

# 2017 Comprehensive Annual Financial Report

City of Tacoma, Washington For the Fiscal Year Ended December 31, 2017

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# **2017 Comprehensive Annual Financial Report**

of the City of Tacoma, Washington  
for the Year Ended December 31, 2017

Prepared by Department of Finance  
Andrew Cherullo, Finance Director



City of Tacoma, Washington  
Finance Department  
747 Market Street, Room 132  
Tacoma, WA 98402-3773  
[www.cityoftacoma.org/finance](http://www.cityoftacoma.org/finance)



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# SECTION 1

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## INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS

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City of Tacoma  
Finance Department

July 27, 2018

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, 2017. The State Auditor has issued an unmodified opinion, or in layman's terms a "clean opinion" on the City of Tacoma's 2017 financial statements. The independent auditor's report can be found immediately after the Management's Discussion & Analysis section of the CAFR.

The 2017 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.

Governmental Accounting Standards Board (GASB) requires 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 opinion on the CAFR, the State Auditor also issues a separate report on internal controls and compliance with laws and regulations that meet the requirements of the Single Audit Act under Title 2 CFR Part 200 Subpart F (OMB Uniform Guidance). These 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 2017 population estimate was 208,100 which is an increase of 4.9% 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. In 2015, the Ports of Seattle and Tacoma formed the Northwest Seaport Alliance to strengthen the Puget Sound gateway - the fourth 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.

**TOP TEN EMPLOYERS FOR 2017 (PIERCE COUNTY)**

|                                | EMPLOYEES | PERCENTAGE OF TOTAL<br>COUNTY POPULATION | TYPE OF BUSINESS |
|--------------------------------|-----------|--|------------------|
| Joint Base Lewis-McChord       | 60,100    | 6.9%                                     | Military         |
| MultiCare Health System        | 7,439     | 0.8%                                     | Health Care      |
| State of Washington            | 6,838     | 0.8%                                     | Government       |
| CHI Franciscan Health          | 6,528     | 0.7%                                     | Health Care      |
| Tacoma Public Schools          | 3,541     | 0.4%                                     | Education        |
| Pierce County Government       | 3,058     | 0.3%                                     | Government       |
| Bethel School District         | 2,465     | 0.3%                                     | Education        |
| City of Tacoma                 | 2,251     | 0.3%                                     | Government       |
| State Farm Insurance Companies | 2,150     | 0.2%                                     | Insurance        |
| Puyallup School District       | 2,124     | 0.2%                                     | Gaming           |
| Total                          | 96,494    | 11.0%                                    |                  |

2017 Pierce County Population 876,764

The average year-to-date unemployment rate for the Tacoma metropolitan area was 6.1% as of February 2018 compared to 6.0% and 6.8% for February 2017 and 2016, respectively. Tacoma's median household income in 2016 was approximately \$61,000 as compared to \$59,500 in 2015 and \$59,900 in 2014.

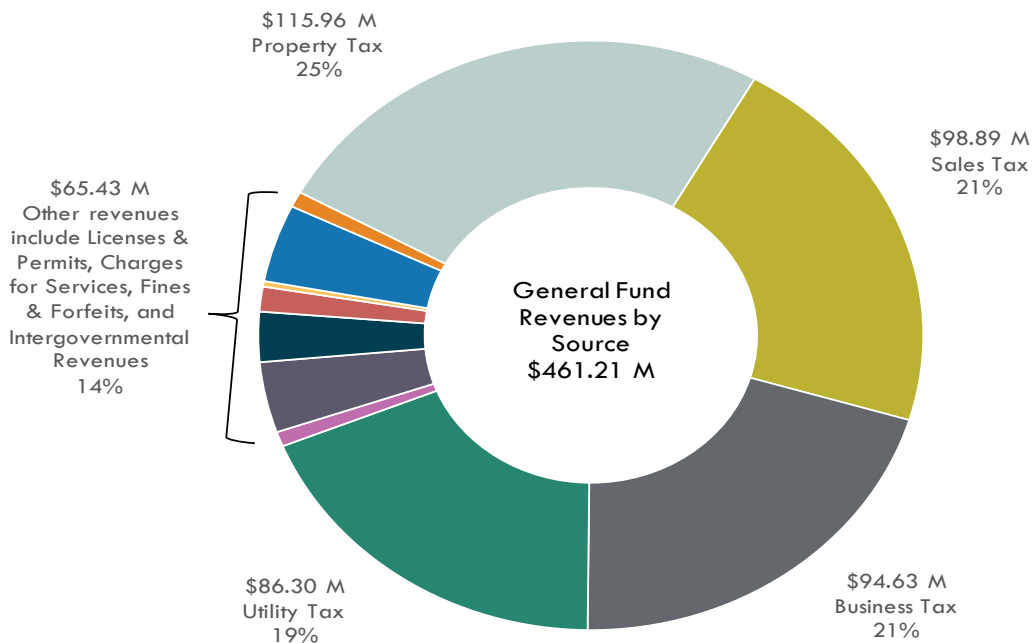
The City's major revenue sources for the General Fund include property tax, business & occupation (B&O) tax, sales tax and a gross earnings tax (GET) on utilities.

**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. 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. 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. Consumers within the City pay a sales tax rate of 9.6% of which 1% is the City's General Fund portion, 0.1% funds mental health and chemical dependency services, and 0.1% funds the Transportation Benefit District which funds street improvements.

**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. 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 revenues based on new construction. In no event may the annual levy exceed the \$3.60 per \$1,000 of assessed value rate limit. During 2017, the City levied at the statutory limitation of \$2.96 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](http://www.cityoftacoma.org) or at the following specific link: <http://www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=109596>.

## MAJOR INITIATIVES

### Prairie Line Trail

The Prairie Line Trail improved the pedestrian and bicycle transportation system by completing the shared use path from University of Washington Tacoma to the Thea Foss Waterway providing a vital connection between the downtown core and the waterway. This \$5 million project began in October 2016 and was completed in December 2017. This project constructed a 14-foot-wide active transportation trail with lights, benches, signage and plantings, and improved the pedestrian and bicycle path on the South 15<sup>th</sup> Street Bridge spanning the BSNF rail facility.

### Hilltop and South Downtown Pedestrian Improvements

The \$2 million Hilltop and South Downtown pedestrian improvements began in June 2017 and were completed in December 2017. Improvements were identified and prioritized through a public outreach process which included public meetings with the local stakeholders. Improvements were constructed along South 11 Street, South 19<sup>th</sup> street, and South 21<sup>st</sup> street pedestrian corridors which included curb ramps, bulbouts, crosswalks and traffic signal upgrades designed to improve pedestrian visibility, accessibility and safety.

### Emergency Temporary Aid and Shelter Plan

The City declared a state of public health emergency in response to the growing concentration of individuals living in homeless encampments. Encampments pose safety and health concerns for people living in them as they create human waste, garbage, exposure to communicable diseases, exposure to violence and other safety and health concerns. The

City implemented a three-phased Emergency Temporary Aid and Sheltering Plan for an investment of up to \$3.4 million. The phases included: 1) Rapid deployment of services to mitigate the immediate health and safety issues in the encampments and surrounding areas; 2) Establishing a temporary shelter to connect individuals to services to enhance self-sustainability and connection to housing; 3) Implementation of innovative approaches to provide short and long term solutions.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Awards**

We are pleased to announce that for the 32nd 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 2016 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.

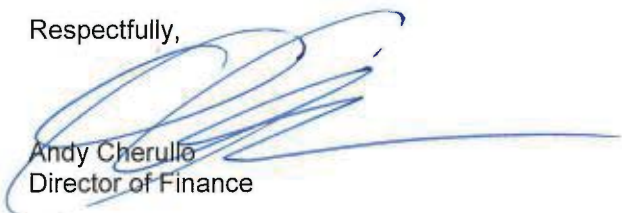
A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the new reporting standards established by GASB and the GFOA's standards of excellence. We will submit the current report to GFOA to determine its eligibility for another Certificate of Achievement 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, Rene Bourne, Joel Sipes, Donna Ruby, Tina Hemphill, Lisa Thornton and Paula Barry 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, 2016**

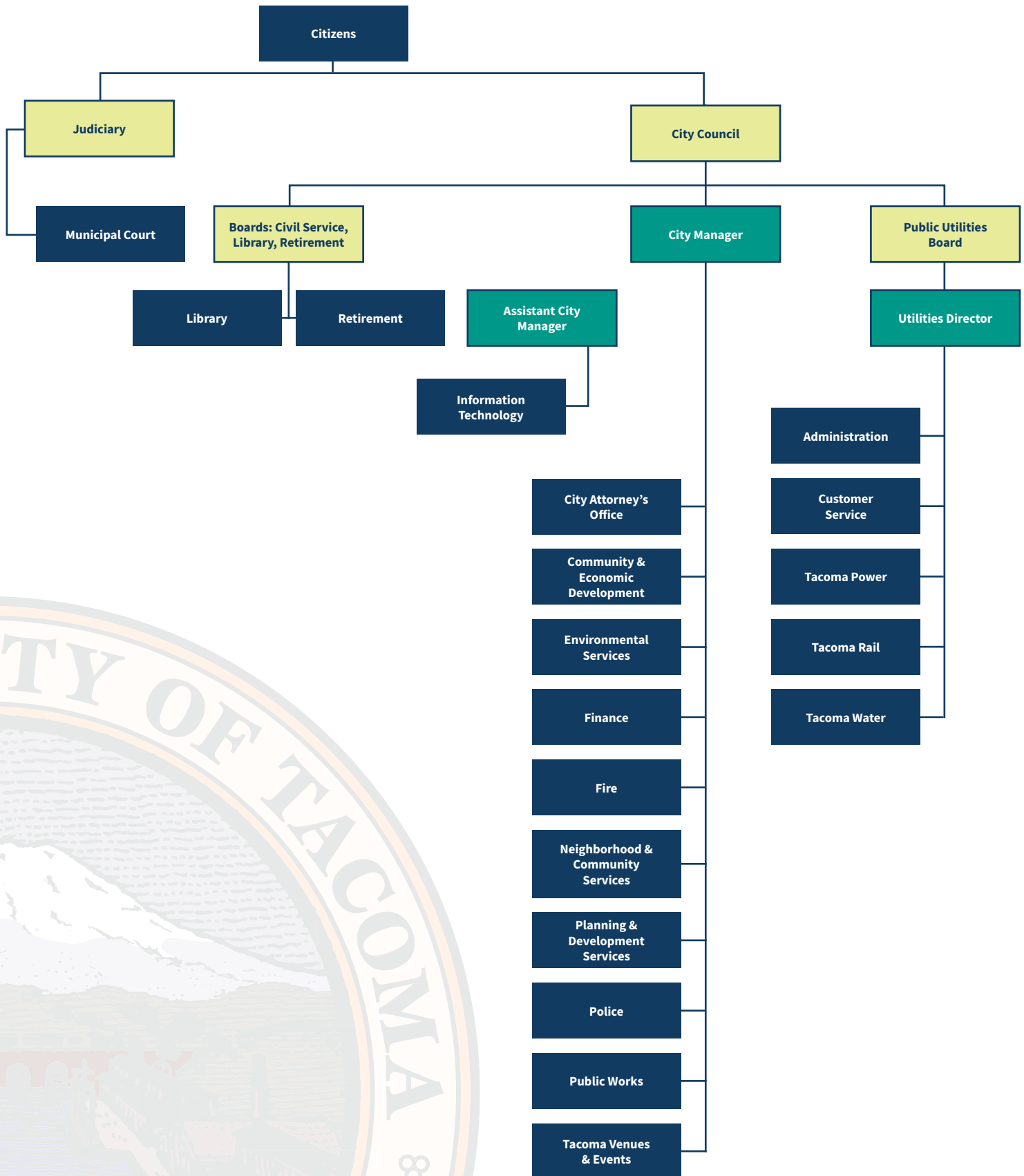
*Christopher P. Morill*

Executive Director/CEO



# City of Tacoma

## Organizational Chart



# 2017 CITY OF TACOMA MAYOR, CITY COUNCIL, AND CITY MANAGER



**Marilyn Strickland**  
Mayor



**Robert Thoms**  
Deputy Mayor/District 2



**Anders Ibsen**  
District 1



**Keith Blocker**  
District 3



**Marty Campbell**  
District 4



**Joe Lonergan**  
District 5



**Lauren Walker**  
At-Large



**Conor McCarthy**  
At-Large



**Ryan Mello**  
At-Large



**Elizabeth Pauli**  
City Manager



**City Officials as of December 31, 2017****Council Members**

Marilyn Strickland  
 Robert Thoms  
 Keith Blocker  
 Marty Campbell  
 Anders Ibsen  
 Joe Loneragan  
 Connor McCarthy  
 Ryan Mello  
 Lauren Walker

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, 2019  
 December 31, 2017

City Manager  
 Assistant 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

Elizabeth Pauli  
 Tadd Wille  
 Bill Fosbre  
 Kim Bedier  
 Mike Slevin  
 Andrew Cherullo  
 James Duggan  
 Randy Lewis  
 Jeff Capell  
 Gary Buchanan  
 Paul Federighi  
 Susan Odencrantz  
 Kathryn Johnston  
 Tanisha Jumper  
 Michelle Petrich  
 Linda Stewart  
 Peter Huffman  
 Don Ramsdell  
 Kim Bedier  
 Kurtis Kingsolver  
 Tim Allen

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

Linda McCrea  
 Chris Robinson  
 Scott Dewhirst  
 Dale King  
 Steven Hatcher

## SECTION 2

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**FINANCIAL SECTION**  
INDEPENDENT AUDITOR'S REPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
BASIC FINANCIAL STATEMENTS  
REQUIRED SUPPLEMENTARY INFORMATION  
COMBINING STATEMENTS—NON-MAJOR FUNDS

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## Office of the Washington State Auditor Pat McCarthy

### INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

July 27, 2018

Mayor and City Council  
City of Tacoma  
Tacoma, Washington

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tacoma, Pierce County, Washington, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Power, Sewer, Water, and Solid Waste Funds, which are presented as major funds and represent 91 percent, 90 percent and 90 percent, respectively, of all the assets, net position, and revenues of the business-type activities. We also did not audit the financial statements of the Tacoma Rail fund which represents one percent, one percent and four percent, respectively, of all assets, net position, and revenues of the business type activities and two percent, one percent, and six percent, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Power, Sewer, Water, Solid Waste, and Tacoma Rail funds is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tacoma, as of December 31, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents 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 combining financial statements and schedules and other supplementary information are presented for the purposes of additional analysis and are 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 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 July 27, 2018, 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, 2017. 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, \$233 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 increased by \$57 million in 2017.
- Tacoma Power's net position for 2017 was \$830.2 million which was an increase of \$8.2 million from 2016.
- Tacoma Water's net position for 2017 was \$556.7 million which was an increase of \$7.1 million from 2016.
- Sewer's net position for 2017 was \$435.4 million which was an increase of \$13.3 million from 2016.

### Overview of the Financial Statements

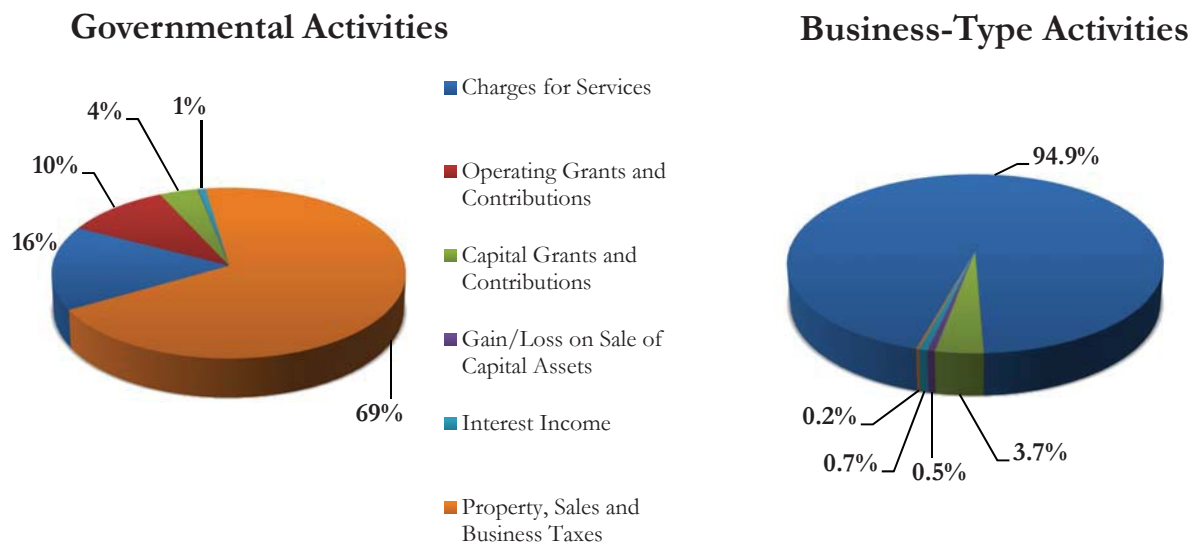
This discussion and analysis is intended to serve as an introduction to the City of Tacoma's basic financial statements. The City of Tacoma's basic financial statements consist of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the 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*

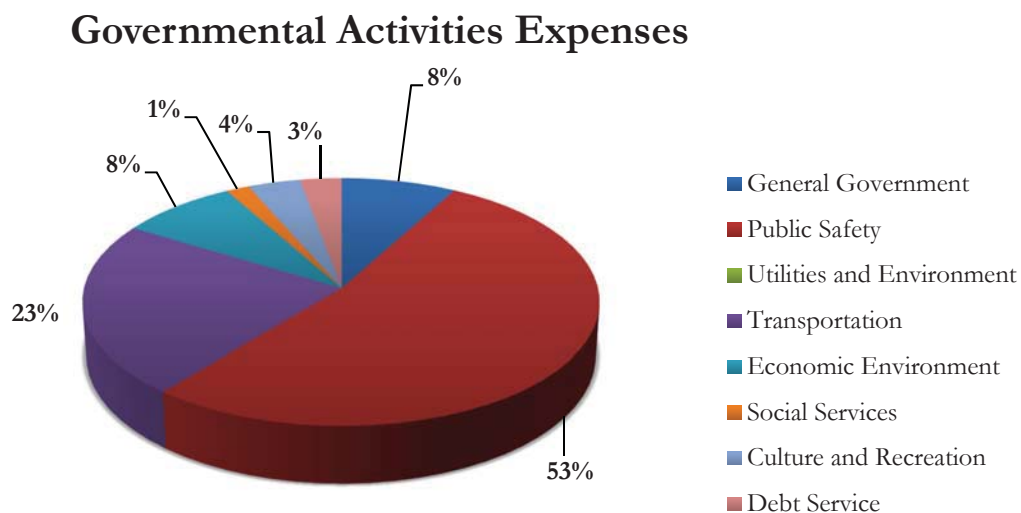
The government-wide financial statements are designed to provide readers with a broad overview of the City of Tacoma's finances, and are similar to private sector financial statements. The statements also include the discretely presented component units: Tacoma Community Redevelopment Authority (TCRA),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

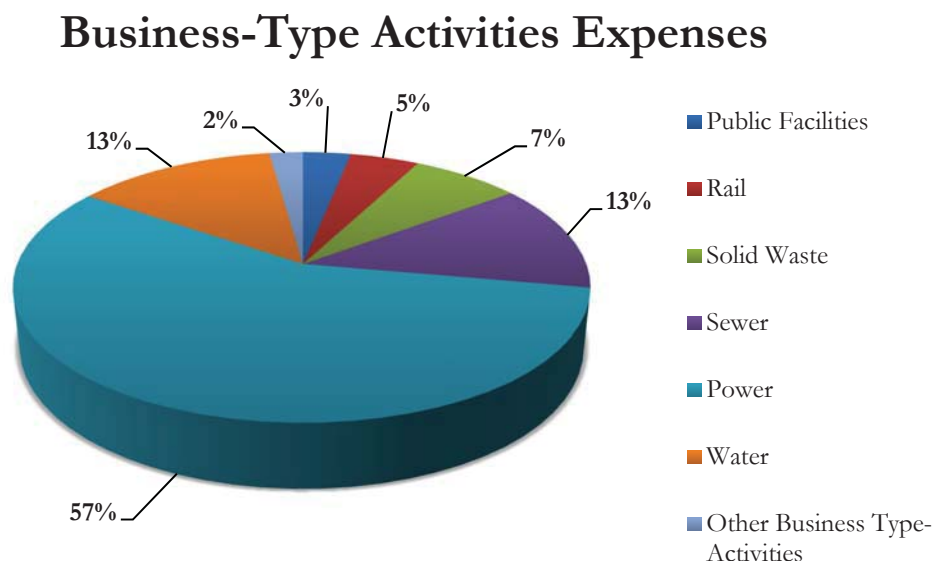
The Statement of Net Position includes information on all assets and deferred outflows of resources and all liabilities and deferred inflows of resources of the City of Tacoma's general government as well as its business-type activities. The difference between the assets plus deferred outflows of resources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

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

**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 3-90 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 5-115 of this report.

***Other Supplementary Information***

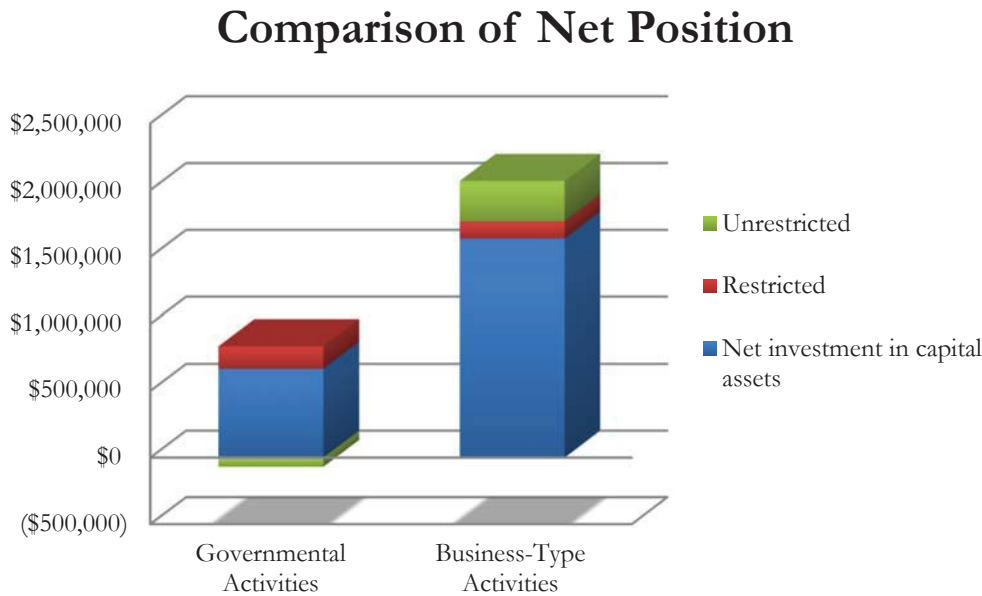
This section provides statistical information on Local Improvement District assessments. The Other Supplementary Information section can be found on pages 5-117.

***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, 2017. 81.3% 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. 8.2% of the City's net position is unrestricted, meaning they are available for meeting the City's ongoing obligations. The remaining 10.5% of net position is restricted for other purposes such as debt redemption and new capital construction. Governmental activities represent 27.0% of total net position and business-type activities represent 73.0% of total net position.

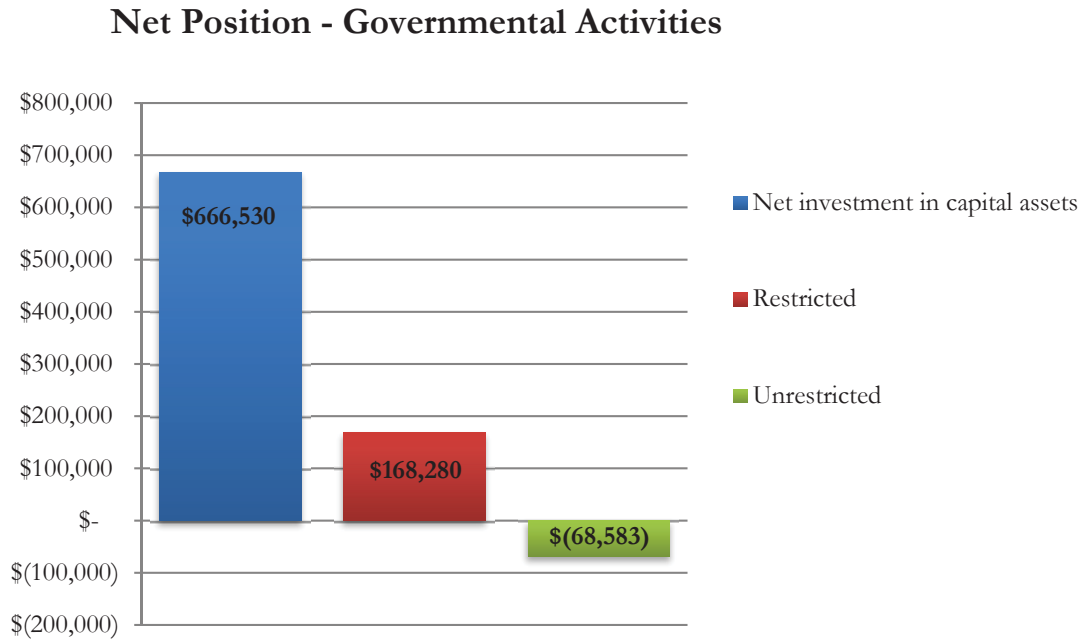
**Figure 4. Comparison of Net Position, By Activity Type (Amounts expressed in thousands)****Table 1. Summary Statement of Net Position**

| Statement of Net Position<br>December 31 |                         |              |                          |              |              |              |  |
|--|-------------------------|--------------|--------------------------|--------------|--------------|--------------|--|
| (Amounts expressed in thousands)         | Governmental Activities |              | Business-Type Activities |              | Total        |              |  |
|  | 2017                    | 2016         | 2017                     | 2016         | 2017         | 2016         |  |
| Current and other assets                 | \$ 401,122              | \$ 316,348   | \$ 856,424               | \$ 877,669   | \$ 1,257,546 | \$ 1,194,017 |  |
| Capital assets                           | 806,327                 | 819,394      | 2,822,014                | 2,824,020    | 3,628,341    | 3,643,414    |  |
| Total assets                             | \$ 1,207,449            | \$ 1,135,742 | \$ 3,678,438             | \$ 3,701,689 | \$ 4,885,887 | \$ 4,837,431 |  |
| Deferred Outflow of Resources            | \$ 37,607               | \$ 21,512    | \$ 75,168                | \$ 77,892    | \$ 112,775   | \$ 99,404    |  |
| Current and other liabilities            | \$ 43,991               | \$ 33,204    | \$ 114,463               | \$ 116,117   | \$ 158,454   | \$ 149,321   |  |
| Long-term liabilities outstanding        | 391,050                 | 332,361      | 1,441,943                | 1,518,894    | 1,832,993    | 1,851,255    |  |
| Total liabilities                        | \$ 435,041              | \$ 365,565   | \$ 1,556,406             | \$ 1,635,011 | \$ 1,991,447 | \$ 2,000,576 |  |
| Deferred Inflows of Resources            | \$ 43,788               | \$ 39,876    | \$ 129,096               | \$ 119,281   | \$ 172,884   | \$ 159,157   |  |
| Net Position:                            |                         |              |                          |              |              |              |  |
| Net investment in capital assets         | \$ 666,530              | \$ 673,093   | \$ 1,636,652             | \$ 1,613,805 | \$ 2,303,182 | \$ 2,286,898 |  |
| Restricted                               | 168,280                 | 113,897      | 129,836                  | 124,289      | 298,116      | 238,186      |  |
| Unrestricted                             | (68,583)                | (35,177)     | 301,616                  | 287,195      | 233,033      | 252,018      |  |
| Total net position                       | \$ 766,227              | \$ 751,813   | \$ 2,068,104             | \$ 2,025,289 | \$ 2,834,331 | \$ 2,777,102 |  |

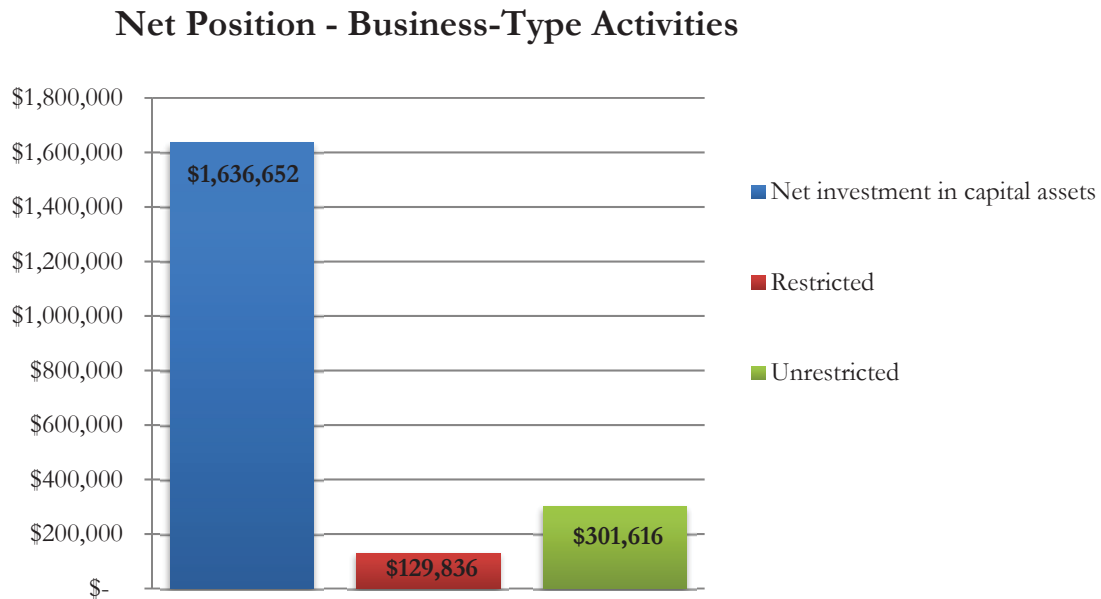


In 2017, the City's total net position increased by \$57 million, which was a 2% increase in fund balance from 2016.

