Due from other funds	-	10	-
Due from other governments	-	-	-
Inventory	-	1,024	-
Prepayments	-	1,808	-
Current restricted assets:			
C&CE - debt services, deposits and replacements	-	66	-
C&CE - other special purposes	1,917	-	-
Total restricted assets	1,917	66	-
Total current assets	6,044	14,026	2,018
Non-current assets:			
Notes and contracts receivable (non-current)	19,481	-	-
Other non-current assets	-	-	-
Capital assets:			
Land	-	160	-
Property, plant, and equipment	-	44,649	-
Less: accumulated depreciation	-	(18,847)	-
Construction work in progress	-	2,255	-
Total capital assets net of depreciation	-	28,217	-
Net pension asset	-	-	-
Total non-current assets	19,481	28,217	-
TOTAL ASSETS	25,525	42,243	2,018
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	-	-	-
Unamortized loss on refunding	-	-	-
Deferred charges	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -	\$ -

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
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(amounts expressed in thousands)

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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	\$ -	\$ 2,136	\$ -
Due to other funds	-	261	-
Due to other governments	-	-	-
Advances from other funds	-	-	-
Interest payable	462	1	-
Deposits payable	-	10	-
Accrued wages	-	280	-
Accrued benefits	-	11	-
Accrued taxes	-	279	-
Notes, contracts & leases - current	2,520	816	-
Revenue bonds - current	-	-	-
Unearned revenue	1,459	-	-
Other	-	-	2,018
Total current liabilities	<u>4,441</u>	<u>3,794</u>	<u>2,018</u>
Non-current liabilities:			
Revenue bonds payable (net)	14,635	-	-
Advances from other funds	-	-	-
Compensated absences	-	1,004	-
Notes, contracts & leases payable - non-current	-	5,397	-
Net OPEB obligation	-	1,001	-
Net pension liability	-	-	-
Other - non-current liabilities	5,518	2,013	-
TOTAL LIABILITIES	<u>24,594</u>	<u>13,209</u>	<u>2,018</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	-	22,003	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	1,917	65	-
Restricted for culture and recreation	-	-	-
Restricted for environmental services and programs	-	-	-
Restricted for inspections	-	-	-
Restricted for net pension assets	-	-	-
Unrestricted	(986)	6,966	-
TOTAL NET POSITION	<u>\$ 931</u>	<u>\$ 29,034</u>	<u>\$ -</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
December 31, 2016
(amounts expressed in thousands)
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	NON-MAJOR ENTERPRISE FUNDS
<hr/>	
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 20,381
Accounts receivable (net)	7,924
Due from other funds	16
Due from other governments	-
Inventory	1,024
Prepayments	2,077
Current restricted assets:	
C&CE - debt services, deposits and replacements	738
C&CE - other special purposes	8,598
Total restricted assets	<u>9,336</u>
Total current assets	<u>40,758</u>
Non-current assets:	
Notes and contracts receivable (non-current)	19,481
Other non-current assets	110
Capital assets:	
Land	36,634
Property, plant, and equipment	302,432
Less: accumulated depreciation	(115,538)
Construction work in progress	4,249
Total capital assets net of depreciation	<u>227,777</u>
Net pension asset	<u>-</u>
Total non-current assets	<u>247,368</u>
TOTAL ASSETS	<u>288,126</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pensions	3,421
Unamortized loss on refunding	3,102
Deferred charges	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 6,523</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
December 31, 2016
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	NON-MAJOR ENTERPRISE FUNDS
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LIABILITIES	
Current liabilities:	
Accounts payable	\$ 3,434
Due to other funds	659
Due to other governments	2
Advances from other funds	431
Interest payable	469
Deposits payable	7,416
Accrued wages	531
Accrued benefits	11
Accrued taxes	476
Notes, contracts & leases - current	3,336
Revenue bonds - current	5,609
Unearned revenue	1,492
Other	2,020
Total current liabilities	<hr/> 25,886
Non-current liabilities:	
Revenue bonds payable (net)	93,427
Advances from other funds	431
Compensated absences	1,805
Notes, contracts & leases payable - non-current	5,397
Net OPEB obligation	1,001
Net pension liability	2,963
Other - non-current liabilities	7,531
TOTAL LIABILITIES	<hr/> 138,441 <hr/>
DEFERRED INFLOW OF RESOURCES	
Deferred inflows related to pensions	198
Deferred gain on refunding	118
TOTAL DEFERRED INFLOW OF RESOURCES	<hr/> 316 <hr/>
NET POSITION	
Net investment in capital assets	140,270
Restricted:	
Restricted for capital purchases	1,343
Restricted for debt	2,648
Restricted for culture and recreation	6,576
Restricted for environmental services and programs	2,572
Restricted for inspections	135
Restricted for net pension assets	-
Unrestricted	2,348
TOTAL NET POSITION	<hr/> \$ 155,892 <hr/>

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

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2016

(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	\$ 9,379	\$ 1,348	\$ 7,305
Miscellaneous revenues	-	-	-
TOTAL OPERATING REVENUES	<u>9,379</u>	<u>1,348</u>	<u>7,305</u>
OPERATING EXPENSES			
Salary and wages	4,759	395	855
Personnel benefits	2,246	247	529
Supplies	81	64	21
Services	2,469	1,278	2,258
Intergovernmental services (interfund taxes)	-	45	84
Depreciation expense	19	896	1,303
TOTAL OPERATING EXPENSES	<u>9,574</u>	<u>2,925</u>	<u>5,050</u>
OPERATING INCOME (LOSS)	<u>(195)</u>	<u>(1,577)</u>	<u>2,255</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	32	7	30
Interest and other related costs	(1)	(23)	(407)
Operating contributions - interfund	-	-	-
Operating contributions - federal/state/local	11	52	-
Other non revenues and (expenses)	-	202	2
Gain(loss) on disposition of property	-	596	-
NON OPERATING REVENUE NET OF EXPENSE	<u>42</u>	<u>834</u>	<u>(375)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(153)</u>	<u>(743)</u>	<u>1,880</u>
Capital contributions - federal/state/local	-	-	-
Capital contributions - private	-	-	104
Transfer in	5	200	142
Transfer (out)	-	-	(1,204)
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>5</u>	<u>200</u>	<u>(958)</u>
CHANGE IN NET POSITION	<u>(148)</u>	<u>(543)</u>	<u>922</u>
NET POSITION			
NET POSITION - JANUARY 1	3,612	20,615	37,326
Prior period adjustments	(574)	-	-
Change in accounting principle	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>3,038</u>	<u>20,615</u>	<u>37,326</u>
NET POSITION - DECEMBER 31	<u>\$ 2,890</u>	<u>\$ 20,072</u>	<u>\$ 38,248</u>

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

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2016

(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	\$ 2,625	\$ 863	\$ 8,349	\$ -
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>2,625</u>	<u>863</u>	<u>8,349</u>	<u>-</u>
OPERATING EXPENSES				
Salary and wages	1,104	-	2,081	1
Personnel benefits	539	-	1,004	1
Supplies	208	37	651	40
Services	2,708	67	4,055	813
Intergovernmental services (interfund taxes)	64	64	100	-
Depreciation expense	<u>1,921</u>	<u>1,506</u>	<u>583</u>	<u>654</u>
TOTAL OPERATING EXPENSES	<u>6,544</u>	<u>1,674</u>	<u>8,474</u>	<u>1,509</u>
OPERATING INCOME (LOSS)	<u>(3,919)</u>	<u>(811)</u>	<u>(125)</u>	<u>(1,509)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	27	2	28	9
Interest and other related costs	(2,579)	(1)	(11)	-
Operating contributions - interfund	-	-	-	-
Operating contributions - federal/state/local	-	-	-	-
Other non revenues and (expenses)	3,473	40	2	-
Gain(loss) on disposition of property	-	-	-	(33)
NON OPERATING REVENUE NET OF EXPENSE	<u>921</u>	<u>41</u>	<u>19</u>	<u>(24)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(2,998)</u>	<u>(770)</u>	<u>(106)</u>	<u>(1,533)</u>
Capital contributions - private	47	484	-	-
Transfer in	3,471	687	509	1,808
Transfer (out)	-	(1,301)	-	-
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>3,518</u>	<u>(130)</u>	<u>509</u>	<u>1,808</u>
CHANGE IN NET POSITION	<u>520</u>	<u>(900)</u>	<u>403</u>	<u>275</u>
NET POSITION				
NET POSITION - JANUARY 1	(6,905)	30,974	22,462	17,976
Prior period adjustments	(42)	-	(24)	(22)
Change in accounting principle	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>(6,947)</u>	<u>30,974</u>	<u>22,438</u>	<u>17,954</u>
NET POSITION - DECEMBER 31	<u>\$ (6,427)</u>	<u>\$ 30,074</u>	<u>\$ 22,841</u>	<u>\$ 18,229</u>

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

NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2016

(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	\$ -	\$ 32,097	\$ -
Miscellaneous revenues	-	-	-
TOTAL OPERATING REVENUES	-	32,097	-
OPERATING EXPENSES			
Salary and wages	-	10,624	-
Personnel benefits	-	4,731	-
Supplies	-	1,106	-
Services	3	10,236	-
Intergovernmental services (interfund taxes)	-	439	-
Depreciation expense	-	1,473	-
TOTAL OPERATING EXPENSES	3	28,609	-
OPERATING INCOME (LOSS)	(3)	3,488	-
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	-	87	-
Interest and other related costs	(1,682)	(14)	-
Operating contributions - interfund	-	-	-
Operating contributions - federal/state/local	-	802	-
Other non revenues and (expenses)	1,682	83	-
Gain(loss) on disposition of property	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	-	958	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(3)	4,446	-
Capital contributions - federal/state/local	-	-	-
Capital contributions - private	-	138	-
Transfer in	-	-	-
Transfer (out)	-	(2,591)	-
TOTAL CONTRIBUTIONS AND TRANSFERS	-	(2,453)	-
CHANGE IN NET POSITION	(3)	1,993	-
NET POSITION			
NET POSITION - JANUARY 1	934	27,041	-
Prior period adjustments	-	-	-
Change in accounting principle	-	-	-
NET POSITION - JANUARY 1 RESTATED	934	27,041	-
NET POSITION - DECEMBER 31	\$ 931	\$ 29,034	\$ -

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

NON-MAJOR ENTERPRISE FUNDS

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(amounts expressed in thousands)

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	NON-MAJOR ENTERPRISE FUNDS
OPERATING REVENUES	
Charges for goods and services	\$ 61,966
Miscellaneous revenues	-
TOTAL OPERATING REVENUES	<u>61,966</u>
OPERATING EXPENSES	
Salary and wages	19,819
Personnel benefits	9,297
Supplies	2,208
Services	23,887
Intergovernmental services (interfund taxes)	796
Depreciation expense	<u>8,355</u>
TOTAL OPERATING EXPENSES	<u>64,362</u>
OPERATING INCOME (LOSS)	<u>(2,396)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and other earnings	222
Interest and other related costs	(4,718)
Operating contributions - interfund	-
Operating contributions - federal/state/local	865
Other non revenues and (expenses)	5,484
Gain(loss) on disposition of property	<u>563</u>
NON OPERATING REVENUE NET OF EXPENSE	<u>2,416</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>20</u>
Capital contributions - private	773
Transfer in	6,822
Transfer (out)	(5,096)
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>2,499</u>
CHANGE IN NET POSITION	<u>2,519</u>
NET POSITION	
NET POSITION - JANUARY 1	154,035
Prior period adjustments	(662)
Change in accounting principle	-
NET POSITION - JANUARY 1 RESTATED	<u>153,373</u>
NET POSITION - DECEMBER 31	<u>155,892</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 9,037	\$ 1,350	\$ 7,305
Receipts from interfund services provided	(5)	2	1
Payments to suppliers	(1,072)	(863)	(1,701)
Payments to employees	(6,980)	(642)	(1,373)
Payments for taxes	(8)	20	(155)
Payments for interfund services used	(1,202)	(161)	(353)
Other operating or non-operating revenues (expenses)	-	202	3
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(230)</u>	<u>(92)</u>	<u>3,727</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	5	200	142
Transfers (to) other funds	-	-	-
Advances (to) other funds	-	(2,251)	-
Grants received	11	52	-
Contributions and Donations	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>16</u>	<u>(1,999)</u>	<u>142</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	-	(759)
Proceeds from the sale of capital assets	-	2,661	-
Principal paid on capital debt	-	-	(2,714)
Interest and issuance costs paid on capital debt	(1)	(23)	(412)
Premium and net refunding from capital debt	-	-	-
Contributions and donations	-	-	105
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(1)</u>	<u>2,638</u>	<u>(3,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	35	15	33
Investment long-term	(3)	(8)	(3)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>32</u>	<u>7</u>	<u>30</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(183)	554	119
CASH & CASH EQUIVALENTS, JANUARY 1	3,528	1,052	2,371
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,345</u>	<u>\$ 1,606</u>	<u>\$ 2,490</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	PERMIT SERVICES FUND #4110	TACOMA RAIL MOUNTAIN DIV FUND #4120	PARKING GARAGE FUND #4140
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (195)	\$ (1,577)	\$ 2,255
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	19	896	1,303
(increase) decrease in accounts receivable	232	2	-
(Increase) decrease in due from other funds	(5)	2	1
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	48	6
(Increase) decrease in other current assets	(1,340)	-	(219)
Increase (decrease) in deposits payable	-	150	-
Increase (decrease) in accounts payable	(38)	219	286
Increase (decrease) in accrued wages payable	16	-	7
Increase (decrease) in compensated absences	9	-	5
Increase (decrease) in due to other funds	60	(34)	-
Increase (decrease) in unearned revenues	-	-	(20)
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	(168)
Increase (decrease) in other long-term liabilities	1,586	-	268
Increase (decrease) in prior period adjustments	(574)	-	-
Miscellaneous non-operating revenues (expenditures)	-	202	3
Total adjustments	(35)	1,485	1,472
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (230)</u>	<u>\$ (92)</u>	<u>\$ 3,727</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ 105