**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<br>Changes in Net Position |                         |            |                          |              |              |              |  |
|---|-------------------------|------------|--------------------------|--------------|--------------|--------------|--|
| <i>(Amounts expressed in thousands)</i>               |                         |            |                          |              |              |              |  |
|   | Governmental Activities |            | Business-Type Activities |              | Total        |              |  |
|   | 2017                    | 2016       | 2017                     | 2016         | 2017         | 2016         |  |
| Revenues:   |                         |            |                          |              |              |              |  |
| Program revenues                                      |                         |            |                          |              |              |              |  |
| Charges for services                                  | \$ 48,562               | \$ 62,782  | \$ 791,542               | \$ 761,282   | \$ 840,104   | \$ 824,064   |  |
| Operating grants and contributions                    | 31,791                  | 33,903     | 208                      | 8,392        | 31,999       | 42,295       |  |
| Capital grants and contributions                      | 11,549                  | 7,392      | 30,528                   | 21,413       | 42,077       | 28,805       |  |
| General revenues                                      | -                       | -          | -                        | -            | -            | -            |  |
| Property taxes  | 74,479                  | 78,886     | -                        | -            | 74,479       | 78,886       |  |
| Other taxes   | 135,558                 | 122,310    | 1,702                    | -            | 137,260      | 122,310      |  |
| Other   | 2,427                   | 2,316      | 10,241                   | 7,005        | 12,668       | 9,321        |  |
| Total revenue   | 304,366                 | 307,589    | 834,221                  | 798,092      | 1,138,587    | 1,105,681    |  |
| Expenses:   |                         |            |                          |              |              |              |  |
| General government                                    | \$ 24,436               | \$ 74,293  | \$ -                     | \$ -         | \$ 24,436    | \$ 74,293    |  |
| Public safety   | 162,416                 | 175,131    | -                        | -            | 162,416      | 175,131      |  |
| Utilities and environment                             | -                       | 1          | -                        | -            | -            | 1            |  |
| Transportation  | 69,741                  | 60,881     | -                        | -            | 69,741       | 60,881       |  |
| Social services                                       | 4,908                   | 4,983      | -                        | -            | 4,908        | 4,983        |  |
| Economic Environment                                  | 25,102                  | 36,759     | -                        | -            | 25,102       | 36,759       |  |
| Culture and recreation                                | 11,187                  | 15,258     | -                        | -            | 11,187       | 15,258       |  |
| Debt Service  | 8,837                   | 8,670      | -                        | -            | 8,837        | 8,670        |  |
| Public assembly facilities                            | -                       | -          | 23,243                   | 20,986       | 23,243       | 20,986       |  |
| Rail  | -                       | -          | 33,579                   | 31,571       | 33,579       | 31,571       |  |
| Solid waste   | -                       | -          | 52,938                   | 66,661       | 52,938       | 66,661       |  |
| Waste water   | -                       | -          | 95,960                   | 92,958       | 95,960       | 92,958       |  |
| Water   | -                       | -          | 97,540                   | 95,869       | 97,540       | 95,869       |  |
| Power   | -                       | -          | 420,368                  | 404,566      | 420,368      | 404,566      |  |
| Other business-type funds                             | -                       | -          | 16,326                   | 16,721       | 16,326       | 16,721       |  |
| Total expenses  | 306,627                 | 375,976    | 739,954                  | 729,332      | 1,046,581    | 1,105,308    |  |
| Increase/(Decrease) in net position before transfers  | (2,261)                 | (68,387)   | 94,267                   | 68,760       | 92,006       | 373          |  |
| Transfers   | 51,452                  | 48,973     | (51,452)                 | (48,973)     | -            | -            |  |
| Increase/(Decrease) in net position                   | 49,191                  | (19,414)   | 42,815                   | 19,787       | 92,006       | 373          |  |
| Net position--January 1                               | 751,813                 | 771,777    | 2,025,289                | 2,006,164    | 2,777,102    | 2,777,941    |  |
| Prior Period Adjustments                              | 1,169                   | (1,048)    | -                        | (662)        | 1,169        | (1,710)      |  |
| Change in accounting principle                        | (35,946)                | 498        | -                        | -            | (35,946)     | 498          |  |
| Net position--January 1                               | 717,036                 | 771,227    | 2,025,289                | 2,005,502    | 2,742,325    | 2,776,729    |  |
| Net position--December 31                             | \$ 766,227              | \$ 751,813 | \$ 2,068,104             | \$ 2,025,289 | \$ 2,834,331 | \$ 2,777,102 |  |

Tacoma's governmental activities reported a combined fund balance of \$766 million, which was an increase of \$14 million from 2016; this increase was due in a large part to an increase in tax revenues and grants received while also reducing general government and public safety expenses. The reduction in expenditures primarily reflects the decreased effect of the net pension liability on the expenditures. In addition general government expenditures decreased by \$69 million, primarily the result of moving support services (finance, legal, human resources, etc.) from the general fund to internal service funds. These expenditures are now reflected in the expenditures of the functions they support.

Business-type activities also saw a positive change, with an ending net position of \$2.07 billion. This is an increase of \$43 million over 2016.

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 \$80.2 million which decreased by \$134 thousand or less than 1% from 2016. The general funds unassigned fund balance saw a decrease of \$1.4 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 is \$3.8 million which decreased by \$2.7 million (42%) in 2017, caused by an increase in transportation expenditures of \$3.6 million. Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, was \$138.2 million. This increase of \$53.1 million (62%) is the result of the issuance of long-term debt of \$27.5 million and the sale of capital assets of \$4.9 million.

### ***Fund Balances***

At December 31, 2017, the City's governmental funds reported combined ending fund balances of \$222 million. Of this amount, \$5.3 million is nonspendable, either due to its form or legal constraints. \$116 million is restricted for specific programs by external constraints. \$8.9 million is committed for specific purposes as approved by City Council. \$24.1 million is assigned to specific purposes by management and the remaining \$67.7 million is unassigned.

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

Total net position for enterprise funds increased by \$46.0 million in 2017. 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 net position increased by \$8.4 million, this was a 1% increase from 2016. The Water fund had an increase in their net position of \$7.1 million, a 1.3% increase from 2016. The Sewer fund had an increase in net position of \$13.4 million, or 3.2%. The Solid Waste funds net position had the largest increase of the proprietary funds at \$9.3 million, which was a 34% from 2016. This can be attributed to an average 3.4% rate increase in residential customers in 2017. Revenues from residential customers increased \$856,000 in 2017. Residential collection revenues increased due to the increases in both the number of customer accounts along with the rate increases. Commercial customer revenues increased \$1.7 million due to commercial business improvement and an increase in commercial Drop-off-Box containers. Disposal revenues increased \$1.6 million from continued increase in customer self-hauls and scale house rates increasing from \$15 to \$20 for the first 100 pounds. Salvage revenues increased by \$217,000 due to increases in both volumes and prices of salvaged materials. The non-major Enterprise funds had an ending net position of \$163.6 million which was an increase of \$7.7 million, or 5%. The total net position for internal service funds' was \$102.5 million and increased by \$2.1 million, or 2%, in 2017.

## General Fund Budgetary Highlights

The City's budget is a two year biennium budget which begins every odd year, with 2017 being the start of the 2017-2018 biennium budget. The 2017-2018 adopted budget included funding for deferred maintenance such as \$5 million to cover the replacement for the City's fleet vehicles, bonds to cover the updating of the Tacoma Dome, and infrastructure investments to repair and maintain city streets.

## 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, 2017 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<br>Schedule of Capital Assets |                         |                   |                          |                     |                     |                     |
|--|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
| (Amounts expressed in thousands)                         | Governmental Activities |                   | Business-Type Activities |                     | Total               |                     |
|  | 2017                    | 2016              | 2017                     | 2016                | 2017                | 2016                |
|  | \$                      | \$                | \$                       | \$                  | \$                  | \$                  |
| Land   | 36,380                  | 35,335            | 164,293                  | 163,451             | 200,673             | 198,786             |
| Construction in progress                                 | 30,800                  | 57,538            | 53,807                   | 57,691              | 84,607              | 115,229             |
| Property, plant and equipment                            | 275,701                 | 255,700           | 4,428,165                | 4,338,447           | 4,703,866           | 4,594,147           |
| Infrastructure   | 1,410,490               | 1,373,328         | -                        | -                   | 1,410,490           | 1,373,328           |
| Less accumulated depreciation                            | (947,044)               | (902,507)         | (1,824,251)              | (1,735,569)         | (2,771,295)         | (2,638,076)         |
|  | <u>\$ 806,327</u>       | <u>\$ 819,394</u> | <u>\$ 2,822,014</u>      | <u>\$ 2,824,020</u> | <u>\$ 3,628,341</u> | <u>\$ 3,643,414</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, 2017 was \$1.8 billion. Approximately 87% of the bonded debt is related to utilities with repayment pledged by specific revenue sources generated by the utilities. Of the remaining 13% 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<br>Schedule of Long Term Liabilities |                         |                   |                          |                     |                     |                     |
|---|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
| (Amounts expressed in thousands)                                | Governmental Activities |                   | Business-Type Activities |                     | Total               |                     |
|   | 2017                    | 2016              | 2017                     | 2016                | 2017                | 2016                |
|   | \$                      | \$                | \$                       | \$                  | \$                  | \$                  |
| Bonded debt and loans   | 196,081                 | 182,106           | 1,317,775                | 1,396,763           | 1,513,856           | 1,578,869           |
| Capital leases  | -                       | -                 | -                        | -                   | -                   | -                   |
| Claims and judgments  | 33,784                  | 27,183            | -                        | -                   | 33,784              | 27,183              |
| Accrued landfill liability                                      | -                       | -                 | 18,080                   | 21,118              | 18,080              | 21,118              |
| Net OPEB Obligation   | 69,698                  | 62,495            | 21,656                   | 20,181              | 91,354              | 82,676              |
| Net Pension Obligation  | 10,093                  | 9,662             | -                        | -                   | 10,093              | 9,662               |
| Pension Liability   | 27,989                  | 25,948            | 64,891                   | 60,636              | 92,880              | 86,584              |
| Compensated absences  | 19,181                  | 24,967            | 19,541                   | 60,636              | 38,722              | 45,163              |
|   | <u>\$ 356,826</u>       | <u>\$ 332,361</u> | <u>\$ 1,441,943</u>      | <u>\$ 1,559,334</u> | <u>\$ 1,798,769</u> | <u>\$ 1,851,255</u> |

The City's debt rating for 2017 is as follows:

| Bond                      | Moody's | S&P | Fitch |
|---------------------------|---------|-----|-------|
| GO                        | Aa2     | AA  | AA    |
| LTGO                      | Aa2     | 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 5.4% which is a decrease of 0.6% from 2016.
- Sales tax revenue was \$71.6 million in 2017, which is a \$12.7 million increase over 2016 sales tax revenues.
- Taxable property values have increased by \$2.4 billion over 2016, which is an 11.6% increase.

City of Tacoma voters passed Proposition A and Proposition 3 in November 2015, which went into effect March 1<sup>st</sup>, 2016 and has 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. The City's tax and license department joined with the cities of Seattle, Bellevue and Everett as part of a program called FileLocal. This new website allows businesses to pay both B&O tax and business license fees online. This program is expected to bring in over \$3.8 million in extra revenue over the 2017-2018 biennium.

**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, 2017  
(amounts expressed in thousands)  
Page 1 of 2

|   | PRIMARY GOVERNMENT         |                             |                     |
|---|----------------------------|-----------------------------|---------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | TOTAL               |
| ASSETS  |                            |                             |                     |
| Cash and cash equivalents                               | \$ 257,634                 | \$ 434,124                  | \$ 691,758          |
| Investments at fair value                               | 5,222                      | -                           | 5,222               |
| Receivables (net of allowance<br>for uncollectibles)    | 52,313                     | 104,288                     | 156,601             |
| Due from other governmental units                       | 26,145                     | 1,655                       | 27,800              |
| Internal balances                                       | 466                        | (466)                       | -                   |
| Inventories   | 3,722                      | 12,110                      | 15,832              |
| Prepays   | 3,483                      | 9,152                       | 12,635              |
| Other current assets                                    | -                          | -                           | -                   |
| Temporarily restricted assets:                          |                            |                             |                     |
| Cash and cash equivalents                               | -                          | 204,928                     | 204,928             |
| Notes and contracts receivable                          | -                          | 923                         | 923                 |
| Contracts, notes, non-current leases                    | -                          | 18,761                      | 18,761              |
| Capital assets (not being depreciated):                 |                            |                             |                     |
| Land  | 36,380                     | 164,293                     | 200,673             |
| Art   | 2,414                      | -                           | 2,414               |
| Construction in progress                                | 30,800                     | 53,807                      | 84,607              |
| Capital assets:   |                            |                             |                     |
| Property, plant, and equipment                          | 273,287                    | 4,428,165                   | 4,701,452           |
| Infrastructure  | 1,410,490                  | -                           | 1,410,490           |
| Accumulated depreciation                                | (947,044)                  | (1,824,251)                 | (2,771,295)         |
| Non-current assets                                      |                            |                             |                     |
| Cash for bond reserve                                   | -                          | 19,058                      | 19,058              |
| Capital assets held for resale                          | -                          | -                           | -                   |
| Net Pension Assets                                      | 52,137                     | -                           | 52,137              |
| Other non-current assets                                | -                          | 51,891                      | 51,891              |
| Total assets  | <u>1,207,449</u>           | <u>3,678,438</u>            | <u>4,885,887</u>    |
| Deferred Outflow of Resources                           |                            |                             |                     |
| Unamortized loss on refunding                           | 4,329                      | 7,199                       | 11,528              |
| Deferred outflow for pensions                           | 33,278                     | 67,969                      | 101,247             |
| Total Deferred Outflow of Resources                     | <u>37,607</u>              | <u>75,168</u>               | <u>112,775</u>      |
| LIABILITIES   |                            |                             |                     |
| Accounts payable and<br>other current liabilities       | 26,221                     | 65,325                      | 91,546              |
| Deposits payable  | 76                         | 8,498                       | 8,574               |
| Due to other governments                                | 201                        | 554                         | 755                 |
| Unearned revenue  | 8,579                      | 7,704                       | 16,283              |
| Payable from restricted assets                          |                            |                             |                     |
| current liabilities                                     | -                          | 707                         | 707                 |
| Other liabilities                                       | 8,914                      | 31,675                      | 40,589              |
| Special assessment debt with<br>governmental commitment | 26,257                     | -                           | 26,257              |
| Total Pension Liability - Police and Firefighters       | 44,317                     | -                           | 44,317              |
| Net Pension Liability                                   | 27,989                     | 64,891                      | 92,880              |
| Non-current liabilities:                                |                            |                             |                     |
| Due within one year                                     | 47,058                     | 51,851                      | 98,909              |
| Due in more than one year                               | 245,429                    | 1,325,201                   | 1,570,630           |
| Total liabilities                                       | <u>435,041</u>             | <u>1,556,406</u>            | <u>1,991,447</u>    |
| Deferred Inflow of Resources                            |                            |                             |                     |
| Advance payment of Special Assessments                  | 25,850                     | -                           | 25,850              |
| Regulatory liability - rate stabilization               | -                          | 114,575                     | 114,575             |
| Deferred inflows for Pensions                           | 17,938                     | 13,981                      | 31,919              |
| Deferred gain on refunding                              | -                          | 540                         | 540                 |
| Total Deferred Inflow of Resources                      | <u>43,788</u>              | <u>129,096</u>              | <u>172,884</u>      |
| NET POSITION  |                            |                             |                     |
| Net investment in capital assets                        | 666,530                    | 1,636,652                   | 2,303,182           |
| Restricted for:   |                            |                             |                     |
| Capital purchases                                       | 3,922                      | 33,079                      | 37,001              |
| Debt Service  | 12,063                     | 35,709                      | 47,772              |
| Utilities assurance & system development                | -                          | 52,727                      | 52,727              |
| Culture and recreation                                  | 7,423                      | 4,405                       | 11,828              |
| Self-insurance  | -                          | 1,150                       | 1,150               |
| Environmental services and programs                     | -                          | 2,467                       | 2,467               |
| Inspections   | -                          | 299                         | 299                 |
| Pensions  | 52,480                     | -                           | 52,480              |
| Public safety   | 6,606                      | -                           | 6,606               |
| Transportation  | 78,137                     | -                           | 78,137              |
| Grants  | 95                         | -                           | 95                  |
| Housing & economic development                          | 7,554                      | -                           | 7,554               |
| Unrestricted  | (68,583)                   | 301,616                     | 233,033             |
| Total net position                                      | <u>\$ 766,227</u>          | <u>\$ 2,068,104</u>         | <u>\$ 2,834,331</u> |



| COMPONENT UNITS |              |               |
|-----------------|--------------|---------------|
| TCRA            | GTRCC<br>PFD | FWDA          |
| \$ 6,582        | \$ 2,079     | \$ 1,066      |
| -               | -            | -             |
| 4,509           | 696          | 14            |
| -               | -            | 21            |
| -               | -            | -             |
| -               | -            | -             |
| 11              | -            | 36            |
| 7               | -            | -             |
| 1,462           | -            | 7,002         |
| -               | -            | -             |
| 3,787           | -            | -             |
| 6,042           | -            | 22,124        |
| -               | -            | 86            |
| (4,118)         | -            | (6,107)       |
| -               | -            | -             |
| 1,686           | -            | -             |
| -               | -            | -             |
| 39,727          | -            | -             |
| <u>59,695</u>   | <u>2,775</u> | <u>24,242</u> |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| 915             | -            | 82            |
| -               | -            | 29            |
| -               | 2,775        | 8             |
| -               | -            | 149           |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| 3,500           | -            | 3,434         |
| <u>4,415</u>    | <u>2,775</u> | <u>3,702</u>  |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| -               | -            | -             |
| 51,107          | -            | -             |
| <u>55,280</u>   | <u>-</u>     | <u>(110)</u>  |
| <u>55,280</u>   | <u>-</u>     | <u>20,539</u> |

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017  
(amounts expressed in thousands)

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| FUNCTIONS/PROGRAMS             | EXPENSES         | PROGRAM REVENUES |                 |                 |
|--------------------------------|------------------|------------------|-----------------|-----------------|
|                                |                  | CHARGES FOR      | OPERATING       | CAPITAL GRANT   |
|                                |                  | SERVICES         | GRANTS AND      | & CONTRIBUTIONS |
|                                |                  |                  | CONTRIBUTIONS   |                 |
| Primary government:            |                  |                  |                 |                 |
| Governmental activities:       |                  |                  |                 |                 |
| General government             | \$ 24,436        | \$ 23,007        | \$ 11,193       | \$ -            |
| Public safety                  | 162,416          | 20,221           | 5,616           | 61              |
| Transportation                 | 69,741           | 1,994            | 10,717          | 11,387          |
| Social Services                | 4,908            | -                | -               | -               |
| Natural & econ environment     | 25,102           | 3,145            | 4,085           | -               |
| Culture and recreation         | 11,187           | 195              | 180             | 101             |
| Interest on long-term debt     | 8,837            | -                | -               | -               |
| Total governmental activities  | <u>306,627</u>   | <u>48,562</u>    | <u>31,791</u>   | <u>11,549</u>   |
| Business-type activities:      |                  |                  |                 |                 |
| Permit Services                | 9,236            | 11,499           | -               | -               |
| Mountain Rail                  | 3,180            | 1,489            | -               | -               |
| Parking Garage                 | 5,626            | 7,889            | -               | -               |
| Convention Center              | 9,752            | 6,460            | -               | -               |
| Cheney Stadium                 | 1,836            | 689              | -               | -               |
| Tacoma Dome                    | 9,918            | 9,121            | -               | -               |
| Performing Arts                | 1,737            | -                | -               | 657             |
| Solid Waste                    | 52,938           | 67,964           | 111             | -               |
| Waste Water                    | 95,960           | 111,787          | -               | 4,470           |
| Union Station                  | 1,464            | 1,459            | -               | -               |
| Tacoma Rail                    | 30,399           | 31,757           | -               | 36              |
| Water                          | 97,540           | 95,085           | -               | 12,721          |
| Power                          | 420,368          | 446,343          | 97              | 12,644          |
| Total business-type activities | <u>739,954</u>   | <u>791,542</u>   | <u>208</u>      | <u>30,528</u>   |
| Total primary government       | <u>1,046,581</u> | <u>840,104</u>   | <u>31,999</u>   | <u>42,077</u>   |
| Component units:               |                  |                  |                 |                 |
| TCRA                           | 1,178            | 189              | 1,807           | -               |
| GRTCC PDF                      | 3,826            | -                | -               | -               |
| FWDA                           | 1,526            | 377              | 41              | -               |
| Total component units          | <u>\$ 6,530</u>  | <u>\$ 566</u>    | <u>\$ 1,848</u> | <u>\$ -</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            | BUSINESS-TYPE |              |                 |            |            |
| ACTIVITIES              | ACTIVITIES    | TOTAL        | TCRA            | GTRCC PFD  | FWDA       |
| \$ 9,764                | \$ -          | \$ 9,764     | \$ -            | \$ -       | \$ -       |
| (136,518)               | -             | (136,518)    | -               | -          | -          |
| (45,643)                | -             | (45,643)     | -               | -          | -          |
| (4,908)                 | -             | (4,908)      | -               | -          | -          |
| (17,872)                | -             | (17,872)     | -               | -          | -          |
| (10,711)                | -             | (10,711)     | -               | -          | -          |
| (8,837)                 | -             | (8,837)      | -               | -          | -          |
| (214,725)               | -             | (214,725)    | -               | -          | -          |
|                         | 2,263         | 2,263        | -               | -          | -          |
| -                       | (1,691)       | (1,691)      | -               | -          | -          |
| -                       | 2,263         | 2,263        | -               | -          | -          |
| -                       | (3,292)       | (3,292)      | -               | -          | -          |
| -                       | (1,147)       | (1,147)      | -               | -          | -          |
| -                       | (797)         | (797)        | -               | -          | -          |
| -                       | (1,080)       | (1,080)      | -               | -          | -          |
| -                       | 15,137        | 15,137       | -               | -          | -          |
| -                       | 20,297        | 20,297       | -               | -          | -          |
| -                       | (5)           | (5)          | -               | -          | -          |
| -                       | 1,394         | 1,394        | -               | -          | -          |
| -                       | 10,266        | 10,266       | -               | -          | -          |
| -                       | 38,716        | 38,716       | -               | -          | -          |
| -                       | 82,324        | 82,324       | -               | -          | -          |
| (214,725)               | 82,324        | (132,401)    | -               | -          | -          |
| -                       | -             | -            | 818             | -          | -          |
| -                       | -             | -            | -               | (3,826)    | -          |
| -                       | -             | -            | -               | -          | (1,108)    |
| \$ -                    | \$ -          | \$ -         | \$ 818          | \$ (3,826) | \$ (1,108) |
| \$ 74,479               | \$ -          | \$ 74,479    | \$ -            | \$ -       | \$ -       |
| 12,881                  | -             | 12,881       | -               | -          | -          |
| 71,634                  | 1,702         | 73,336       | -               | 3,815      | -          |
| 51,043                  | -             | 51,043       | -               | -          | -          |
| 2,134                   | 5,591         | 7,725        | 12              | 11         | 11         |
| 293                     | 4,650         | 4,943        | (55)            | -          | -          |
| 51,452                  | (51,452)      | -            | -               | -          | -          |
| 263,916                 | (39,509)      | 224,407      | (43)            | 3,826      | 11         |
| 49,191                  | 42,815        | 92,006       | 775             | -          | (1,097)    |
| 751,813                 | 2,025,289     | 2,777,102    | 54,958          | -          | 22,863     |
| 1,169                   | -             | 1,169        | (453)           | -          | (1,227)    |
| (35,946)                | -             | (35,946)     | -               | -          | -          |
| 717,036                 | 2,025,289     | 2,742,325    | 54,505          | -          | 21,636     |
| \$ 766,227              | \$ 2,068,104  | \$ 2,834,331 | \$ 55,280       | \$ -       | \$ 20,539  |

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

|   | General<br>Fund<br>#0010 | Trans Capital<br>& Engineering<br>#(3)1060 | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------------|--|------------------------------------|--------------------------------|
| <b>ASSETS</b>   |                          |  |                                    |                                |
| Cash and cash equivalents   | \$ 60,627                | \$ 3,412                                   | \$ 124,278                         | \$ 188,317                     |
| Investments at fair value   | -                        | -  | 5,222                              | 5,222                          |
| Accounts receivables (net)  | 17,253                   | 1,230                                      | 33,663                             | 52,146                         |
| Due from other funds  | 3,960                    | 288  | 5,888                              | 10,136                         |
| Due from other governments  | 16,429                   | 2,704                                      | 6,996                              | 26,129                         |
| Inventories   | 1,160                    | -  | 1,649                              | 2,809                          |
| Prepayments   | 7                        | -  | -                                  | 7                              |
| Advances to other funds   | -                        | -  | 965                                | 965                            |
| <b>TOTAL ASSETS</b>   | <b>99,436</b>            | <b>7,634</b>                               | <b>178,661</b>                     | <b>285,731</b>                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                     |                          |  |                                    |                                |
|   | -                        | -  | -                                  | -                              |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                               | <b>-</b>                 | <b>-</b>                                   | <b>-</b>                           | <b>-</b>                       |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                    | <b>\$ 99,436</b>         | <b>\$ 7,634</b>                            | <b>\$ 178,661</b>                  | <b>\$ 285,731</b>              |
| <b>LIABILITIES</b>  |                          |  |                                    |                                |
| Accounts payable  | \$ 3,919                 | \$ 3,025                                   | \$ 3,971                           | \$ 10,915                      |
| Due to other funds  | 1,330                    | 754  | 8,102                              | 10,186                         |
| Due to other governments  | 180                      | -  | 21                                 | 201                            |
| Accrued wages   | 2,061                    | -  | 619                                | 2,680                          |
| Accrued taxes   | 41                       | -  | 7                                  | 48                             |
| Customer deposits   | -                        | -  | 76                                 | 76                             |
| Other current liabilities   | 722                      | -  | -                                  | 722                            |
| Advances from other funds   | -                        | -  | 533                                | 533                            |
| <b>TOTAL LIABILITIES</b>  | <b>8,253</b>             | <b>3,779</b>                               | <b>13,329</b>                      | <b>25,361</b>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                          |  |                                    |                                |
| Unavailable revenues  | 10,969                   | 62   | 27,127                             | 38,158                         |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                | <b>10,969</b>            | <b>62</b>                                  | <b>27,127</b>                      | <b>38,158</b>                  |
| <b>FUND BALANCES (DEFICITS)</b>   |                          |  |                                    |                                |
| Nonspendable  | 3,630                    | -  | 1,685                              | 5,315                          |
| Restricted  | 352                      | 1,098                                      | 114,693                            | 116,143                        |
| Committed   | 52                       | -  | 8,211                              | 8,263                          |
| Committed - Council Contingencies   | 647                      | -  | -                                  | 647                            |
| Assigned  | 7,974                    | 2,695                                      | 13,482                             | 24,151                         |
| Unassigned  | 67,559                   | -  | 134                                | 67,693                         |
| <b>TOTAL FUND BALANCES (DEFICITS)</b>                                     | <b>80,214</b>            | <b>3,793</b>                               | <b>138,205</b>                     | <b>222,212</b>                 |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 99,436</b>         | <b>\$ 7,634</b>                            | <b>\$ 178,661</b>                  | <b>\$ 285,731</b>              |

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEETS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

|  |    |         |
|--|----|---------|
| FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ | 222,212 |
|--|----|---------|

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. |  | 766,289 |
|---|--|---------|

|  |  |         |
|--|--|---------|
| 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. |  | 103,750 |
|--|--|---------|

|  |  |        |
|--|--|--------|
| Net Pension Assets and Deferred Outflow for Pensions are not reported in the governmental funds balance sheet. |  | 85,415 |
|--|--|--------|

|  |  |         |
|--|--|---------|
| 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. |  | (3,793) |
|--|--|---------|

|   |  |           |
|---|--|-----------|
| 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. |  | (318,744) |
|---|--|-----------|

|   |  |          |
|---|--|----------|
| Deferred Inflow of Resources for Pensions are not reported in the governmental funds balance sheet. |  | (16,596) |
|---|--|----------|

|  |  |          |
|--|--|----------|
| Total 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. |  | (44,317) |
|--|--|----------|

|  |  |          |
|--|--|----------|
| 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. |  | (27,989) |
|--|--|----------|

|   |    |         |
|---|----|---------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | 766,227 |
|---|----|---------|

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | General<br>Fund<br>#0010 | Trans Capital<br>& Engineering<br>#(3)1060 | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------------|--|------------------------------------|--------------------------------|
| REVENUES   |                          |  |                                    |                                |
| Taxes  | \$ 161,578               | \$ -                                       | \$ 48,392                          | \$ 209,970                     |
| Licenses and permits                                 | 7,197                    | -  | 4,010                              | 11,207                         |
| Intergovernmental revenue                            | 11,347                   | 14,137                                     | 15,140                             | 40,624                         |
| Charges for goods and services                       | 13,081                   | 706  | 6,836                              | 20,623                         |
| Fines and penalties                                  | 1,344                    | 6  | 5,581                              | 6,931                          |
| Interest and other earnings                          | 1,052                    | 22   | 603                                | 1,677                          |
| Miscellaneous revenues                               | 825                      | 147  | 3,910                              | 4,882                          |
| TOTAL REVENUES                                       | <u>196,424</u>           | <u>15,018</u>                              | <u>84,472</u>                      | <u>295,914</u>                 |
| EXPENDITURES   |                          |  |                                    |                                |
| Current:   |                          |  |                                    |                                |
| General government                                   | 34,195                   | -  | 3,764                              | 37,959                         |
| Public safety  | 139,249                  | -  | 22,155                             | 161,404                        |
| Transportation                                       | 368                      | 8,391                                      | 31,423                             | 40,182                         |
| Economic environment                                 | 17,262                   | -  | 6,870                              | 24,132                         |
| Mental and physical health                           | -                        | -  | 4,712                              | 4,712                          |
| Culture and recreation                               | 12,861                   | -  | 598                                | 13,459                         |
| Debt service:  |                          |  |                                    |                                |
| Principal payments                                   | -                        | -  | 13,805                             | 13,805                         |
| Interest and other related costs                     | -                        | -  | 8,837                              | 8,837                          |
| Capital outlay                                       | 1,280                    | 11,964                                     | 9,265                              | 22,509                         |
| TOTAL EXPENDITURES                                   | <u>205,215</u>           | <u>20,355</u>                              | <u>101,429</u>                     | <u>326,999</u>                 |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(8,791)</u>           | <u>(5,337)</u>                             | <u>(16,957)</u>                    | <u>(31,085)</u>                |
| OTHER FINANCING SOURCES (USES)                       |                          |  |                                    |                                |
| Issuance of long-term debt                           | -                        | -  | 27,512                             | 27,512                         |
| Proceeds from sale of capital assets                 | -                        | -  | 4,852                              | 4,852                          |
| Insurance recoveries                                 | 59                       | -  | 1                                  | 60                             |
| Transfer in  | 46,227                   | 4,276                                      | 84,490                             | 134,993                        |
| Transfer out   | (37,647)                 | (1,977)                                    | (47,679)                           | (87,303)                       |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>8,639</u>             | <u>2,299</u>                               | <u>69,176</u>                      | <u>80,114</u>                  |
| NET CHANGE IN FUND BALANCE                           | (152)                    | (3,038)                                    | 52,219                             | 49,029                         |
| FUND BALANCE - January 1                             | 80,348                   | 6,519                                      | 85,131                             | 171,998                        |
| Prior period adjustment                              | 18                       | 312  | 855                                | 1,185                          |
| FUND BALANCE - January 1, Restated                   | <u>80,366</u>            | <u>6,831</u>                               | <u>85,986</u>                      | <u>173,183</u>                 |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ 80,214</u>         | <u>\$ 3,793</u>                            | <u>\$ 138,205</u>                  | <u>\$ 222,212</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, 2017

(amounts expressed in thousands)

|   |                  |
|---|------------------|
| NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS   | \$ 49,029        |
| 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. | (16,629)         |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.   |                  |
| Pension Asset   | 2,656            |
| Property Tax  | 128              |
| 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   | (7,203)          |
| Total Pension Liability - Police and Firefighters   | 877              |
| Compensated absences  | 5,786            |
| Claims and judgements   | (6,601)          |
| Pension Expense   | 29,519           |
| The net revenue of certain activities of internal service funds is reported with governmental activities:   | 5,003            |
| 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.  | (27,512)         |
| Repayment of non-current debt is an expenditure in the governmental funds but on the statement of net position it reduces the liability:  |                  |
| Bond issuance cost/discount amortization  | 333              |
| Principal repayment   | 13,805           |
| CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES  | \$ <u>49,191</u> |