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,525	\$ 917	\$ 8,390	\$ -
Receipts from interfund services provided	12	-	6	-
Payments to suppliers	(2,345)	(47)	(2,736)	(945)
Payments to employees	(1,616)	-	(3,058)	(1)
Payments for taxes	(67)	(64)	(107)	-
Payments for interfund services used	(546)	(22)	(407)	(59)
Other operating or non-operating revenues (expenses)	46	39	1	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,991)</u>	<u>823</u>	<u>2,089</u>	<u>(1,005)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	2,992	687	509	1,308
Transfers (to) other funds	-	-	-	-
Advances (to) other funds	-	-	(432)	(77)
Grants received	-	-	-	-
Contributions and Donations	3,426	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>6,418</u>	<u>687</u>	<u>77</u>	<u>1,231</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	479	-	-	500
Acquisition and construction of capital assets	(228)	(686)	(7)	(1,406)
Proceeds from the sale of capital assets	-	-	-	-
Principal paid on capital debt	(3,443)	(1,300)	-	-
Interest and issuance costs paid on capital debt	(2,773)	(1)	(11)	-
Premium and net refunding from capital debt	-	-	-	-
Contributions and donations	47	484	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(5,918)</u>	<u>(1,503)</u>	<u>(18)</u>	<u>(906)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	29	3	33	8
Investment long-term	(2)	-	(5)	2
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>27</u>	<u>3</u>	<u>28</u>	<u>10</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(1,464)	10	2,176	(670)
CASH & CASH EQUIVALENTS, JANUARY 1	3,211	112	5,644	1,195
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,747</u>	<u>\$ 122</u>	<u>\$ 7,820</u>	<u>\$ 525</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	CONVENTION CENTER FUND #4165	CHENEY STADIUM FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (3,919)	\$ (811)	\$ (125)	\$ (1,509)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,921	1,506	583	654
(increase) decrease in accounts receivable	(100)	54	40	-
(Increase) decrease in due from other funds	12	-	6	-
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	(7)	-	1	-
(Increase) decrease in other current assets	(312)	-	(461)	1
Increase (decrease) in deposits payable	17	-	1,306	-
Increase (decrease) in accounts payable	(21)	34	123	(130)
Increase (decrease) in accrued wages payable	8	-	11	-
Increase (decrease) in compensated absences	19	-	17	-
Increase (decrease) in due to other funds	26	1	14	1
Increase (decrease) in unearned revenues	-	-	4	-
Increase (decrease) in other current liabilities	(12)	-	-	-
Increase (decrease) in notes, contracts, and leases payable	-	-	-	-
Increase (decrease) in other long-term liabilities	373	-	593	-
Increase (decrease) in prior period adjustments	(42)	-	(25)	(22)
Miscellaneous non-operating revenues (expenditures)	46	39	2	-
Total adjustments	1,928	1,634	2,214	504
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (1,991)</u>	<u>\$ 823</u>	<u>\$ 2,089</u>	<u>\$ (1,005)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	\$ 47	\$ 159	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 4,052	\$ 31,803	\$ -
Receipts from interfund services provided	-	43	-
Payments to suppliers	(1,749)	(9,364)	138
Payments to employees	-	(15,028)	-
Payments for taxes	-	(436)	-
Payments for interfund services used	-	(1,510)	-
Other operating or non-operating revenues (expenses)	1,682	83	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,985</u>	<u>5,591</u>	<u>138</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Transfers (to) other funds	-	(2,578)	-
Advances (to) other funds	-	(129)	-
Grants received	-	802	-
Contributions and Donations	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(1,905)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	(4,941)	-
Proceeds from the sale of capital assets	-	-	-
Principal paid on capital debt	(2,300)	(64)	-
Interest and issuance costs paid on capital debt	(1,682)	(14)	-
Premium and net refunding from capital debt	-	-	-
Contributions and donations	-	138	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(3,982)</u>	<u>(4,881)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	-	91	-
Investment long-term	-	(5)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>86</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	3	(1,109)	138
CASH & CASH EQUIVALENTS, JANUARY 1	1,989	9,161	1,880
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31 \$	<u><u>1,992</u></u>	<u><u>8,052</u></u>	<u><u>2,018</u></u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	UNION STATION FUND #4450	TACOMA RAIL BELT LINE DIV FUND #4500	LOW INCOME ASSISTANCE FUND #4805
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (3)	\$ 3,488	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	1,473	-
(increase) decrease in accounts receivable	4,052	(294)	-
(Increase) decrease in due from other funds	-	43	-
(Increase) decrease in inventories	-	(87)	-
(Increase) decrease in prepaid items	-	111	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in deposits payable	-	(35)	-
Increase (decrease) in accounts payable	(64)	390	-
Increase (decrease) in accrued wages payable	-	36	-
Increase (decrease) in compensated absences	-	292	-
Increase (decrease) in due to other funds	-	75	-
Increase (decrease) in unearned revenues	(223)	-	-
Increase (decrease) in other current liabilities	-	-	138
Increase (decrease) in notes, contracts, and leases payable	-	-	-
Increase (decrease) in other long-term liabilities	(1,459)	16	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	1,682	83	-
Total adjustments	3,988	2,103	138
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,985</u>	<u>\$ 5,591</u>	<u>\$ 138</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	NON-MAJOR ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 65,379
Receipts from interfund services provided	59
Payments to suppliers	(20,684)
Payments to employees	(28,698)
Payments for taxes	(817)
Payments for interfund services used	(4,260)
Other operating or non-operating revenues (expenses)	2,056
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>13,035</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	5,843
Transfers (to) other funds	(2,578)
Advances (to) other funds	(2,889)
Grants received	865
Contributions and Donations	3,426
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>4,667</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	979
Acquisition and construction of capital assets	(8,027)
Proceeds from the sale of capital assets	2,661
Principal paid on capital debt	(9,821)
Interest and issuance costs paid on capital debt	(4,917)
Premium and net refunding from capital debt	-
Contributions and donations	774
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(18,351)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends received	247
Investment long-term	(24)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>223</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(426)
CASH & CASH EQUIVALENTS, JANUARY 1	<u>30,143</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 29,717</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	NON-MAJOR ENTERPRISE FUNDS
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RECONCILIATION OF OPERATING INCOME	
(LOSS) TO NET CASH PROVIDED (USED)	
BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (2,396)
Adjustments to reconcile operating income	
(loss) to net cash provided (used)	
by operating activities:	
Depreciation expense	8,355
(increase) decrease in accounts receivable	3,986
(Increase) decrease in due from other funds	59
(Increase) decrease in inventories	(87)
(Increase) decrease in prepaid items	159
(Increase) decrease in other current assets	(2,331)
Increase (decrease) in deposits payable	1,438
Increase (decrease) in accounts payable	799
Increase (decrease) in accrued wages payable	78
Increase (decrease) in compensated absences	342
Increase (decrease) in due to other funds	143
Increase (decrease) in unearned revenues	(239)
Increase (decrease) in other current liabilities	126
Increase (decrease) in notes, contracts, and leases payable	(168)
Increase (decrease) in other long-term liabilities	1,377
Increase (decrease) in prior period adjustments	(663)
Miscellaneous non-operating revenues (expenditures)	2,057
Total adjustments	15,431
NET CASH PROVIDED (USED) BY	
OPERATING ACTIVITIES	\$ <u>13,035</u>
 NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Contributions of capital assets	\$ 311

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	FINANCE DEPARTMENT FUND #5007	BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1	\$ -	\$ 143
Accounts receivable (net)	21	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Prepayments	-	-	-
Current restricted assets:			
C&CE - construction accounts	-	-	-
Total restricted assets	-	-	-
Total current assets	22	-	143
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	22	-	143
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows related to pensions	-	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -	\$ -

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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	-	-	-
Due to other governments	-	-	-
Accrued wages	-	-	-
Accrued benefits	-	-	-
Accrued taxes	-	-	-
Unearned revenue	-	-	-
Other	-	-	-
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Non-current liabilities:			
Compensated absences	-	-	-
Net pension liability	-	-	-
Other - non-current liabilities	-	-	-
TOTAL LIABILITIES	<u>-</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	<u>22</u>	<u>-</u>	<u>143</u>
TOTAL NET POSITION	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 143</u>

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
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 165	\$ 19,809	\$ 140	\$ 6,642
Accounts receivable (net)	-	214	-	13
Due from other funds	81	33	155	22
Due from other governments	-	-	-	-
Inventory	-	295	-	477
Prepayments	-	-	-	23
Current restricted assets:				
C&CE - construction accounts	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	<u>246</u>	<u>20,351</u>	<u>295</u>	<u>7,177</u>
Capital assets:				
Land	-	-	-	-
Property, plant, and equipment	-	65,771	-	53,549
Less: accumulated depreciation	-	(39,777)	-	(36,665)
Construction work in progress	-	256	-	1,778
Total capital assets net of depreciation	-	<u>26,250</u>	-	<u>18,662</u>
Net pension asset	-	-	-	-
Total non-current assets	-	<u>26,250</u>	-	<u>18,662</u>
TOTAL ASSETS	<u>246</u>	<u>46,601</u>	<u>295</u>	<u>25,839</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	-	965	-	1,287
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ 965	\$ -	\$ 1,287

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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	\$ 237	\$ 685	\$ 155	\$ 361
Due to other funds	2	103	-	114
Due to other governments	-	-	-	-
Accrued wages	-	75	-	146
Accrued benefits	-	-	-	-
Accrued taxes	-	-	-	9
Unearned revenue	-	-	-	-
Other	-	-	-	-
Total current liabilities	<u>239</u>	<u>863</u>	<u>155</u>	<u>630</u>
Non-current liabilities:				
Compensated absences	-	231	-	748
Net pension liability	-	835	-	1,114
Other - non-current liabilities	-	-	-	-
TOTAL LIABILITIES	<u>239</u>	<u>1,929</u>	<u>155</u>	<u>2,492</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	-	56	-	74
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>56</u>	<u>-</u>	<u>74</u>
NET POSITION				
Net investment in capital assets	-	26,250	-	18,662
Restricted:				
Restricted for capital purchases	-	26,276	-	-
Restricted for self-insurance	-	-	-	-
Restricted for net pension assets	-	-	-	-
Unrestricted	<u>7</u>	<u>(6,945)</u>	<u>140</u>	<u>5,898</u>
TOTAL NET POSITION	<u>\$ 7</u>	<u>\$ 45,581</u>	<u>\$ 140</u>	<u>\$ 24,560</u>

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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	\$ 553	\$ 4,605	\$ 7,315	\$ 626
Accounts receivable (net)	-	136	-	-
Due from other funds	42	163	-	-
Due from other governments	-	-	-	-
Inventory	240	-	-	-
Prepayments	-	-	-	-
Current restricted assets:				
C&CE - construction accounts	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	<u>835</u>	<u>4,904</u>	<u>7,315</u>	<u>626</u>
Capital assets:				
Land	11	-	-	-
Property, plant, and equipment	258	5,552	-	-
Less: accumulated depreciation	(258)	(2,761)	-	-
Construction work in progress	-	15	-	-
Total capital assets net of depreciation	<u>11</u>	<u>2,806</u>	<u>-</u>	<u>-</u>
Net pension asset	-	-	-	-
Total non-current assets	<u>11</u>	<u>2,806</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>846</u>	<u>7,710</u>	<u>7,315</u>	<u>626</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	52	224	13	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 52</u>	<u>\$ 224</u>	<u>\$ 13</u>	<u>\$ -</u>

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	ASPHALT PLANT FUND #5453	COMMUNICATIONS EQUIPMENT FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 65	\$ 89	\$ 99	\$ 105
Due to other funds	11	42	99	1
Due to other governments	-	-	-	-
Accrued wages	4	36	1	-
Accrued benefits	-	-	-	-
Accrued taxes	-	3	-	-
Unearned revenue	-	-	-	-
Other	-	-	13,752	-
Total current liabilities	<u>80</u>	<u>170</u>	<u>13,951</u>	<u>106</u>
Non-current liabilities:				
Compensated absences	11	230	-	-
Net pension liability	46	194	11	-
Other - non-current liabilities	-	-	7,750	-
TOTAL LIABILITIES	<u>137</u>	<u>594</u>	<u>21,712</u>	<u>106</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	3	13	1	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>3</u>	<u>13</u>	<u>1</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	11	2,806	-	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for net pension assets	-	-	-	-
Unrestricted	<u>747</u>	<u>4,521</u>	<u>(14,385)</u>	<u>520</u>
TOTAL NET POSITION	<u>\$ 758</u>	<u>\$ 7,327</u>	<u>\$ (14,385)</u>	<u>\$ 520</u>

COMBINING STATEMENT OF NET POSITION

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	WORKER'S COMPENSATION FUND #5570	FACILITIES OPERATIONS & TELECOMMUNICATIONS FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,847	\$ 4,298	\$ 1,545	\$ 26,683
Accounts receivable (net)	-	-	-	5
Due from other funds	-	1	5,320	6
Due from other governments	-	-	-	-
Inventory	-	-	19	-
Prepayments	-	32	861	-
Current restricted assets:				
C&CE - construction accounts	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	<u>3,847</u>	<u>4,331</u>	<u>7,745</u>	<u>26,694</u>
Capital assets:				
Land	-	346	-	-
Property, plant, and equipment	-	20,238	27,221	-
Less: accumulated depreciation	-	(13,969)	(19,859)	-
Construction work in progress	-	-	1,021	-
Total capital assets net of depreciation	-	<u>6,615</u>	<u>8,383</u>	-
Net pension asset	-	-	-	-
Total non-current assets	-	<u>6,615</u>	<u>8,383</u>	-
TOTAL ASSETS	<u>3,847</u>	<u>10,946</u>	<u>16,128</u>	<u>26,694</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows related to pensions	340	531	4,311	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 340</u>	<u>\$ 531</u>	<u>\$ 4,311</u>	<u>\$ -</u>

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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	\$ 370	\$ 127	\$ 2,606	\$ 4,628
Due to other funds	31	27	49	29
Due to other governments	-	-	-	-
Accrued wages	16	54	456	-
Accrued benefits	-	-	-	5
Accrued taxes	-	-	2	-
Unearned revenue	-	-	-	-
Other	5,681	-	-	8,487
Total current liabilities	<u>6,098</u>	<u>208</u>	<u>3,113</u>	<u>13,149</u>
Non-current liabilities:				
Compensated absences	-	242	2,294	-
Net pension liability	294	460	3,733	-
Other - non-current liabilities	-	-	-	-
TOTAL LIABILITIES	<u>6,392</u>	<u>910</u>	<u>9,140</u>	<u>13,149</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflows related to pensions	20	31	250	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>20</u>	<u>31</u>	<u>250</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	6,615	8,382	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for self-insurance	-	-	-	-
Restricted for net pension assets	-	-	-	-
Unrestricted	(2,225)	3,921	2,667	13,545
TOTAL NET POSITION	<u>\$ (2,225)</u>	<u>\$ 10,536</u>	<u>\$ 11,049</u>	<u>\$ 13,545</u>

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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,633	\$ 84,005
Accounts receivable (net)	-	389
Due from other funds	-	5,823
Due from other governments	-	-
Inventory	-	1,031
Prepayments	-	916
Current restricted assets:		
C&CE - construction accounts	-	-
Total restricted assets	-	-
Total current assets	<u>7,633</u>	<u>92,164</u>
Capital assets:		
Land	-	357
Property, plant, and equipment	-	172,589
Less: accumulated depreciation	-	(113,289)
Construction work in progress	-	3,070
Total capital assets net of depreciation	-	<u>62,727</u>
Net pension asset	-	-
Total non-current assets	-	<u>62,727</u>
TOTAL ASSETS	<u>7,633</u>	<u>154,891</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows related to pensions	-	7,723
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ 7,723

COMBINING STATEMENT OF NET POSITION
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	SELF INSURANCE CLAIMS FUND #(5)4800	TOTAL INTERNAL SERVICE FUNDS
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 5	\$ 9,532
Due to other funds	12	520
Due to other governments	-	-
Accrued wages	-	788
Accrued benefits	-	5
Accrued taxes	-	14
Unearned revenue	-	-
Other	-	27,920
Total current liabilities	<u>17</u>	<u>38,779</u>
Non-current liabilities:		
Compensated absences	-	3,756
Net pension liability	-	6,687
Other - non-current liabilities	4,810	12,560
TOTAL LIABILITIES	<u>4,827</u>	<u>61,781</u>
DEFERRED INFLOW OF RESOURCES		
Deferred inflows related to pensions	-	448
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>448</u>
NET POSITION		
Net investment in capital assets	-	62,726
Restricted:		
Restricted for capital purchases	-	26,276
Restricted for self-insurance	2,806	2,806
Restricted for net pension assets	-	-
Unrestricted	-	8,576
TOTAL NET POSITION	<u>\$ 2,806</u>	<u>\$ 100,384</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	\$ -	\$ -	\$ -
Interfund insurance premiums	-	-	-
Miscellaneous revenues	-	-	-
TOTAL OPERATING REVENUES	-	-	-
OPERATING EXPENSES			
Salary and wages	-	-	-
Personnel benefits	-	-	-
Supplies	-	-	-
Services	-	-	-
Depreciation expense	-	-	-
TOTAL OPERATING EXPENSES	-	-	-
OPERATING INCOME (LOSS)	-	-	-
NON-OPERATING REVENUES (EXPENSES)			
Interest and other earnings	-	-	-
Interest and other related costs	-	-	-
Operating contributions - interfund	-	-	-
Other non revenues and (expenses)	-	-	-
Gain(loss) on disposition of property	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	-	-	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	-	-	-
Transfer in	-	-	-
Transfer (out)	-	-	-
TOTAL CONTRIBUTIONS AND TRANSFERS	-	-	-
CHANGE IN NET POSITION	-	-	-
NET POSITION			
NET POSITION - JANUARY 1	22	-	143
Prior period adjustments	-	-	-
Change in accounting principle	-	-	-
NET POSITION - JANUARY 1 RESTATED	22	-	143
NET POSITION - DECEMBER 31	\$ 22	\$ -	\$ 143

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	\$ 673	\$ 8,517	\$ 402	\$ 13,573
Interfund insurance premiums	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>673</u>	<u>8,517</u>	<u>402</u>	<u>13,573</u>
OPERATING EXPENSES				
Salary and wages	-	2,935	-	4,562
Personnel benefits	-	304	-	238
Supplies	-	109	-	81
Services	678	1,365	402	3,192
Depreciation expense	-	2,988	-	3,049
TOTAL OPERATING EXPENSES	<u>678</u>	<u>7,701</u>	<u>402</u>	<u>11,122</u>
OPERATING INCOME (LOSS)	<u>(5)</u>	<u>816</u>	<u>-</u>	<u>2,451</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	1	49	1	45
Interest and other related costs	-	-	-	-
Operating contributions - interfund	-	-	-	-
Other non revenues and (expenses)	-	25	-	25
Gain(loss) on disposition of property	-	323	-	159
NON OPERATING REVENUE NET OF EXPENSE	<u>1</u>	<u>397</u>	<u>1</u>	<u>229</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(4)</u>	<u>1,213</u>	<u>1</u>	<u>2,680</u>
Transfer in	-	2	-	-
Transfer (out)	-	-	-	-
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(4)</u>	<u>1,215</u>	<u>1</u>	<u>2,680</u>
NET POSITION				
NET POSITION - JANUARY 1	11	44,366	139	21,880
Prior period adjustments	-	-	-	-
Change in accounting principle	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>11</u>	<u>44,366</u>	<u>139</u>	<u>21,880</u>
NET POSITION - DECEMBER 31	<u>\$ 7</u>	<u>\$ 45,581</u>	<u>\$ 140</u>	<u>\$ 24,560</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN 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
OPERATING REVENUES				
Charges for goods and services	\$ 1,714	\$ 3,129	\$ -	\$ -
Interfund insurance premiums	-	-	3,687	343
Miscellaneous revenues	-	-	-	-
TOTAL OPERATING REVENUES	<u>1,714</u>	<u>3,129</u>	<u>3,687</u>	<u>343</u>
OPERATING EXPENSES				
Salary and wages	170	641	29	-
Personnel benefits	98	242	11	-
Supplies	767	264	-	-
Services	523	1,142	6,808	391
Depreciation expense	1	-	-	-
TOTAL OPERATING EXPENSES	<u>1,559</u>	<u>2,289</u>	<u>6,848</u>	<u>391</u>
OPERATING INCOME (LOSS)	<u>155</u>	<u>840</u>	<u>(3,161)</u>	<u>(48)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	3	42	63	5
Interest and other related costs	-	-	-	-
Operating contributions - interfund	-	-	-	-
Other non revenues and (expenses)	-	-	-	-
Gain(loss) on disposition of property	16	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>19</u>	<u>42</u>	<u>63</u>	<u>5</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>174</u>	<u>882</u>	<u>(3,098)</u>	<u>(43)</u>
Capital contributions - interfund	-	751	-	-
Transfer in	155	-	-	-
Transfer (out)	-	-	-	-
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>155</u>	<u>751</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>329</u>	<u>1,633</u>	<u>(3,098)</u>	<u>(43)</u>
NET POSITION				
NET POSITION - JANUARY 1	429	5,694	(11,287)	685
Prior period adjustments	-	-	-	(122)
Change in accounting principle	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>429</u>	<u>5,694</u>	<u>(11,287)</u>	<u>563</u>
NET POSITION - DECEMBER 31	<u>\$ 758</u>	<u>\$ 7,327</u>	<u>\$ (14,385)</u>	<u>\$ 520</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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	WORKER'S COMPENSATION FUND #5570	FACILITIES OPERATIONS & TELECOMMUNICATIONS FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
OPERATING REVENUES				
Charges for goods and services	\$ -	\$ 4,828	\$ 28,677	\$ -
Interfund insurance premiums	8,367	-	-	74,408
Miscellaneous revenues	96	-	-	739
TOTAL OPERATING REVENUES	<u>8,463</u>	<u>4,828</u>	<u>28,677</u>	<u>75,147</u>
OPERATING EXPENSES				
Salary and wages	722	1,233	11,269	-
Personnel benefits	329	614	4,297	-
Supplies	10	379	2,066	12
Services	6,051	2,418	11,304	71,725
Depreciation expense	-	493	1,292	-
TOTAL OPERATING EXPENSES	<u>7,112</u>	<u>5,137</u>	<u>30,228</u>	<u>71,737</u>
OPERATING INCOME (LOSS)	<u>1,351</u>	<u>(309)</u>	<u>(1,551)</u>	<u>3,410</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and other earnings	29	38	11	203
Interest and other related costs	-	-	(1)	-
Operating contributions - interfund	-	-	-	-
Other non revenues and (expenses)	-	-	1	-
Gain(loss) on disposition of property	-	-	-	-
NON OPERATING REVENUE NET OF EXPENSE	<u>29</u>	<u>39</u>	<u>11</u>	<u>203</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,380</u>	<u>(270)</u>	<u>(1,540)</u>	<u>3,613</u>
Transfer in	-	1,333	238	-
Transfer (out)	-	(65)	-	-
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>-</u>	<u>1,268</u>	<u>238</u>	<u>-</u>
CHANGE IN NET POSITION	<u>1,380</u>	<u>998</u>	<u>(1,302)</u>	<u>3,613</u>
NET POSITION				
NET POSITION - JANUARY 1	(3,605)	9,538	12,351	9,851
Prior period adjustments	-	-	-	81
Change in accounting principle	-	-	-	-
NET POSITION - JANUARY 1 RESTATED	<u>(3,605)</u>	<u>9,538</u>	<u>12,351</u>	<u>9,932</u>
NET POSITION - DECEMBER 31	<u>\$ (2,225)</u>	<u>\$ 10,536</u>	<u>\$ 11,049</u>	<u>\$ 13,545</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

(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	\$ -	\$ 61,513
Interfund insurance premiums	1,240	88,045
Miscellaneous revenues	-	835
TOTAL OPERATING REVENUES	<u>1,240</u>	<u>150,393</u>
OPERATING EXPENSES		
Salary and wages	3	21,564
Personnel benefits	3	6,136
Supplies	1	3,689
Services	637	106,636
Depreciation expense	-	7,823
TOTAL OPERATING EXPENSES	<u>644</u>	<u>145,848</u>
OPERATING INCOME (LOSS)	<u>596</u>	<u>4,545</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and other earnings	61	551
Interest and other related costs	-	(1)
Operating contributions - interfund	-	-
Other non revenues and (expenses)	-	51
Gain(loss) on disposition of property	-	498
NON OPERATING REVENUE NET OF EXPENSE	<u>61</u>	<u>1,100</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>657</u>	<u>5,645</u>
Capital contributions - interfund	-	751
Transfer in	-	1,728
Transfer (out)	-	(65)
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>-</u>	<u>2,414</u>
CHANGE IN NET POSITION	<u>657</u>	<u>8,059</u>
NET POSITION		
NET POSITION - JANUARY 1	2,149	92,366
Prior period adjustments	-	(41)
Change in accounting principle	-	-
NET POSITION - JANUARY 1 RESTATED	<u>2,149</u>	<u>92,325</u>
NET POSITION - DECEMBER 31	<u>\$ 2,806</u>	<u>\$ 100,384</u>