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 1 of 4

|  | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |   |                          |                          |
|--|--|---|--------------------------|--------------------------|
|  | Solid<br>Waste<br>#4200                      | Wastewater<br>& Surface Water<br>#4300-01 | Tacoma<br>Water<br>#4600 | Tacoma<br>Power<br>#4700 |
| ASSETS   |  |   |                          |                          |
| Current assets:                                      |  |   |                          |                          |
| Cash and cash equivalents                            | \$ 34,179                                    | \$ 98,418                                 | \$ 59,076                | \$ 195,176               |
| Accounts receivable (net)                            | 6,789  | 13,992                                    | 10,770                   | 65,695                   |
| Due from other funds                                 | 67   | 1   | 69                       | 1,820                    |
| Due from other governments                           | -  | 823                                       | 299                      | -                        |
| Inventory  | -  | 1,243                                     | 2,403                    | 6,987                    |
| Prepayments  | -  | 220                                       | 1,240                    | 6,808                    |
| Current restricted assets:                           |  |   |                          |                          |
| Cash and cash equivalents:                           |  |   |                          |                          |
| Debt services, deposits and replacements             | 391  | 1,058                                     | 4,366                    | 21,208                   |
| Construction accounts                                | 4,441  | 57  | 32,591                   | 7                        |
| Other special purposes                               | 75   | -   | 117,005                  | 7,545                    |
| Notes and contracts receivable (current)             | -  | 139                                       | -                        | -                        |
| Total restricted assets                              | 4,907  | 1,254                                     | 153,962                  | 28,760                   |
| Total current assets                                 | 45,942                                       | 115,951                                   | 227,819                  | 305,246                  |
| Noncurrent assets:                                   |  |   |                          |                          |
| Cash for bond reserves                               | 4,723  | 14,335                                    | -                        | -                        |
| Notes and contracts receivable                       | -  | 706                                       | -                        | 2,625                    |
| Other noncurrent assets                              | -  | 282                                       | 1,810                    | 49,689                   |
| Capital assets:                                      |  |   |                          |                          |
| Land   | 2,856  | 23,657                                    | 24,687                   | 77,089                   |
| Property, plant, and equipment                       | 187,511                                      | 819,185                                   | 1,074,242                | 1,978,938                |
| Less: accumulated depreciation                       | (108,553)                                    | (268,678)                                 | (236,819)                | (1,050,225)              |
| Construction work in progress                        | 137  | 8,033                                     | 11,902                   | 32,157                   |
| Total capital assets net of accumulated depreciation | 81,951                                       | 582,197                                   | 874,012                  | 1,037,959                |
| Total noncurrent assets                              | 86,674                                       | 597,520                                   | 875,822                  | 1,090,273                |
| TOTAL ASSETS   | 132,616                                      | 713,471                                   | 1,103,641                | 1,395,519                |
| DEFERRED OUTFLOW OF RESOURCES                        |  |   |                          |                          |
| Unamortized loss on refunding                        | -  | 2,904                                     | 1,363                    | -                        |
| Deferred outflows related to pensions                | 5,407  | 11,071                                    | 8,671                    | 38,427                   |
| TOTAL DEFERRED OUTFLOW OF RESOURCES                  | 5,407  | 13,975                                    | 10,034                   | 38,427                   |
| TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES         | \$ 138,023                                   | \$ 727,446                                | \$ 1,113,675             | \$ 1,433,946             |



STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2017  
 (amounts expressed in thousands)  
 Page 2 of 4

|  | BUSINESS-TYPE ACTIVITIES |   |                          |                          |
|--|--------------------------|---|--------------------------|--------------------------|
|  | ENTERPRISE FUNDS         |   |                          |                          |
|  | Solid<br>Waste<br>#4200  | Wastewater<br>& Surface Water<br>#4300-01 | Tacoma<br>Water<br>#4600 | Tacoma<br>Power<br>#4700 |
| LIABILITIES  |                          |   |                          |                          |
| Current liabilities:                                   |                          |   |                          |                          |
| Accounts payable                                       | \$ 1,054                 | \$ 3,265                                  | \$ 1,369                 | \$ 33,095                |
| Due to other funds                                     | 252                      | 732                                       | 1,097                    | 68                       |
| Due to other governments                               | -                        | 550                                       | -                        | -                        |
| Advances from other funds                              | -                        | -   | -                        | -                        |
| Interest payable                                       | -                        | 202                                       | 1,860                    | 9,755                    |
| Deposits payable                                       | 23                       | -   | 357                      | 2,791                    |
| Accrued wages  | 488                      | 874                                       | 726                      | 3,036                    |
| Accrued benefits                                       | -                        | -   | -                        | -                        |
| Accrued taxes  | 707                      | 862                                       | 1,556                    | 8,272                    |
| Environmental liability - current                      | 876                      | 886                                       | -                        | -                        |
| Notes, contracts & leases - current                    | 1,888                    | 3,868                                     | 2,878                    | 250                      |
| Revenue bonds - current                                | -                        | 4,606                                     | 10,681                   | 11,575                   |
| Unearned revenue                                       | 208                      | 341                                       | -                        | -                        |
| Other  | -                        | -   | -                        | -                        |
| Current payables from restricted assets:               |                          |   |                          |                          |
| Debt principal payable                                 | 172                      | 419                                       | -                        | -                        |
| Debt interest payable                                  | 222                      | 640                                       | -                        | -                        |
| Deposits and other payables                            | 74                       | -   | -                        | -                        |
| Total current liabilities                              | 5,964                    | 17,245                                    | 20,524                   | 68,842                   |
| Noncurrent liabilities:                                |                          |   |                          |                          |
| Revenue bonds payable (net)                            | 63,453                   | 189,545                                   | 377,995                  | 417,800                  |
| Unearned revenues                                      | -                        | -   | 7,610                    | -                        |
| Compensated absences                                   | 1,106                    | 2,979                                     | 2,069                    | 9,398                    |
| Environmental liability - noncurrent                   | 15,478                   | 840                                       | -                        | -                        |
| Notes, contracts & leases payable - noncurrent         | -                        | 40,575                                    | 85,624                   | -                        |
| Net OPEB obligation                                    | 2,237                    | 2,969                                     | 3,542                    | 11,282                   |
| Net pension liability                                  | 5,162                    | 10,570                                    | 8,279                    | 36,687                   |
| Other - noncurrent liabilities                         | -                        | -   | 13,957                   | 3,862                    |
| Total noncurrent liabilities                           | 87,436                   | 247,478                                   | 499,076                  | 479,029                  |
| TOTAL LIABILITIES                                      | 93,400                   | 264,723                                   | 519,600                  | 547,871                  |
| DEFERRED INFLOW OF RESOURCES                           |                          |   |                          |                          |
| Deferred liability - rate stabilization                | 6,000                    | 25,000                                    | 35,575                   | 48,000                   |
| Deferred inflows related to pensions                   | 1,112                    | 2,277                                     | 1,784                    | 7,905                    |
| Deferred gain on refunding                             | 467                      | 73  | -                        | -                        |
| TOTAL DEFERRED INFLOW OF RESOURCES                     | 7,579                    | 27,350                                    | 37,359                   | 55,905                   |
| TOTAL LIABILITIES & DEFERRED INFLOW OR RESOURCES       | 100,979                  | 292,073                                   | 556,959                  | 603,776                  |
| NET POSITION   |                          |   |                          |                          |
| Net investment in capital assets                       | 27,775                   | 386,409                                   | 445,995                  | 613,307                  |
| Restricted:  |                          |   |                          |                          |
| Restricted for capital purchases                       | -                        | -   | -                        | -                        |
| Restricted for debt                                    | 4,721                    | 14,335                                    | 2,506                    | 11,453                   |
| Restricted for waste assurance and systems development | -                        | -   | 50,149                   | -                        |
| Restricted for culture and recreation                  | -                        | -   | -                        | -                        |
| Restricted for self-insurance                          | -                        | -   | -                        | -                        |
| Restricted for environmental services and programs     | -                        | -   | -                        | -                        |
| Restricted for inspections                             | -                        | -   | -                        | -                        |
| Restricted for reserves                                | -                        | -   | -                        | 2,578                    |
| Unrestricted   | 4,548                    | 34,629                                    | 58,066                   | 202,832                  |
| TOTAL NET POSITION                                     | \$ 37,044                | \$ 435,373                                | \$ 556,716               | \$ 830,170               |

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2017  
 (amounts expressed in thousands)  
 Page 3 of 4

|   | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |                              |                           |
|---|--|------------------------------|---------------------------|
|   | Non-Major<br>Enterprise<br>Funds             | Total<br>Enterprise<br>Funds | Internal Service<br>Funds |
| <b>ASSETS</b>   |  |                              |                           |
| Current assets:   |  |                              |                           |
| Cash and cash equivalents                               | \$ 21,594                                    | \$ 408,443                   | \$ 94,998                 |
| Accounts receivable (net)                               | 7,958  | 105,204                      | 266                       |
| Due from other funds                                    | 514  | 2,471                        | 950                       |
| Due from other governments                              | 300  | 1,422                        | 16                        |
| Inventory   | 1,167  | 11,800                       | 1,223                     |
| Prepayments   | 884  | 9,152                        | 3,476                     |
| Current restricted assets:                              |  |                              |                           |
| Cash and cash equivalents:                              |  |                              |                           |
| Debt services, deposits and replacements                | 2,694  | 29,717                       | -                         |
| Construction accounts                                   | -  | 37,096                       | -                         |
| Other special purposes                                  | 13,490                                       | 138,115                      | -                         |
| Notes and contracts receivable (current)                | -  | 139                          | -                         |
| Total restricted assets                                 | 16,184                                       | 205,067                      | -                         |
| Total current assets                                    | 48,601                                       | 743,559                      | 100,929                   |
| Noncurrent assets:                                      |  |                              |                           |
| Cash for bond reserves                                  | -  | 19,058                       | -                         |
| Notes and contracts receivable                          | 15,430                                       | 18,761                       | -                         |
| Other noncurrent assets                                 | 110  | 51,891                       | -                         |
| Capital assets:   |  |                              |                           |
| Land  | 36,004                                       | 164,293                      | 357                       |
| Property, plant, and equipment                          | 305,794                                      | 4,365,670                    | 175,617                   |
| Less: accumulated depreciation                          | (122,734)                                    | (1,787,009)                  | (114,144)                 |
| Construction work in progress                           | 850  | 53,079                       | 4,188                     |
| Total capital assets net of accumulated depreciation    | 219,914                                      | 2,796,033                    | 66,018                    |
| Total noncurrent assets                                 | 235,454                                      | 2,885,743                    | 66,018                    |
| <b>TOTAL ASSETS</b>                                     | <b>284,055</b>                               | <b>3,629,302</b>             | <b>166,947</b>            |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                    |  |                              |                           |
| Unamortized loss on refunding                           | 2,932  | 7,199                        | -                         |
| Deferred outflows related to pensions                   | 3,477  | 67,053                       | 7,437                     |
| <b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>              | <b>6,409</b>                                 | <b>74,252</b>                | <b>7,437</b>              |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOW OF RESOURCES</b> | <b>\$ 290,464</b>                            | <b>\$ 3,703,554</b>          | <b>\$ 174,384</b>         |

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2017  
 (amounts expressed in thousands)  
 Page 4 of 4

|  | BUSINESS-TYPE ACTIVITIES         |                              |                           |
|--|----------------------------------|------------------------------|---------------------------|
|  | ENTERPRISE FUNDS                 |                              |                           |
|  | Non-Major<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Internal Service<br>Funds |
| LIABILITIES  |                                  |                              |                           |
| Current liabilities:                                   |                                  |                              |                           |
| Accounts payable                                       | \$ 2,071                         | \$ 40,854                    | \$ 9,136                  |
| Due to other funds                                     | 337                              | 2,486                        | 883                       |
| Due to other governments                               | 4                                | 554                          | -                         |
| Advances from other funds                              | 432                              | 432                          | -                         |
| Interest payable                                       | 634                              | 12,451                       | -                         |
| Deposits payable                                       | 5,327                            | 8,498                        | -                         |
| Accrued wages  | 611                              | 5,735                        | 1,109                     |
| Accrued benefits                                       | 12                               | 12                           | 6                         |
| Accrued taxes  | 354                              | 11,751                       | 14                        |
| Environmental liability - current                      | -                                | 1,762                        | -                         |
| Notes, contracts & leases - current                    | -                                | 8,884                        | -                         |
| Revenue bonds - current                                | 8,565                            | 35,427                       | -                         |
| Unearned revenue                                       | 1,245                            | 1,794                        | 64                        |
| Other  | 1,876                            | 1,876                        | 34,949                    |
| Current payables from restricted assets:               |                                  |                              |                           |
| Debt principal payable                                 | -                                | 591                          | -                         |
| Debt interest payable                                  | -                                | 862                          | -                         |
| Deposits and other payables                            | -                                | 74                           | -                         |
| Total current liabilities                              | 21,468                           | 134,043                      | 46,161                    |
| Noncurrent liabilities:                                |                                  |                              |                           |
| Revenue bonds payable (net)                            | 85,177                           | 1,133,970                    | -                         |
| Unearned revenues                                      | -                                | 7,610                        | -                         |
| Compensated absences                                   | 1,826                            | 17,378                       | 3,494                     |
| Environmental liability - noncurrent                   | -                                | 16,318                       | -                         |
| Notes, contracts & leases payable - noncurrent         | 6,043                            | 132,242                      | -                         |
| Net OPEB obligation                                    | 1,626                            | 21,656                       | -                         |
| Net pension liability                                  | 3,320                            | 64,018                       | 7,099                     |
| Other - noncurrent liabilities                         | 6,705                            | 24,524                       | 13,607                    |
| Total noncurrent liabilities                           | 104,697                          | 1,417,716                    | 24,200                    |
| TOTAL LIABILITIES                                      | 126,165                          | 1,551,759                    | 70,361                    |
| DEFERRED INFLOW OF RESOURCES                           |                                  |                              |                           |
| Deferred liability - rate stabilization                | -                                | 114,575                      | -                         |
| Deferred inflows related to pensions                   | 715                              | 13,793                       | 1,529                     |
| Deferred gain on refunding                             | -                                | 540                          | -                         |
| TOTAL DEFERRED INFLOW OF RESOURCES                     | 715                              | 128,908                      | 1,529                     |
| TOTAL LIABILITIES & DEFERRED INFLOW OR RESOURCES       | 126,880                          | 1,680,667                    | 71,890                    |
| NET POSITION   |                                  |                              |                           |
| Net investment in capital assets                       | 137,604                          | 1,611,090                    | 66,018                    |
| Restricted:  |                                  |                              |                           |
| Restricted for capital purchases                       | 6,803                            | 6,803                        | 26,276                    |
| Restricted for debt                                    | 2,694                            | 35,709                       | -                         |
| Restricted for waste assurance and systems development | -                                | 50,149                       | -                         |
| Restricted for culture and recreation                  | 4,405                            | 4,405                        | -                         |
| Restricted for self-insurance                          | -                                | -                            | 1,150                     |
| Restricted for environmental services and programs     | 2,467                            | 2,467                        | -                         |
| Restricted for inspections                             | 299                              | 299                          | -                         |
| Restricted for reserves                                | -                                | 2,578                        | -                         |
| Unrestricted   | 9,312                            | 309,387                      | 9,050                     |
| TOTAL NET POSITION                                     | \$ 163,584                       | \$ 2,022,887                 | \$ 102,494                |

The notes to the financial statements are an integral part of this statement

Basic Financial Statements, 3-13

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

December 31, 2017

(amounts expressed in thousands)

|                                       |    |           |
|---------------------------------------|----|-----------|
| NET POSITION - TOTAL ENTERPRISE FUNDS | \$ | 2,022,887 |
|---------------------------------------|----|-----------|

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. | 45,217 |
|--|--------|

|                                     |    |                         |
|-------------------------------------|----|-------------------------|
| NET POSITION OF BUSINESS ACTIVITIES | \$ | <u><u>2,068,104</u></u> |
|-------------------------------------|----|-------------------------|

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 1 of 2

|  | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |   |                          |                          |
|--|--|---|--------------------------|--------------------------|
|  | Solid<br>Waste<br>#4200                      | Wastewater<br>& Surface Water<br>#4300-01 | Tacoma<br>Water<br>#4600 | Tacoma<br>Power<br>#4700 |
| OPERATING REVENUES                               |  |   |                          |                          |
| Charges for goods and services                   | \$ 67,400                                    | \$ 106,174                                | \$ 84,584                | \$ 428,151               |
| Interfund insurance premiums                     | -  | -   | -                        | -                        |
| Miscellaneous revenues                           | 494  | 3,867                                     | 10,060                   | 18,192                   |
| TOTAL OPERATING REVENUES                         | <u>67,894</u>                                | <u>110,041</u>                            | <u>94,644</u>            | <u>446,343</u>           |
| OPERATING EXPENSES                               |  |   |                          |                          |
| Salary and wages                                 | 14,112                                       | 23,972                                    | 18,800                   | 82,123                   |
| Personnel benefits                               | 7,997  | 12,396                                    | 9,174                    | 36,979                   |
| Supplies   | 779  | 4,383                                     | 2,428                    | 140,600                  |
| Services   | 21,595                                       | 28,936                                    | 18,650                   | 65,521                   |
| Taxes  | 986  | 1,714                                     | 4,776                    | 20,756                   |
| Depreciation expense                             | 5,474  | 17,205                                    | 24,038                   | 57,231                   |
| TOTAL OPERATING EXPENSES                         | <u>50,943</u>                                | <u>88,606</u>                             | <u>77,866</u>            | <u>403,210</u>           |
| OPERATING INCOME (LOSS)                          | 16,951                                       | 21,435                                    | 16,778                   | 43,133                   |
| NON-OPERATING REVENUES (EXPENSES)                |  |   |                          |                          |
| Taxes  | -  | -   | -                        | -                        |
| Interest and other earnings                      | 533  | 1,312                                     | 2,469                    | 2,880                    |
| Interest and other related costs                 | (1,995)                                      | (7,354)                                   | (18,321)                 | (14,077)                 |
| Unrealized net gain/loss in FMV of investments   | (136)  | (378)                                     | (706)                    | (628)                    |
| Operating contributions - interfund              | -  | -   | -                        | -                        |
| Operating contributions - federal/state/local    | -  | -   | -                        | -                        |
| Other non operating revenues (expenses)          | 70   | 1,746                                     | 440                      | (1,412)                  |
| Gain(loss) on disposition of property            | (723)  | (18)                                      | 846                      | -                        |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | <u>(2,251)</u>                               | <u>(4,692)</u>                            | <u>(15,272)</u>          | <u>(13,237)</u>          |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>14,700</u>                                | <u>16,743</u>                             | <u>1,506</u>             | <u>29,896</u>            |
| Capital contributions - federal/state/local      | -  | 4,176                                     | 3,582                    | 3,688                    |
| Capital contributions - private                  | -  | 294                                       | 9,139                    | 8,955                    |
| Transfer in                                      | -  | 1,218                                     | 51                       | -                        |
| Transfer out                                     | (5,372)                                      | (8,997)                                   | (7,144)                  | (34,142)                 |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | <u>(5,372)</u>                               | <u>(3,309)</u>                            | <u>5,628</u>             | <u>(21,499)</u>          |
| CHANGE IN NET POSITION                           | <u>9,328</u>                                 | <u>13,434</u>                             | <u>7,134</u>             | <u>8,397</u>             |
| NET POSITION                                     |  |   |                          |                          |
| NET POSITION - January 1                         | 27,716                                       | 421,939                                   | 549,582                  | 821,773                  |
| Prior period adjustments                         | -  | -   | -                        | -                        |
| NET POSITION - January 1, Restated               | 27,716                                       | 421,939                                   | 549,582                  | 821,773                  |
| NET POSITION - December 31                       | <u>\$ 37,044</u>                             | <u>\$ 435,373</u>                         | <u>\$ 556,716</u>        | <u>\$ 830,170</u>        |

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 2 of 2

|  | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |                              |                           |
|--|--|------------------------------|---------------------------|
|  | Non-Major<br>Enterprise<br>Funds             | Total<br>Enterprise<br>Funds | Internal Service<br>Funds |
| OPERATING REVENUES                               |  |                              |                           |
| Charges for goods and services                   | \$ 63,738                                    | \$ 750,047                   | \$ 80,921                 |
| Interfund insurance premiums                     | -  | -                            | 91,195                    |
| Miscellaneous revenues                           | -  | 32,613                       | 11                        |
| TOTAL OPERATING REVENUES                         | <u>63,738</u>                                | <u>782,660</u>               | <u>172,127</u>            |
| OPERATING EXPENSES                               |  |                              |                           |
| Salary and wages                                 | 20,051                                       | 159,058                      | 34,939                    |
| Personnel benefits                               | 9,986  | 76,532                       | 12,250                    |
| Supplies   | 2,538  | 150,728                      | 3,543                     |
| Services   | 25,780                                       | 160,482                      | 114,577                   |
| Taxes  | 789  | 29,021                       | -                         |
| Depreciation expense                             | 8,571  | 112,519                      | 9,813                     |
| TOTAL OPERATING EXPENSES                         | <u>67,715</u>                                | <u>688,340</u>               | <u>175,122</u>            |
| OPERATING INCOME (LOSS)                          | (3,977)                                      | 94,320                       | (2,995)                   |
| NON-OPERATING REVENUES (EXPENSES)                |  |                              |                           |
| Taxes  | 1,702  | 1,702                        | 10                        |
| Interest and other earnings                      | 350  | 7,544                        | 861                       |
| Interest and other related costs                 | (4,562)                                      | (46,309)                     | -                         |
| Unrealized net gain/loss in FMV of investments   | (130)  | (1,978)                      | (358)                     |
| Operating contributions - federal/state/local    | -  | -                            | -                         |
| Other non operating revenues (expenses)          | 6,625  | 7,469                        | 65                        |
| Gain(loss) on disposition of property            | 4,057  | 4,162                        | 781                       |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | <u>8,042</u>                                 | <u>(27,410)</u>              | <u>1,359</u>              |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>4,065</u>                                 | <u>66,910</u>                | <u>(1,636)</u>            |
| Capital contributions - federal/state/local      | 657  | 12,103                       | -                         |
| Capital contributions - private                  | 36   | 18,424                       | -                         |
| Transfer in                                      | 8,358  | 9,627                        | 5,025                     |
| Transfer out                                     | (5,424)                                      | (61,079)                     | (1,263)                   |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | <u>3,627</u>                                 | <u>(20,925)</u>              | <u>3,762</u>              |
| CHANGE IN NET POSITION                           | <u>7,692</u>                                 | <u>45,985</u>                | <u>2,126</u>              |
| NET POSITION                                     |  |                              |                           |
| NET POSITION - January 1                         | 155,892                                      | 1,976,902                    | 100,384                   |
| Prior period adjustments                         | -  | -                            | (16)                      |
| NET POSITION - January 1, Restated               | <u>155,892</u>                               | <u>1,976,902</u>             | <u>100,368</u>            |
| NET POSITION - December 31                       | <u>\$ 163,584</u>                            | <u>\$ 2,022,887</u>          | <u>\$ 102,494</u>         |

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN NET POSITION OF ENTERPRISE FUNDS  
TO THE STATEMENT OF ACTIVITIES -  
BUSINESS ACTIVITIES

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  |                  |
|--|------------------|
| NET CHANGES IN NET POSITION - TOTAL ENTERPRISE FUNDS   | \$ 45,985        |
| Amounts reported for business activities in the statement<br>of activities are different because:        |                  |
| The net revenue of certain activities of internal service funds is<br>reported with business activities: |                  |
| Profit Loss reallocation that decrease expenditure   | (3,170)          |
| CHANGES IN NET POSITION OF BUSINESS ACTIVITIES   | \$ <u>42,815</u> |

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2017  
 (amounts expressed in thousands)  
 Page 1 of 4

|  | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |   |                          |                          |
|--|--|---|--------------------------|--------------------------|
|  | Solid<br>Waste<br>#4200                      | Wastewater<br>& Surface Water<br>#4300/4301 | Tacoma<br>Water<br>#4600 | Tacoma<br>Power<br>#4700 |
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |  |   |                          |                          |
| Receipts from customers and users                              | \$ 67,089                                    | \$ 109,162                                  | \$ 95,232                | \$ 439,258               |
| Receipts from interfund services provided                      | -  | -   | -                        | -                        |
| Payments to suppliers  | (27,652)                                     | (33,142)                                    | (21,983)                 | (203,113)                |
| Payments to employees  | (20,595)                                     | (33,347)                                    | (26,214)                 | (113,802)                |
| Payments for taxes   | (988)  | (1,778)                                     | (4,712)                  | (19,994)                 |
| Payments for interfund services used                           | -  | -   | -                        | -                        |
| Other operating or non-operating revenues (expenses)           | 66   | 1,489                                       | -                        | (83)                     |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | 17,920                                       | 42,384                                      | 42,323                   | 102,266                  |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |  |   |                          |                          |
| Transfers from other funds                                     | -  | 350   | -                        | -                        |
| Transfers (to) other funds                                     | (5,385)                                      | (8,934)                                     | (7,093)                  | (34,242)                 |
| Advances (to) other funds                                      | -  | -   | -                        | -                        |
| Grants received  | -  | 45  | -                        | -                        |
| Debt service related to environmental                          | (332)  | (2,379)                                     | -                        | -                        |
| Contributions and Donations                                    | -  | -   | -                        | -                        |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | (5,717)                                      | (10,918)                                    | (7,093)                  | (34,242)                 |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |  |   |                          |                          |
| Transfers from other funds                                     | -  | 868   | -                        | -                        |
| Transfers (to) funds   | -  | (61)  | -                        | -                        |
| Acquisition and construction of capital assets                 | (7,779)                                      | (23,830)                                    | (14,042)                 | (60,000)                 |
| Proceeds from issuance of long-term debt                       | -  | -   | 1,575                    | -                        |
| Proceeds from capital debt                                     | -  | -   | -                        | 70,575                   |
| Proceeds from the sale of capital assets                       | 16   | 36  | -                        | -                        |
| Proceeds from leased property                                  | -  | -   | -                        | -                        |
| Lease and leaseback  | -  | -   | -                        | -                        |
| Principal paid on capital debt                                 | (4,645)                                      | (8,060)                                     | (13,339)                 | (117,030)                |
| Interest and issuance costs paid on capital debt               | (2,571)                                      | (6,530)                                     | (20,054)                 | (19,667)                 |
| Premium from capital debt                                      | -  | -   | -                        | 9,881                    |
| Capital lease obligation                                       | -  | -   | -                        | -                        |
| Other long-term liabilities                                    | -  | -   | -                        | 1,110                    |
| Contributions and donations                                    | 3  | 4,625                                       | 9,093                    | 12,494                   |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | (14,976)                                     | (32,952)                                    | (36,767)                 | (102,637)                |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |  |   |                          |                          |
| Interest and dividends received                                | 538  | 1,320                                       | 1,763                    | 2,251                    |
| Investment long-term   | (142)  | (386)                                       | 1,216                    | (1,284)                  |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | 396  | 934   | 2,979                    | 967                      |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | (2,377)                                      | (552)                                       | 1,442                    | (33,646)                 |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 46,186                                       | 114,420                                     | 211,596                  | 257,582                  |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31          | \$ 43,809                                    | \$ 113,868                                  | \$ 213,038               | \$ 223,936               |



STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2017  
 (amounts expressed in thousands)  
 Page 2 of 4

|   | BUSINESS-TYPE ACTIVITIES |   |                          |                          |
|---|--------------------------|---|--------------------------|--------------------------|
|   | ENTERPRISE FUNDS         |   |                          |                          |
|   | Solid<br>Waste<br>#4200  | Wastewater<br>& Surface Water<br>#4300/4301 | Tacoma<br>Water<br>#4600 | Tacoma<br>Power<br>#4700 |
| RECONCILIATION OF OPERATING INCOME                          |                          |   |                          |                          |
| (LOSS) TO NET CASH PROVIDED (USED)                          |                          |   |                          |                          |
| BY OPERATING ACTIVITIES:                                    |                          |   |                          |                          |
| Operating income (loss)                                     | \$ 16,951                | \$ 21,435                                   | \$ 16,778                | \$ 43,133                |
| Adjustments to reconcile operating income                   |                          |   |                          |                          |
| (loss) to net cash provided (used)                          |                          |   |                          |                          |
| by operating activities:                                    |                          |   |                          |                          |
| Depreciation expense  | 5,474                    | 17,205                                      | 24,038                   | 57,231                   |
| (increase) decrease in accounts receivable                  | (322)                    | (220)                                       | (476)                    | (7,169)                  |
| (Increase) decrease in intergovernmental receivables        | -                        | -   | -                        | -                        |
| (Increase) decrease in due from other funds                 | (9)                      | 84  | 39                       | 406                      |
| (Increase) decrease in inventories                          | -                        | (214)                                       | (62)                     | 58                       |
| (Increase) decrease in prepaid items                        | -                        | 99  | (122)                    | -                        |
| (Increase) decrease in other current assets                 | 113                      | -   | -                        | -                        |
| Increase (decrease) in deposits payable                     | (9)                      | -   | 7                        | 19                       |
| Increase (decrease) in accounts payable                     | (988)                    | (172)                                       | 64                       | 1,270                    |
| Increase (decrease) in accrued wages payable                | 101                      | 24  | 45                       | 124                      |
| Increase (decrease) in compensated absences                 | 88                       | 88  | (539)                    | (284)                    |
| Increase (decrease) in intergovernmental payables           | -                        | (678)                                       | -                        | -                        |
| Increase (decrease) in due to other funds                   | (566)                    | (1,120)                                     | (582)                    | (2,073)                  |
| Increase (decrease) in unearned revenues                    | 10                       | 17  | -                        | -                        |
| Increase (decrease) in other current liabilities            | (550)                    | -   | -                        | -                        |
| Increase (decrease) in notes, contracts, and leases payable | -                        | -   | -                        | -                        |
| Increase (decrease) in other long-term liabilities          | (2,440)                  | 3,974                                       | -                        | 9,551                    |
| Prior period adjustments                                    | -                        | -   | -                        | -                        |
| Miscellaneous non-operating revenues (expenditures)         | 67                       | 1,862                                       | 3,133                    | -                        |
| Total adjustments   | 969                      | 20,949                                      | 25,545                   | 59,133                   |
| NET CASH PROVIDED (USED) BY                                 |                          |   |                          |                          |
| OPERATING ACTIVITIES  | \$ 17,920                | \$ 42,384                                   | \$ 42,323                | \$ 102,266               |
| NONCASH INVESTING, CAPITAL, AND                             |                          |   |                          |                          |
| FINANCING ACTIVITIES  |                          |   |                          |                          |
| Contributions of capital assets                             | -                        | 1,251                                       | 3,628                    | 149                      |

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2017  
 (amounts expressed in thousands)  
 Page 3 of 4

|  | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |                              |                              |
|--|--|------------------------------|------------------------------|
|  | Non-Major<br>Enterprise<br>Funds             | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |  |                              |                              |
| Receipts from customers and users                              | \$ 63,703                                    | \$ 774,444                   | \$ 24,260                    |
| Receipts from interfund services provided                      | (498)  | (498)                        | 62,145                       |
| Contributions received - employee/employer                     | -  | -                            | 89,109                       |
| Payments to suppliers  | (26,840)                                     | (312,730)                    | (105,498)                    |
| Payments to employees  | (29,311)                                     | (223,269)                    | (44,997)                     |
| Payments to insurance carriers                                 | -  | -                            | -                            |
| Payments for taxes   | (909)  | (28,381)                     | (1,584)                      |
| Payments for interfund services used                           | (4,934)                                      | (4,934)                      | (4,359)                      |
| Other operating or non-operating revenues (expenses)           | 4,737  | 6,209                        | 88                           |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | 5,948  | 210,841                      | 19,164                       |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |  |                              |                              |
| Transfers from other funds                                     | 3,188  | 3,538                        | 4,975                        |
| Transfers (to) other funds                                     | (2,907)                                      | (58,561)                     | (738)                        |
| Advances (to) other funds                                      | (431)  | (431)                        | -                            |
| Grants received  | 2,270  | 2,315                        | -                            |
| Debt service related to environmental                          | (174)  | (2,885)                      | -                            |
| Contributions and Donations                                    | (1)  | (1)                          | -                            |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | 1,945  | (56,025)                     | 4,237                        |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |  |                              |                              |
| Transfers from other funds                                     | 5,168  | 6,036                        | 150                          |
| Transfers (to) funds   | (2,525)                                      | (2,586)                      | (625)                        |
| Acquisition and construction of capital assets                 | (2,585)                                      | (108,236)                    | (12,438)                     |
| Proceeds from issuance of long-term debt                       | -  | 1,575                        | -                            |
| Proceeds from capital debt                                     | 4,051  | 74,626                       | -                            |
| Proceeds from the sale of capital assets                       | 5,931  | 5,983                        | -                            |
| Proceeds from leased property                                  | -  | -                            | -                            |
| Lease and leaseback  | -  | -                            | -                            |
| Principal paid on capital debt                                 | (7,560)                                      | (150,634)                    | -                            |
| Interest and issuance costs paid on capital debt               | (4,551)                                      | (53,373)                     | -                            |
| Premium from capital debt                                      | -  | 9,881                        | -                            |
| Capital lease obligation                                       | -  | -                            | -                            |
| Other long-term liabilities                                    | -  | 1,110                        | -                            |
| Contributions and donations                                    | 2,017  | 28,232                       | -                            |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | (54)   | (187,386)                    | (12,913)                     |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |  |                              |                              |
| Interest and dividends received                                | 355  | 6,227                        | 875                          |
| Investment long-term   | (133)  | (729)                        | (369)                        |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | 222  | 5,498                        | 506                          |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | 8,061  | (27,072)                     | 10,994                       |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 29,717                                       | 659,501                      | 84,004                       |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31          | \$ 37,778                                    | \$ 632,429                   | \$ 94,998                    |

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2017  
 (amounts expressed in thousands)  
 Page 4 of 4

|   | BUSINESS-TYPE ACTIVITIES         |                              |                              |
|---|----------------------------------|------------------------------|------------------------------|
|   | ENTERPRISE FUNDS                 |                              |                              |
|   | Non-Major<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                                  |                              |                              |
| Operating income (loss)   | \$ (3,977)                       | \$ 94,320                    | \$ (2,995)                   |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                                  |                              |                              |
| Depreciation expense  | 8,571                            | 112,519                      | 9,813                        |
| (increase) decrease in accounts receivable  | (34)                             | (8,221)                      | 123                          |
| (Increase) decrease in intergovernmental receivables  | (300)                            | (300)                        | (8)                          |
| (Increase) decrease in due from other funds   | (498)                            | 22                           | 4,920                        |
| (Increase) decrease in inventories  | (142)                            | (360)                        | (192)                        |
| (Increase) decrease in prepaid items  | 1,192                            | 1,169                        | (2,560)                      |
| (Increase) decrease in other current assets   | (57)                             | 56                           | 287                          |
| Increase (decrease) in deposits payable   | (2,091)                          | (2,074)                      | (52)                         |
| Increase (decrease) in accounts payable   | (1,523)                          | (1,349)                      | 6,851                        |
| Increase (decrease) in accrued wages payable  | 82                               | 376                          | 320                          |
| Increase (decrease) in compensated absences   | 645                              | (2)                          | (262)                        |
| Increase (decrease) in deferred credits   | -                                | -                            | -                            |
| Increase (decrease) in intergovernmental payables   | 2                                | (676)                        | (8)                          |
| Increase (decrease) in due to other funds   | (322)                            | (4,663)                      | 317                          |
| Increase (decrease) in unearned revenues  | (246)                            | (219)                        | 65                           |
| Increase (decrease) in other current liabilities  | (140)                            | (690)                        | (168)                        |
| Increase (decrease) in notes, contracts, and leases payable   | -                                | -                            | -                            |
| Increase (decrease) in other long-term liabilities  | 50                               | 11,135                       | 2,543                        |
| Prior period adjustments  | -                                | -                            | 95                           |
| Miscellaneous non-operating revenues (expenditures)   | 4,736                            | 9,798                        | 75                           |
| Total adjustments   | 9,925                            | 116,521                      | 22,159                       |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ 5,948                         | \$ 210,841                   | \$ 19,164                    |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                                  |                              |                              |
| Contributions of capital assets   | -                                | 5,028                        | -                            |

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

December 31, 2017

(amounts expressed in thousands)

|   | TOTAL PENSION AND<br>EMPLOYEE TRUST<br>FUNDS #6050-6100, 6450 |
|---|---|
| ASSETS  |   |
| Cash and cash equivalents                               | \$ 7,909  |
| Investments at fair value                               | 32,707  |
| Equities  | 945,893   |
| Fixed income  | 576,353   |
| Real estate   | 70,971  |
| Venture capital and partnerships                        | 134,143   |
| Securities lending collateral                           | 41,990  |
| Due from other funds                                    | 1   |
| Due from other governments                              | 868   |
| Interest and dividends                                  | 2,490   |
| Investment sales  | 1,965   |
| Capital assets - net of accumulated depreciation        | 10  |
| TOTAL ASSETS  | <u>1,815,300</u>  |
| TOTAL DEFERRED OUTFLOW OF RESOURCES                     | <u>-</u>  |
| LIABILITIES   |   |
| Current liabilities:                                    |   |
| Accounts payable  | 5,617   |
| Accrued wages and benefits payable                      | 1,438   |
| Due to the governmental units                           | 3   |
| Investments purchase payable                            | 84,883  |
| Other current liabilities                               | 5   |
| Total current liabilities                               | <u>91,946</u>   |
| Non-current liabilities:                                |   |
| Accrued employee leave benefits                         | 96  |
| Total non-current liabilities                           | <u>96</u>   |
| TOTAL LIABILITIES                                       | <u>92,042</u>   |
| TOTAL DEFERRED INFLOW OF RESOURCES                      | <u>-</u>  |
| NET POSITION  |   |
| Net position restricted for pensions and other purposes | <u>\$ 1,723,258</u>   |

FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended December 31, 2017  
(amounts expressed in thousands)

|  | TOTAL PENSION AND<br>EMPLOYEE TRUST<br>FUNDS #6050-6100, 6450 |
|--|---|
| ADDITIONS  |   |
| Employer contributions                                       | \$ 26,091   |
| Member contributions   | 23,009  |
| Other contributions  | 160   |
| Total contributions  | <u>49,260</u>   |
| Investment income:   |   |
| Net appreciation (depreciation) in fair value of investments | 180,406   |
| Interest & dividends   | 32,058  |
| Total investment income                                      | <u>212,464</u>  |
| Less investment expenses:                                    |   |
| Investment management fees                                   | (6,276)   |
| Securities lending - agent fees                              | (81)  |
| Securities lending - broker rebates                          | (490)   |
| Total investment expense                                     | <u>(6,847)</u>  |
| Net investment income  | <u>205,617</u>  |
| TOTAL ADDITIONS  | <u>254,877</u>  |
| DEDUCTIONS   |   |
| Wages and benefits   | 934   |
| Benefit payments   | 75,047  |
| Refunds of contributions                                     | 2,421   |
| Administrative expense                                       | 926   |
| TOTAL DEDUCTIONS   | <u>79,328</u>   |
| NET INCREASE (DECREASE)                                      | <u>175,549</u>  |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS              |   |
| Net position - beginning                                     | <u>1,547,709</u>  |
| Net position - ending  | <u>\$ 1,723,258</u>   |

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2017

**NOTES TO FINANCIAL STATEMENTS**

|  |             |
|--|-------------|
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NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Tacoma's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Effective for the fiscal year 2017, the City implemented the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions administered through a trust. There is no material impact to the City in implementing this standard.

GASB Statement No. 80 - *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. There is no material impact to the City implementing this standard.

GASB Statement No. 82 - *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The purpose of this statement is to address certain issues that have been raised with respect to GASB statements No. 67, No. 68 and No. 73. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in Actuarial Standard of Practice for reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**A. 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 Resources, Information Technology, Library, Municipal Court, Media & Communications, Neighborhood & Community Services, Office of Management and Budget, Planning & Development Services, Police, Tacoma Venues and Events, 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 the component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit/burden relationship between the primary government and the component unit or (2) management of the primary government has operational responsibility for the component unit. Additionally, per GASB Statement No. 80 a component unit should be included using blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member. A component unit should be presented as blended when the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

## NOTES TO THE FINANCIAL STATEMENTS

### For the Year Ended December 31, 2017

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. To be presented as a discretely presented component unit all of the following criteria must be met:

1. The economic resources received or held by the organization are almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization of the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

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 10-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.

**The Greater Tacoma Regional Convention Center Public Facilities District (the District)** is a public corporation organized under the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23 and pursuant to an interlocal agreement between the Cities of Tacoma, Fife, University Place, Lakewood and Pierce County. Liability of the District is limited to the District's assets with no recourse to the City of Tacoma assets or property. 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 appoints the a voting majority of the board and has exercised oversight responsibility for administration for the debt service on bonds issued by the City for the construction of the Convention Center. The



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

District imposed the 0.033 percent sales and use tax authorized by RCW 82.08 and 82.12. The District pays these revenues to the City of Tacoma primarily for the debt service for bond issued by the City of Tacoma to fund the design, development, construction and operation of Convention Center inclusive of real property, buildings, fixtures, furnishings, appurtenances and improvements.

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.

**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.

*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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

committee will have (1) one vote. If the Operations Board cannot reach consensus, the deciding vote will be cast by the Policy Board.

**Tacoma-Pierce County Health Department**

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

Financial information for both entities is included in Note 8 Section F. 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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:

| <b>Transportation</b> |                    |                        |
|-----------------------|--------------------|------------------------|
| <b>Capital &amp;</b>  |                    |                        |
| <b>General Fund</b>   | <b>Engineering</b> | <b>Non-major Funds</b> |
| \$ 4,917              | \$ 27,448          | \$ 6,667               |

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

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

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

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

The City reports the following major governmental funds:

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

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

- The Solid Waste fund (#4200) provides solid waste collection and disposal services for residential and commercial customers. Services include recycling, long-haul to an outside landfill, and disposal in the City owned landfill.
- The Wastewater and Surface Water (Sewer) fund (#4300-01) accounts for the planning, design, construction, operation, and maintenance of the wastewater and surface water facilities owned by the City.
- The 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.
- Transportation Revenue fund (#1050)
- 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 Special Revenue 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 District Guarantee fund (#1110) provides for the guarantee of Local Improvement Bond obligations.
- Paths and Trails fund (#1140) was created for the purpose of creating and maintaining paths and trails within the City of Tacoma.
- Building and Land Use 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.
- Historically Underutilized Business (HUB) fund (#1236) accounts for activities which provide opportunities to qualified small businesses doing business with the City.
- Police Special Revenue 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.
- Local Employment Apprenticeship Program (LEAP) fund (#1500) accounts for activities within the human resources department related to LEAP.

NOTES TO THE FINANCIAL STATEMENTS  
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- 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.
- 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.
- 2017 LTGO Bonds (#2043) accounts for debt service for the 2017 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 Revenue (#3210) accounts for capital revenues
- 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.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

Internal Service Funds:

- Finance Department fund (#5007) accounts for the operation of the Finance 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-type activities.
- Tacoma Training & Employment Program (ITEP) 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 fund (#5700) accounts for maintenance and operation cost associated with all City of Tacoma buildings.
- General Government Internal Service 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.

Fiduciary Funds:

- Deferred Compensation fund (#6050) accounts for activities related to mandatory and optional payroll deductions.
- Tacoma Employee Retirement Systems (TERS) fund (#6100) accounts for the activities of the City's retirement system, which accumulates resources for pension benefit payments to qualified City employees.

**D. Assets, liabilities and net position or fund balances**

**1. Cash and investments**

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

**2. Receivables and payables**

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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.

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, easements, and rights-of-way are capitalized regardless of cost. Infrastructure capitalization threshold is \$5,000 or more. Building and infrastructure improvements are capitalized when the cost is greater than \$5,000 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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

The estimated useful lives for all City funds are:

|                                |             |
|--------------------------------|-------------|
| Property, plant, and equipment | 3-100 years |
| Water Plant                    | 200 years   |
| Parks                          | 33 years    |
| Library materials              | 5 years     |
| Intangibles                    | 3-25 years  |
| Infrastructure                 | 5-60 years  |

#### **6. *Compensated absences***

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

#### **7. *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.



NOTES TO THE FINANCIAL STATEMENTS  
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**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.
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.

NOTES TO THE FINANCIAL STATEMENTS  
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***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.”

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

|  |                            |
|--|----------------------------|
| Bonds and leases payable   | \$ (229,021)               |
| Discount on bond issuance  | 53                         |
| Premium on bond issuance   | (897)                      |
| Net other post employment benefits obligation  | (69,698)                   |
| Compensated absences   | (19,181)                   |
| Sub-total  | (318,744)                  |
| Net pension obligation   | 9,662                      |
| Total pension liability  | (44,317)                   |
| Net pension liability  | (27,989)                   |
| Net adjustment to reduce fund balance<br>for total governmental funds to arrive at<br>net position for governmental activities | <u><u>\$ (381,388)</u></u> |

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

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

One element of the reconciliation explains:

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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

|   |                    |
|---|--------------------|
| Capital Outlay  | \$ 22,509          |
| Depreciation Expense  | <u>(39,138)</u>    |
| Net adjustment to increase net changes<br>in fund balances - total governmental<br>funds to arrive at changes in net position<br>of governmental activities | <u>\$ (16,629)</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, capital projects, proprietary funds, and some selected trust funds. In 2017, the 2% Gross Earnings Tax Fund (1080) had overspent their appropriation by \$512,000 as a result of moving the remaining cash to close out the fund.

The description of the budget process 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 to date 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 budgeted amount totaled \$1,453,673 for 2017.

**B. Deficits in fund balances or net position**

The following governmental and proprietary funds had deficit net position.

The \$4.5 million deficit in the Convention Center fund resulted from cumulative expenses exceeding revenues/transfers. The fund balance has increased by \$1.9 million over the previous year. Operating losses were \$4.2 million for the year as compared to \$3.9 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 \$24.0 million, a decrease of \$9.6 million over the prior year, due to an increase in claims.

The Worker's Compensation Fund has a net position deficit of \$230 thousand due to insufficient contributions from the departments and an excess of accrued and IBNR claims over total assets. The Worker's Compensation fund has a positive net change in 2017, which increased net position by \$2.0 million.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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

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

| FUND                                 | AMOUNT             |
|--------------------------------------|--------------------|
| Convention Center (#4165)            | \$ (4,518)         |
| Third Party Liability Claims (#5550) | (24,011)           |
| Worker's Compensation (#5570)        | (230)              |
|                                      | <u>\$ (28,759)</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.

**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 \$42,215,953.

***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 2017, there was no significant loss potential, and there were no significant or recurring violations of administrative, legal or contractual provisions.

***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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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.

## 2. Deposits and investments – December 31, 2017

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

At December 31, 2017, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments  
December 31, 2017  
(amounts expressed in thousands)

Reconciliation of Cash and Investments:

|   |                     |
|---|---------------------|
| Investments (less Component Units)              | \$ 2,688,716        |
| Certificates of Deposit                         | 4,051               |
| Treasurer's Cash, net                           | 37,890              |
| Petty Cash Funds                                | 275                 |
| Sub-total                                       | <u>2,730,932</u>    |
| Component Units:                                |                     |
| Tacoma Community Redevelopment Authority (TCRA) | 1,564               |
| TCRA - External Cash                            | 5,018               |
| Foss Waterway Development Authority (FWDA)      | 798                 |
| FWDA - External Cash                            | 268                 |
| Public Facilities District (PFD)                | 2,079               |
| Sub-total (Component Units)                     | <u>9,727</u>        |
| Total   | <u>\$ 2,740,659</u> |

Reconciliation of cash, cash equivalents, deposits and investments to Statement of Net Position:

|                                      | Amounts<br>expressed in<br>thousands |
|--------------------------------------|--------------------------------------|
| From Statement of Net Position       |                                      |
| Cash and cash equivalents            | \$ 691,758                           |
| Investments at fair value            | 5,222                                |
| Restricted cash and cash equivalents | 223,986                              |
| Total Primary Government             | <u>920,966</u>                       |
| Component Units                      |                                      |
| TCRA                                 | 6,582                                |
| GTRCC PFD                            | 2,079                                |
| FWDA                                 | 1,066                                |
| Total Component Units                | <u>9,727</u>                         |
| Fiduciary Funds                      |                                      |
| Cash and cash equivalents            | 7,909                                |
| Investments at fair value            | 32,707                               |
| Pension Trust                        | 1,769,350                            |
| Total Fiduciary Funds                | <u>1,809,966</u>                     |
| Total cash and investments           | <u>\$ 2,740,659</u>                  |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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

| Investments:                                  | Fair Value at 12/31/17 |
|---|------------------------|
| Financial Institutions                        |                        |
| WA State Local Government Investment Pool     | \$ 86,977              |
| Government Agencies (various)                 | 796,215                |
| Equity in Pool Transferred to Component Units | <u>(4,442)</u>         |
| Total Investments with Financial Institutions | 878,750                |
| Pension Trust                                 |                        |
| Equities                                      | 945,893                |
| Fixed Income                                  | 576,353                |
| Real Estate                                   | 70,971                 |
| Venture Capital & Partnerships                | 134,143                |
| Short Term Bill & Notes                       | 5,597                  |
| Cash and Cash Equivalents                     | 35,019                 |
| Securities Lending Collateral                 | <u>41,990</u>          |
| Total Other Investments - Pension Trust       | 1,809,966              |
| Total   | <u>\$ 2,688,716</u>    |

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

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. City of Tacoma Investment Policy allows for authorized investments up to 60 months in maturity. One way the City manages its exposure to interest rate risk is by timing cash flows from maturities so that portions of the portfolio are maturing over time to provide cash flow and liquidity needed for operations. The city has deposits of \$86,435,508 with the State Treasurer's Local Government Investment Pool, \$4,050,526 in an interest bearing certificate of deposit with a commercial bank and \$43,940,057 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                    | \$ 43,940,057  | \$ 43,940,057        | \$ -           | \$ -          | \$ -          | \$ -          |
| Bank Demand Deposits & State Pool            | 91,027,472     | 91,027,472           | -              | -             | -             | -             |
| Fixed Rate Non-Callable Municipal Securities | 40,760,728     | 25,286,879           | 13,216,790     | 2,257,059     | -             | -             |
| Fixed Rate Non-Callable Agency Securities    | 450,819,476    | 174,447,223          | 170,840,533    | 56,026,293    | 34,552,807    | 14,952,620    |
| Fixed Rate Callable Agency Securities        | 66,526,343     | 42,326,458           | 14,828,040     | 9,371,845     | -             | -             |
| Totals                                       | \$ 693,074,076 | \$ 377,028,089       | \$ 198,885,363 | \$ 67,655,197 | \$ 34,552,807 | \$ 14,952,620 |
| Percent of Total                             |                | 54.40%               | 28.70%         | 9.76%         | 4.99%         | 2.16%         |

### 4. GASB 40 - Disclosure Relating to Credit Risk

**Credit risk** is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by state statute, which is the same in the City Investment policy and the actual rating as of the end of the year 2017 for each type of investment. AAA is the

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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<br>Legal<br>Requirement | FDIC<br>and<br>PDPC   | AAA                   | AA                   | A                   |
|--|-----------------------|---------------------------------|-----------------------|-----------------------|----------------------|---------------------|
| Bank Demand Deposits & State Pool            | \$ 134,967,529        | FDIC & PDPC                     | \$ 134,967,529        | \$ -                  | \$ -                 | \$ -                |
| Fixed Rate Non-Callable Municipal Securities | 40,760,728            | A                               | -                     | 2,385,115             | 35,419,219           | 2,956,394           |
| Fixed Rate Non-Callable Agency Securities    | 450,819,476           | AAA                             | -                     | 440,856,806           | 9,962,670            | -                   |
| Fixed Rate Callable Agency Securities        | 66,526,343            | AAA                             | -                     | 66,526,343            | -                    | -                   |
| Total  | <u>\$ 693,074,076</u> |                                 | <u>\$ 134,967,529</u> | <u>\$ 509,768,264</u> | <u>\$ 45,381,889</u> | <u>\$ 2,956,394</u> |

#### 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    | 52,303,448            | 9.5%       |
| Federal Home Loan Bank                | Agency Securities    | 262,239,191           | 29.7%      |
| Federal Home Mortgage Corporation     | Agency Securities    | 106,484,721           | 18.0%      |
| Federal National Mortgage Association | Agency Securities    | 96,318,458            | 15.1%      |
| Total                                 |                      | <u>\$ 517,345,818</u> |            |

#### 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:

- 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.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

- 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.

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:

| Debt Securities          | As of          |         |                |         |
|--------------------------|----------------|---------|----------------|---------|
|                          | 12/31/2017     | Level 1 | Level 2        | Level 3 |
| U.S. Treasury Securities | \$ 218,142,864 | \$ -    | \$ 218,142,864 | \$ -    |
| Supranational Securities | 19,966,040     | -       | 19,966,040     | -       |
| Municipal Bonds          | 40,760,727     | -       | 40,760,727     | -       |
| Agency Securities        | 517,345,818    | -       | 517,345,818    | -       |
| Total                    | \$ 796,215,449 | \$ -    | \$ 796,215,449 | \$ -    |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**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<br>(amounts expressed in thousands) | General<br>Fund  | Trans Capital<br>& Engineering<br>Fund | Non-Major<br>Governmental<br>Funds | Solid Waste<br>Fund | Waste Water<br>Fund |
|---|------------------|--|------------------------------------|---------------------|---------------------|
| Accounts Receivable (net short-term)                    | \$ 17,253        | \$ 1,230                               | \$ 33,663                          | \$ 6,789            | \$ 13,992           |
| Due from other Funds                                    | 3,960            | 288                                    | 5,888                              | 67                  | 1                   |
| Advances to other Funds                                 | -                | -                                      | 965                                | -                   | -                   |
| Due from Other Governments                              | 16,429           | 2,704                                  | 6,996                              | -                   | 823                 |
| Interest Receivable (net short-term)                    | -                | -                                      | -                                  | -                   | -                   |
| Notes and Contracts Receivable (net short-term)         | -                | -                                      | -                                  | -                   | 139                 |
| Notes and Contracts Receivable (net long-term)          | -                | -                                      | -                                  | -                   | 706                 |
| TOTAL   | <u>\$ 37,642</u> | <u>\$ 4,222</u>                        | <u>\$ 47,512</u>                   | <u>\$ 6,856</u>     | <u>\$ 15,661</u>    |

| Accounts Receivable<br>(amounts expressed in thousands) | Water<br>Fund    | Power<br>Fund    | Non-Major<br>Enterprise<br>Funds | Internal<br>Service<br>Funds | Fiduciary<br>Funds | Total             |
|---|------------------|------------------|----------------------------------|------------------------------|--------------------|-------------------|
| Accounts Receivable (net short-term)                    | \$ 10,770        | \$ 65,695        | \$ 7,958                         | \$ 266                       | \$ -               | \$ 157,616        |
| Due from other Funds                                    | 69               | 1,820            | 514                              | 950                          | 1                  | 13,558            |
| Advances to other Funds                                 | -                | -                | -                                | -                            | -                  | 965               |
| Due from Other Governments                              | 299              | -                | 300                              | 16                           | 868                | 28,435            |
| Interest Receivable (net short-term)                    | -                | -                | -                                | -                            | 2,490              | 2,490             |
| Notes and Contracts Receivable (net short-term)         | -                | -                | -                                | -                            | 1,965              | 1,965             |
| Notes and Contracts Receivable (net long-term)          | -                | 2,625            | 15,430                           | -                            | -                  | 18,761            |
| TOTAL   | <u>\$ 11,138</u> | <u>\$ 70,140</u> | <u>\$ 24,202</u>                 | <u>\$ 1,232</u>              | <u>\$ 5,324</u>    | <u>\$ 223,790</u> |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**C. Capital assets**

Capital asset activity for the year-ended December 31, 2017 was as follows:

(amounts expressed in thousands)

| Governmental activities  | Beg Bal           | Increases        | Decreases          | End Bal           |
|--|-------------------|------------------|--------------------|-------------------|
| Capital assets not being depreciated:  |                   |                  |                    |                   |
| Land   | \$ 35,335         | \$ 1,045         | \$ -               | \$ 36,380         |
| Property, plant, and equipment   | 2,186             | 228              |                    | 2,414             |
| Construction Work in progress  | 57,538            | 19,663           | (46,401)           | 30,800            |
| Total Capital assets, not being depreciated                                  | <u>95,059</u>     | <u>20,936</u>    | <u>(46,401)</u>    | <u>69,594</u>     |
| Capital assets, being depreciated  |                   |                  |                    |                   |
| Property, plant, and equipment   | 253,514           | 24,102           | (4,329)            | 273,287           |
| Infrastructure   | 1,373,328         | 37,162           | -                  | 1,410,490         |
| Total capital assets, being depreciated                                      | <u>1,626,842</u>  | <u>61,264</u>    | <u>(4,329)</u>     | <u>1,683,777</u>  |
| Less Accumulated depreciation:   |                   |                  |                    |                   |
| Property, plant, and equipment   | (139,954)         | (13,872)         | 4,393              | (149,433)         |
| Infrastructure   | (762,553)         | (35,058)         | -                  | (797,611)         |
| Total accumulated depreciation   | <u>(902,507)</u>  | <u>(48,930)</u>  | <u>4,393</u>       | <u>(947,044)</u>  |
| Governmental activities, capital assets<br>(net of accumulated depreciation) | <u>\$ 819,394</u> | <u>\$ 33,270</u> | <u>\$ (46,337)</u> | <u>\$ 806,327</u> |

| Business Type Activities  | Beg Bal             | Increases         | Decreases           | End Bal             |
|---|---------------------|-------------------|---------------------|---------------------|
| Capital assets not being depreciated:   |                     |                   |                     |                     |
| Land  | \$ 163,451          | \$ 1,577          | \$ (735)            | \$ 164,293          |
| Construction Work in progress   | 57,691              | 140,662           | (144,546)           | 53,807              |
| Total Capital assets, not being depreciated                                   | <u>221,142</u>      | <u>142,239</u>    | <u>(145,281)</u>    | <u>218,100</u>      |
| Capital assets, being depreciated   |                     |                   |                     |                     |
| Property, plant, and equipment  | 4,338,447           | 169,205           | (79,487)            | 4,428,165           |
| Total capital assets, being depreciated                                       | <u>4,338,447</u>    | <u>169,205</u>    | <u>(79,487)</u>     | <u>4,428,165</u>    |
| Less Accumulated depreciation:  |                     |                   |                     |                     |
| Property, plant, and equipment  | (1,735,569)         | (116,012)         | 27,330              | (1,824,251)         |
| Total accumulated depreciation  | <u>(1,735,569)</u>  | <u>(116,012)</u>  | <u>27,330</u>       | <u>(1,824,251)</u>  |
| Business Type Activities, capital assets (net<br>of accumulated depreciation) | <u>\$ 2,824,020</u> | <u>\$ 195,432</u> | <u>\$ (197,438)</u> | <u>\$ 2,822,014</u> |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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

**Governmental Activities:**

|   |                  |
|---|------------------|
| General Government  | \$ 674           |
| Public Safety   | 3,609            |
| Transportation  | 35,825           |
| Economic Environment  | 111              |
| Culture and Recreation  | 2,246            |
| Capital Assets held by Internal Services funds which are charged<br>to various functions based on their usage of the assets | 6,465            |
| Total depreciation expense - governmental activities  | <u>\$ 48,930</u> |

**Business-type activities:**

|   |                   |
|---|-------------------|
| Permit  | \$ 19             |
| Mountain Rail   | 824               |
| Parking Garage  | 1,349             |
| Convention Center                                     | 1,927             |
| Baseball Park   | 1,538             |
| Tacoma Dome   | 538               |
| Performing Arts                                       | 732               |
| TPU Fleet *   | 3,493             |
| Solid Waste   | 5,474             |
| Waste Water   | 17,205            |
| Tacoma Rail   | 1,644             |
| Water   | 24,038            |
| Power   | 57,231            |
| Total depreciation expense - business-type activities | <u>\$ 116,012</u> |

\* Internal Service Fund that solely supports business-type activities.

**D. Leases**

There are no capital leases to report for fiscal year 2017.

**E. Short-term debt**

Governmental activities: No short-term debt was issued or outstanding in 2017.

Business-type activities: No short-term debt was issued or outstanding in 2017.

**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 \$258.6 million.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of December 31, 2017, are as follows:

|           | Governmental activities |            | Business-type activities |           |
|-----------|-------------------------|------------|--------------------------|-----------|
|           | Principal               | Interest   | Principal                | Interest  |
| 2018      | \$ 9,424                | \$ 5,227   | \$ 2,791                 | \$ 2,402  |
| 2019      | 10,128                  | 7,144      | 2,597                    | 2,267     |
| 2020      | 10,468                  | 6,712      | 2,677                    | 2,168     |
| 2021      | 10,852                  | 6,223      | 2,763                    | 2,043     |
| 2022      | 11,219                  | 5,735      | 2,861                    | 1,932     |
| 2023-2027 | 38,403                  | 33,890     | 13,810                   | 7,672     |
| 2028-2032 | 36,195                  | 28,495     | 17,400                   | 4,194     |
| 2033-2037 | 27,724                  | 9,390      | 9,880                    | 687       |
| 2038-2041 | 1,460                   | 177        | -                        | -         |
| Total     | \$ 155,874              | \$ 102,993 | \$ 54,778                | \$ 23,365 |

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:

| General obligation bonds outstanding<br>(amounts expressed in thousands) |                               |                                  |  |
|--|-------------------------------|----------------------------------|--|
|  | Interest Rates<br>to Maturity | Outstanding<br>December 31, 2017 |  |
| Governmental activities  | 2.6323 - 7.2020%              | \$ 155,874                       |  |
| Business-type activities   | 2.7966 - 3.20667%             | \$ 54,778                        |  |

***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, 2017, the amount of LID Special Assessment delinquency equals \$360,083. The bond interest rates range from 3.25 to 5.75% and are payable over the next twenty-six years.