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COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016
(amounts expressed in thousands)
Page 1 of 10

	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 1	\$ -	\$ -
Receipts from interfund services provided	-	-	-
Contributions received - employee/employer	-	-	-
Payments to suppliers	(7)	-	-
Payments to employees	-	-	-
Payments for taxes	-	-	-
Payments for interfund services used	(378)	-	-
Other operating or non-operating revenues (expenses)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(384)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	-
Transfers (to) other funds	-	-	-
Advances from other funds	-	-	-
Grants received	-	-	-
Contributions and Donations	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from 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	-	-	-
Investment long-term	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(384)</u>	<u>-</u>	<u>-</u>
CASH & CASH EQUIVALENTS, JANUARY 1	385	-	143
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 143</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016
(amounts expressed in thousands)
Page 2 of 10

	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	-	-
(Increase) decrease in accounts receivable	1	-	-
(Increase) decrease in intergovernmental receivables	-	-	-
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in accrued wages payable	-	-	-
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in due to other funds	(385)	-	-
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-
Increase (decrease) in prior period adjustments	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-
Total adjustments	<u>(384)</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (384)</u>	<u>\$ -</u>	<u>\$ -</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	-	-	-

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

(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	\$ 673	\$ 5,810	\$ -	\$ 12,677
Receipts from interfund services provided	(17)	284	286	949
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(593)	(235)	(242)	(2,069)
Payments to employees	-	(1,099)	-	(4,503)
Payments for taxes	-	(1)	-	4
Payments for interfund services used	2	(624)	(6)	(734)
Other operating or non-operating revenues (expenses)	-	25	-	25
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>65</u>	<u>4,160</u>	<u>38</u>	<u>6,349</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Advances from other funds	-	-	-	-
Grants received	-	-	-	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	2	-	-
Acquisition and construction of capital assets	-	(6,640)	-	(4,940)
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>(6,638)</u>	<u>-</u>	<u>(4,940)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	1	50	1	50
Investment long-term	-	(1)	-	(6)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1</u>	<u>49</u>	<u>1</u>	<u>44</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>66</u>	<u>(2,429)</u>	<u>39</u>	<u>1,453</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>99</u>	<u>22,238</u>	<u>101</u>	<u>5,189</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 165</u>	<u>\$ 19,809</u>	<u>\$ 140</u>	<u>\$ 6,642</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016
(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)	\$ <u>(5)</u>	\$ <u>816</u>	\$ <u>-</u>	\$ <u>2,451</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	2,988	-	3,049
(increase) decrease in accounts receivable	-	(170)	-	(6)
(Increase) decrease in intergovernmental receivables	1	-	-	-
(Increase) decrease in due from other funds	(17)	(4)	(116)	58
(Increase) decrease in inventories	-	(12)	-	(35)
(Increase) decrease in prepaid items	-	-	-	1
(Increase) decrease in other current assets	-	(623)	-	(821)
Increase (decrease) in accounts payable	84	276	154	225
Increase (decrease) in accrued wages payable	-	12	-	37
Increase (decrease) in compensated absences	-	11	-	259
Increase (decrease) in due to other funds	2	56	-	63
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in other long-term liabilities	-	785	-	1,043
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	25	-	25
Total adjustments	<u>70</u>	<u>3,344</u>	<u>38</u>	<u>3,898</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>65</u></u>	\$ <u><u>4,160</u></u>	\$ <u><u>38</u></u>	\$ <u><u>6,349</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

(amounts expressed in thousands)

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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 1,078	\$ 3,098	\$ -	\$ -
Receipts from interfund services provided	603	(161)	5	-
Contributions received - employee/employer	-	-	3,687	343
Payments to suppliers	(1,218)	(1,227)	(2,486)	(395)
Payments to employees	(263)	(744)	(40)	-
Payments for taxes	(26)	(5)	-	-
Payments for interfund services used	(74)	(242)	(780)	(14)
Other operating or non-operating revenues (expenses)	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>100</u>	<u>719</u>	<u>386</u>	<u>(66)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	155	-	-	-
Transfers (to) other funds	-	-	-	-
Advances from other funds	-	-	-	-
Grants received	-	-	-	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>155</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	751	-	-
Acquisition and construction of capital assets	16	(1,176)	-	-
Proceeds from the sale of capital assets	-	-	-	-
Interest and issuance costs paid on capital debt	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>16</u>	<u>(425)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	2	45	68	6
Investment long-term	-	(3)	(5)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2</u>	<u>42</u>	<u>63</u>	<u>6</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>273</u>	<u>336</u>	<u>449</u>	<u>(60)</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>280</u>	<u>4,269</u>	<u>6,866</u>	<u>686</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 553</u>	<u>\$ 4,605</u>	<u>\$ 7,315</u>	<u>\$ 626</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016
(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)	\$ 155	\$ 840	\$ (3,161)	\$ (48)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1	-	-	-
(increase) decrease in accounts receivable	-	(31)	-	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	(34)	(161)	5	-
(Increase) decrease in inventories	(86)	-	-	-
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other current assets	(30)	(150)	(10)	-
Increase (decrease) in accounts payable	43	68	3,512	(18)
Increase (decrease) in accrued wages payable	2	16	-	-
Increase (decrease) in compensated absences	3	123	-	-
Increase (decrease) in due to other funds	4	17	29	-
Increase (decrease) in unearned revenues	-	(69)	-	-
Increase (decrease) in other current liabilities	-	(118)	-	-
Increase (decrease) in other long-term liabilities	42	184	11	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	-
Total adjustments	(55)	(121)	3,547	(18)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 100	\$ 719	\$ 386	\$ (66)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

(amounts expressed in thousands)

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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 96	\$ 4,828	\$ 1,508	\$ 1,107
Receipts from interfund services provided	40	3	23,651	(3)
Contributions received - employee/employer	8,367	-	-	74,038
Payments to suppliers	(5,421)	(2,450)	(10,197)	(70,838)
Payments to employees	(1,048)	(1,753)	(14,164)	-
Payments for taxes	(1,414)	(22)	(17)	-
Payments for interfund services used	(163)	(237)	(654)	(169)
Other operating or non-operating revenues (expenses)	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>457</u>	<u>369</u>	<u>127</u>	<u>4,135</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	185	238	-
Transfers (to) other funds	-	-	-	-
Advances from other funds	-	-	-	-
Grants received	-	1	-	-
Contributions and Donations	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>186</u>	<u>238</u>	<u>-</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	1,083	-	-
Acquisition and construction of capital assets	-	(1,466)	(1,209)	-
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>(383)</u>	<u>(1,209)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	31	38	10	234
Investment long-term	(4)	(1)	1	(31)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>27</u>	<u>37</u>	<u>11</u>	<u>203</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>484</u>	<u>209</u>	<u>(833)</u>	<u>4,338</u>
CASH & CASH EQUIVALENTS, JANUARY 1	<u>3,363</u>	<u>4,089</u>	<u>2,377</u>	<u>22,345</u>
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,847</u>	<u>\$ 4,298</u>	<u>\$ 1,544</u>	<u>\$ 26,683</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016
(amounts expressed in thousands)
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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #(5)64xx
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,351	\$ (309)	\$ (1,551)	\$ 3,410
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	493	1,292	-
(increase) decrease in accounts receivable	-	1	1	(2)
(Increase) decrease in intergovernmental receivables	-	-	7	2
(Increase) decrease in due from other funds	40	3	(3,518)	(3)
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	-	1	(412)	-
(Increase) decrease in other current assets	(233)	(361)	(2,922)	-
Increase (decrease) in accounts payable	(266)	2	2,237	991
Increase (decrease) in accrued wages payable	3	16	171	-
Increase (decrease) in compensated absences	-	78	1,232	-
Increase (decrease) in due to other funds	19	7	42	17
Increase (decrease) in unearned revenues	-	-	-	(1)
Increase (decrease) in other current liabilities	(738)	-	-	(360)
Increase (decrease) in other long-term liabilities	281	438	3,548	-
Increase (decrease) in prior period adjustments	-	-	-	81
Miscellaneous non-operating revenues (expenditures)	-	-	-	-
Total adjustments	(894)	678	1,678	725
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 457	\$ 369	\$ 127	\$ 4,135
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016
(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	\$ 32,116
Receipts from interfund services provided	-	25,640
Contributions received - employee/employer	-	86,435
Payments to suppliers	(400)	(97,778)
Payments to employees	(6)	(23,620)
Payments for taxes	-	(1,481)
Payments for interfund services used	(118)	(4,191)
Other operating or non-operating revenues (expenses)	-	50
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>716</u>	<u>17,171</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	578
Transfers (to) other funds	-	-
Advances from other funds	-	-
Grants received	-	1
Contributions and Donations	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>579</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	-	1,836
Acquisition and construction of capital assets	-	(15,415)
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>(13,579)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	67	603
Investment long-term	(6)	(56)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>61</u>	<u>547</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>777</u>	<u>4,718</u>
CASH & CASH EQUIVALENTS, JANUARY 1	6,856	79,286
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 7,633</u>	<u>\$ 84,004</u>

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

(amounts expressed in thousands)

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	SELF INSURANCE CLAIMS FUND #(5)4800	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 596	\$ 4,546
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	-	7,823
(increase) decrease in accounts receivable	-	(206)
(Increase) decrease in intergovernmental receivables	-	10
(Increase) decrease in due from other funds	-	(3,747)
(Increase) decrease in inventories	-	(133)
(Increase) decrease in prepaid items	-	(410)
(Increase) decrease in other current assets	-	(5,150)
Increase (decrease) in accounts payable	1	7,309
Increase (decrease) in accrued wages payable	-	257
Increase (decrease) in compensated absences	-	1,706
Increase (decrease) in due to other funds	1	(128)
Increase (decrease) in unearned revenues	-	(70)
Increase (decrease) in other current liabilities	-	(1,216)
Increase (decrease) in other long-term liabilities	118	6,450
Increase (decrease) in prior period adjustments	-	81
Miscellaneous non-operating revenues (expenditures)	-	49
Total adjustments	120	12,625
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 716	\$ 17,171
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of capital assets	-	-

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2016
(amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6100, 6450
ASSETS	
Cash and cash equivalents	\$ 7,564
Investments at fair value:	
Equities	837,165
Fixed income	531,002
Real estate	80,382
Venture capital and partnerships	94,691
Securities lending collateral	56,922
Receivables - net uncollectible accounts	1
Due from other governments	866
Interest and dividends	2,596
Investment sales	3,720
Capital assets - net of accumulated depreciation	11
Net pension assets	-
TOTAL ASSETS	1,614,920
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflow of pensions	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	-
LIABILITIES	
Current liabilities:	
Accounts payable	5,381
Accrued wages and benefits payable	1,289
Due to the governmental units	34
Investments purchase payable	79,421
Other current liabilities	5
Total current liabilities	86,130
Non-current liabilities:	
Accrued employee leave benefits	81
Total non-current liabilities	81
TOTAL LIABILITIES	86,211
DEFERRED INFLOW OF RESOURCES	
Deferred inflow of pensions	-
TOTAL DEFERRED INFLOW OF RESOURCES	-
NET POSITION	
Held in trust for pension benefits and other purposes	\$ 1,547,709

FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6100, 6450
ADDITIONS	
Employer contributions	\$ 25,536
Member contributions	22,407
Other contributions	77
Total contributions	<u>48,020</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	99,863
Interest & dividends	31,170
Total investment income	<u>131,033</u>
Less investment expenses:	
Investment management fees	(5,910)
Securities lending - agent fees	(75)
Securities lending - broker rebates	(108)
Total investment expense	<u>(6,093)</u>
Net investment income	<u>124,940</u>
TOTAL ADDITIONS	<u>172,960</u>
DEDUCTIONS	
Wages and benefits	947
Benefit payments	70,122
Refunds of contributions	1,874
Administrative expense	1,174
TOTAL DEDUCTIONS	<u>74,117</u>
NET INCREASE (DECREASE)	<u>98,843</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,448,950
Prior period adjustment	(84)
Changes in accounting principle	-
Net position - beginning (restated)	<u>1,448,866</u>
Net position - ending	<u>\$ 1,547,709</u>