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

|           | Governmental activities<br>Special Assessment Bonds<br>(amounts expressed in thousands) |           |           |
|-----------|---|-----------|-----------|
|           | Principal   | Interest  | Total     |
| 2018      | \$ -  | \$ 1,577  | \$ 1,577  |
| 2019      | -   | 1,577     | 1,577     |
| 2020      | -   | 1,577     | 1,577     |
| 2021      | -   | 1,577     | 1,577     |
| 2022      | -   | 1,577     | 1,577     |
| 2023-2027 | 307   | 7,825     | 8,132     |
| 2028-2032 | -   | 7,810     | 7,810     |
| 2033-2037 | 1,830   | 7,750     | 9,580     |
| 2038-2042 | -   | 7,512     | 7,512     |
| 2043      | 24,120  | 1,502     | 25,622    |
| Total     | \$ 26,257   | \$ 40,285 | \$ 66,542 |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**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 \$1.4 billion. During 2017, new debt issues amounted to \$70.6 million for refunding, construction and capital improvements in the Tacoma Power fund.

| Business-type activities<br>Revenue Bonds and Loans<br>(amounts expressed in thousands) |                     |                   |                     |
|---|---------------------|-------------------|---------------------|
|   | Principal           | Interest          | Total               |
| 2018  | \$ 41,931           | \$ 52,568         | \$ 94,499           |
| 2019  | 42,326              | 51,581            | 93,907              |
| 2020  | 42,713              | 49,936            | 92,649              |
| 2021  | 41,984              | 48,289            | 90,273              |
| 2022  | 38,807              | 46,700            | 85,507              |
| 2018-2022   | 203,789             | 212,575           | 416,364             |
| 2023-2027   | 222,769             | 168,700           | 391,469             |
| 2028-2032   | 282,122             | 98,609            | 380,731             |
| 2033-2041   | 213,499             | 39,516            | 253,015             |
| 2042-2047   | 61,304              | 4,446             | 65,750              |
| Total   | <u>\$ 1,191,244</u> | <u>\$ 772,920</u> | <u>\$ 1,964,164</u> |

Changes in long-term liabilities for the year ended December 31, 2017 are as follows:

**Changes in long-term liabilities**Governmental activities

| Long-term liabilities<br>(amounts expressed in thousands) | Beginning<br>Balance | Additions         | Reductions         | Ending<br>Balance | Due within<br>one year | Reconcile to<br>Note 12 |
|---|----------------------|-------------------|--------------------|-------------------|------------------------|-------------------------|
| General obligation bonds                                  | \$ 136,781           | \$ 27,511         | \$ (8,418)         | 155,874           | \$ 9,424               | \$ 155,874              |
| Add: Unamortized premium                                  | 1,229                | -                 | (332)              | 897               | -                      | -                       |
| Less: Unamortized discount                                | (58)                 | -                 | 5                  | (53)              | -                      | -                       |
| Publicworks trust fund loans                              | 5,645                | -                 | (1,111)            | 4,534             | 1,110                  | 4,534                   |
| Bond anticipation notes                                   | 8,572                | -                 | -                  | 8,572             | 8,572                  | 8,572                   |
| Special assessment debt                                   | 29,937               | -                 | (3,680)            | 26,257            | 511                    | 26,257                  |
| Claims and judgments                                      | 27,183               | 15,310            | (8,709)            | 33,784            | 26,034                 | -                       |
| Net OPEB obligation                                       | 62,495               | 7,203             | -                  | 69,698            | -                      | -                       |
| Net pension obligation                                    | 9,662                | -                 | (9,662)            | -                 | -                      | -                       |
| Total pension liability-Police and Firefighters'          | -                    | 44,317            | -                  | 44,317            | -                      | -                       |
| Net pension liability                                     | 25,948               | 2,041             | -                  | 27,989            | -                      | -                       |
| Compensated absences                                      | 24,967               | 5,986             | (11,772)           | 19,181            | 1,918                  | -                       |
| Total governmental activities - long-term liabilities     | <u>\$ 332,361</u>    | <u>\$ 102,368</u> | <u>\$ (43,679)</u> | <u>\$ 391,050</u> | <u>\$ 47,569</u>       | <u>\$ 195,237</u>       |

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 \$27,511 listed above represents the Governmental Funds issuance of long-term debt (\$27,511) reported in the government wide financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

Business-Type activities

| Long-term liabilities<br>(amounts expressed in thousands) | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance   | Due within<br>one year |
|---|----------------------|-------------------|---------------------|---------------------|------------------------|
| Revenue Bonds, Public Works Trust Fund loans, Drinking    |                      |                   |                     |                     |                        |
| Water State Revolving loans, WA DOT Rail loans            | \$ 1,189,198         | \$ 71,290         | \$ (69,244)         | \$ 1,191,244        | \$ 44,913              |
| Muckleshoot liability                                     | 7,130                | -                 | (186)               | 6,944               | 181                    |
| General obligation bonds                                  | 57,435               | -                 | (2,657)             | 54,778              | 2,791                  |
| Add: Unamortized premium                                  | 62,772               | 9,881             | (8,075)             | 64,578              | -                      |
| Less: Unamortized discount                                | (22)                 | -                 | 3                   | (19)                | -                      |
| Revolving line of credit                                  | 80,250               | -                 | (80,000)            | 250                 | 250                    |
| Environmental liability                                   | 600                  | 1,418             | (292)               | 1,726               | 886                    |
| Landfill postclosure care cost liability                  | 20,518               | 4,146             | (8,310)             | 16,354              | 876                    |
| Net OPEB obligation                                       | 20,181               | 2,193             | (718)               | 21,656              | -                      |
| Compensated absences                                      | 20,196               | 17,546            | (18,201)            | 19,541              | 1,954                  |
| Net pension liability                                     | 60,636               | 130,365           | (126,110)           | 64,891              | -                      |
| Total business-type activities - long-term liabilities    | <u>\$ 1,518,894</u>  | <u>\$ 236,840</u> | <u>\$ (313,790)</u> | <u>\$ 1,441,943</u> | <u>\$ 51,851</u>       |

Note 12 summarizes changes in long-term debt.

***Debt issued in 2017***Governmental activities

On December 12, 2017 the City issued Limited Tax General Obligation Bonds in the amount of \$25,295,000 with an interest rates of 1.80%-3.61%. The bonds were issued to finance and/or reimburse the City for a portion of the costs of capital improvements and acquisitions of the City and the construction, improvement, rehabilitation and equipping of public infrastructure and public facilities of the City, including without limitation the Tacoma Dome and other facilities, and to pay costs of issuance for the bonds.

The projects include capital improvements to modernize the Tacoma Dome, such as installing telescopic seating, upgrading and adding additional restrooms, modifying loading docks, renovating backstage offices and dressing rooms, improving the exterior and implementing fire alarm and security advancements.

Business-type activities:

On September 1, 2017, the Electric System Revenue Bonds, Series 2017 were issued in the amount of \$70,575,000 to provide funds (a) to finance and refinance certain capital improvements to the Electric System included in the 2015-2016 and 2017-2018 Capital Improvement Program (including through the refinancing of subordinate obligations) and (b) to pay the costs of issuance of the 2017 Bonds. Included in the 2015-2016 and 2017-2018 Capital Improvement Program are projects involving additions, replacements and improvements to the distribution, transmission, smart grid, telecommunications related to power operations, power supply, utility technology and general plant systems, facilities and equipment and for conservation programs.

In October 2017, Tacoma Power used cash to defease \$24,300,000 of the outstanding 2013 Series A Electric System Revenue and Refunding Bonds to levelize and reduce future debt service payments. This defeasance resulted in a loss of \$1,903,106. The Cash Flow impact of the defeasance was a reduction in principal and interest payments in the amount of \$22,025,000 in 2020 and \$5,130,000 in 2021.

In 2017, Tacoma Rail received \$715,000 in draws from previously awarded Washington State loans from the Department of Transportation for capital track projects. The loan balances outstanding is \$6.0 million as of December 31, 2017.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**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           | \$ 29,717         |
| Cash for bond reserve           | 19,058            |
| Cash for construction           | 37,096            |
| Cash for other special purposes | 138,115           |
|                                 | <u>\$ 223,986</u> |

**H. Related party transactions**

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

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

**I. Federal compliance requirements for municipal securities issuers**

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

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

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

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

In October 2015, as part of its examination of the advance refunding market segment, the Internal Revenue Service sent an Information Document Request (IDR) for records related to the City's \$12,885,000 Limited Tax General Obligation Refunding Bonds, Series 2006B. The City cooperated with the request by providing the IRS with available documentation. The 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, 2017

## 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  |                 |                  | Total Funds       |
|--------------------------------|------------------|-----------------------|------------------|-----------------|------------------|-------------------|
|                                | General Fund     | Transp Capital & Engr | Special Revenue  | Debt Service    | Capital Project  |                   |
| <b>Fund balances:</b>          |                  |                       |                  |                 |                  |                   |
| <b>Nonspendable:</b>           |                  |                       |                  |                 |                  |                   |
| Long-term receivables/advances | \$ 2,463         | \$ -                  | \$ -             | \$ -            | \$ -             | \$ 2,463          |
| Inventory                      | 1,160            | -                     | 1,649            | -               | -                | 2,809             |
| Prepays                        | 7                | -                     | -                | -               | -                | 7                 |
| Trust                          | -                | -                     | 36               | -               | -                | 36                |
| <b>Total nonspendable</b>      | <b>3,630</b>     | <b>-</b>              | <b>1,685</b>     | <b>-</b>        | <b>-</b>         | <b>5,315</b>      |
| <b>Restricted:</b>             |                  |                       |                  |                 |                  |                   |
| Business & Training Assistance | -                | -                     | 143              | -               | -                | 143               |
| Crime Prevention & Safety      | -                | -                     | 6,606            | -               | -                | 6,606             |
| Debt service                   | -                | -                     | 4,623            | 7,440           | -                | 12,063            |
| Economic development programs  | -                | -                     | 7,411            | -               | -                | 7,411             |
| Grants                         | -                | -                     | 95               | -               | -                | 95                |
| Library, Arts & Preservation   | -                | -                     | 4,650            | -               | -                | 4,650             |
| Neighborhoods                  | -                | -                     | 195              | -               | -                | 195               |
| Other capital & purchase       | -                | -                     | 3,922            | -               | -                | 3,922             |
| Parks & Recreation             | -                | 700                   | -                | -               | 2,073            | 2,773             |
| Paths & Trails                 | -                | -                     | 365              | -               | -                | 365               |
| Pensions                       | 343              | -                     | -                | -               | -                | 343               |
| Public services                | 9                | -                     | 8,088            | -               | -                | 8,097             |
| Public Works projects          | -                | -                     | 6,565            | -               | 38,725           | 45,290            |
| Sidewalk & Street projects     | -                | 398                   | 17,010           | -               | 6,782            | 24,190            |
| <b>Total restricted</b>        | <b>352</b>       | <b>1,098</b>          | <b>59,673</b>    | <b>7,440</b>    | <b>47,580</b>    | <b>116,143</b>    |
| <b>Committed:</b>              |                  |                       |                  |                 |                  |                   |
| Council contingency*           | 699              | -                     | -                | -               | -                | 699               |
| Neighborhoods                  | -                | -                     | 154              | -               | -                | 154               |
| Crime Prevention & Safety      | -                | -                     | -                | -               | 615              | 615               |
| Public Works projects          | -                | -                     | -                | -               | 7,442            | 7,442             |
| <b>Total committed</b>         | <b>699</b>       | <b>-</b>              | <b>154</b>       | <b>-</b>        | <b>8,057</b>     | <b>8,910</b>      |
| <b>Assigned:</b>               |                  |                       |                  |                 |                  |                   |
| Business & Training Assistance | -                | -                     | 252              | -               | -                | 252               |
| Demolitions                    | -                | -                     | 2,617            | -               | -                | 2,617             |
| Library                        | -                | -                     | 2,191            | -               | -                | 2,191             |
| Municipal TV                   | -                | -                     | 545              | -               | -                | 545               |
| Neighborhoods                  | -                | -                     | 3,068            | -               | -                | 3,068             |
| Open Space Properties          | -                | -                     | 507              | -               | -                | 507               |
| Police activities              | -                | -                     | 566              | -               | -                | 566               |
| Public services                | -                | 2,695                 | 3,174            | -               | -                | 5,869             |
| Other purposes                 | 7,974            | -                     | -                | -               | 562              | 8,536             |
| <b>Total assigned</b>          | <b>7,974</b>     | <b>2,695</b>          | <b>12,920</b>    | <b>-</b>        | <b>562</b>       | <b>24,151</b>     |
| <b>Unassigned:</b>             | <b>67,559</b>    | <b>-</b>              | <b>82</b>        | <b>52</b>       | <b>-</b>         | <b>67,693</b>     |
| <b>Total fund balances:</b>    | <b>\$ 80,214</b> | <b>\$ 3,793</b>       | <b>\$ 74,514</b> | <b>\$ 7,492</b> | <b>\$ 56,199</b> | <b>\$ 222,212</b> |

\* The City Council adopted through Ordinance No. 19315 the establishment of the Council Contingency fund per RCW 35.21.070. This fund rolls into the General Fund for financial reporting purposes. Use of the Contingency Fund requires approval from majority of the City Council through the adoption of an ordinance detailing the facts surrounding its reason for withdrawal.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**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. Amounts expressed in thousands.

| Purpose                          |                   |
|----------------------------------|-------------------|
| Capital purchases                | \$ 3,922          |
| Debt Service                     | 12,063            |
| Culture and recreation           | 7,423             |
| Public safety                    | 6,606             |
| Transportation                   | 78,137            |
| Grants                           | 95                |
| Housing and economic development | 7,554             |
| Pension                          | 52,480            |
|                                  | <u>\$ 168,280</u> |

**Note 5 – PENSION PLANS 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), a cost-sharing multi-employer plan administered 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 2017:

| Aggregate Pension Amounts – All Plans |                |
|---------------------------------------|----------------|
| Pension liabilities                   | (\$92,880,524) |
| Pension assets                        | \$52,137,467   |
| Deferred outflows of resources        | \$101,247,597  |
| Deferred inflows of resources         | (\$31,918,776) |
| Pension expense/expenditures          | \$17,949,443   |

At December 31, 2017, The City reported the aggregate deferred outflows of resources and deferred inflows of resources for all pension plans as follows:

| Total - All Plans                                     | Deferred Inflows of Resources | Deferred Outflows of Resources |
|---|-------------------------------|--------------------------------|
| Difference between expected and actual experience     | (\$21,355,514)                | \$1,581,138                    |
| Changes of assumptions                                | -                             | \$30,890,763                   |
| Net difference between projected and actual earnings  | (\$9,578,414)                 | \$42,267,470                   |
| Contributions made subsequent to the measurement date | n/a                           | \$26,186,448                   |
| Changes in employer proportion                        | (\$984,848)                   | \$321,778                      |
| Total   | (\$31,918,776)                | \$101,247,597                  |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**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 35<sup>th</sup> Street  
Tacoma, WA 98409

Or the TERS CAFR may be downloaded from the TERS website at [www.cityoftacoma.org/retirement](http://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.

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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**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 | 2,303               |
| Terminated vested and other terminated participants     | 675                 |
| Active members:   |                     |
| City of Tacoma  | 2,687               |
| South Sound 911   | 2                   |
| Pierce Transit  | 8                   |
| Tacoma-Pierce County Health Department                  | 267                 |
| Total active members                                    | <u>2,964</u>        |
| Total membership  | <u><u>5,942</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 1<sup>st</sup> 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, 2017

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

|   |   |
|---|---|
| Measurement Date                                  | December 31, 2016   |
| Valuation Date                                    | January 1, 2017   |
| 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"> <li>• Level percent</li> <li>• Open periods</li> <li>• 30 year amortization period at 01/01/2015</li> <li>• 3.75% amortization grown rate</li> </ul> |
| Asset Valuation Method                            | 4 year smoothing period; Corridor - None  |
| Inflation   | 2.75%   |
| Salary Increases                                  | Varies by service; details in funding valuation report  |
| Investment Rate of Return                         | 7.00%   |
| 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-2014 Mortality for Employees, Healthy and Disabled Annuitants. Generational improvements with projection scale based on Social Security Administration Data.   |
| Active Members:                                   | RP-2014 Employee Mortality, sex-distinct.   |
| Male Inactive Members and Male Beneficiaries:     | RP-2014 50% Blue Collar/50% White Collar Mortality for Healthy Males, RP-2014 Disabled Mortality for males.   |
| Female Inactive Members and Female Beneficiaries: | RP-2014 Blue Collar Mortality for Healthy Females, RP-2014 Disabled Mortality for females.  |

*\*Note that the actual contribution is used if that rate is greater than the rate necessary to amortize the UAAL in 30 years. Note that a period of 30 years is used for years beginning January 1, 2017 and earlier and a period of 25 years is used for years beginning January 1, 2018 and later.*

**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, 2016 and January 1, 2017 assumptions were changed.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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

Valuations as of January 1

- 2017 Nearly all economic and non-economic actuarial assumptions were changed
- 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.

**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 December 31, 2016. The target asset allocation is based on TERS Investment Policy Statement dated March 2016.

| Asset Class   | Target<br>Allocation | Long-term Expected                |
|---|----------------------|-----------------------------------|
|   |                      | Arithmetic Real<br>Rate of Return |
| Investment grade fixed income                                 | 15.0%                | 1.63%                             |
| US inflation-indexed bonds                                    | 5.0                  | 1.21                              |
| High yield bonds  | 9.0                  | 5.00                              |
| Emerging market debt  | 5.0                  | 3.74                              |
| Global equity   | 41.5                 | 5.50                              |
| Public real estate  | 2.0                  | 5.80                              |
| Private real estate   | 2.5                  | 3.56                              |
| Private equity  | 10.0                 | 9.04                              |
| Master limited partnerships                                   | 4.0                  | 4.12                              |
| Timber  | 2.0                  | 3.79                              |
| Infrastructure  | 2.0                  | 5.03                              |
| Agriculture   | 2.0                  | 4.33                              |
| Assumed inflation - mean                                      |                      | 2.75                              |
| Assumed inflation - standard deviation                        |                      | 1.85                              |
| Portfolio arithmetic real mean return                         |                      | 4.76                              |
| Portfolio median nominal geometric return                     |                      | 6.72                              |
| Portfolio standard deviation                                  |                      | 11.77                             |
| Long-term expected rate of return, net of investment expenses |                      | 7.00                              |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**8. Sensitivity Analysis:** The following presents the employer's proportionate share of the collective net pension liability as of the December 31, 2016 measurement date calculated using the discount rate of 7.00%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

|   | 1%<br>Decrease<br>6.00% | Current<br>Discount Rate<br>7.00% | 1%<br>Increase<br>8.00% |
|---|-------------------------|-----------------------------------|-------------------------|
| Employers proportionate share<br>of the net pension liability | \$297,417,956           | \$92,880,523                      | (\$73,109,413)          |

**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)**

For the measurement period ended December 31, 2016, the deferred inflows and outflows of resources are as follows:

|   | Deferred Inflows<br>of Resources | Deferred Outflows<br>of Resources |
|---|----------------------------------|-----------------------------------|
| Difference between expected and actual experience     | (\$19,991,309)                   | -                                 |
| Changes of assumptions                                | -                                | 30,847,444                        |
| Net difference between projected and actual earnings  | -                                | 42,267,470                        |
| Contributions made subsequent to the measurement date | n/a                              | 24,124,140                        |
| Changes in employer proportion                        | (21,312)                         | 45,304                            |
| Total   | (20,012,621)                     | 97,284,358                        |

**10. Deferred outflows for contributions subsequent to the measurement date of \$24,124,140 will be recognized as a reduction of the net pension liability in 2018.**

Other 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 |              |
|------------------------|--------------|
| 2017                   | \$16,549,478 |
| 2018                   | \$16,549,476 |
| 2019                   | \$19,086,138 |
| 2020                   | (\$718,439)  |
| 2021                   | \$1,680,944  |
| Thereafter             | -            |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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

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

| Employer          | 2016 Employer Contributions | Rounded Percentage of Total Contributions | Beginning Net Pension Liability * | Ending Net Pension Liability ** |
|-------------------|-----------------------------|---|-----------------------------------|---------------------------------|
| City of Tacoma    | \$23,616,255                | 92.48208%                                 | \$86,584,348                      | \$92,880,523                    |
| South Sound 911   | 34,683                      | 0.13582%                                  | 155,932                           | 136,405                         |
| Pierce Transit    | 69,705                      | 0.27297%                                  | 206,402                           | 274,143                         |
| Health Department | 1,815,391                   | 7.10913%                                  | 6,530,420                         | 7,139,763                       |
| Grand Total       | 25,536,034                  | 100.00000%                                | 93,477,102                        | 100,430,834                     |

\* Based on unrounded contributions from 2015.

\*\* Based on unrounded contributions from 2016.

**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](http://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



NOTES TO THE FINANCIAL STATEMENTS  
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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 1 had no required employer or employee contributions for fiscal year 2017. Employers paid only the administrative expense of 0.18 percent of covered payroll.

**LEOFF Plan 2** provides retirement, disability and death benefits. Retirement benefits are determined as two percent 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 2017 were as follows:

| <b>LEOFF Plan 2</b>              |                 |                 |
|----------------------------------|-----------------|-----------------|
| <b>Actual Contribution Rates</b> | <b>Employer</b> | <b>Employee</b> |
| January – June 2017:             |                 |                 |
| State and local governments      | 5.05%           | 8.41%           |
| Administrative Fee               | 0.18%           |                 |
| <b>Total</b>                     | <b>5.23%</b>    | <b>8.41%</b>    |
| Ports and Universities           | 8.41%           | 8.41%           |
| Administrative Fee               | 0.18%           |                 |
| <b>Total</b>                     | <b>8.59%</b>    | <b>8.41%</b>    |
| July – December 2017:            |                 |                 |
| State and local governments      | 5.25%           | 8.75%           |
| Administrative Fee               | 0.18%           |                 |
| <b>Total</b>                     | <b>5.43%</b>    | <b>8.75%</b>    |
| Ports and Universities           | 8.75%           | 8.75%           |
| Administrative Fee               | 0.18%           |                 |
| <b>Total</b>                     | <b>8.93%</b>    | <b>8.75%</b>    |

The City of Tacoma's actual contributions to the plan were \$4,095,315 for the year ended December 31, 2017.

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 fiscal year ending June 30, 2017, the state contributed \$62,155,262 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$2,656,554.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. 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 and the 2015 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3.0% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

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

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

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
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### 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, 2017, 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%                | 4.90%   |
| Real Estate     | 15%               | 5.80%   |
| Global Equity   | 37%               | 6.30%   |
| Private Equity  | 23%               | 9.30%   |
|                 | <b>100%</b>       |   |

### Sensitivity of NPL/(Asset)

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<br>(6.5%) | Current Discount<br>Rate<br>(7.5%) | 1% Increase<br>(8.5%) |
|---------|-----------------------|------------------------------------|-----------------------|
| LEOFF 1 | (\$11,989,290)        | (\$16,163,187)                     | (\$19,747,614)        |
| LEOFF 2 | \$7,784,780           | (\$35,974,279)                     | (\$71,627,333)        |

### 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, 2017, the City of Tacoma reported a total LEOFF pension asset of \$52,137,466 for its proportionate share of the net pension liabilities as follows:

|         | Liability (or Asset) |
|---------|----------------------|
| LEOFF 1 | (\$16,163,187)       |
| LEOFF 2 | (\$35,974,279)       |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

The amount of the liability/ (asset) reported above for LEOFF Plan 1 and 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:

|   | LEOFF 1 Asset   | LEOFF 2 Asset  |
|---|-----------------|----------------|
| Employer's proportionate share  | (\$16,163,187)  | (\$35,974,279) |
| State's proportionate share of the net pension liability/(asset) associated with the employer | (\$109,327,398) | (\$23,335,843) |
| TOTAL   | (\$125,490,585) | (\$59,310,122) |

At June 30, 2017, the City of Tacoma's proportionate share of the collective net pension liabilities was as follows:

|         | Proportionate Share 6/30/16 | Proportionate Share 6/30/17 | Change in Proportion |
|---------|-----------------------------|-----------------------------|----------------------|
| LEOFF 1 | 1.08%                       | 1.07%                       | (.01%)               |
| LEOFF 2 | 2.48%                       | 2.59%                       | .11%                 |

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 2017. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2017, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2017, the state of Washington contributed 39.35 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.65 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

### Pension Expense

For the year ended December 31, 2017, the City of Tacoma recognized pension expense as follows:

|         | Pension Expense |
|---------|-----------------|
| LEOFF 1 | (\$2,434,676)   |
| LEOFF 2 | \$1,189,638     |
| TOTAL   | (\$1,245,038)   |

NOTES TO THE FINANCIAL STATEMENTS  
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**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2017, the City of Tacoma reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>LEOFF 1</b>   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|--|---|--|
| Differences between expected and actual experience   | \$0                                       | \$0                                      |
| Net difference between projected and actual investment earnings on pension plan investments          | \$0                                       | (\$1,501,936)                            |
| 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                                      |
| <b>TOTAL</b>   | <b>\$0</b>                                | <b>(\$1,501,936)</b>                     |

| <b>LEOFF 2</b>   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|--|---|--|
| Differences between expected and actual experience   | \$1,581,138                               | (\$1,364,205)                            |
| Net difference between projected and actual investment earnings on pension plan investments          | \$0                                       | (\$8,076,478)                            |
| Changes of assumptions   | \$43,319                                  | \$0                                      |
| Changes in proportion and differences between contributions and proportionate share of contributions | \$276,474                                 | (\$963,536)                              |
| Contributions subsequent to the measurement date   | \$2,062,308                               | \$0                                      |
| <b>TOTAL</b>   | <b>\$3,963,239</b>                        | <b>(\$10,404,219)</b>                    |

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, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year ended December 31:</b> | <b>LEOFF 1</b> |
|--------------------------------|----------------|
| 2018                           | (\$942,592)    |
| 2019                           | \$254,216      |
| 2020                           | (\$101,514)    |
| 2021                           | (\$712,046)    |
| 2022                           | \$0            |
| Thereafter                     | \$0            |

| <b>Year ended December 31:</b> | <b>LEOFF 2</b> |
|--------------------------------|----------------|
| 2018                           | (\$3,755,681)  |
| 2019                           | \$794,936      |
| 2020                           | (\$599,678)    |
| 2021                           | (\$3,622,409)  |
| 2022                           | (\$235,796)    |
| Thereafter                     | (\$1,084,660)  |

NOTES TO THE FINANCIAL STATEMENTS  
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**C. Police and Firefighter's Relief and Pension Funds**

The following table represents the aggregate pension amounts for the single plan subject to the requirements of the GASB Statement 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* for the year 2017:

| Aggregate Pension Amounts |                            |                     |
|---------------------------|----------------------------|---------------------|
|                           | Firefighters' Pension Fund | Police Pension Fund |
| Total pension liability   | \$28,827,798               | \$15,489,578        |

**1. Plan description:**

The Police Relief and Pension Fund (PRP) and the Fire Relief and Pension Fund (FRP) are single-employer defined-benefit pension plans. These funds were established and administered by the City in accordance with the requirements of the Revised Code of Washington (RCW) 41.18 and 41.20. Both pension funds were reclassified from a fiduciary fund to the General Fund in 2016, as prescribed by GASB Statement 73, paragraph 115. The City implemented the rest of GASB Statement 73 that became effective in fiscal year 2017.

The plans provide retirement and medical benefits to all police officers, firefighters and their beneficiaries for individuals employed before March 1, 1970, the effective date of LEOFF. The LEOFF laws were subsequently amended by the Pension Reform Act, which took effect October 1, 1977. Through the LEOFF Act, the state undertook to provide the bulk of police and fire pensions; however, the municipalities continue to be responsible for all or part of pension benefits for employees hired before March 1, 1970. The plans are closed plans that provide pension and medical benefits, some of which can be in excess of LEOFF benefits. There are 0 active Police Officer and 0 active Firefighters with prior rights covered under these plans as of December 31, 2017. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 128 for the PRP and 174 for the FRP as of December 31, 2017. There are no terminated employees under either plan who are entitled to benefits but not receiving them.

Each retiree receives the greater of the benefit payable under the Washington Law Enforcement Officers' and Firefighters' Retirement System and the benefits available under the provisions of prior law. Where benefits under the old law exceed those under the new for any police or firefighter, the excess benefits are paid from the FRP and PRP of the city employment them on March 1, 1970.

The Police Pension Board consists of six members authorized by statute: the Mayor as Chair, the City Clerk, the City Treasurer, and three law enforcement officers (active or retired LEOFF 1 or LEOFF 2 officers), who will serve in the elected capacity for three-year terms.

The Fire Pension Board consists of five members authorized by statute: the Mayor as Chair, the Finance Director, the City Treasurer, and two elected firefighters (active or retired LEOFF 1 or LEOFF 2 firefighters). The two elected firefighters serve two year terms and select a third firefighter who serves as an alternate in the event of an absence of one of the regularly elected firefighters.

**2. Benefit Provisions**

The LEOFF Act requires a varying obligation of the City for benefits paid to police officers and firefighters.

- Pension and medical expenses for police officers and firefighters retired prior to March 1, 1970; continue to be paid in their entirety by the City under the old pension laws.
- Police officers and firefighters hired before, but not retired on March 1, 1970, received at retirement the greater of the pension benefit provided under the old pension laws and under the LEOFF Act.

NOTES TO THE FINANCIAL STATEMENTS  
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Any excess of the old benefit over the LEOFF benefit is provided by the City. The City also pays the reasonable cost of necessary medical expenses of the retiree for life.

- For police officers and firefighters hired on or after March 1, 1970, and prior to October 1, 1977, the City is obligated for lifetime medical expenses only. The LEOFF system pays the entire retirement allowance.
- Police officers and firefighters hired on or after October 1, 1977, are covered entirely by the LEOFF system with no City obligation for either retirement allowance or medical expenses.
- The benefits are directly correlated to the salaries of active employees. Cost of Living Adjustments (COLAs) provided at the state level do not impact the total pension benefits provided to the members. The City's obligation under the Plan consists of paying the difference between pension and medical benefits provided by LEOFF and those provided by the City's Plan. There were no changes in benefit provisions in the current year.

### **3. Contributions**

The PRP is funded entirely from annual contributions from the City's General Fund that are budgeted and approved by the City Council. Funding of these benefits is required by RCW 41.20. The FRP contributions are required by RCW 41.18 and are funded from two sources: (1) state contributions of 25% on fire insurance premium collections and is considered a non-employer contributing entity and (2) a property tax levy of up to \$.225 per \$1,000 of assessed valuation. Retirement benefit provisions are established in state statute and may only be amended by the State Legislature. Amendments to each of the Plans are authorized by the separate Police and Fire Pension Boards.

Contributions are determined on a pay-as-you-go basis. There have been no required employee contributions to the police and firefighter's relief and pension plans since March 1, 1970.

The General Fund is responsible for the costs of administering the plans and ensuring that the fund has adequate cash to pay its obligations each year. The total General Fund contributions to the FRP and PRP were \$4.9 million and \$4.5 million for 2017.

The state contributes 25% of taxes on fire insurance premiums to the FRP and the amount contributed in 2017 was \$382,000.

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#### 4. Actuarial Assumptions

The total pension liability (TPL) was determined by an actuarial valuation as of January 1, 2017, projected forward to the measurement date of December 31, 2017. The liability was calculated based on the discount rate and other actuarial assumptions below.

|                                      | Firefighter Relief and Pension  | Police Relief and Pension   |
|--------------------------------------|---|---|
| Discount Rate                        |   |   |
| Municipal bond rate                  | 3.50%   | 3.50%   |
| Actuarial assumptions                |   |   |
| Valuation date                       | January 1, 2016   | January 1, 2016   |
| Measurement date                     | December 31, 2017   | December 31, 2017   |
| Inflation                            | 2.25%   | 2.25%   |
| Salary increases including inflation | 3.25%   | 3.25%   |
| Mortality                            | RP-200 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members. | RP-200 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members. |
| Actual cost method                   | Entry Age Normal  | Entry Age Normal  |

#### 5. Changes in the Total Pension Liability

|  | Firefighters'<br>Relief Pension                   | Police Relief<br>Pension                          |
|--|---|---|
|  | Increase<br>(Decrease) Total<br>Pension Liability | Increase<br>(Decrease) Total<br>Pension Liability |
| <b>Balance as of December 31, 2016</b>         | <b>\$ 29,247,618</b>                              | <b>\$ 15,946,074</b>                              |
| <b>Changes for the year:</b>                   |   |   |
| Service cost                                   | -   | -   |
| Interest                                       | 1,057,779   | 573,069   |
| Effect of plan changes                         | -   | -   |
| Effect of economic/demographic gains or losses | -   | -   |
| Effect of assumptions changes or inputs        | 622,091   | 311,233   |
| Benefit payments*                              | (2,099,690)                                       | (1,340,798)                                       |
| <b>Net changes</b>                             | <b>(419,820)</b>                                  | <b>(456,496)</b>                                  |
| <b>Balance as of December 31, 2017</b>         | <b>28,827,798</b>                                 | <b>15,489,578</b>                                 |

\*Benefit payments are estimated based on expected payouts.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**6. Sensitivity of the Total Pension Liability**

The table below presents the total pension liability calculated using the discount rate of 3.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.5 percent) or 1-percentage point higher (4.5 percent) than the current rate.

|                                  | 1% Decrease<br>(2.5%) | Current<br>Discount Rate<br>(3.5%) | 1% Increase<br>(4.5%) |
|----------------------------------|-----------------------|------------------------------------|-----------------------|
| Total pension liability - Fire   | \$31,561,914          | \$28,827,798                       | \$26,469,341          |
| Total pension liability - Police | \$16,852,270          | \$15,489,578                       | \$14,307,132          |

**7. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

Pension expense of \$1,297,870 and \$884,302 for was recognized in 2017 for the FRP and PRP. As of December 31, 2017, there are no deferred outflows or deferred inflows of resources related to these pension funds. The effects of changes in assumptions/inputs and economic/demographic gains or losses are recognized over the average remaining service life for all active and inactive members, with immediate recognition when the average remaining service life is less than one. Therefore, the \$622,091 and \$311,233 shown above for the effect of changes in assumptions were expensed in the current year.