COMBINING STATEMENT OF NET POSITION

TRUST FUNDS

December 31, 2016

(amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100
ASSETS		
Cash and cash equivalents	\$ 48	\$ 21,611
Investments at fair value:		
Equities	-	837,165
Fixed income	-	531,002
Real estate	-	80,382
Venture capital and partnerships	-	94,691
Securities lending collateral	-	56,922
Receivables - net uncollectible accounts	-	1
Due from other governments	-	854
Interest and dividends	-	2,596
Investment sales	-	3,720
Capital assets - net of accumulated depreciation	-	11
Net pension assets	-	-
TOTAL ASSETS	48	1,628,955
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of pensions	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	-	-
LIABILITIES		
Current liabilities:		
Accounts payable	-	1,737
Accrued wages and benefits payable	2	14
Due to the governmental units	1	33
Investments purchase payable	-	79,421
Securities lending collateral	-	-
Other current liabilities	-	5
Total current liabilities	3	81,210
Non-current liabilities:		
Accrued employee leave benefits	-	81
Total non-current liabilities	-	81
TOTAL LIABILITIES	3	81,291
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of pensions	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	-	-
NET POSITION		
Held in trust for pension benefits and other purposes	\$ 45	\$ 1,547,664

COMBINING STATEMENT OF NET POSITION

TRUST FUNDS

December 31, 2016

(amounts expressed in thousands)

Page 2 of 2

	PAYROLL CLEARING FUND #6450	PENSION AND EMPLOYEE TRUST FUNDS #6050-6100, 6450
ASSETS		
Cash and cash equivalents	\$ 4,905	\$ 7,564
Investments at fair value:		
Equities	-	837,165
Fixed income	-	531,002
Real estate	-	80,382
Venture capital and partnerships	-	94,691
Securities lending collateral	-	56,922
Receivables - net uncollectible accounts	-	1
Due from other governments	12	866
Interest and dividends	-	2,596
Investment sales	-	3,720
Capital assets - net of accumulated depreciation	-	11
Net pension assets	-	-
TOTAL ASSETS	<u>4,917</u>	<u>1,614,920</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of pensions	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	3,644	5,381
Accrued wages and benefits payable	1,273	1,289
Due to the governmental units	-	34
Investments purchase payable	-	79,421
Other current liabilities	-	5
Total current liabilities	<u>4,917</u>	<u>86,130</u>
Non-current liabilities:		
Accrued employee leave benefits	-	81
Total non-current liabilities	<u>-</u>	<u>81</u>
TOTAL LIABILITIES	<u>4,917</u>	<u>86,211</u>
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of pensions	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Held in trust for pension benefits and other purposes	<u>\$ -</u>	<u>\$ 1,547,709</u>

FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

Page 1 of 2

	DEFERRED COMPENSATION FUND #6050	TERS FUND #6100
ADDITIONS		
Employer contributions	\$ -	\$ 25,536
Member contributions	-	22,407
Other contributions	77	-
Total contributions	<u>77</u>	<u>47,943</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments	-	99,863
Interest & dividends	1	31,169
Total investment income	<u>1</u>	<u>131,032</u>
Less investment expenses:		
Investment management fees	-	(5,910)
Securities lending - agent fees	-	(75)
Securities lending - broker rebates	-	(108)
Total investment expense	<u>-</u>	<u>(6,093)</u>
Net investment income	<u>1</u>	<u>124,939</u>
TOTAL ADDITIONS	<u>78</u>	<u>172,882</u>
DEDUCTIONS		
Wages and benefits	118	829
Benefit payments	-	70,122
Refunds of contributions	-	1,874
Administrative expense	85	1,089
TOTAL DEDUCTIONS	<u>203</u>	<u>73,914</u>
NET INCREASE (DECREASE)	(125)	98,968
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
Net position - beginning	178	1,448,772
Prior period adjustment	(8)	(76)
Net position - beginning (restated)	170	1,448,696
Net position - ending	<u>\$ 45</u>	<u>\$ 1,547,664</u>

FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended December 31, 2016
 (amounts expressed in thousands)

Page 2 of 2

	PAYROLL CLEARING FUND #6450	PENSION AND EMPLOYEE TRUST FUNDS #6050-6100, 6450
ADDITIONS		
Employer contributions	\$ -	\$ 25,536
Member contributions	-	22,407
Other contributions	-	77
Total contributions	<u>-</u>	<u>48,020</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments	-	99,863
Interest & dividends	-	31,170
Total investment income	<u>-</u>	<u>131,033</u>
Less investment expenses:		
Investment management fees	-	(5,910)
Securities lending - agent fees	-	(75)
Securities lending - broker rebates	-	(108)
Total investment expense	<u>-</u>	<u>(6,093)</u>
Net investment income	<u>-</u>	<u>124,940</u>
TOTAL ADDITIONS	<u>-</u>	<u>172,960</u>
DEDUCTIONS		
Wages and benefits	-	947
Benefit payments	-	70,122
Refunds of contributions	-	1,874
Administrative expense	-	1,174
TOTAL DEDUCTIONS	<u>-</u>	<u>74,117</u>
NET INCREASE (DECREASE)	-	98,843
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
Net position - beginning	-	1,448,950
Prior period adjustment	-	(84)
Changes in accounting principle	-	-
Net position - beginning (restated)	<u>-</u>	<u>1,448,866</u>
Net position - ending	<u>\$ -</u>	<u>\$ 1,547,709</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:	2015	2016
Land	\$ 34,681	\$ 34,978
Parks	5,442	5,474
Buildings	68,120	68,273
Improvements other than Buildings	19,607	25,882
Machinery and Equipment	33,906	39,067
Intangible Assets	1,523	1,651
Library Materials	6,450	6,350
Works of Art	2,050	2,186
Infrastructure	1,339,991	1,373,328
Work in Progress	80,167	54,723
Total Governmental Funds Capital Assets	<u>\$ 1,591,937</u>	<u>\$ 1,611,912</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:	2015	2016
Land	\$ 357	\$ 357
Parks	-	-
Buildings	21,580	23,857
Improvements other than Buildings	275	280
Machinery and Equipment	62,080	71,819
Intangible Assets	10,727	10,861
Library Materials	-	-
Works of Art	-	-
Infrastructure	-	-
Work in Progress	7,179	2,815
Total Governmental Funds Capital Assets	<u>\$ 102,198</u>	<u>\$ 109,989</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:	2015	2016
Land	\$ 35,038	\$ 35,335
Parks	5,442	5,474
Buildings	89,700	92,130
Improvements other than Buildings	19,882	26,162
Machinery and Equipment	95,986	110,886
Intangible Assets	12,250	12,512
Library Materials	6,450	6,350
Works of Art	2,050	2,186
Infrastructure	1,339,991	1,373,328
Work in Progress	87,346	57,538
Total Governmental Funds Capital Assets	<u>\$ 1,694,135</u>	<u>\$ 1,721,901</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 1/1/2016	Increases	Decreases	Prior Year Adjustments	Prior Year Reclass	Capital Assets 12/31/2016
General Government	\$ 22,204	\$ 2,564	\$ -	\$ -	\$ -	\$ 24,768
Public Safety	81,465	2,429	(874)	-	-	83,020
Transportation	1,353,161	40,834	(26)	-	-	1,393,969
Culture and Recreation	48,846	1,707	(1,299)	-	-	49,254
Economic Environment	6,094	84	-	-	-	6,178
Work In Progress	80,167	29,126	(54,570)	-	-	54,723
Total Capital Assets	\$ 1,591,937	\$ 76,744	\$ (56,769)	\$ -	\$ -	\$ 1,611,912

(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	\$ 13,282	\$ 4,482	\$ 3,239	\$ 11,808	\$ 2,167	\$ 34,978
Parks	-	-	-	5,474	-	5,474
Buildings	2,136	47,381	1,264	14,721	2,771	68,273
Improvements other than Buildings	2,918	1,675	12,126	9,163	-	25,882
Machinery and Equipment	6,064	28,096	4,237	578	92	39,067
Intangible Assets	319	910	-	422	-	1,651
Library Materials	-	-	-	6,350	-	6,350
Works of Art	49	338	15	738	1,046	2,186
Infrastructure	-	138	1,373,088	-	102	1,373,328
Work In Progress	329	-	45,389	8,974	31	54,723
Total Governmental Funds Capital Assets	\$ 25,097	\$ 83,020	\$ 1,439,358	\$ 58,228	\$ 6,209	\$ 1,611,912

(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
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	2,119,202
2011	67,126	382,041	1,804,287
2012	245,501	602,084	1,447,704
2013	31,566,484	898,967	32,115,220
2014	1,642,736	2,465,027	31,292,929
2015	669,088	757,232	31,204,785
2016	-	2,929,619	28,275,166

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities					
Net investment in capital assets	\$715,358 (1)	\$716,586	\$697,653 (3)	\$729,601 (5)	\$732,174
Restricted	22,297	23,144	48,852 (4)	36,943	84,842
Unrestricted	<u>146,240</u>	<u>120,151</u> (2)	<u>32,193</u>	<u>44,682</u> (7)	<u>(87,658)</u>
Total governmental activities net position	<u>883,895</u>	<u>859,881</u>	<u>778,698</u>	<u>811,226</u>	<u>729,358</u>
Business-type activities					
Net investment in capital assets	1,117,908	1,202,761	1,286,616	1,355,118 (6)	1,365,324
Restricted	61,950	54,137	94,139	93,429	126,952
Unrestricted	<u>228,300</u>	<u>269,378</u>	<u>276,939</u>	<u>246,032</u>	<u>282,088</u>
Total business-type activities net position	<u>1,408,158</u>	<u>1,526,276</u>	<u>1,657,694</u>	<u>1,694,579</u>	<u>1,774,364</u>
Primary government					
Net investment in capital assets	1,833,266	1,919,347	1,984,269	2,084,719	2,097,498
Restricted	84,247	77,281	142,991	130,372	211,794
Unrestricted	<u>374,540</u>	<u>389,529</u>	<u>309,132</u>	<u>290,714</u>	<u>194,430</u>
Total primary government net position	<u><u>\$2,292,053</u></u>	<u><u>\$2,386,157</u></u>	<u><u>\$2,436,392</u></u>	<u><u>\$2,505,805</u></u>	<u><u>\$2,503,722</u></u>

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

(2) 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.

(3) 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.

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

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

(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.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net investment in capital assets	\$699,307	\$681,794 (8)	\$669,951	\$678,872	\$673,093
Restricted	82,405	74,670 (9)	79,630	110,825	113,897
Unrestricted	<u>(64,890)</u>	<u>(25,296) (9)</u>	<u>(20,567)</u>	<u>(17,920)</u>	<u>(35,177)</u>
Total governmental activities net position	<u>716,822</u>	<u>731,168</u>	<u>729,014</u>	<u>771,777</u>	<u>751,813</u>
Business-type activities					
Net investment in capital assets	1,401,679	1,508,950 (8)	1,515,858	1,620,194	1,613,805
Restricted	103,350	112,925	121,369	127,008	124,289
Unrestricted	<u>318,920</u>	<u>256,481</u>	<u>307,104</u>	<u>258,962</u>	<u>287,195</u>
Total business-type activities net position	<u>1,823,949</u>	<u>1,878,356</u>	<u>1,944,331</u>	<u>2,006,164</u>	<u>2,025,289</u>
Primary government					
Net investment in capital assets	2,100,986	2,190,744	2,185,809	2,299,066	2,286,898
Restricted	185,755	187,595	200,999	237,833	238,186
Unrestricted	<u>254,030</u>	<u>231,185</u>	<u>286,537</u>	<u>241,042</u>	<u>252,018</u>
Total primary government net position	<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>	<u><u>\$2,777,102</u></u>