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

**1. Plan description:**

The City contributes to: the Tacoma Employees' Retirement System Fund (TERS), a cost sharing-multi employer plan and the Law Enforcement Officers' and Firefighters' Retirement System Plans (LEOFF Plan 1) administered by the City; the Law Enforcement Officers' and Firefighters' Retirement System Plan (LEOFF Plan 2), a cost sharing-multi employer plans administered by Washington State, and the Railroad Retirement System which is an independent agency in the executive branch of the U.S. Government which administers the Railroad Retirement Act. The benefits under the Railroad Retirement Act are not payments under a 'pension plan' but rather are grants under a Federal statute. Railroad benefit amounts are divided into a social security level benefit, staff-type benefits based on a railroad services, and in some instances a dual benefit component. Each plan provides medical benefits to eligible retired City employees and beneficiaries.

Benefit provisions for TERS are established in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code. These statutes assign the authority to establish benefit provision for TERS. For LEOFF Plan 2, benefits are established in accordance with RCWs 41.16, 41.18, 41.20 and 41.26. These statutes assign the authority to establish benefit provisions. For LEOFF Plan 1, these benefit provision are state statute by the State of Washington through the Department of Retirement Systems, per RCW 41.26. For the Railroad Retirement System, these are administered by Federal statute under the Railroad Retirement Act (45 U.S.C. 231 et seq.) and authority resides by these Federal statutory provisions. Financial reports for the LEOFF Plans and Railroad Retirement System plans are available at the addresses below. These reports may be obtained by writing at the following addresses:

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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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.

| Annual Required Contribution                   | TERS          | LEOFF Plan 1  | LEOFF Plan 2  | Rail         |
|--|---------------|---------------|---------------|--------------|
| Normal Cost at Year-end                        | \$ 2,009,723  | \$ -          | \$ 761,661    | \$ 490,563   |
| Amortization of UAAL                           | 806,116       | 14,604,638    | 595,370       | 261,478      |
| Annual Required Contribution (ARC)             | 2,815,839     | 14,604,638    | 1,357,031     | 752,041      |
| Net OPEB Obligation                            |               |               |               |              |
| Annual Required Contribution (ARC)             | 2,815,839     | 14,604,638    | 1,357,031     | 752,041      |
| Interest on prior year Net OPEB obligation     | 1,067,434     | 1,282,678     | 510,761       | 35,066       |
| Less Adjustments to ARC                        | 1,490,210     | 2,491,390     | 713,057       | 48,955       |
| Annual OPEB Cost                               | 2,393,063     | 13,395,926    | 1,154,735     | 738,152      |
| Contributions made                             | 861,224       | 7,291,397     | 744,160       | 114,160      |
| Increase in Net OPEB Obligation                | 1,531,839     | 6,104,529     | 410,575       | 623,992      |
| Net OPEB Obligation - Beginning of Year        | 30,498,121    | 36,647,937    | 14,593,181    | 1,001,889    |
| Net OPEB Obligation - End of Year              | \$ 32,029,960 | \$ 42,752,466 | \$ 15,003,756 | \$ 1,625,881 |
| Less: Health & Transit (Non-City Participants) | (58,429)      |               |               |              |
| Net OPEB Obligation - End of Year (City)       | \$ 32,088,389 | \$ 42,752,466 | \$ 15,003,756 | \$ 1,625,881 |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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 3.50% Interest Rate (Includes Health & Transit)

|                                   | Total Value<br>of Benefits | Member Paid<br>Benefits | City-Paid<br>Benefits |
|-----------------------------------|----------------------------|-------------------------|-----------------------|
| Present Value of Benefits         | \$ 399,300,824             | \$ 110,253,595          | \$ 289,047,229        |
| Actuarial Accrued Liability (AAL) | 285,825,708                | 45,375,937              | 240,449,771           |
| Normal Cost                       | 7,595,595                  | 4,443,955               | 3,151,640             |
| Annual Benefit Payments           | 11,674,734                 | 2,663,793               | 9,010,941             |

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**

| Year Ended | Annual OPEB<br>Cost | Percentage of<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|------------|---------------------|---|------------------------|
| 12/31/2015 | 3,742,248           | 28.9%                                     | 28,001,833             |
| 12/31/2016 | 3,663,452           | 31.9%                                     | 30,498,121             |
| 12/31/2017 | 2,393,063           | 36.0%                                     | 32,029,960             |

**LEOFF Plan 1**

| Year Ended | Annual OPEB<br>Cost | Percentage of<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|------------|---------------------|---|------------------------|
| 12/31/2015 | 10,347,583          | 67.7%                                     | 30,355,166             |
| 12/31/2016 | 12,661,771          | 50.3%                                     | 36,647,937             |
| 12/31/2017 | 13,395,926          | 54.4%                                     | 42,752,466             |

**LEOFF Plan 2**

| Year Ended | Annual OPEB<br>Cost | Percentage of<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|------------|---------------------|---|------------------------|
| 12/31/2015 | 1,453,442           | 54.8%                                     | 14,076,873             |
| 12/31/2016 | 1,418,466           | 63.6%                                     | 14,593,181             |
| 12/31/2017 | 1,154,735           | 64.4%                                     | 15,003,756             |

**Rail**

| Year Ended | Annual OPEB<br>Cost | Percentage of<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|------------|---------------------|---|------------------------|
| 12/31/2015 | 411,114             | 19.1%                                     | 695,629                |
| 12/31/2016 | 407,340             | 24.8%                                     | 1,001,889              |
| 12/31/2017 | 738,152             | 15.5%                                     | 1,625,881              |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**3. Funding Status and Funding Process:**

The funded statuses of the plans as of January 1, 2017, were as follows:

|                                     | TERS w/Health and Transit | LEOFF 1     | LEOFF 2    | Rail       |
|-------------------------------------|---------------------------|-------------|------------|------------|
| Annual City Benefit Payments        | \$861,224                 | \$7,291,397 | \$744,160  | \$114,160  |
| Discount Rate                       | 3.50%                     | 3.50%       | 3.50%      | 3.50%      |
| Present Value of Benefits           | 43,950,832                | 207,567,000 | 23,277,740 | 14,251,657 |
| Actuarial Accrued Liability Assets  | 15,939,809                | 207,567,000 | 11,772,602 | 5,170,360  |
| Plan Assets                         | -                         | -           | -          | -          |
| Unfunded Actuarial Liability (UAAL) | 15,939,809                | 207,567,000 | 11,772,602 | 5,170,360  |
| Funded Ratio                        | 0.0%                      | 0.0%        | 0.0%       | 0.0%       |
| Covered Payroll                     | 237,558,151               | 133,877     | 79,762,242 | 11,010,251 |
| UAAL as a % of covered payroll      | 7%                        | 155043%     | 15%        | 47%        |

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 2017 premium rates and relative age cost factors assumptions, Milliman developed the following age adjusted monthly PMPM health costs for 2017.

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

| Age | Retiree  |          | Spouse   |          |
|-----|----------|----------|----------|----------|
|     | Male     | Female   | Male     | Female   |
| 50  | 1,136.13 | 1,368.35 | 994.25   | 1,142.88 |
| 55  | 1,211.49 | 1,300.41 | 1,132.43 | 1,252.96 |
| 60  | 1,450.60 | 1,434.68 | 1,348.42 | 1,380.36 |
| 64  | 1,798.71 | 1,632.79 | 1,641.18 | 1,528.12 |

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:

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**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.

Significant methods and assumptions were as follows:

|                               | TERS/LEOFF Plan 2/Rail   | LEOFF Plan 1  |
|-------------------------------|--|---|
| Valuation Date                | January 1, 2017  | January 1, 2016   |
| Census Date                   | January 1, 2017  | January 1, 2016   |
| Actuarial Cost Method         | Entry Age Normal Cost Method   | Entry Age Normal  |
| Amortization Method           | Level percentage of expected salary  | Level dollar amount   |
| Remaining Amortization Period | 20 years, dosed  | 20 years, dosed   |
| Demographic Assumptions       | Demographic assumptions regarding retirement, disability, and turnover are based upon pension valuations for the various pension plans.                      |   |
| Actuarial Assumptions:        |  |   |
| Discount Rate                 | 3.50%  | 3.50%   |
| Health Cost Trend             | 9.1% in 2017, 6.4% in 2018, 5.8% in 2019, 5.3% in 2020, 5.4% in 2030, 5.5% in 2040, 5.2% in 2050 and grading down to an ultimate of 4.4% in 2073 and beyond. | 6% in 2017-2020, 5.9% in 2021-2030, 5.8% in 2031-2040 and grading down to an ultimate of 4.0% in 2071 and beyond. |
| Projected Payroll Increases   | 3.75%  | 3.75%   |

**5. Excise Tax for High Cost or “Cadillac” Health Plans in 2020 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 Consolidated Appropriations Act (CAA), which was signed into law in December 2015, delays the tax for two years, until 2020.

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
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GASB Statement No. 45, as well as GASB 74 and 75, indicate that the projection of benefits should include all benefits to be provided to retirees in accordance with the current “substantive” plan. The substantive plan refers to the plan terms as understood by the employer and plan members at the time of the valuation. For this reason, we believe the current provisions of ACA should be reflected in the projection of benefits and therefore, we do include the value of the excise tax in this valuation. The City assumes there will be no changes to the current tax law and that there will be no changes in the plan design to help mitigate the impact of the tax.

**Note 6 – DEFERRED COMPENSATION**

The City offers its employees two deferred compensation plans through a third party created in accordance with Internal Revenue Code Section 457. The plans, available to all City permanent full-time and part-time employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable emergency, but the plan does offer a loan provision. An employee may defer 100% of their salary net of employee pension contributions and any Section 125 deductions. The 2017 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                      | 2,113,843                      | 13,444,305                     | 875,677                          | 16,433,825           |
| 457 deferred compensation | Nationwide                | 1,319,848                      | 2,208,620                      | 63,018                           | 3,591,486            |
| Total                     |                           | <u>\$ 3,433,691</u>            | <u>\$ 15,652,925</u>           | <u>\$ 938,695</u>                | <u>\$ 20,025,311</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.

Due to and Due from balances result when transactions are recorded in the accounting system and payments are made between funds after December 31, 2017.

| Due To                       | Due From        |                           |                              |                  |                  |                   |                   |                        |                            |           | Total         |
|------------------------------|-----------------|---------------------------|------------------------------|------------------|------------------|-------------------|-------------------|------------------------|----------------------------|-----------|---------------|
|                              | General Fund    | Trans Cap & Engineer Fund | Non-major Governmental Funds | Solid Waste Fund | Waste Water Fund | Tacoma Water Fund | Tacoma Power Fund | Internal Service Funds | Non-major Enterprise Funds |           |               |
| General Fund                 | \$ -            | \$ -                      | \$ 1,124                     | \$ -             | \$ -             | \$ -              | \$ 24             | \$ 174                 | \$ 8                       | \$        | 1,330         |
| Trans Cap & Engineer Fund    | -               | -                         | 754                          | -                | -                | -                 | -                 | -                      | -                          | \$        | 754           |
| Non-major Governmental Funds | 3,663           | 288                       | 3,195                        | 3                | 1                | -                 | 5                 | 598                    | 349                        | \$        | 8,102         |
| Solid Waste Fund             | 3               | -                         | 32                           | -                | -                | -                 | 170               | 47                     | -                          | \$        | 252           |
| Waste Water Fund             | 6               | -                         | 86                           | 42               | -                | -                 | 544               | 54                     | -                          | \$        | 732           |
| Tacoma Water Fund            | -               | -                         | 14                           | 22               | -                | 69                | 979               | 13                     | -                          | \$        | 1,097         |
| Tacoma Power Fund            | -               | -                         | 45                           | -                | -                | -                 | -                 | 23                     | -                          | \$        | 68            |
| Non-major Enterprise Funds   | 103             | -                         | 9                            | -                | -                | -                 | 68                | -                      | 157                        | \$        | 337           |
| Internal Service Funds       | 185             | -                         | 629                          | -                | -                | -                 | 30                | 39                     | -                          | \$        | 883           |
| Total                        | <u>\$ 3,960</u> | <u>\$ 288</u>             | <u>\$ 5,888</u>              | <u>\$ 67</u>     | <u>\$ 1</u>      | <u>\$ 69</u>      | <u>\$ 1,820</u>   | <u>\$ 948</u>          | <u>\$ 514</u>              | <u>\$</u> | <u>13,555</u> |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

The composition of interfund advances to and from other funds balances at December 31, 2017 is as follows:

Interfund Advances to/from Other Funds  
(amounts expressed in thousands)

| Interfund Advances from | Interfund Advances to  |                      | Total |
|-------------------------|------------------------|----------------------|-------|
|                         | Non-Major Governmental | Non-Major Enterprise |       |
| Non-Major Governmental  | \$533                  | \$432                | \$965 |
| Total                   | \$533                  | \$432                | \$965 |

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

\$431,530 was authorized from the Capital Projects Fund (#3211) to the Tacoma Dome (#4180) to finance various Tacoma Dome projects.

\$533,326 was authorized from the Capital Projects Fund (#3211) to the Fire Department Fund (#1090) to refit and renovate a fireboat.

The composition of interfund transfers for the year ended December 31, 2017 is as follows:

Interfund Transfers  
(amounts expressed in thousands)

|                              | Transfer In  |                             |                              |                            |              |                            |                        | Transfer Out |
|------------------------------|--------------|-----------------------------|------------------------------|----------------------------|--------------|----------------------------|------------------------|--------------|
|                              | General Fund | Trans Capital & Engineering | Non-Major Governmental Funds | Wastewater & Surface Water | Tacoma Water | Non-Major Enterprise Funds | Internal Service Funds |              |
| <u>Transfer Out</u>          |              |                             |                              |                            |              |                            |                        |              |
| General Fund                 | \$ -         | \$ 101                      | \$ 29,111                    | \$ -                       | \$ -         | \$ 4,218                   | \$ 4,217               | \$ 37,647    |
| Trans Capital & Engineering  | -            | -                           | 1,733                        | 193                        | 51           | -                          | -                      | 1,977        |
| Non-Major Governmental Funds | 857          | 4,175                       | 37,085                       | 675                        | -            | 4,140                      | 747                    | 47,679       |
| Solid Waste                  | 4,029        | -                           | 1,343                        | -                          | -            | -                          | -                      | 5,372        |
| Wastewater & Surface Water   | 6,702        | -                           | 2,234                        | -                          | -            | -                          | 61                     | 8,997        |
| Tacoma Water                 | 5,371        | -                           | 1,773                        | -                          | -            | -                          | -                      | 7,144        |
| Tacoma Power                 | 27,356       | -                           | 6,786                        | -                          | -            | -                          | -                      | 34,142       |
| Non-Major Enterprise Funds   | 1,912        | -                           | 3,162                        | 350                        | -            | -                          | -                      | 5,424        |
| Internal Service Funds       | -            | -                           | 1,263                        | -                          | -            | -                          | -                      | 1,263        |
| Transfer In Total            | \$ 46,227    | \$ 4,276                    | \$ 84,490                    | \$ 1,218                   | \$ 51        | \$ 8,358                   | \$ 5,025               | \$ 149,645   |

The information below provides detail of the interfund transfer transactions:

\$100,862 was transferred from the General Fund to the Trans Capital & Engineering Fund for capital projects.

\$29,111,371 was transferred from the General Fund to Non-Major Governmental Funds for grant matches, debt service, capital projects, non-capital projects and regular operations.

\$4,217,666 was transferred from the General Fund to Non-Major Enterprise Funds for contributions to support debt service payments, capital projects and regular operations.

\$4,217,293 was transferred from the General Fund to Internal Service Funds for equipment purchases.

\$1,732,928 was transferred from the Trans Capital & Engineering Fund to Non-Major Governmental Funds for capital projects.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

\$193,305 was transferred from the Trans Capital & Engineering Fund to the Wastewater & Surface Water Fund for property acquisition.

\$51,000 was transferred from the Trans Capital & Engineering Fund to the Tacoma Water Fund for property acquisition.

\$857,250 was transferred from the Non-Major Governmental Funds to the General Fund for emergency medical services.

\$4,175,247 was transferred from the Non-Major Governmental Funds to the Trans Capital & Engineering Fund for capital projects.

\$37,084,841 was transferred from the Non-Major Governmental funds to Non-Major Governmental Funds for various capital projects and debt service payments.

\$675,000 was transferred from the Non-Major Governmental Funds to Wastewater & Surface Water Fund for the Streets Initiative Green project.

\$4,139,577 was transferred from the Non-Major Governmental funds to Non-Major Enterprise funds for capital projects and debt service payments.

\$746,722 was transferred from the Non-Major Governmental Funds to Internal Services Funds for equipment.

\$4,028,658 was transferred from the Solid Waste Fund to the General Fund for Gross Earnings Taxes.

\$1,342,886 was transferred from the Solid Waste Fund to Non-Major Governmental Funds to support Proposition 1.

\$6,701,867 was transferred from the Wastewater & Surface Water Fund to the General Fund for Gross Earnings Tax.

\$2,233,956 was transferred from the Wastewater & Surface Water Fund to the Non-Major Governmental Funds to support Proposition 1.

\$61,125 was transferred from the Wastewater & Surface Water Fund to the Internal Service Funds for equipment.

\$5,371,097 was transferred from the Tacoma Water Fund to the General Fund for Gross Earnings Tax.

\$1,772,764 was transferred from the Tacoma Water Fund to the Non-Major Governmental Funds to support Proposition 1.

\$27,356,261 was transferred from the Tacoma Power Fund to the General Fund for Gross Earnings Tax.

\$6,785,614 was transferred from the Tacoma Power Fund to the Non-Major Governmental Funds to support Proposition 1.

\$1,911,719 was transferred from the Non-Major Enterprise Funds to the General Fund for Gross Earnings Tax.

\$3,162,889 was transferred from the Non-Major Enterprise Funds to Non-Major Governmental Funds to support Proposition 1 and for debt service.

\$350,000 was transferred from the Non-Major Enterprise Funds to the Wastewater & Surface Water Fund for services.

\$1,263,188 was transferred from the Internal Service Funds to Non-Major Governmental Funds for capital projects and to support environmental sustainability.



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**Note 8 – OTHER INFORMATION****A. Accounting changes**

Effective for the fiscal year 2017, the City implemented GASB Statement No. 82 - *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The purpose of this statement is to address certain issues that have been raised with respect to GASB statements No. 67, No. 68 and No. 73. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in Actuarial Standard of Practice for reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City made the required adjustments as prescribed by GASB Statement No. 82.

In addition, the Police and Firefighter's Relief and Pension Funds, which are not administered through a trust, were reclassified from fiduciary funds into the General Fund in 2016, as prescribed by GASB 73, paragraph 115. Effective for the fiscal year 2017, the City fully implemented the remaining portions of GASB 73 in which the net pension obligation/asset was replaced by the total pension liability resulting in a decrease in net position for governmental activities by \$35.9 million.

**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, \$250,000 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 renewable on December 1 of each year. Mountain Rail carries a separate Railroad Liability policy a limit of \$7,000,000 each occurrence and a \$50,000 self-insured retention renewable on December 2 of each year. 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 1<sup>st</sup> of each year.

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

The TPU Self-Insurance Claim Fund was established in 1979 to cover general liability claims of the Light and Water divisions. The Belt Line 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—2017, 2016, and 2015.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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 |          |
|                       | 2017                             | 2016      | 2017                     | 2016     | 2017                    | 2016     |
| Balance 01/01         | \$ 21,502                        | \$ 18,063 | \$ 5,681                 | \$ 6,418 | \$ 4,827                | \$ 4,707 |
| New Claims            | 1,191                            | 585       | 2,320                    | 2,330    | 969                     | 72       |
| Adjustments to Claims | 10,380                           | 4,708     | 1,419                    | 1,523    | 1,499                   | 290      |
| Claims Payment        | (4,373)                          | (1,854)   | (4,336)                  | (4,590)  | (1,417)                 | (242)    |
| Balance 12/31         | \$ 28,700                        | \$ 21,502 | \$ 5,084                 | \$ 5,681 | \$ 5,878                | \$ 4,827 |

### 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, 2017 financial statements, prior period adjustments were made.

Governmental Funds:

| Fund Name  | Description   |
|--|---|
| General Fund #0010   | Beginning net position increased by \$18,037 from a misclassification of grant costs, tax expenditures, accruals and revenues.                                    |
| Transportation Capital and Engin #1060                     | Beginning net position increased by \$311,503 from a misclassification of expenditures.   |
| Special Funds #1085, 1100, 1140, 1195, 1267, 1431 and 1650 | Beginning net position increased by \$67,584 from a misclassification of grant costs, recognizing tax expenditures, accruals, labor reconciliation, and revenues. |
| 2010 LTGO Bond #3220                                       | Beginning net position increased by \$191,036 from a correction to capital outlay.  |
| Debt Service #7070   | Beginning net position increased by \$596,449 from a revenue correction.  |

Internal Service Funds:

| Fund Name               | Description   |
|-------------------------|---|
| Graphic Service # 5042  | Beginning net position increased by \$94,362 from a correction of account payable accruals. |
| Equipment Rental # 5400 | Beginning net position decreased by \$111,379 from a correction to depreciation.            |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

Government-wide Statements  
(amounts expressed in thousands)

The impact of the prior period adjustments on the fund statements detailed above impacted the Government-Wide statements as followed:

| Activity     | Amount          | Description  |
|--------------|-----------------|--|
| Governmental | \$ 1,185        | General Fund, Trans Capital and Engineering, Street Initiative, ROW, Paths & Trains, CED, Police SR, and Traffic Enforcement |
|              | (17)            | Graphic Services and Equipment Rental  |
| Total        | <u>\$ 1,168</u> |  |

#### D. Segment Information

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

(Amounts expressed in thousands)

| CONDENSED STATEMENT OF NET POSITION | Parking<br>Garage<br>Fund #4140 | Convention<br>Center<br>Fund #4165 | Union<br>Station<br>Fund #4450 |
|-------------------------------------|---------------------------------|------------------------------------|--------------------------------|
| Assets:                             |                                 |                                    |                                |
| Current assets                      | \$ 2,415                        | \$ 1,494                           | \$ -                           |
| Accounts receivable (net)           | -                               | 308                                | 4,051                          |
| Prepayments                         | 17                              | 51                                 | -                              |
| Restricted assets                   | 6,230                           | 660                                | 1,993                          |
| Capital assets (net)                | 47,598                          | 58,438                             | -                              |
| Other non-current assets            | -                               | 110                                | 15,430                         |
| Total assets                        | <u>56,260</u>                   | <u>61,061</u>                      | <u>21,474</u>                  |
| Deferred outflow of resources       | 307                             | 3,395                              | -                              |
| Liabilities:                        |                                 |                                    |                                |
| Current liabilities                 | 1,950                           | 5,174                              | 4,368                          |
| Due to other funds                  | 8                               | 3                                  | -                              |
| Net pension liabilities             | 293                             | 442                                | -                              |
| Non-current liabilities             | 10,217                          | 63,259                             | 16,179                         |
| Total liabilities                   | <u>12,468</u>                   | <u>68,878</u>                      | <u>20,547</u>                  |
| Deferred inflow of resources        | 63                              | 95                                 | -                              |
| Net position                        |                                 |                                    |                                |
| Net investment in capital assets    | 35,872                          | (6,102)                            | -                              |
| Restricted                          | 6,230                           | 1,196                              | 1,993                          |
| Unrestricted                        | 1,934                           | 389                                | (1,066)                        |
| Total Net Position                  | <u>\$ 44,036</u>                | <u>\$ (4,517)</u>                  | <u>\$ 927</u>                  |

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

CONDENSED STATEMENT OF REVENUES  
EXPENSES, AND CHANGES IN NET POSITION

|                                       | Parking<br>Garage<br>Fund #4140 | Convention<br>Center<br>Fund #4165 | Union<br>Station<br>Fund #4450 |
|---------------------------------------|---------------------------------|------------------------------------|--------------------------------|
| Operating revenues                    | \$ 7,815                        | \$ 2,817                           | \$ -                           |
| Depreciation expense                  | (1,349)                         | (1,927)                            | -                              |
| Other operating expenses              | (3,905)                         | (5,103)                            | (5)                            |
| Operating income                      | 2,561                           | (4,213)                            | (5)                            |
| Nonoperating revenues (expenses)      |                                 |                                    |                                |
| Tax                                   | -                               | 13                                 | -                              |
| Interest revenue                      | 71                              | 27                                 | 1                              |
| Interest expense                      | (420)                           | (2,729)                            | (1,459)                        |
| Other nonoperating revenues(expenses) | 4,781                           | 3,643                              | 1,459                          |
| Transfers                             | (1,205)                         | 5,169                              | -                              |
| Change in net position                | 5,788                           | 1,910                              | (4)                            |
| Beginning net position                | 38,248                          | (6,427)                            | 931                            |
| Ending net position                   | \$ 44,036                       | \$ (4,517)                         | \$ 927                         |

CONDENSED STATEMENT OF CASH FLOW

|  | Parking<br>Garage<br>Fund #4140 | Convention<br>Center<br>Fund #4165 | Union<br>Station<br>Fund #4450 |
|--|---------------------------------|------------------------------------|--------------------------------|
| Net cash provided (used) by:             |                                 |                                    |                                |
| Operating activities                     | \$ 3,834                        | \$ (2,481)                         | \$ (72)                        |
| Noncapital financing activities          | -                               | 2,270                              | -                              |
| Capital and related financing activities | 2,298                           | 298                                | 72                             |
| Investing activities                     | 23                              | 20                                 | 1                              |
| Net increase (decrease)                  | 6,155                           | 107                                | 1                              |
| Beginning cash and cash equivalents      | 2,490                           | 1,747                              | 1,992                          |
| Ending cash and cash equivalents         | \$ 8,645                        | \$ 1,854                           | \$ 1,993                       |

- 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.

**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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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<br>(amounts expressed in thousands) |                        |    |                              |
|---|------------------------|----|------------------------------|
|   | <b>SOUTH SOUND 911</b> |    | <b>HEALTH<br/>DEPARTMENT</b> |
| Balance Sheet Date                                | <u>12/31/2016</u>      |    | <u>12/31/2016</u>            |
| Total Assets                                      | \$ 28,802              | \$ | 12,781                       |
| Deferred Outflows                                 | 3,188                  |    | 7,581                        |
| Total Liabilities                                 | 18,160                 |    | 10,503                       |
| Deferred Inflows                                  | 261                    |    | 503                          |
| Total Net Position                                | 13,569                 |    | 9,356                        |
| Non-current Liabilities                           | 15,907                 |    | 317                          |
| Capital Assets (net of accumulated depreciation)  | 7,533                  |    | 847                          |
| <br>Total Revenues                                | <br>38,397             |    | <br>34,051                   |
| Total Expenditures/Expenses                       | 40,372                 |    | 32,379                       |
| Net Increase/(Decrease) in Net Assets             | (1,975)                |    | 1,672                        |
| <br>City Contribution                             | <br>11,074             |    | <br>1,165                    |

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

### Note 9 – CLAIMS, JUDGEMENTS AND COMMITMENTS

#### A. Claims

From time to time, claims have been filed against the City involving tort actions for such things as defective sidewalks, automobile accidents, claims of false arrest, etc.; all of which are in a sense routine in nature and common to all local governments. In those instances, when material, where it has been determined that it is probable that a claim will be paid by the City, the expenditure/expense and the related liability are reported in the statements of the appropriate fund in the year when such a determination is made. See Note 8 B for risk management information.

The City has entered into interlocal agreements with the 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 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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, 2017. 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<br>Commitment |
|---|------------------|------------------|-------------------------|
| Amtrak Station HID                                    | 198              | -                | 198                     |
| Citywide LED Streetlight Installation                 | 1,548            | 170              | 1,378                   |
| Historic Water Ditch Trail IV                         | 2,100            | 1,843            | 257                     |
| Homeless Encampment Civil Site Work                   | -                | 142              | (142)                   |
| Manitou and Station Lofts                             | 114              | -                | 114                     |
| Neighborhood District Trash Can Change Out            | 35               | 51               | (16)                    |
| On-Call Building Demolition                           | 255              | 145              | 110                     |
| On-Call Nuisance Abatement Services                   | 636              | -                | 636                     |
| On-Call Securing Properties                           | 424              | -                | 424                     |
| Pedestrian Improvements in Hilltop and South Downtown | 1,346            | 1,309            | 37                      |
| Prairie Line Phase 1A                                 | 2,953            | 3,174            | (221)                   |
| Puyallup River Bridge F-16 A & B                      | 30,650           | 6,994            | 23,656                  |
| School Speed Zone Beacons                             | 620              | 551              | 69                      |
| Signals at Marshall Ave                               | -                | 104              | (104)                   |
| South 38th Street Streetscapes                        | 5,680            | 3,142            | 2,538                   |
| Streets Initiative Package #2                         | 1,994            | 1,883            | 111                     |
| Streets Initiative Package #3                         | 2,784            | 1,719            | 1,065                   |
| Streets Initiative Package #4G                        | 1,280            | 764              | 516                     |
| Streets Initiative Package #5                         | 4,281            | 3,552            | 729                     |
| Streets Initiative Package #9                         | 1,063            | -                | 1,063                   |
|   | <u>\$ 57,961</u> | <u>\$ 25,543</u> | <u>\$ 32,418</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.

The City entered into an agreement with Sound Transit on March 21, 2017, related to the Tacoma Link Expansion project. The total project costs are estimated to be \$175 million, in which the City's contribution will be approximately \$43.3 million. The City's contribution to this project will be reduced by grant contributions of \$33.1 million and in-kind match which is expected to cover the remaining outstanding balance.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**C. Tax Abatements**

As of December 31, 2017, the City provides tax abatements for the following programs:

1. 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.

Criteria: 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 Dept. and the Legal Dept., 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 tax abatement is determined by a percentage of assessed value. In Pierce County, the tax rate in 2017 is .016075974 of assessed value. The City of Tacoma receives 22.342% of that tax.

2. 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.

Criteria: 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 2017 is .016075974 of assessed value. The City of Tacoma receives 22.342% of that tax.

The City is required to disclose other abatement arrangements entered into by other governments that reduce the City's tax revenues. The State of Washington's tax abatements that affected the City of Tacoma tax revenue are included below:

3. Future churches, parsonages and convents are exempt from property tax based on RCW Chapter 84.36.020(2).
4. Future nonprofit low-income housing exempt from property tax based on RCW Chapter 84.36.560(4).



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

Information relevant to the disclosure of those programs under contract with the City of Tacoma for the fiscal year ended December 31, 2017 is:

| <b><u>Tax Abatement Program</u></b>       | <b><u>Amount of Taxes Abated in Thousands</u></b> |
|---|---|
| Multifamily Property Tax Exemption        | \$ 975  |
| Special Valuation Tax Exemption           | \$ 319  |
| Future Churches, Parsonages, and Convents | \$ 2  |
| Future Nonprofit Low-Income Housing       | \$ 1  |

**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. The Tacoma-Pierce County Health Department has determined that the Tacoma Landfill is exempt under RCW 70.105D and WAC 173-351-700(4)(c) from TPCHD closure permit requirements. However, the City and the TPCHD are working cooperatively on an agreement pursuant to which the City will voluntarily comply with the TPCHD closure permit requirements.

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 \$16,354,014 as landfill post-closure care liability as of December 31, 2017 based on 100% use of the total capacity of the Tacoma Landfill. This compares to \$20,518,000 at December 31, 2016 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



NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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**

***Solid Waste (#4200) Landfill Clean Air Act Enforcement Action*** - On July 14, 2010, a complaint was filed against City of Tacoma's Public Works Department by the United States Department of Justice alleging a violation of the Clean Air Act. A Notice of Settlement (Lodging of Consent Decree) was filed simultaneously with the filing of the Complaint in which the Consent Decree settled all the claims alleged in the Complaint. A motion to enter the proposed Consent Decree between the Plaintiff and Defendant City of Tacoma was filed by plaintiff on August 20, 2010, and the Consent Decree was entered on August 25, 2010.

On May 23, 2017, after satisfactorily completing all of the requirements of the Decree, the City requested that the United States consent to terminate the Consent Decree and provide documentation to demonstrate its compliance with the Decree. On July 27, 2017, the United States filed a Joint Motion to terminate the Consent Decree. An Order Terminating Consent Decree was filed on September 27, 2017, ending the City's obligations under the Consent Decree.

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 Division entered into a 20-year contract with Land Recovery, Inc. (LRI) to dispose of all "acceptable waste" collected or handled by the Division (as that term is defined in the agreement), at the 304th Street landfill operated by LRI. The Division 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 or the Division to potential liability, among other things. Recycling and/or composting waste is not covered by the agreement. The agreement further provides that LRI shall 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. These rate adjustments are part of the existing agreement.

***Solid Waste (#4200) Long-term Contract – Pierce County Recycling, Composting and Disposal*** - In October 2004 the Division 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. The Division entered into this agreement to extend the life of the Tacoma landfill and secure a long-term composting arrangement at a favorable cost through 2030.

***Wastewater and Surface Water (#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

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

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 2017 and 2016 are liabilities of \$196,673 and \$200,000 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 2018.

Although the City resolved its NRDA liability, the City indemnified certain parties when it purchased real property along the Thea Foss Waterway in the late 1980's and early 1990's. The City expects that any financial obligation it may have related to these indemnities will be de minimus given the historical uses of the indemnified properties and the limited potential for releases from these properties to damage natural resources.

**Wastewater and Surface Water (#4300-01) Olympic View Resource Area** - In 2001, the City entered into an Administrative Order on Consent for Removal Action at the Olympic View Resource Area (OVRA) with the Environmental Protection Agency (EPA). Contamination identified during construction of the NRDA site in this location led to the need for sediment cleanup work to be performed as a separate action. The cleanup action was completed in 2002, followed by long term monitoring to ensure the protectiveness of the cap. In 2014, results of this monitoring indicated the potential of some loss of the capping material present at the site. This material loss was confirmed by subsequent surveys. A report of these findings was submitted to EPA in early 2017 along with a Contingency Planning Proposal. The City began implementation of this Contingency Planning Proposal in 2017, and it is anticipated that sediment cap replenishment work will occur at the site in 2018.

**Wastewater and Surface Water (#4300-01) Foss Consent Decree** – The City completed the first ten years of post-construction monitoring under the Foss Consent Decree in 2016 and is currently working with the Environmental Protection Agency to finalize the monitoring plan for the next ten years. Under this Long Term Monitoring Plan developed in accordance with the Foss Consent Decree, the City will have an obligation for continued monitoring until at least 2028. The results of this monitoring may result in additional limited cleanup efforts in the future. Included in the financial statements for the years 2017 and 2016 are liabilities of \$400,000.

**Wastewater and Surface Water (#4300-01) Coal-Gas Site Agreed Order** - In 1993 the City became a party to an agreed order with the State Department of Ecology under MTCA (RCW 70.105D.050(1)) for the clean-up of the coal-gas properties located at the head of the Foss Waterway just south of the cable stay bridge below the SR 705 spur. The City is one of several potentially liable parties (PLPs) that are signatories to this agreed order. The agreed order, and subsequent amendments, provided for interim measures to control the coal-tar from migrating from this site into the Foss Waterway but did not provide for final clean-up or closure of the site. In early-2016 the other PLPs contacted the City of Tacoma regarding monitoring of the wells on the site, which they subsequently did on several occasions with Ecology authorization.

In mid-2016, Ecology contacted the City and other parties to initiate the negotiations of a new Agreed Order which would address final closure of the Coal Gas Site by completion of a Remedial Investigation/Feasibility Study (RI/FS) and development of a draft Cleanup Plan (dCAP) for the site. The City's role and cost obligation should be limited. This new Agreed Order was being finalized by Ecology for PLP signature in 2018.

**Tacoma Rail (#4500) Linda Wonner, Executrix of the Estate of Robert W. Wonner, Sr. V. Tacoma** - On February 22, 2018, Linda Wonner filed a lawsuit on behalf of the Estate of Robert Wonner in U.S. District Court, alleging that her husband Robert Wonner was exposed to toxic agents during his 40 years of employment with Tacoma Rail resulting in his death on December 17, 2014. Ms. Wonner seeks damages of \$5 million. The City is currently in the discovery stage.

**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 2018. The agreement states that Public Works would fund Tacoma Rail for any operations on the Mountain Division.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2017

**Tacoma Water (#4600) Capital Improvements** – The financial requirement for Tacoma Water’s 2017-2018 biennial Capital Improvement program is approximately \$48.1 million and Tacoma Water has substantial contractual commitments relating to the program. At December 31, 2017 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$3.8 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, educational 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 Tribe’s 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 2017/2018 biennial Capital Improvement Program is approximately \$190.5 million. As of December 31, 2017, the remaining financial requirement for the 2017/2018 biennial Capital budget was approximately \$140.9 million.

**Tacoma Power (#4700) Ted Coates, et al. v. Tacoma** On June 22, 2017, plaintiffs filed their suit in Pierce County Superior Court, alleging Tacoma Power has been unlawfully subsidizing the capital expenses and the operational and maintenance (O&M) expenses of its commercial telecommunications business (Click!). The plaintiffs have requested an immediate cessation of all such subsidies and to refund to the Tacoma Power electric utility customers funds spent subsidizing these operations for the past three years (alleged to be in excess of \$21 million). The law firm of K&L Gates has been retained by the City to defend Tacoma Power, Click! and the City. On March 2, 2018 the Court granted plaintiffs’ motion for partial summary judgment ordering that Tacoma Power electric utility revenues and funds may not lawfully be used to pay for Click! Network expenses or capital improvements that are attributable or properly allocable to commercial telecommunications service rather than electric utility service. The City is considering pursuing an interlocutory appeal of the Court’s order on partial summary judgment, which, if granted, would stay the underlying proceedings. Trial is scheduled for June 21, 2018. The insurance carrier is currently defending under a reservation of rights letter.

**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 2017.

**CITY OF TACOMA, WASHINGTON**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR DECEMBER 31, 2017

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

| NAME OF DEBT ISSUE                                       | PURPOSE OF ISSUE   | DATE OF ISSUE | MATURITY DATES | ORIGINAL AMOUNT | EFFECTIVE INTEREST RATE | AMOUNT O/S 01/01/2017 | ISSUED 2017   | REDEEMED 2017 | AMOUNT O/S 12/31/2017 | Reconcile to Governmental Fund Statements | Reconciles to Changes in LTD in Notes |
|--|--|---------------|----------------|-----------------|-------------------------|-----------------------|---------------|---------------|-----------------------|---|---------------------------------------|
| <b>GENERAL OBLIGATION BONDS, LOANS, &amp; NOTES</b>      |  |               |                |                 |                         |                       |               |               |                       |   |                                       |
| Unlimited General Obligation Bonds                       | Refunding 2002 Bonds   | 11/10/10      | 2011 - 2022    | 21,870          | 2.6323                  | 14,120                | -             | 2,105         | 12,015                | -   | 12,015                                |
| Gent Obl Bonds 2010                                      | Subtotal Unlimited General Obligation Bonds (Voted)                    |               |                |                 |                         | <b>14,120</b>         | <b>-</b>      | <b>2,105</b>  | <b>12,015</b>         | <b>-</b>                                  | <b>12,015</b>                         |
| Limited General Obligation Bonds                         | Capital Improvements   | 08/05/07      | 2008 - 2018    | 16,100          | 5.4554                  | 1,630                 | -             | 847           | 783                   | -   | 783                                   |
| Ltd. Gent Obl Bonds 1997 Ser B                           |  | 08/06/07      | 2008 - 2019    | 16,100          | 5.4554                  | 3,088                 | 267           | 1,743         | 1,612                 | 267                                       | 1,612                                 |
| Ltd. Gent Obl Bonds 1997 Ser B Accrued Interest          |  | 12/21/07      | 2008 - 2027    | 9,610           | 5.6328                  | 440                   | -             | 440           | -                     | -   | -                                     |
| Ltd. Gent Obl Bonds 2007 Parking Structure               | Retrofit Parking Structure   | 12/17/09      | 2011 - 2035    | 15,380          | 5.8600                  | 14,485                | -             | 250           | 14,235                | -   | 14,235                                |
| Ltd. Gent Obl Bonds 2009A Cheney                         | Capital Improvements   | 12/17/09      | 2035           | 3,320           | 3.5400                  | 3,320                 | -             | -             | 3,320                 | -   | 3,320                                 |
| Ltd. Gent Obl Bonds 2009B Dock & Salishan                | Capital Improvements   | 12/17/09      | 2034           | 4,975           | 4.8800                  | 4,975                 | -             | -             | 4,975                 | -   | 4,975                                 |
| Ltd. Gent Obl Bonds 2009C Cheney                         | Capital Improvements   | 12/17/09      | 2026 - 2035    | 13,526          | 5.7500                  | 13,526                | -             | -             | 13,526                | -   | 13,526                                |
| Ltd. Gent Obl Bonds 2009E Multiple Projects              | Capital Improvements   | 12/17/09      | 2026 - 2036    | 13,526          | 5.7500                  | 6,465                 | 1,155         | -             | 7,620                 | 1,155                                     | 7,620                                 |
| Ltd. Gent Obl Bonds 2009F Accrued Interest               |  | 12/17/09      | 2023 - 2026    | 6,681           | 7.2020                  | 6,681                 | -             | -             | 6,681                 | -   | 6,681                                 |
| Ltd. Gent Obl Bonds 2009F Cheney & Elm Remed             | Capital Improvements   | 12/17/09      | 2015 - 2022    | 7,355           | 2.7966                  | 4,216                 | 794           | -             | 5,010                 | -   | 5,010                                 |
| Ltd. Gent Obl Bonds 2010F Refunding Bonds                | Refund 1997B, 2001, 2004, 2006A LTGO Bonds                             | 11/10/10      | 2015 - 2022    | 7,355           | 3.8076                  | 5,215                 | -             | 1,085         | 4,130                 | -   | 4,130                                 |
| Ltd. Gent Obl Bonds 2010G Refunding Bonds                | Refund 2001, 2007, 2009 LTGO Bonds                                     | 11/10/10      | 2015 - 2022    | 7,355           | 3.8076                  | 5,685                 | -             | 865           | 4,820                 | -   | 4,820                                 |
| Ltd. Gent Obl Bonds 2010D Bonds                          | Capital Improvements   | 11/10/10      | 2015 - 2033    | 30,225          | 5.0399                  | 27,725                | -             | 1,285         | 26,440                | -   | 26,440                                |
| Ltd. Gent Obl Bonds 2010E Bonds                          | Capital Improvements   | 11/10/10      | 2015 - 2040    | 9,130           | 5.7155                  | 8,635                 | -             | 255           | 8,380                 | -   | 8,380                                 |
| Ltd. Gent Obl Bonds 2013 Refunding Bonds                 | Refund 2001 & 2004   | 03/05/13      | 2015 - 2034    | 44,170          | 3.1768                  | 41,365                | -             | 1,555         | 39,810                | -   | -                                     |
| Ltd. Gent Obl Bonds 2015X Refunding Bonds                | Ref 2006A, 2006B, & 2007   | 12/29/15      | 2016 - 2036    | 12,735          | 3.2066                  | 12,720                | -             | 405           | 12,315                | -   | -                                     |
| Ltd. Gent Obl Bonds 2015B Refunding Bonds                | Ref 2006A, 2006B, & 2007   | 12/29/15      | 2016 - 2027    | 20,215          | 2.8933                  | 19,925                | -             | 240           | 19,685                | -   | 19,685                                |
| Ltd. Gent Obl Bonds 2017 - Tacoma Dome                   | Capital Improvements   | 12/12/17      | 2018 - 2037    | 25,295          | 3.2114                  | -                     | 25,295        | -             | 25,295                | -   | 25,295                                |
| Subtotal Limited General Obligation Bonds (Councilmanic) |  |               |                |                 |                         | <b>180,096</b>        | <b>27,511</b> | <b>8,970</b>  | <b>198,637</b>        | <b>26,717</b>                             | <b>143,859</b>                        |
| Washington State Public Works Trust Fund Loans           | Capital Improvements   | 08/17/98      | 1999 - 2018    | 9,000           | 1.0000                  | 1,081                 | -             | 540           | 541                   | -   | 541                                   |
| CTED PWTF No. 98-791-065                                 | Capital Improvements   | 06/02/04      | 2004 - 2024    | 4,500           | 0.5000                  | 4,564                 | -             | 571           | 3,993                 | -   | 3,993                                 |
| CTED PWTF No. 04-691-068                                 |  |               |                |                 |                         | <b>5,645</b>          | <b>-</b>      | <b>1,111</b>  | <b>4,534</b>          | <b>-</b>                                  | <b>4,534</b>                          |
| Total General Obligation Bonds, Loans, & Notes           | Subtotal Washington State Public Works Trust Fund Loans (Councilmanic) |               |                |                 |                         | <b>199,861</b>        | <b>27,511</b> | <b>12,186</b> | <b>215,186</b>        | <b>26,717</b>                             | <b>160,408</b>                        |
| <b>ENTERPRISE REVENUE BONDS, LOANS, &amp; NOTES</b>      |  |               |                |                 |                         |                       |               |               |                       |   |                                       |
| Greater Tacoma Convention Center Bonds                   | Refunding 2004 Bonds   | 11/10/10      | 2015 - 2024    | 5,015           | 3.7656                  | 4,205                 | -             | 440           | 3,765                 | -   | -                                     |
| Tac CC & Parking Rev/Ref Bonds, Series 2010              | Refunding 2004 Bonds   | 08/14/15      | 2015 - 2024    | 20,453          | 2.3304                  | 16,639                | -             | 1,943         | 14,696                | -   | -                                     |
| Tac CC & Parking Rev/Ref Bonds, Series 2015              |  |               |                |                 |                         | <b>20,844</b>         | <b>-</b>      | <b>2,383</b>  | <b>18,461</b>         | <b>-</b>                                  | <b>-</b>                              |
| Subtotal Greater Tacoma Convention Center Bonds          |  |               |                |                 |                         |                       |               |               |                       |   |                                       |
| Wastewater Utility Bonds and Loans                       | Treatment Plant Upgrade  | 09/19/03      | 2008 - 2028    | 53,491          | 1.5000                  | 33,629                | -             | 2,700         | 30,929                | -   | -                                     |
| State Revolving Fund (SRF) Loan #44006A                  | Treatment Plant Upgrade  | 09/28/03      | 2009 - 2028    | 21,687          | 2.6000                  | 14,246                | -             | 1,077         | 13,169                | -   | -                                     |
| State Revolving Fund (SRF) Loan #44006B                  | Improvements/Refunding   | 06/29/06      | 2006 - 2036    | 55,000          | 4.8852                  | 5                     | -             | -             | 5                     | -   | -                                     |
| Sewer Rev & Ref Bonds 2006                               | 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         | 3.5558                  | 108,055               | -             | 1,690         | 106,365               | -   | -                                     |
| Sewer Rev & Ref Bonds 2016A                              | Refunding  | 06/15/16      | 2016 - 2038    | 31,855          | 2.8277                  | 31,330                | -             | 975           | 30,355                | -   | -                                     |
| Sewer Rev & Ref Bonds 2016B                              | Refunding  | 06/15/16      | 2017 - 2020    | 11,865          | 1.3269                  | 11,865                | -             | 2,165         | 9,700                 | -   | -                                     |
| Subtotal Wastewater Utility Bonds and Loans              |  |               |                |                 |                         | <b>233,445</b>        | <b>-</b>      | <b>8,607</b>  | <b>224,838</b>        | <b>-</b>                                  | <b>-</b>                              |

| NAME OF DEBT ISSUE                                   | PURPOSE OF ISSUE                      | DATE OF ISSUE | MATURITY DATES | ORIGINAL AMOUNT | EFFECTIVE INTEREST RATE | AMOUNT O/S 01/01/2017 | ISSUED 2017   | REDEEMED 2017 | AMOUNT O/S 12/31/2017 | Reconcile to Governmental Fund Statements | Reconciles to Changes in LTD in Notes |
|--|---------------------------------------|---------------|----------------|-----------------|-------------------------|-----------------------|---------------|---------------|-----------------------|---|---------------------------------------|
| Surface Water Utility Loan<br>DOE SFR Loan L-1000007 | Sewer Plant Upgrade                   | 02/07/06      | 2011 - 2030    | 474             | 2.9000                  | 366                   | -             | 21            | 345                   | -   | -                                     |
|  |                                       |               |                |                 |                         | <b>366</b>            | <b>-</b>      | <b>21</b>     | <b>345</b>            | <b>-</b>                                  | <b>-</b>                              |
| Solid Waste Utility Bonds                            | Subtotal Surface Water Utility Loan   |               |                |                 |                         |                       |               |               |                       |   |                                       |
| Solid Waste Rev/Ref Bonds, 2008                      | Refunding                             | 09/05/08      | 2013 - 2017    | 12,655          | 3.8577                  | 2,685                 | -             | 2,685         | -                     | -   | -                                     |
| Solid Waste Revenue Bonds, 2015                      | Capital Improvements                  | 03/18/15      | 2017 - 2025    | 21,095          | 2.1575                  | 21,095                | -             | 1,960         | 19,135                | -   | -                                     |
| 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                | -   | -                                     |
|  |                                       |               |                |                 |                         | <b>62,005</b>         | <b>-</b>      | <b>4,645</b>  | <b>57,360</b>         | <b>-</b>                                  | <b>-</b>                              |
| Electric System Bonds                                | Subtotal Solid Waste Utility Bonds    |               |                |                 |                         |                       |               |               |                       |   |                                       |
| Electric System 2010B Rev Bonds (BABS)               | Capital Improvements                  | 07/27/10      | 2031 - 2035    | 147,070         | 3.9071                  | 147,070               | -             | -             | 147,070               | -   | -                                     |
| Electric System 2013A Rev Bonds (CRHS)               | Capital Improvements                  | 07/27/10      | 2023 - 2025    | 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                  | 164,591               | -             | 37,030        | 127,160               | -   | -                                     |
| Electric System 2013B Rev Ref Bonds                  | Refunding                             | 06/13/13      | 2014 - 2030    | 5,660           | 3.3427                  | 5,660                 | -             | -             | 5,660                 | -   | -                                     |
| Electric System 2017 Revenue Bonds                   | Capital Improvements                  | 09/01/17      | 2022-2046      | 70,575          | -                       | -                     | 70,575        | -             | 70,575                | -   | -                                     |
|  |                                       |               |                |                 |                         | <b>371,065</b>        | <b>70,575</b> | <b>37,030</b> | <b>404,630</b>        | <b>-</b>                                  | <b>-</b>                              |
| Water System Bonds and Loans                         | Subtotal Electric System Bonds        |               |                |                 |                         |                       |               |               |                       |   |                                       |
| PW-DWSRF-16-1210-031                                 | Construction                          | 10/07/02      | 2003 - 2021    | 3,060           | 2.5000                  | 805                   | -             | 161           | 644                   | -   | -                                     |
| PW-04-691-PRE-115                                    | Construction                          | 04/11/01      | 2003 - 2021    | 1,000           | 0.5000                  | 263                   | -             | 52            | 211                   | -   | -                                     |
| PW-04-691-PRE-127                                    | Construction                          | 08/27/01      | 2003 - 2021    | 10,000          | 0.5000                  | 2,677                 | -             | 534           | 2,133                 | -   | -                                     |
| PW-02-691-036  | Construction                          | 02/15/02      | 2003 - 2021    | 1,000           | 0.5000                  | 271                   | -             | 84            | 217                   | -   | -                                     |
| PW-04-691-PRE-101                                    | Construction                          | 04/15/02      | 2004 - 2022    | 10,000          | 0.5000                  | 3,188                 | -             | 532           | 2,656                 | -   | -                                     |
| Water Sys Ref & Rev Bonds 2005                       | Construction & Refinance              | 03/19/04      | 2006 - 2024    | 1,000           | 0.5000                  | 427                   | -             | 53            | 374                   | -   | -                                     |
| PW-06-962-043  | Construction                          | 10/11/05      | 2006 - 2025    | 46,550          | 4.6390                  | 5                     | -             | 371           | 3,335                 | -   | -                                     |
| Water Sys Rev Bonds 2009 (Taxable BABS)              | Capital Improvements                  | 07/18/06      | 2008 - 2026    | 7,000           | 0.5000                  | 3,706                 | -             | 545           | 6,005                 | -   | -                                     |
| PC08-951-047   | Construction                          | 11/04/09      | 2033 - 2039    | 10,000          | 3.7780                  | 7,6775                | -             | 215           | 2,366                 | -   | -                                     |
| DM07-952-015   | Construction                          | 11/25/09      | 2010 - 2028    | 4,040           | 1.5000                  | 6,590                 | -             | 367           | 5,506                 | -   | -                                     |
| Water Sys Ref & Ref Bonds 2010A                      | Construction                          | 03/31/10      | 2013 - 2032    | 6,579           | 1.0000                  | 5,873                 | -             | 570           | 25,825                | -   | -                                     |
| Water Sys Rev Bonds 2010B (BABS)                     | Refunding                             | 04/09/10      | 2012 - 2023    | 29,100          | 3.2789                  | 26,395                | -             | 280           | 74,985                | -   | -                                     |
| Water RWS Revenue Bonds 2010A                        | Construction                          | 08/24/10      | 2024 - 2040    | 74,985          | 5.5636                  | 74,985                | -             | -             | 44,245                | -   | -                                     |
| Water RWS Revenue Bonds 2010B (BABS)                 | Construction                          | 08/24/10      | 2013 - 2024    | 3,595           | 3.2460                  | 2,525                 | -             | -             | 4,545                 | -   | -                                     |
| PW-DWSRF 10-952-026                                  | Construction                          | 08/24/10      | 2025 - 2040    | 44,245          | 5.5636                  | 44,245                | -             | -             | 1,944                 | -   | -                                     |
| PW-DWSRF 11-952-035                                  | Construction                          | 06/17/11      | 2015 - 2034    | 6,660           | 1.5000                  | 2,066                 | -             | 122           | 303                   | -   | -                                     |
| PW-DWSRF 11-952-036                                  | Construction                          | 06/30/11      | 2016 - 2035    | 6,060           | 1.5000                  | 5,757                 | -             | 303           | 5,454                 | -   | -                                     |
| PC 12-951-017  | Construction                          | 07/01/11      | 2011 - 2031    | 10,000          | 0.5000                  | 8,333                 | -             | 555           | 7,778                 | -   | -                                     |
| PW-DWSRF 12-952-088                                  | Construction                          | 01/22/13      | 2017 - 2036    | 12,120          | 1.5000                  | 11,514                | -             | 606           | 10,908                | -   | -                                     |
| Water Sys Rev Ref Bonds 2013 (RWSS)                  | Refinance                             | 04/16/13      | 2013 - 2032    | 64,795          | 3.1477                  | 60,910                | -             | 745           | 60,165                | -   | -                                     |
| 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                  | 11,514                | -             | 606           | 10,908                | -   | -                                     |
| PW-DWSRF-10-952-031                                  | Construction                          | 03/26/14      | 2015 - 2034    | 5,460           | 1.5000                  | 5,482                 | -             | 304           | 5,178                 | -   | -                                     |
| PW-DWSRF-13-952-167                                  | Construction                          | 11/06/14      | 2015 - 2037    | 4,620           | 1.5000                  | 11,514                | -             | 606           | 10,908                | -   | -                                     |
| Water Sys Ref Bonds 2015A                            | Refinance                             | 05/12/15      | 2017 - 2025    | 16,645          | 1.9926                  | 16,645                | -             | 2,845         | 13,800                | -   | -                                     |
| Water Sys Ref Bonds 2015B                            | Refinance                             | 05/12/15      | 2016 - 2017    | 6,365           | 1.785                   | 1,785                 | -             | -             | -                     | -   | -                                     |
| DM15-952-033   | Construction                          | 06/01/14      | 2016 - 2034    | 120             | 1.5000                  | 12,120                | -             | 638           | 11,482                | -   | -                                     |
|  |                                       |               |                |                 |                         | <b>478,104</b>        | <b>-</b>      | <b>13,152</b> | <b>464,952</b>        | <b>-</b>                                  | <b>-</b>                              |
| Takoma Rail Bonds and Loans                          | Subtotal Water System Bonds and Loans |               |                |                 |                         |                       |               |               |                       |   |                                       |
| Rail Revenue Bond 2006 (BoEA)                        | Capital Improvements                  | 12/21/06      | 2007 - 2017    | 24,000          | 5.3900                  | 64                    | -             | 64            | -                     | -   | -                                     |
| WA State Rail Loan RR00407 2009                      | Capital Improvements                  | 08/04/09      | 2010 - 2024    | 26              | 0.0000                  | 14                    | -             | 2             | 12                    | -   | -                                     |
| WA State Rail Loan RR00408 2009                      | Capital Improvements                  | 08/04/09      | 2011 - 2025    | 249             | 0.0000                  | 150                   | -             | 17            | 133                   | -   | -                                     |
| WA State Rail Loan RRB-1007                          | Capital Improvements                  | 12/06/11      | 2013 - 2022    | 450             | 0.0000                  | 270                   | -             | 45            | 225                   | -   | -                                     |
| WA State Rail Loan RRB-1010                          | Capital Improvements                  | 03/28/12      | 2013 - 2022    | 612             | 0.0000                  | 367                   | -             | 61            | 306                   | -   | -                                     |
| WA State Rail Loan RRB-1011                          | Capital Improvements                  | 03/28/12      | 2013 - 2022    | 349             | 0.0000                  | 209                   | -             | 35            | 174                   | -   | -                                     |
| WA State Rail Loan RRB-1016                          | Capital Improvements                  | 09/06/12      | 2014 - 2023    | 347             | 0.0000                  | 243                   | -             | 37            | 208                   | -   | -                                     |
| WA State Rail Loan RRB-1030                          | Capital Improvements                  | 09/06/12      | 2014 - 2023    | 364             | 0.0000                  | 255                   | -             | 37            | 218                   | -   | -                                     |
| WA State Rail Loan RRB-1045                          | Capital Improvements                  | 08/01/13      | 2015 - 2024    | 823             | 0.0000                  | 495                   | -             | 62            | 433                   | -   | -                                     |
| WA State Rail Loan RRB-1046                          | Capital Improvements                  | 08/01/13      | 2015 - 2024    | 250             | 0.0000                  | 200                   | -             | 25            | 175                   | -   | -                                     |
| WA State Rail Loan RRB-1052                          | Capital Improvements                  | 10/24/13      | 2016 - 2025    | 366             | 0.0000                  | 330                   | -             | 37            | 293                   | -   | -                                     |
| WA State Rail Loan RRB-1053                          | Capital Improvements                  | 10/24/13      | 2016 - 2025    | 773             | 0.0000                  | 696                   | -             | 78            | 618                   | -   | -                                     |
| WA State Rail Loan RRB-1054                          | Capital Improvements                  | 10/24/13      | 2016 - 2025    | 1,015           | 0.0000                  | 995                   | -             | 111           | 884                   | -   | -                                     |
| WA State Rail Loan RRB-1055                          | Capital Improvements                  | 10/08/13      | 2016 - 2025    | 516             | 0.0000                  | 464                   | -             | -             | 413                   | -   | -                                     |
| WA State Rail Loan RRB-1086                          | Capital Improvements                  | 10/27/15      | 2016 - 2025    | 1,037           | 0.0000                  | 819                   | -             | 91            | 728                   | -   | -                                     |

| NAME OF DEBT ISSUE                                       | PURPOSE OF ISSUE                              | DATE OF ISSUE | MATURITY DATES | ORIGINAL AMOUNT | EFFECTIVE INTEREST RATE | Reconcile to          |               |                |                       | Reconciles to Changes in LID in Notes |
|--|---|---------------|----------------|-----------------|-------------------------|-----------------------|---------------|----------------|-----------------------|---------------------------------------|
|  |   |               |                |                 |                         | AMOUNT O/S 01/01/2017 | ISSUED 2017   | REDEEMED 2017  | AMOUNT O/S 12/31/2017 | Governmental Fund Statements          |
| WA State Rail Loan RRB-1108                              | Capital Improvements                          | 07/03/17      | 2017 - 2026    | 308             | 0.0000                  | -                     | 311           | 30             | 281                   | -                                     |
| WA State Rail Loan RRB-1109                              | Capital Improvements                          | 09/29/16      | 2017 - 2026    | 121             | 0.0000                  | 121                   | -             | 12             | 109                   | -                                     |
| WA State Rail Loan RRB-1110                              | Capital Improvements                          | 09/08/16      | 2017 - 2026    | 406             | 0.0000                  | 406                   | -             | 41             | 365                   | -                                     |
| WA State Rail Loan RRB-1111                              | Capital Improvements                          | 01/06/17      | 2017 - 2026    | 370             | 0.0000                  | -                     | 370           | 37             | 333                   | -                                     |
| WA State Rail Loan RRB-1112                              | Capital Improvements                          | 12/06/16      | 2017 - 2026    | 150             | 0.0000                  | 116                   | 34            | 15             | 135                   | -                                     |
|  | Subtotal Tacoma Rail Bonds and Loans          |               |                |                 |                         | <b>6,214</b>          | <b>715</b>    | <b>886</b>     | <b>6,043</b>          | -                                     |
| Lease Revenue Bonds                                      |   |               |                |                 |                         |                       |               |                |                       |                                       |
| Lease Revenue Bonds 1990                                 | Construction                                  | 03/15/90      | 1992-2022      | 36,250          | 9.3476                  | 15,295                | -             | 2,240          | 13,055                | -                                     |
| Lease Revenue Bonds 1992                                 | Construction                                  | 12/15/92      | 1993-2022      | 4,695           | 7.4769                  | 1,860                 | -             | 280            | 1,580                 | -                                     |
|  | Subtotal Lease Revenue Bonds                  |               |                |                 |                         | <b>17,155</b>         | -             | <b>2,520</b>   | <b>14,635</b>         | -                                     |
| Total Revenue Bonds and Loans                            |   |               |                |                 |                         | <b>1,890,198</b>      | <b>71,290</b> | <b>69,244</b>  | <b>1,91,244</b>       | -                                     |
| Total General Obligation Bonds, Revenue Bonds, and Loans |   |               |                |                 |                         | <b>1,389,059</b>      | <b>98,801</b> | <b>81,430</b>  | <b>1,406,430</b>      | <b>26,717</b>                         |
| <b>SPECIAL ASSESSMENT BONDS</b>                          |   |               |                |                 |                         |                       |               |                |                       |                                       |
| Local Improvement District Bonds                         |   |               |                |                 |                         |                       |               |                |                       |                                       |
| District #63 Bonds                                       | Construction                                  | 09/29/11      | 2023           | 1,557           | 4.1800                  | 461                   | -             | 154            | 307                   | 307                                   |
| District #64 Bonds                                       | Construction                                  | 04/05/16      |                | 2,341           | 3.2500                  | 2,341                 | -             | 511            | 1,830                 | 1,830                                 |
| District #65 Bonds                                       | Construction                                  | 04/29/13      | 2043           | 30,999          | 5.7500                  | 27,135                | -             | 3,015          | 24,120                | 24,120                                |
|  | Subtotal Local Improvement District Bonds     |               |                |                 |                         | <b>29,937</b>         | -             | <b>3,680</b>   | <b>26,257</b>         | <b>26,257</b>                         |
| Bond Anticipation Notes                                  |   |               |                |                 |                         |                       |               |                |                       |                                       |
| Revolving Line of Credit                                 | LID Construction                              | 07/01/16      | At CLID Issue  | \$15mm Max      | Floating                | 8,572                 | -             | -              | 8,572                 | 8,572                                 |
|  | Subtotal Bond Anticipation Notes              |               |                |                 |                         | <b>8,572</b>          | -             | -              | <b>8,572</b>          | <b>8,572</b>                          |
| Total Special Assessment Bonds                           |   |               |                |                 |                         | <b>38,509</b>         | -             | <b>3,680</b>   | <b>34,829</b>         | <b>34,829</b>                         |
| Wells Fargo Revolving Line of Credit                     |   |               |                |                 |                         |                       |               |                |                       |                                       |
|  | Capital Improvements                          | 05/15/15      | 5/11/2018      | \$10mm Max      | 0.5000                  | 80,250                | -             | 80,000         | 250                   | -                                     |
|  | Subtotal Wells Fargo Revolving Line of Credit |               |                |                 |                         | <b>80,250</b>         | -             | <b>80,000</b>  | <b>250</b>            | -                                     |
| <b>Total Long Term Debt</b>                              |   |               |                |                 |                         | <b>1,507,818</b>      | <b>98,801</b> | <b>165,110</b> | <b>1,441,509</b>      | <b>26,717</b>                         |
|  |   |               |                |                 |                         | <b>1,507,818</b>      | <b>98,801</b> | <b>165,110</b> | <b>1,441,509</b>      | <b>195,237</b>                        |

Notes related to debt increases:

1. Ltd. Genl Obl Bonds 1997 Ser B - Additions represent accreted interest capitalized to bond principal.
2. Ltd. Genl Obl Bonds 2009LE Multiple Projects - Additions represent accreted interest capitalized to bond principal.
3. Ltd. Genl Obl Bonds 2009LE Cheney & Eny 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.