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

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

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

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

(2) 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)
Page 2 of 4

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses					
Governmental activities:					
General government	\$ 52,038	\$ 49,781	\$ 56,887	\$ 51,578	\$ 74,293
Public Safety	150,575	138,368	142,097	144,312	175,131
Utilities	2	2,477	2,580	2,864	1
Transportation	52,424	58,288	61,524	57,885	60,881
Social Services	757	1,953	2,649	3,551	4,983
Public Works	-	-	-	-	-
Natural & Econ Environment	23,510	21,255	22,856	20,887	36,759
Culture and Recreation	10,690	18,832	14,823	18,448	15,258
Interest on long-term debt	6,351	14,401	13,001	13,643	8,670
Total governmental activities expense	<u>296,347</u>	<u>305,355</u>	<u>316,417</u>	<u>313,168</u>	<u>375,976</u>
Business-type activities:					
Public Assembly Facilities	24,062	16,832	19,801	17,801	20,986
Rail	24,753	29,024	30,095	28,579	31,571
Solid Waste	59,391	67,591	61,040	54,867	66,661
Sewer	83,294	81,286	80,343	84,984	92,958
Water	76,755	79,773	72,324	82,604	95,869
Power	395,954	432,321	422,265	425,044	404,566
Other business-type funds	9,147	14,979	16,005	16,594	16,721
Total business-type activities	<u>673,356</u>	<u>721,806</u>	<u>701,873</u>	<u>710,473</u>	<u>729,332</u>
Total primary government expenses	<u>\$ 969,703</u>	<u>\$ 1,027,161</u>	<u>\$ 1,018,290</u>	<u>\$ 1,023,641</u>	<u>\$ 1,105,308</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 6,607	\$ 23,726	\$ 31,568	\$ 27,729	\$ 39,227
Public Safety	20,306	8,153	6,439	7,353	15,625
Utilities	93	287	353	297	-
Transportation	9,434	1,168	1,097	2,661	5,749
Social Services	421	207	-	-	-
Public Works	-	-	-	-	-
Natural & Econ Environment	2,380	3,396	2,096	2,024	2,116
Culture and Recreation	1,180	417	75	86	65
Interest on long-term debt	2,658	-	-	-	-
Operating grants and contributions:	14,974	33,925	30,378	30,420	33,903
Capital grants and contributions	37,338	19,813	15,882	23,996	7,392
Total governmental activities program revenues	<u>95,391</u>	<u>91,092</u>	<u>87,888</u>	<u>94,566</u>	<u>104,077</u>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	14,863	10,766	10,933	14,823	15,871
Rail	25,969	29,926	32,937	32,673	33,864
Solid Waste	57,541	62,026	64,642	66,843	71,809
Sewer	81,582	85,493	90,648	97,583	106,601
Water	81,508	96,365	99,426	100,305	94,433
Power	395,105	438,444	468,988	437,491	420,332
Other business-type funds	6,044	16,679	17,928	17,459	18,372
Operating grants and contributions:	180	7,438	7,968	8,138	8,392
Capital grants and contributions	31,222	25,150	19,587	21,582	21,413
Total business-type activities program revenues	<u>694,014</u>	<u>772,287</u>	<u>813,057</u>	<u>796,897</u>	<u>791,087</u>
Total primary government program revenues	<u>\$ 789,405</u>	<u>\$ 863,379</u>	<u>\$ 900,945</u>	<u>\$ 891,463</u>	<u>\$ 895,164</u>
Net (expense)/revenue					
Governmental activities	\$ (200,956)	\$ (214,263)	\$ (228,529)	\$ (218,602)	\$ (271,899)
Business-type activities	20,658	50,481	111,184	86,424	61,755
Total primary government net expense	<u>\$ (180,298)</u>	<u>\$ (163,782)</u>	<u>\$ (117,345)</u>	<u>\$ (132,178)</u>	<u>\$ (210,144)</u>

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

Page 3 of 4

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 57,410	\$ 58,498	\$ 62,564	\$ 61,900	\$ 60,733
Sales taxes	54,508	47,681	42,256	41,942	42,643
Business taxes	46,955	49,039	43,052	84,094 (5)	87,029
Unrestricted investment earnings	8,976	6,566	5,699	3,907	6,133
Gain on sale of capital assets	43	2,705	344	(1,648)	(184)
Transfers	38,600	35,212	34,383	(6,021)	(6,320)
Total governmental activities	<u>206,492</u>	<u>199,701</u>	<u>188,298</u>	<u>184,174</u>	<u>190,034</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-	-	-
Sales taxes	605	1,715	-	-	-
Business taxes	-	-	-	-	-
Unrestricted investment earnings	36,090	30,674	18,427	15,059	23,408
Gain on sale of capital assets	5,667	(8,099) (3)	133	(1,222)	(84)
Transfers	(38,600)	(35,212)	(34,383)	6,021	6,320
Total business-type activities	<u>3,762</u>	<u>(10,922)</u>	<u>(15,823)</u>	<u>19,858</u>	<u>29,644</u>
Total primary government	<u>\$ 210,254</u>	<u>\$ 188,779</u>	<u>\$ 172,475</u>	<u>\$ 204,032</u>	<u>\$ 219,678</u>
Change in Net Position					
Governmental activities	\$ 8,021	\$ (20,030) (4)	\$ (43,810)	\$ (10,403)	\$ (79,966)
Business-type activities	129,881	117,337	89,533	37,961	79,821
Total primary government	<u>\$ 137,902</u>	<u>\$ 97,307</u>	<u>\$ 45,723</u>	<u>\$ 27,558</u>	<u>\$ (145)</u>

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

(4) In 2008 the change in net position decrease for governmental activities was 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.

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

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

Page 4 of 4

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 64,900	\$ 62,487	\$ 64,204	\$ 67,313	\$ 78,886
Sales taxes	46,738	45,743	47,976	81,772	58,970
Business taxes	90,710	103,631	63,969	36,325	63,340
Unrestricted investment earnings	856	297	2,044	2,000	2,141
Gain on sale of capital assets	1,684	136	46	(103)	175
Transfers	<u>(10,186)</u>	<u>(2,153)</u>	<u>44,853</u>	<u>43,572</u>	<u>48,973</u>
Total governmental activities	<u>194,702</u>	<u>210,141</u>	<u>223,092</u>	<u>230,879</u>	<u>252,485</u>
Business-type activities:					
Taxes:					
Property taxes	-	-	-		-
Sales taxes	-	-	-		-
Business taxes	-	-	-		-
Unrestricted investment earnings	18,947	3,063	1,130	3,965	6,223
Gain on sale of capital assets	341	(184)	644	4,679	782
Transfers	<u>10,186</u>	<u>2,153</u>	<u>(44,853)</u>	<u>(43,572)</u>	<u>(48,973)</u>
Total business-type activities	<u>29,474</u>	<u>5,032</u>	<u>(43,079)</u>	<u>(34,928)</u>	<u>(41,968)</u>
Total primary government	<u>\$ 224,176</u>	<u>\$ 215,173</u>	<u>\$ 180,013</u>	<u>\$ 195,951</u>	<u>\$ 210,517</u>
Change in Net Position					
Governmental activities	\$ (6,254)	\$ (4,122)	\$ (5,437)	\$ 12,277	\$ (19,414)
Business-type activities	50,132	55,513	68,105	51,496	19,787
Total primary government	<u>\$ 43,878</u>	<u>\$ 51,391</u>	<u>\$ 62,668</u>	<u>\$ 63,773</u>	<u>\$ 373</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

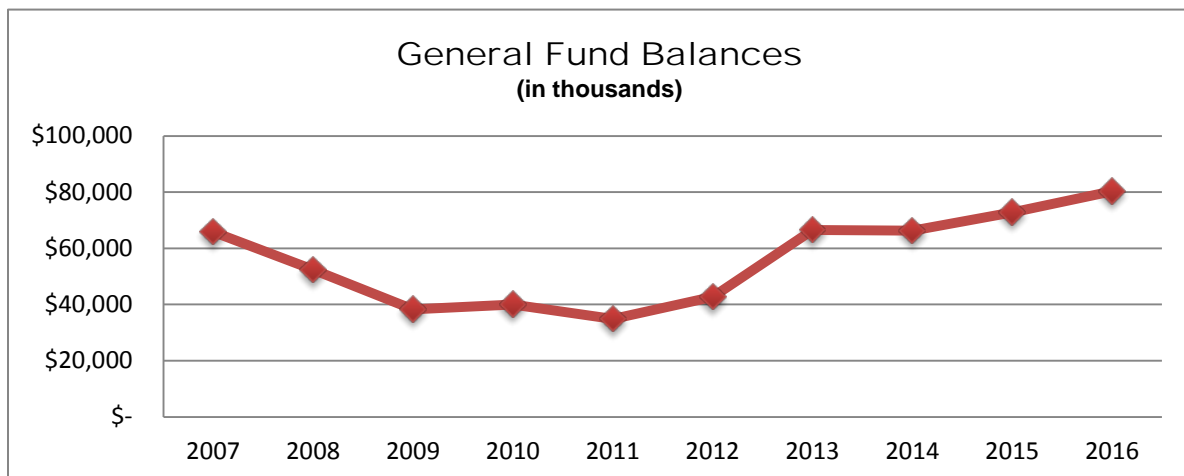
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u> (4)
General Fund					
Reserved	\$ 19,526 (1)	\$ 24,871	\$ 24,517 (3)	\$ 20,947	\$ -
Unreserved	46,308	27,534 (2)	13,744	19,048	-
Nonspendable	-	-	-	-	17,361
Restricted	-	-	-	-	2
Committed	-	-	-	-	-
Committed - Council Contingen	-	-	-	-	1,117
Assigned	-	-	-	-	2,133
Unassigned	-	-	-	-	14,239
Total General Fund	<u>\$ 65,834</u>	<u>\$ 52,405</u>	<u>\$ 38,261</u>	<u>\$ 39,995</u>	<u>\$ 34,852</u>
All other governmental funds					
Reserved	\$ 35,286	\$ 33,763	\$ 50,960	\$ 48,665	\$ -
Unreserved	-	-	-	-	-
Nonspendable	-	-	-	-	1,920
Restricted	-	-	-	-	85,191
Committed	-	-	-	-	18,928
Committed - Council Contingen	-	-	-	-	-
Assigned	-	-	-	-	36,261
Unassigned	-	-	-	-	(43,860)
Total all other governmental fun	<u>\$ 35,286</u>	<u>\$ 33,763</u>	<u>\$ 50,960</u>	<u>\$ 48,665</u>	<u>\$ 98,440</u>

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

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

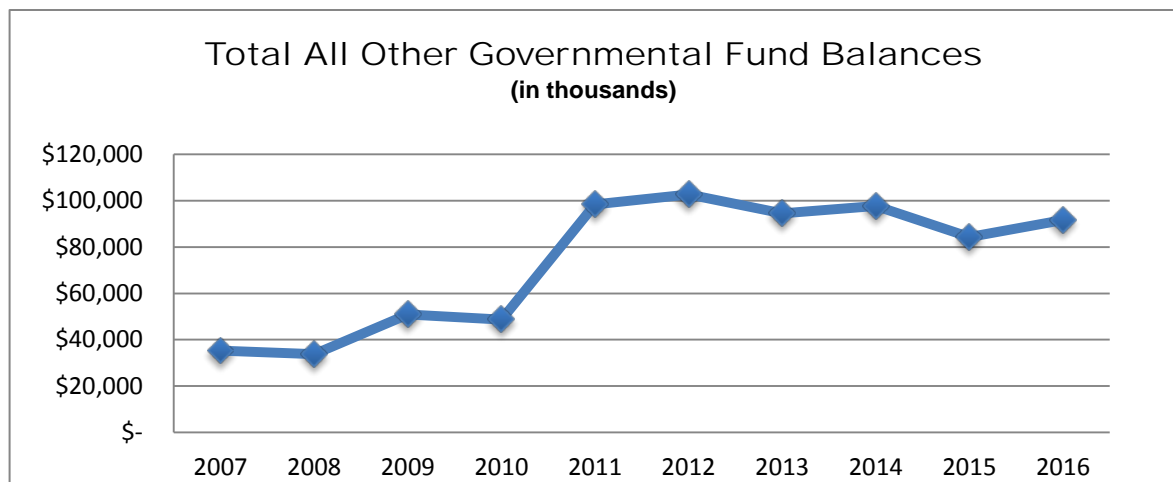
(3) In 2009 the increase in reserved fund balance is primarily from proceeds of a new LTGO Capital Project Bond.

(4) In 2011 the City implemented GASB 54.



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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	16,719	15,961	15,026	9,933	7,774
Restricted	-	9	9	9	476
Committed	-	-	-	-	-
Committed - Council Contingencies	1,130	982	973	732	584
Assigned	1,274	6,364	1,949	5,580	2,592
Unassigned	<u>23,573</u>	<u>43,178</u>	<u>48,343</u>	<u>56,517</u>	<u>68,922</u>
Total General Fund	<u>\$ 42,696</u>	<u>\$ 66,494</u>	<u>\$ 66,300</u>	<u>\$ 72,771</u>	<u>\$ 80,348</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	1,913	1,833	1,824	1,887	1,887
Restricted	78,341	74,797	79,622	69,493	78,204
Committed	20,669	21,728	237	370	1,047
Committed - Council Contingencies	-	-	-	-	-
Assigned	6,863	4,722	21,743	17,048	14,941
Unassigned	<u>(5,079)</u>	<u>(8,530)</u>	<u>(5,709)</u>	<u>(4,512)</u>	<u>(4,429)</u>
Total all other governmental funds	<u>\$ 102,707</u>	<u>\$ 94,550</u>	<u>\$ 97,717</u>	<u>\$ 84,286</u>	<u>\$ 91,650</u>



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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues					
Taxes	\$ 158,320	\$ 155,129	\$ 145,101 (2)	\$ 187,904 (3)	\$ 190,362
Licenses and permits	9,731	6,168	5,382	3,823	3,539
Intergovernmental revenue	48,257	31,461	40,991	48,259	61,376
Charges for goods and services	9,557	10,663	10,836	9,473	9,512
Fines and forfeitures	3,869	4,366	4,617	6,080	3,612
Interest	8,976	6,566	4,131	2,982	4,657
Miscellaneous revenues	1,968	3,805	2,606	4,642	4,382
Total revenues	<u>240,678</u>	<u>218,158</u>	<u>213,664</u>	<u>263,163</u>	<u>277,440</u>
Expenditures					
General government	18,243	23,728	37,148	25,553	25,116
Security of persons & property	133,933	142,967	135,269	139,371	144,949
Physical environment	605	628	(2)	-	-
Transportation	22,828	24,670	24,066	26,220	33,525
Economic environment	27,046	27,055	28,682	25,972	21,892
Mental and physical health	1,965	2,138	2,256	2,093	2,109
Culture and recreation	14,795	16,212	13,185	13,339	13,266
Capital outlay	38,091	34,813	40,172	49,514	71,860
Debt Service:					
Principal retirement	5,521	4,934	4,949	5,490	5,924
Interest and fiscal charges	3,254	3,899	3,777	7,635	6,499
Total expenditures	<u>266,281</u>	<u>281,044</u>	<u>289,502</u>	<u>295,187</u>	<u>325,140</u>
Excess of revenues over (under) expenditures	(25,603)	(62,886)	(75,838)	(32,024)	(47,700)
Other financing sources (uses)					
Sale of capital asset	43	2,705	170	19	(91)
Transfers in	53,605	52,657	56,635	6,407 (3)	24,526
Transfers (out)	(15,775)	(17,788)	(16,612)	(13,330)	(32,419)
Insurance recoveries	-	-	-	-	-
Proceeds from bonds issues	10,145 (1)	4,468	56,335	43,305	-
Issuance of debt refunding bonds	-	-	-	29,671	16,539
Payment to escrow - refunded bonds	-	-	-	(29,152)	-
Contributions from property owners	-	11	-	-	-
Premium on issuance of debt	-	-	226	2,618	-
Discount on issuance of debt	(35)	-	(154)	(59)	-
Total other financing sources and (uses)	<u>47,983</u>	<u>42,053</u>	<u>96,600</u>	<u>39,479</u>	<u>8,555</u>
Net change in fund balances	<u>\$ 22,380</u>	<u>\$ (20,833)</u>	<u>\$ 20,762</u>	<u>\$ 7,455</u>	<u>\$ (39,145)</u>
Debt service as a percentage of noncapital expenditures	3.8%	3.6%	3.5%	5.3%	4.9%

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

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

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

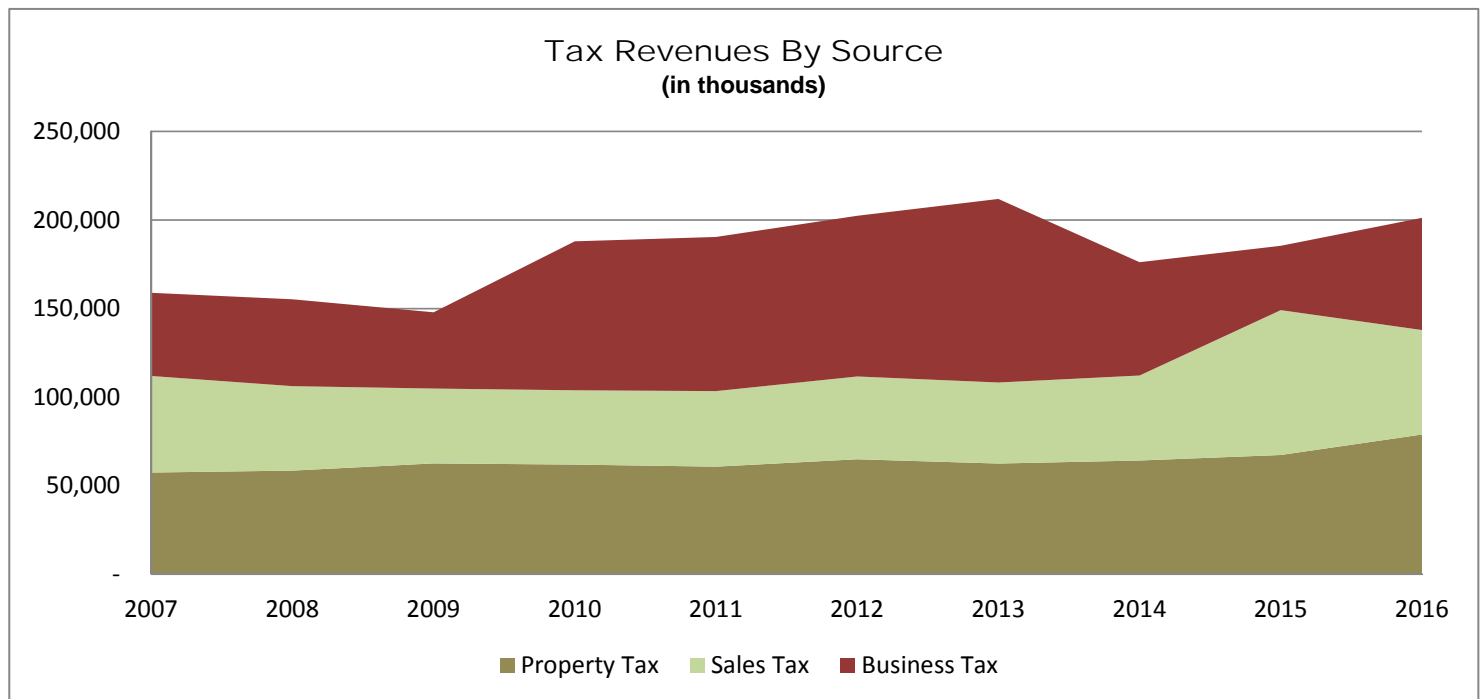
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
Table 4
(modified accrual basis of accounting)
(amounts expressed in thousands)
Page 2 of 2

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues					
Taxes	\$ 203,028	\$ 212,066	\$ 176,615	\$ 184,836	\$ 197,531
Licenses and permits	3,043	3,235	3,652	4,743	9,335
Intergovernmental revenue	52,295	53,466	46,260	52,026	38,097
Charges for goods and services	24,115	23,323	25,840	26,614	39,544
Fines and forfeitures	3,772	6,395	7,761	6,842	7,182
Interest	2,658	994	1,626	1,758	1,702
Miscellaneous revenues	6,441	2,791	2,777	1,327	3,433
Total revenues	<u>295,352</u>	<u>302,270</u>	<u>264,531</u>	<u>278,146</u>	<u>296,824</u>
Expenditures					
General government	49,208	47,041	54,671	53,917	58,488
Security of persons & property	138,406	132,783	140,578	144,331	155,393
Physical environment	-	2,477	2,571	2,704	-
Transportation	21,379	21,597	21,997	26,362	24,219
Economic environment	19,633	21,123	20,846	19,560	31,853
Mental and physical health	684	1,953	2,640	3,387	4,360
Culture and recreation	14,133	10,688	12,198	12,379	11,781
Capital outlay	55,395	36,317	25,969	45,573	22,869
Debt Service:					
Principal retirement	3,991	34,263 (4)	15,652	12,305	16,074
Interest and fiscal charges	6,117	11,072	12,977	13,617	8,670
Total expenditures	<u>308,946</u>	<u>319,314</u>	<u>310,099</u>	<u>334,135</u>	<u>333,707</u>
Excess of revenues over (under) expenditures	(13,594)	(17,044)	(45,568)	(55,989)	(36,883)
Other financing sources (uses)					
Sale of capital asset	1,684	492	1,477	91	526
Transfers in	28,755	28,588	95,060	87,312	98,474
Transfers (out)	(33,023)	(32,145)	(50,705)	(41,500)	(51,163)
Insurance recoveries	43	58	121	148	55
Proceeds from bonds issues	30,235	37,769	2,203	22,444	4,563
Issuance of debt refunding bonds	-	-	-	-	-
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>27,691</u>	<u>33,725</u>	<u>48,156</u>	<u>48,462</u>	<u>52,455</u>
Net change in fund balances	<u>\$ 14,097</u>	<u>\$ 16,681</u>	<u>\$ 2,588</u>	<u>\$ (7,527)</u>	<u>\$ 15,572</u>
Debt service as a percentage of noncapital expenditures	4.0%	16.0%	10.1%	9.0%	8.0%

(4) 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
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
2016	78,886	58,970	63,340	201,196



(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 (Decrease)	Assessed Value Per Capita
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
2016	19,549,115	1,217,185	20,766,300	3.59	1,750,796	9.21%	100,807

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

Fiscal Year Ended December 31	City of Tacoma	Tacoma School District #10	Pierce County	Port of Tacoma	Metro Park District	Washington State	Total
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
2016	3.59	6.95	1.28	0.18	1.61	2.07	15.68

"CITY" TAX RATE BREAKDOWN:

	<u>2015</u>	<u>2016</u>
General Fund	\$3.00	\$2.83
Councilmanic Nonvoted Bonds	0.14	0.13
EMS Levy	0.50	0.50
G.O. Bonds	0.15	0.13
TOTAL CITY	<u>\$3.79</u>	<u>\$3.59</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
2007	57,549	55,255	96.01%	1,876	(416)	57,131	99.27%	2	0.00%
2008	59,033	56,650	95.96%	2,127	(254)	58,777	99.57%	2	0.00%
2009	60,752	57,981	95.44%	2,169	(598)	60,150	99.01%	4	0.01%
2010	61,918	59,115	95.47%	2,101	(687)	61,216	98.87%	15	0.02%
2011	61,823	58,881	95.24%	1,966	(949)	60,847	98.42%	27	0.04%
2012	63,821	61,484	96.34%	1,850	(453)	63,334	99.24%	34	0.05%
2013	63,031	60,795	96.45%	1,880	(298)	62,675	99.44%	58	0.09%
2014	64,789	62,855	97.01%	1,436	(251)	64,291	99.23%	247	0.38%
2015	66,494	64,839	97.51%	848	(333)	65,687	98.79%	474	0.71%
2016	72,290	70,280	97.22%	-	(454)	70,280	97.22%	1,556	2.15%

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 2016

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TL EMPLOYEES OF 10 LEADING TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	15	0.1%	Wireless Telecommunications
Comcast Cable Communication Manage	13	0.1%	Cable Telecommunications
Multicare Health System	5,200	49.6%	Healthcare Services
Puget Sound Energy Inc.	215	2.1%	Natural Gas
Qwest Corporation	0	0.0%	Telecommunications
St Joseph Hospital	4,766	45.5%	Healthcare Services
T Mobile West LLC	19	0.2%	Wireless Telecommunications
Verizon Wireless	11	0.1%	Wireless Telecommunications
Washington United Terminals	46	0.4%	Marine Cargo Handling
US Oil & Refining Company	196	1.9%	Petroleum Refinery
Total	10,481	100.0%	

Total 2016 Aggregate B & O Tax
Collections of the Top Ten Taxpayers \$17,834,150

TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2007

<u>TAXPAYERS</u>	<u>EMPLOYEES (1)</u>	<u>PERCENTAGE OF TL EMPLOYEES OF 10 LEADING TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	N/A	N/A	Cellular
Comcast of Puget Sound, Inc.	9	0.0%	Cable
Frank Russell Company	515	0.3%	Portfolio Management
Puget Sound Energy Inc.	223	0.1%	Natural Gas
Qwest Corporation	N/A	N/A	Telecommunications
Russell Investments	354	N/A	Portfolio Management
Sprint PCS	N/A	N/A	Cellular
T Mobile West Corporation	N/A	N/A	Cellular
US Oil Trading LLC	10	0.0%	Petroleum Refinery
Verizon Wireless	N/A	N/A	Cellular
Total	1111	0.4%	

Total 2007 Aggregate B & O Tax
Collections of the Top Ten Taxpayers \$15,352

- 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 2016

<u>TAXPAYERS</u>	<u>RANK</u>	2016 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$283,781	24.7%
Westrock Company	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	89,591	7.8%
CSC of Tacoma LLC	6	71,398	6.2%
AT&T Mobility LLC	7	63,493	5.5%
Westridges Apartments Property Owners LLC	8	59,317	5.2%
Qwest Corporation	9	53,609	4.7%
University Street Properties I LLC	10	51,371	4.5%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$1,150,373</u>	<u>100%</u>

TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2007

<u>TAXPAYERS</u>	<u>RANK</u>	2007 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$189,173	25.1%
Simpson Kraft Company	2	98,725	13.1%
Quest Corporation	3	70,773	9.4%
Puget Sound Energy/Gas	4	67,136	8.9%
AT&T Mobility LLC	5	66,987	8.9%
Simpson Timber Company	6	61,993	8.2%
US Oil and Refining Company	7	54,276	7.2%
CSC of Tacoma LLC	8	53,897	7.2%
NGP Centennial Tacoma LLC	9	45,635	6.1%
909 A Street LLC	10	44,855	6.0%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$753,450</u>	<u>100%</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
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	-
2016	136,781	5,645	-	8,572	29,937	-

(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 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			
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	3.84%	7,112
2016	1,189,198	57,435	-	1,427,568	3.79%	6,930

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)
2007	134,875	1,319	133,556	0.62%	662
2008	129,916	961	128,955	0.62%	636
2009	177,178	1,001	176,177	0.93%	866
2010	214,805	1,655	213,150	1.21%	1,074
2011	211,699	990	210,709	1.32%	1,059
2012	238,094	1,632	236,462	1.43%	1,182
2013	213,773	970	212,803	1.19%	1,064
2014	210,166	1,053	209,113	1.10%	1,030
2015	202,899	1,151	201,748	1.06%	994
2016	194,216	1,521	192,695	0.93%	935

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
(dollar amounts expressed in thousands)

	Net Bonded Debt Outstanding (1)	Percentage Applicable To City (2)	City Residents Share of Debt
City of Tacoma	\$199,861	100.000%	\$199,861
<u>OVERLAPPING DEBT</u>			
Tacoma School District #10	550,700	92.560%	509,728
Metropolitan Park District	154,357	95.507%	147,421
Port of Tacoma	178,868	22.948%	41,047
Pierce County	136,125	22.948%	31,238
Franklin Pierce School District	8,077	0.550%	44
Fife School District	15,862	9.199%	1,459
Clover Park School District	134,275	2.035%	2,733
University Place School District	60,571	3.377%	2,045
TOTAL OVERLAPPING DEBT	<u>1,238,835</u>		<u>735,715</u>
GRAND TOTAL	<u><u>\$ 1,438.696</u></u>		<u><u>\$ 935.576</u></u>
Population			206,100
Direct and Overlapping Debt per Capita			4.54

(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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed Value of Property	\$20,590,387	\$21,625,087	\$20,717,201	\$19,033,503	\$17,650,446
Debt Limit, 7.5% of Assessed Value	1,544,279	1,621,882	1,553,790	1,427,513	1,323,783
Total Net Debt Applicable to Limit	160,216	156,200	191,701	227,060	223,278
Legal Debt Margin	<u><u>\$1,384,063</u></u>	<u><u>\$1,465,682</u></u>	<u><u>\$1,362,089</u></u>	<u><u>\$1,200,453</u></u>	<u><u>\$1,100,505</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.4%	9.6%	12.3%	15.9%	16.9%

Legal Debt Margin Calculation for Fiscal Year 2016
(amounts expressed in thousands)

Assessed Value	\$20,766,300
Debt Limit (7.5% of assessed value)	1,557,473
Debt Applicable to Limit:	
General Obligation bonds and loans	199,861
Capital leases	0
Less: Assets available from Debt Svc Fund	(1,183)
Total Net Debt Applicable to Limit	198,678
Legal Debt Margin	<u><u>\$1,358,795</u></u>

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

	2012	2013	2014	2015	2016
Assessed Value of Property	\$16,013,945	\$16,593,506	\$17,887,171	\$19,015,503	\$20,766,300
Debt Limit, 7.5% of Assessed Value	1,201,046	1,244,513	1,341,538	1,426,163	1,557,473
Total Net Debt Applicable to Limit	247,953	261,445	217,009	209,654	198,678
Legal Debt Margin	<u>\$953,093</u>	<u>\$983,068</u>	<u>\$1,124,529</u>	<u>\$1,216,509</u>	<u>\$1,358,795</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.6%	21.0%	16.2%	14.7%	12.8%

**Computation of Constitutional Limit of Indebtedness
As of December 31, 2016
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 2017) (PV)		\$	20,766,300,003
GENERAL PURPOSE INDEBTEDNESS			
Non-Voted General Purpose Indebtedness and Capital Leases			
	Legal Limit 1.5% of Total Taxable Property Value		311,494,500
Indebtedness (Liabilities)			
Non-Voted General Obligation Bonds	218,719,242		
Capital Leases Payable	-		
Less Assets Available	-		
	Indebtedness Incurred - Non-Voted General Purposes		218,719,242
	Remaining Legally Available Non-Voted Debt Capacity - General Purposes		92,775,258
	Less Required Reserve (10% of Non-Voted Debt Capacity)		(31,149,450)
	Available Non-Voted Debt Capacity - net of Required Reserve	\$	61,625,808
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)			
	Legal Limit 2.5% of Total Taxable Property Value		519,157,500
Less:	Indebtedness Incurred - Non-Voted General Purposes		(218,719,242)
		\$	300,438,258
Indebtedness (Liabilities)			
Voted General Obligation Bonds	14,120,000		
Less Assets Available	(1,183,263)		
	Indebtedness Incurred - Voted General Purposes		12,936,737
	Total Remaining Debt Capacity - General Purposes	\$	287,501,521
UTILITY PURPOSE INDEBTEDNESS			
Indebtedness For Utility Purposes With 3/5 Vote of the People			
	Legal Limit 2.5% of Total Taxable Property Value	\$	519,157,500
	Remaining Debt Capacity - Utility Purposes	\$	519,157,500
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	\$	519,157,500
	Remaining Debt Capacity - Open Spaces and Parks Facilities	\$	519,157,500
SUMMARY			
Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value		1,557,472,500
Less: Indebtedness Incurred - General Purposes	1.1155%		231,655,979
Less: Indebtedness Incurred - Utility Purposes			-
Less: Indebtedness Incurred - Open Space And Parks Facilities			-
	Remaining Debt Capacity	6.3845%	\$ 1,325,816,521

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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
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
2016	104,280	67,210	37,070	4,390	8,069	2.98

Power Revenue Bonds						
Fiscal Year	Power Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2016	425,756	332,518	93,238	12,730	19,026	2.94

Solid Waste Revenue Bonds						
Fiscal Year	Solid Waste Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2016	63,568	47,196	16,372	4,830	3,167	2.16

Water Revenue Bonds						
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2016	94,688	52,762	41,926	5,140	13,156	2.29

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
2007	(1)	19,499	15,206	4,293	113	82
2008		19,052	16,437	2,615	162	98
2009		15,373	13,561	1,812	171	90
2010		16,328	14,204	2,124	180	80
2011		20,115	16,457	3,658	190	70
2012		24,089	19,366	4,723	201	60
2013		27,923	22,785	5,138	212	49
2014		30,482	25,493	4,989	223	37
2015		30,249	24,585	5,663	236	25
2016		32,261	27,135	5,126	249	12

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
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
2016	4740	3524	8264	2922	2.83

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
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
2016	4740	323	14.68

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 December 31	Population (1) (Thousands)	Personal Income (2) (Thousands)	Per Capita Personal Income (2)	School Enrollment (3) (Thousands)	Unemployment % Rate (4)
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	37,640,095	44,600	31	6.1
2016	206	N/A	N/A	29	6.0

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 2015).
- (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 2016 (PIERCE COUNTY)

	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Joint Base Lewis McChord	57,120	6.8%	Military
Local Public Schools	13,408	1.6%	Education
MultiCare Health System	8,247	1.0%	Health Care
State of Washington	6,844	0.8%	Government
CHI Franciscan Health	6,099	0.7%	Health Care
Pierce County Government	3,001	0.4%	Government
Fred Meyer Stores	2,560	0.3%	Retail and Distribution
City of Tacoma	2,138	0.3%	Government
State Farm Insurance Companies	2,050	0.2%	Insurance
Emerald Queen Casino	2,026	0.2%	Gaming
Total	103,493	12.3%	

2016 Pierce County Population 843,954

TOP TEN EMPLOYERS FOR 2007 (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 and Distribution
Emerald Queen Casino	1,688	0.2%	Gaming
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%	

2007 Pierce County Population 774,049

Note:

Employment data is voluntarily submitted to the City by businesses. As such, internal records of employment are incomplete.
 EDB-for Tacoma-Pierce County data is presented instead as it represents a more complete data set.
 CAFR-2006 numbers were used for top employers since this table was not used in 2007

Sources:

Economic Development Board for Tacoma-Pierce County
 US Census Bureau (2015 population data)

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

Function	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	294	304	300	257	287	260	265	268	285	286
Public Safety										
Police	416	418	429	418	415	389	370	361	370	369
Fire	434	434	426	414	431	401	376	389	406	401
Law Enforcement Support Agency	162	165	160	151	159	160	N/A (3)	N/A	N/A	N/A
Economic Environment										
Community & Economic Development	42	43	42	92	89	77	26 (2)	26	26	27
Planning and Development Services	N/A	N/A	N/A	N/A	N/A	N/A	51	59	60	29
Hearing Examiner	3	3	3	3	4	3	3	3	3	3
Human Rights Human Services	29	33	38	37	33	31	54	48	41	41
Culture and Recreation	203	207	202	213	202	179	159	158	171	171
Transportation										
Public Works	777	773	800	744 (1)	743	691	707	713	718	732
Information Systems	113	114	139	136	136	112	109	109	116	111
Retirement	9	9	9	9	9	10	10	10	10	9
Tacoma Public Utilities										
Administration	8	8	9	9	11	10	10	10	11	12
Customer Service	174	174	157	153	153	153	140	143	148	150
Geographic Info System	9	9	12	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rail	98	99	99	95	91	99	107	115	116	113
Power	791	792	872	874	829	805	839	839	851	860
Water	266	267	267	259	248	240	240	239	236	237
Total	3,828	3,852	3,964	3,864	3,840	3,620	3,466	3,490	3,568	3,551

(1) 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.

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

(3) Law Enforcement Support Agency became South Sound 911 at the end of 2012. The City does not 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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Function					
<i>Public Safety</i>					
Police					
Violent Crimes	2,091	1,965	1,883	1,703	4,756
Property Crimes	14,736	14,813	13,337	12,405	20,102
Fire					
Incidents	37,182	37,844	38,534	38,232	38,239
<i>Utilities</i>					
Power customers	165,122	166,307	168,207	169,413	169,112
Power service units - MWH	6,794,354	6,652,547	6,618,995	6,781,964	7,237,792
Water customers	96,278	95,587	96,983	97,137	96,734
Water service units	24,760,182	24,400,467	24,720,956	23,229,748	23,074,632
Wastewater customers	60,694	60,698	60,651	60,705	60,673
Surface Water customers	69,091	70,120	70,422	70,204	70,544
Solid Waste customers	58,449	58,550	58,549	58,637	58,451
<i>Rail</i>					
Miles of track	38	38	38	38	57.5
Number of cars switched	83,416	77,194	60,924	73,175	68,953
<i>Parking Garages</i>					
Number of parking stalls - garages	2,219	2,282	2,384	2,384	2,384
Number of parking stalls - surface lots	235	73	73	73	102

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function					
<i>Public Safety</i>					
Police					
Violent Crimes	4,623	4,379	4,319	4,376	4,443
Property Crimes	21,961	21,534	20,573	20,531	21,229
Fire					
Incidents	39,810	39,244	41,094	45,266	46,783
<i>Utilities</i>					
Power customers	169,112	171,506	172,531	174,562	176,784
Power service units - MWH	7,885,213	7,050,749	7,602,630	6,510,290	7,302,235
Water customers	96,333	97,854	98,608	99,943	100,731
Water service units	23,201,613	23,886,864	24,553,529	26,087,248	24,610,996
Wastewater customers	60,591	60,758	61,348	75,732 (1)	76,268
Surface Water customers	70,479	70,459	70,512	70,611	70,703
Solid Waste customers	58,517	58,265	59,308	60,262	60,646
<i>Rail</i>					
Miles of track	57.5	57.5	57.5	57.5	48.5
Number of cars switched	92,117	138,410	108,137	102,173	124,467
<i>Parking Garages</i>					
Number of parking stalls - garages	2,362	2,362	2,362	2,282	2,282
Number of parking stalls - surface lots	108	108	98	98	98
Number of on-street metered spaces	1,403	1,403	1,800	1,800	1,800

1) 2015 Wastewater customers were adjusted in 2016 CAFR

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Function					
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	236	249	245	247	256
Unmarked Cars-(includes seized vehicles)	94	99	113	123	119
Motorcycles	25	21	22	22	22
Fire					
Number of Stations	16	16	16	16	16
Pumpers	16	17	16	16	16
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	1	1	1	1
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	642.52 (1)	642.52	642.52	642.52	642.52
Miles of Unpaved Streets	208.10 (1)	208.10	208.10	208.10	208.10
Total	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>	<u>850.62</u>

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.

2)The 2016 change in miles of Paved and Unpaved Streets is due to a condition survey performed in 2015 and the data was received in 2016.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function					
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	269	290	282	265	265
Unmarked Cars-(includes seized vehicles)	101	125	106	110	112
Motorcycles	16	16	16	15	10
Fire					
Number of Stations	15	15	15	15	15
Pumpers	13	13	13	13	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	2	2	2	3	3
Squad Vehicles	1.5	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	746.6 (2)
Miles of Unpaved Streets	208.10	208.10	208.10	208.10	10.80 (2)
Total	850.62	850.62	850.62	850.62	757.4

**Contributing Staff
Table 21**

The following individuals contributed to the successful completion of the City of Tacoma's 2016 Comprehensive Annual Financial Report:

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 Tina Hemphill, CGFM, Financial Manager
 Michael San Soucie, CPA, Financial Manager
 Lisa Thornton, Financial Manager
 Su Yi, Financial Manager
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 Mary Mansperger, Senior Accountant
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