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## Required Supplementary Information

## LEOFF 1

Proportionate Share of the Net Pension Liability  
Last 10 Years\*

|  | Fiscal Years Ended June 30 |              |              |           |
|--|----------------------------|--------------|--------------|-----------|
|  | 2017                       | 2016         | 2015         | 2014-2008 |
| Employer's proportion of the net pension liability(asset) as a percentage                              | 1.07%                      | 1.08%        | 1.09%        | N/A       |
| Employer's proportion share of net pension liability(asset)  | (16,163,187)               | (11,098,437) | (13,178,851) | N/A       |
| Employer's Covered payroll (1)   | 140,884                    | 117,193      | 206,871      | N/A       |
| Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll | -11472.69%                 | -9470.22%    | -6370.56%    | N/A       |
| Plan fiduciary net position as a percentage the total pension liability                                | 135.96%                    | 123.74%      | 127.36%      | N/A       |

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This table is intended to show ten years of data. As more information becomes available, this table will be updated.

(1) The covered payroll has been updated per GASB 82 to accurately reflect the covered payroll, which therefore also updated the calculation for the Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll.

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

|   | Fiscal Years Ended December 31 |           |           |           |
|---|--------------------------------|-----------|-----------|-----------|
|   | 2017                           | 2016      | 2015      | 2014-2008 |
| Contractually required employer contribution                                  | \$0                            | \$0       | \$0       | N/A       |
| Contributions in relation to the contractually required employer contribution | 0                              | 0         | 0         | N/A       |
| Employer contribution deficiency (excess)                                     | \$0                            | \$0       | \$0       | N/A       |
| Employer's covered payroll  | \$133,877                      | \$140,884 | \$117,194 | N/A       |
| Employer contribution as a percentage of covered payroll                      | 0.00%                          | 0.00%     | 0.00%     | N/A       |

\*This table is intended to show ten years of data. As more information becomes available, this table will be updated.



**LEOFF 2**Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*

|  | Fiscal Years Ended June 30 |              |              |           |
|--|----------------------------|--------------|--------------|-----------|
|  | 2017                       | 2016         | 2015         | 2014-2008 |
| Employer's proportion of the net pension liability(asset) as a percentage                              | 2.59%                      | 2.48%        | 2.47%        | N/A       |
| Employer's proportion share of net pension liability(asset)  | (35,974,279)               | (14,416,299) | (25,352,743) | N/A       |
| Employer's covered payroll   | 77,370,718                 | 77,913,214   | 72,486,494   | N/A       |
| Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll | -46.50%                    | -18.50%      | -34.98%      | N/A       |
| Plan fiduciary net position as a percentage the total pension liability                                | 113.36%                    | 106.04%      | 111.67%      | N/A       |

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This table is intended to show ten years of data. As more information becomes available, this table will be updated.

(1) The covered payroll has been updated per GASB 82 to accurately reflect the covered payroll, which therefore also updated the calculation for the Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll.

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

|   | Fiscal Year Ended December 31 |              |              |           |
|---|-------------------------------|--------------|--------------|-----------|
|   | 2017                          | 2016         | 2015         | 2014-2008 |
| Contractually required employer contribution                                  | \$4,025,059                   | \$4,026,349  | \$3,716,978  | N/A       |
| Contributions in relation to the contractually required employer contribution | (4,025,059)                   | (4,026,349)  | (3,716,978)  | N/A       |
| Employer contribution deficiency (excess)                                     | 0                             | 0            | 0            | N/A       |
| Employer's covered payroll  | \$79,762,242                  | \$77,370,718 | \$77,913,215 | N/A       |
| Employer contribution as a percentage of covered payroll                      | 5.05%                         | 5.20%        | 4.77%        | N/A       |

\* This table is intended to show ten years of data. As more information becomes available, this table will be updated.

**Tacoma Employee's Retirement System Fund (TERS)**

Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*

|  | Fiscal Year Ended December 31 |             |             |           |
|--|-------------------------------|-------------|-------------|-----------|
|  | 2017                          | 2016        | 2015        | 2014-2008 |
| Employer's proportion of the net pension liability(asset) as a percentage                              | 92.48%                        | 92.63%      | 92.67%      | N/A       |
| Employer's proportion share of net pension liability(asset)  | 92,880,524                    | 86,584,348  | (9,606,514) | N/A       |
| Employer's Covered payroll (1)   | 230,229,890                   | 231,297,980 | 216,468,374 | N/A       |
| Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll | 40.34%                        | 37.43%      | -4.68%      | N/A       |
| Plan fiduciary net position as a percentage the total pension liability                                | 93.91%                        | 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. This table is intended to show ten years of data. As more information becomes available, this table will be updated.*

(1) The covered payroll has been updated per GASB 82 to accurately reflect the covered payroll, which therefore also updated the calculation for the Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll.

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

|   | Fiscal Year Ended December 31 |               |               |           |
|---|-------------------------------|---------------|---------------|-----------|
|   | 2017                          | 2016          | 2015          | 2014-2008 |
| Contractually required employer contribution                                  | \$23,616,255                  | \$22,746,593  | \$22,149,246  | N/A       |
| Contributions in relation to the contractually required employer contribution | (23,616,255)                  | (22,746,593)  | (22,149,246)  | N/A       |
| Employer contribution deficiency (excess)                                     | 0                             | 0             | 0             | N/A       |
| Employer's covered payroll  | \$237,558,151                 | \$230,229,890 | \$231,291,980 | N/A       |
| Employer contribution as a percentage of covered payroll                      | 9.94%                         | 9.88%         | 9.58%         | N/A       |

\*This table is intended to show ten year of data. As more information becomes available, this table will be updated.

**Firefighters and Police Pension Fund****SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS****Firefighters' Pension Fund**

|   | Fiscal Year Ended December 31 |            |
|---|-------------------------------|------------|
|   | 2017                          | 2016-2008* |
| <b>Total Pension Liability</b>                    |                               |            |
| Service cost                                      | \$ -                          | N/A        |
| Interest on total pension liability               | 1,058                         | N/A        |
| Effect of plan changes                            | -                             | N/A        |
| Effect of economic/demographic gains or (losses)  | -                             | N/A        |
| Effect of assumption changes or inputs            | 622                           | N/A        |
| Benefit payments                                  | (2,100)                       | N/A        |
| Net change in total pension liability             | (420)                         | N/A        |
| Total pension liability, beginning                | 29,248                        | N/A        |
| Total pension liability, ending                   | 28,828                        | N/A        |
| <br>Covered payroll                               | <br>\$ -                      | <br>N/A    |
| Total pension liability as a % of covered payroll | N/A                           | N/A        |

**Police Relief and Pension Fund**

|   | Fiscal Year Ended December 31 |            |
|---|-------------------------------|------------|
|   | 2017                          | 2016-2008* |
| <b>Total Pension Liability</b>                    |                               |            |
| Service cost                                      | \$ -                          | N/A        |
| Interest on total pension liability               | 573                           | N/A        |
| Effect of plan changes                            | -                             | N/A        |
| Effect of economic/demographic gains or (losses)  | -                             | N/A        |
| Effect of assumption changes or inputs            | 311                           | N/A        |
| Benefit payments                                  | (1,341)                       | N/A        |
| Net change in total pension liability             | (456)                         | N/A        |
| Total pension liability, beginning                | 15,946                        | N/A        |
| Total pension liability, ending                   | 15,490                        | N/A        |
| <br>Covered payroll                               | <br>\$ -                      | <br>N/A    |
| Total pension liability as a % of covered payroll | N/A                           | N/A        |

\*This table is intended to represent 10 years of comparative data. Prior years are not available. As future years become available the table will be updated.

**Other Post Employment Benefit Plan (OPEB)**

SCHEDULE OF FUNDING PROGRESS: (\$ in millions)

**Tacoma Employee's Retirement System Fund (TERS)**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>Entry Age<br>(b) | Unfunded<br>AAL (UAAL)<br>(b-a) | Funded<br>Ratio | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>(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%  |
| 1/1/2016                       | -                                      | 28.40  | 28.40                           | 0.0%            | 230.23                    | 12%  |
| 1/1/2017                       | -                                      | 15.94  | 15.94                           | 0.0%            | 237.56                    | 7%   |

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

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>Entry Age<br>(b) | Unfunded<br>AAL (UAAL)<br>(b-a) | Funded<br>Ratio | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>(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%   |
| 1/1/2016                       | -                                      | 163.78   | 163.78                          | 0.0%            | 0.14                      | 116986%  |
| 1/1/2017                       | -                                      | 207.57   | 207.57                          | 0.0%            | 0.13                      | 159669%  |

**Law Enforcement Officers and Fire Fighters Retirement System Plan 2 (LEOFF Plan 2)**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>Entry Age<br>(b) | Unfunded<br>AAL (UAAL)<br>(b-a) | Funded<br>Ratio | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>(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%  |
| 1/1/2016                       | -                                      | 13.84  | 13.84                           | 0.0%            | 77.37                     | 18%  |
| 1/1/2017                       | -                                      | 11.77  | 11.77                           | 0.0%            | 79.76                     | 15%  |

**Rail**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>Entry Age<br>(b) | Unfunded<br>AAL (UAAL)<br>(b-a) | Funded<br>Ratio | Covered<br>Payroll <sup>(1)</sup><br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>(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%   |
| 1/1/2016                       | -                                      | 2.80   | 2.80                            | 0.0%            | 10.97                                    | 25.52%   |
| 1/1/2017                       | -                                      | 5.17   | 5.17                            | 0.0%            | 11.01                                    | 46.96%   |

## 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 (GTRCCPFDD)'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 4-9. All other major funds non-major governmental funds budgetary information are located in the Combining Statements Non-Major Funds section on pages 5-23 to 5-62.

### 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.

The police and firefighters pension funds are not within the scope of GASB 68 and are not administered through an irrevocable trust. They are required to be reported under the requirements of GASB 73. The assets accumulated for this purpose are recorded in the General Fund.

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 For the Year Ended December 31, 2017  
 (amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 312,936   | \$ 324,640  | \$ 161,578                                     | \$ (163,062)  |
| Licenses and permits                                 | 12,149   | 13,292  | 7,197  | (6,095)   |
| Intergovernmental revenue                            | 20,997   | 22,099  | 10,965   | (11,134)  |
| Charges for goods and services                       | 5,439  | 5,523   | 3,665  | (1,858)   |
| Fines and penalties                                  | 2,996  | 3,037   | 1,344  | (1,693)   |
| Interest and other earnings                          | 1,442  | 1,877   | 1,043  | (834)   |
| Miscellaneous revenues                               | 40   | 78  | 823  | 745   |
| TOTAL REVENUES                                       | <u>355,999</u>                                       | <u>370,546</u>                                      | <u>186,615</u>                                 | <u>(183,931)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 75,235   | 78,168  | 34,052   | (44,116)  |
| Public safety  | 265,463  | 267,610   | 129,324  | (138,286)   |
| Transportation                                       | 758  | 770   | 368  | (402)   |
| Economic environment                                 | 35,531   | 38,419  | 17,262   | (21,157)  |
| Mental and physical health                           | -  | -   | -  | -   |
| Culture and recreation                               | 28,585   | 30,112  | 12,861   | (17,251)  |
| Debt service:  |  |   |  |   |
| Principal payments                                   | -  | -   | -  | -   |
| Capital outlay                                       | -  | -   | 1,280  | 1,280   |
| TOTAL EXPENDITURES                                   | <u>405,572</u>                                       | <u>415,079</u>                                      | <u>195,147</u>                                 | <u>(219,932)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(49,573)</u>                                      | <u>(44,533)</u>                                     | <u>(8,532)</u>                                 | <u>36,001</u>   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | 36   | 36  | -  | (36)  |
| Insurance recoveries                                 | -  | -   | 59   | 59  |
| Transfer in  | 87,312   | 94,085  | 45,977   | (48,108)  |
| Transfer out   | (55,636)   | (73,018)  | (37,647)                                       | 35,371  |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>31,712</u>  | <u>21,103</u>                                       | <u>8,389</u>                                   | <u>(12,714)</u>   |
| NET CHANGE IN FUND BALANCE                           | <u>(17,861)</u>                                      | <u>(23,430)</u>                                     | <u>(143)</u>                                   | <u>23,287</u>   |
| FUND BALANCE - January 1                             | 17,861   | 23,430  | 79,297   | 55,867  |
| Prior period adjustment                              | -  | -   | 18   | 18  |
| Change in accounting principle                       | -  | -   | -  | -   |
| FUND BALANCE - January 1, Restated                   | <u>17,861</u>  | <u>23,430</u>                                       | <u>79,315</u>                                  | <u>55,885</u>   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 79,172</u>                               | <u>\$ 79,172</u>  |

## Perspective Difference Reconciliation:

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

\$ 79,172

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               | 699              |
| Police Pension Fund #6120            | 110              |
| Firefighters Pension Fund #6150      | 233              |
| TOTAL FUND BALANCE - GENERAL FUND    | <u>80,214</u>    |
| BALANCE SHEET FOR GOVERNMENTAL FUNDS | <u>\$ 80,214</u> |



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***Non-Major Governmental Funds*****Special Revenue Funds:**

Special Revenue funds account for specific revenues sources that are restricted for expenditure for a specific purpose. The City of Tacoma has 22 different special revenue funds. These funds include everything from the Fire Department Fund, to the Library Fund, to the Tourism Fund.

**Court 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 expenditures related to design and administration of transportation projects and the maintenance of city's streets, right-of-way and traffic system.

**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 Service 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 operations of the Library system.

**Historically Underutilized Business (HUB) Fund (#1236)**

Accounts for activities which provide opportunities to qualified small businesses doing business within 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 resource 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:**

Debt Service Funds accounts for the payment and accumulation of resources or both the principal and interest of long-term debt. The City of Tacoma has nine different 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.

**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.

**2017 LTGO Bonds (#2043)**

Accounts for the debt service of the 2017 LTGO bonds.

**Consolidated LID Bond Redemption Fund (# 2-7999)**

Accounts for the debt service related to LIDs.

**Capital Project Funds:**

Capital Project Funds account for the financial resources used in acquisition or construction or major capital facilities. The City has seven different capital project funds.

**1997 Street Fund (3-1060)**

The Transportation Capital and Engineering fund accounts for maintenance, engineering, and construction of city streets.

**1997 Bond Issue Fund (#3209)**

Accounts for the debt service of unlimited general obligation bonds issued by the City of Tacoma.

**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.

COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 1 of 10

|   | SPECIAL REVENUE FUNDS       |                                    |                 |                                    |
|---|-----------------------------|------------------------------------|-----------------|------------------------------------|
|   | Courts<br>Spec Rev<br>#1020 | Transportation<br>Revenue<br>#1050 | Street<br>#1065 | Transport Ben<br>District<br>#1070 |
| ASSETS  |                             |                                    |                 |                                    |
| Cash and cash equivalents   | \$ 118                      | \$ 2,194                           | \$ 2,303        | \$ 1,630                           |
| Investments at fair value   | -                           | -                                  | -               | -                                  |
| Accounts receivables (net)  | -                           | -                                  | 979             | 463                                |
| Due from other funds  | -                           | 750                                | 753             | -                                  |
| Due from other governments  | -                           | 694                                | -               | 1,053                              |
| Inventories   | -                           | -                                  | 1,649           | -                                  |
| Advances to other funds   | -                           | -                                  | -               | -                                  |
| TOTAL ASSETS  | <u>118</u>                  | <u>3,638</u>                       | <u>5,684</u>    | <u>3,146</u>                       |
| DEFERRED OUTFLOWS OF RESOURCES  |                             |                                    |                 |                                    |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | <u>-</u>                    | <u>-</u>                           | <u>-</u>        | <u>-</u>                           |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | <u>\$ 118</u>               | <u>\$ 3,638</u>                    | <u>\$ 5,684</u> | <u>\$ 3,146</u>                    |
| LIABILITIES   |                             |                                    |                 |                                    |
| Accounts payable  | \$ -                        | \$ -                               | \$ 302          | \$ -                               |
| Due to other funds  | -                           | 249                                | 617             | -                                  |
| Due to other governments  | -                           | -                                  | -               | -                                  |
| Accrued wages   | 1                           | -                                  | 220             | -                                  |
| Accrued taxes   | -                           | -                                  | 1               | -                                  |
| Customer deposits   | -                           | -                                  | -               | -                                  |
| Advances from other funds   | -                           | -                                  | -               | -                                  |
| TOTAL LIABILITIES   | <u>1</u>                    | <u>249</u>                         | <u>1,140</u>    | <u>-</u>                           |
| DEFERRED INFLOWS OF RESOURCES   |                             |                                    |                 |                                    |
| Unavailable revenues  | -                           | -                                  | -               | -                                  |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | <u>-</u>                    | <u>-</u>                           | <u>-</u>        | <u>-</u>                           |
| FUND BALANCES (DEFICITS)  |                             |                                    |                 |                                    |
| Nonspendable  | -                           | -                                  | 1,649           | -                                  |
| Restricted  | 117                         | 3,420                              | -               | 3,146                              |
| Committed   | -                           | -                                  | -               | -                                  |
| Assigned  | -                           | -                                  | 2,895           | -                                  |
| Unassigned  | -                           | (31)                               | -               | -                                  |
| TOTAL FUND BALANCES (DEFICITS)  | <u>117</u>                  | <u>3,389</u>                       | <u>4,544</u>    | <u>3,146</u>                       |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | <u>\$ 118</u>               | <u>\$ 3,638</u>                    | <u>\$ 5,684</u> | <u>\$ 3,146</u>                    |

## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 2 of 10

|   | SPECIAL REVENUE FUNDS             |                                |                           |
|---|-----------------------------------|--------------------------------|---------------------------|
|   | 2% Gross<br>Earnings Tax<br>#1080 | Streets<br>Initiative<br>#1085 | Fire<br>Spec Rev<br>#1090 |
| ASSETS  |                                   |                                |                           |
| Cash and cash equivalents   | \$ -                              | \$ 12,279                      | \$ 921                    |
| Investments at fair value   | -                                 | -                              | -                         |
| Accounts receivables (net)  | -                                 | 628                            | 52                        |
| Due from other funds  | 7                                 | 325                            | -                         |
| Due from other governments  | -                                 | 106                            | 460                       |
| Inventories   | -                                 | -                              | -                         |
| Advances to other funds   | -                                 | -                              | -                         |
| TOTAL ASSETS  | <u>7</u>                          | <u>13,338</u>                  | <u>1,433</u>              |
| DEFERRED OUTFLOWS OF RESOURCES  |                                   |                                |                           |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | <u>-</u>                          | <u>-</u>                       | <u>-</u>                  |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | <u>\$ 7</u>                       | <u>\$ 13,338</u>               | <u>\$ 1,433</u>           |
| LIABILITIES   |                                   |                                |                           |
| Accounts payable  | \$ -                              | \$ 307                         | \$ 1                      |
| Due to other funds  | 7                                 | 20                             | 46                        |
| Due to other governments  | -                                 | -                              | -                         |
| Accrued wages   | -                                 | 36                             | 3                         |
| Accrued taxes   | -                                 | -                              | -                         |
| Customer deposits   | -                                 | -                              | -                         |
| Advances from other funds   | -                                 | -                              | 533                       |
| TOTAL LIABILITIES   | <u>7</u>                          | <u>363</u>                     | <u>583</u>                |
| DEFERRED INFLOWS OF RESOURCES   |                                   |                                |                           |
| Unavailable revenues  | -                                 | 271                            | 26                        |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | <u>-</u>                          | <u>271</u>                     | <u>26</u>                 |
| FUND BALANCES (DEFICITS)  |                                   |                                |                           |
| Nonspendable  | -                                 | -                              | -                         |
| Restricted  | -                                 | 12,704                         | 711                       |
| Committed   | -                                 | -                              | -                         |
| Assigned  | -                                 | -                              | -                         |
| Unassigned  | -                                 | -                              | 113                       |
| TOTAL FUND BALANCES (DEFICITS)  | <u>-</u>                          | <u>12,704</u>                  | <u>824</u>                |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | <u>\$ 7</u>                       | <u>\$ 13,338</u>               | <u>\$ 1,433</u>           |

## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 3 of 10

|   | SPECIAL REVENUE FUNDS                 |                           |                            |  |
|---|---------------------------------------|---------------------------|----------------------------|--|
|   | Prop Mgmt<br>Street Vacation<br>#1100 | LID<br>Guarantee<br>#1110 | Paths<br>& Trails<br>#1140 | Building & Land<br>Use Services<br>#1145 |
| ASSETS  |                                       |                           |                            |  |
| Cash and cash equivalents   | \$ 3,665                              | \$ 18                     | \$ 330                     | \$ 1,272                                 |
| Investments at fair value   | -                                     | 5,222                     | -                          | -  |
| Accounts receivables (net)  | 6                                     | -                         | -                          | 1,396                                    |
| Due from other funds  | -                                     | -                         | 69                         | -  |
| Due from other governments  | -                                     | -                         | 37                         | -  |
| Inventories   | -                                     | -                         | -                          | -  |
| Advances to other funds   | -                                     | -                         | -                          | -  |
| TOTAL ASSETS  | <u>3,671</u>                          | <u>5,240</u>              | <u>436</u>                 | <u>2,668</u>                             |
| DEFERRED OUTFLOWS OF RESOURCES  |                                       |                           |                            |  |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | <u>-</u>                              | <u>-</u>                  | <u>-</u>                   | <u>-</u>                                 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | <u>\$ 3,671</u>                       | <u>\$ 5,240</u>           | <u>\$ 436</u>              | <u>\$ 2,668</u>                          |
| LIABILITIES   |                                       |                           |                            |  |
| Accounts payable  | \$ -                                  | \$ -                      | \$ 71                      | \$ 25                                    |
| Due to other funds  | 1                                     | -                         | -                          | 22                                       |
| Due to other governments  | -                                     | -                         | -                          | -  |
| Accrued wages   | -                                     | -                         | -                          | 1  |
| Accrued taxes   | 1                                     | -                         | -                          | 3  |
| Customer deposits   | 30                                    | -                         | -                          | -  |
| Advances from other funds   | -                                     | -                         | -                          | -  |
| TOTAL LIABILITIES   | <u>32</u>                             | <u>-</u>                  | <u>71</u>                  | <u>51</u>                                |
| DEFERRED INFLOWS OF RESOURCES   |                                       |                           |                            |  |
| Unavailable revenues  | 376                                   | 932                       | -                          | -  |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | <u>376</u>                            | <u>932</u>                | <u>-</u>                   | <u>-</u>                                 |
| FUND BALANCES (DEFICITS)  |                                       |                           |                            |  |
| Nonspendable  | -                                     | -                         | -                          | -  |
| Restricted  | 195                                   | 4,308                     | 365                        | -  |
| Committed   | -                                     | -                         | -                          | -  |
| Assigned  | 3,068                                 | -                         | -                          | 2,617                                    |
| Unassigned  | -                                     | -                         | -                          | -  |
| TOTAL FUND BALANCES (DEFICITS)  | <u>3,263</u>                          | <u>4,308</u>              | <u>365</u>                 | <u>2,617</u>                             |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | <u>\$ 3,671</u>                       | <u>\$ 5,240</u>           | <u>\$ 436</u>              | <u>\$ 2,668</u>                          |

## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 4 of 10

|   | SPECIAL REVENUE FUNDS |                  |                                      |                                  |
|---|-----------------------|------------------|--------------------------------------|----------------------------------|
|   | Fire<br>EMS<br>#1155  | Tourism<br>#1180 | Neighborhood<br>& Comm Svcs<br>#1185 | Community &<br>Econ Dev<br>#1195 |
| ASSETS  |                       |                  |                                      |                                  |
| Cash and cash equivalents   | \$ 2,916              | \$ 4,087         | \$ 8,890                             | \$ 5,515                         |
| Investments at fair value   | -                     | -                | -                                    | -                                |
| Accounts receivables (net)  | 328                   | -                | 66                                   | 3,977                            |
| Due from other funds  | 16                    | -                | 200                                  | 185                              |
| Due from other governments  | 318                   | 536              | 1,202                                | 1,006                            |
| Inventories   | -                     | -                | -                                    | -                                |
| Advances to other funds   | -                     | -                | -                                    | -                                |
| TOTAL ASSETS  | <u>3,578</u>          | <u>4,623</u>     | <u>10,358</u>                        | <u>10,683</u>                    |
| DEFERRED OUTFLOWS OF RESOURCES  |                       |                  |                                      |                                  |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | <u>-</u>              | <u>-</u>         | <u>-</u>                             | <u>-</u>                         |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | <u>\$ 3,578</u>       | <u>\$ 4,623</u>  | <u>\$ 10,358</u>                     | <u>\$ 10,683</u>                 |
| LIABILITIES   |                       |                  |                                      |                                  |
| Accounts payable  | \$ 44                 | \$ -             | \$ 1,331                             | \$ 1,085                         |
| Due to other funds  | 4                     | -                | 6                                    | 93                               |
| Due to other governments  | -                     | -                | -                                    | -                                |
| Accrued wages   | 281                   | -                | 10                                   | 1                                |
| Accrued taxes   | -                     | -                | -                                    | -                                |
| Customer deposits   | 25                    | -                | -                                    | -                                |
| Advances from other funds   | -                     | -                | -                                    | -                                |
| TOTAL LIABILITIES   | <u>354</u>            | <u>-</u>         | <u>1,347</u>                         | <u>1,179</u>                     |
| DEFERRED INFLOWS OF RESOURCES   |                       |                  |                                      |                                  |
| Unavailable revenues  | 467                   | -                | 10                                   | 96                               |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | <u>467</u>            | <u>-</u>         | <u>10</u>                            | <u>96</u>                        |
| FUND BALANCES (DEFICITS)  |                       |                  |                                      |                                  |
| Nonspendable  | -                     | -                | -                                    | -                                |
| Restricted  | 2,757                 | 4,623            | 8,569                                | 8,447                            |
| Committed   | -                     | -                | 154                                  | -                                |
| Assigned  | -                     | -                | 278                                  | 961                              |
| Unassigned  | -                     | -                | -                                    | -                                |
| TOTAL FUND BALANCES (DEFICITS)  | <u>2,757</u>          | <u>4,623</u>     | <u>9,001</u>                         | <u>9,408</u>                     |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | <u>\$ 3,578</u>       | <u>\$ 4,623</u>  | <u>\$ 10,358</u>                     | <u>\$ 10,683</u>                 |

## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 5 of 10

|   | SPECIAL REVENUE FUNDS |  |                             |                             |
|---|-----------------------|--|-----------------------------|-----------------------------|
|   | Library<br>#1200      | Historically<br>Underutilized Bus<br>#1236 | Police<br>Spec Rev<br>#1267 | Municipal<br>Cable<br>#1431 |
| ASSETS  |                       |  |                             |                             |
| Cash and cash equivalents   | \$ 6,339              | \$ 57                                      | \$ 2,048                    | \$ 4,496                    |
| Investments at fair value   | -                     | -  | -                           | -                           |
| Accounts receivables (net)  | -                     | -  | 43                          | 5                           |
| Due from other funds  | -                     | 114  | 7                           | 2                           |
| Due from other governments  | -                     | -  | 70                          | -                           |
| Inventories   | -                     | -  | -                           | -                           |
| Advances to other funds   | -                     | -  | -                           | -                           |
| TOTAL ASSETS  | <u>6,339</u>          | <u>171</u>                                 | <u>2,168</u>                | <u>4,503</u>                |
| DEFERRED OUTFLOWS OF RESOURCES  |                       |  |                             |                             |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | <u>-</u>              | <u>-</u>                                   | <u>-</u>                    | <u>-</u>                    |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | <u>\$ 6,339</u>       | <u>\$ 171</u>                              | <u>\$ 2,168</u>             | <u>\$ 4,503</u>             |
| LIABILITIES   |                       |  |                             |                             |
| Accounts payable  | \$ 1                  | \$ 56                                      | \$ 13                       | \$ 3                        |
| Due to other funds  | -                     | -  | 37                          | 1                           |
| Due to other governments  | -                     | -  | -                           | -                           |
| Accrued wages   | -                     | 3  | -                           | 31                          |
| Accrued taxes   | -                     | -  | -                           | 1                           |
| Customer deposits   | -                     | -  | 21                          | -                           |
| Advances from other funds   | -                     | -  | -                           | -                           |
| TOTAL LIABILITIES   | <u>1</u>              | <u>59</u>                                  | <u>71</u>                   | <u>36</u>                   |
| DEFERRED INFLOWS OF RESOURCES   |                       |  |                             |                             |
| Unavailable revenues  | -                     | -  | -                           | -                           |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | <u>-</u>              | <u>-</u>                                   | <u>-</u>                    | <u>-</u>                    |
| FUND BALANCES (DEFICITS)  |                       |  |                             |                             |
| Nonspendable  | 36                    | -  | -                           | -                           |
| Restricted  | 4,564                 | 112  | 1,713                       | 3,922                       |
| Committed   | -                     | -  | -                           | -                           |
| Assigned  | 1,738                 | -  | 384                         | 545                         |
| Unassigned  | -                     | -  | -                           | -                           |
| TOTAL FUND BALANCES (DEFICITS)  | <u>6,338</u>          | <u>112</u>                                 | <u>2,097</u>                | <u>4,467</u>                |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | <u>\$ 6,339</u>       | <u>\$ 171</u>                              | <u>\$ 2,168</u>             | <u>\$ 4,503</u>             |



## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

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|  | SPECIAL REVENUE FUNDS |                    | DEBT SERVICE FUNDS |               |
|--|-----------------------|--------------------|--------------------|---------------|
|  | -                     | Traffic Enforce    | Voted              | Non-Voted     |
|  | LEAP                  | Engineer/Education | Bonds              | Bonds         |
|  | #1500                 | #1650              | #2010              | #2035         |
| ASSETS   |                       |                    |                    |               |
| Cash and cash equivalents  | \$ 224                | \$ 335             | \$ 1,178           | \$ 288        |
| Investments at fair value  | -                     | -                  | -                  | -             |
| Accounts receivables (net)   | -                     | -                  | -                  | -             |
| Due from other funds   | 17                    | 5                  | -                  | -             |
| Due from other governments   | 20                    | -                  | 87                 | -             |
| Inventories  | -                     | -                  | -                  | -             |
| Advances to other funds  | -                     | -                  | -                  | -             |
| TOTAL ASSETS   | <u>261</u>            | <u>340</u>         | <u>1,265</u>       | <u>288</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>\$ 261</u>         | <u>\$ 340</u>      | <u>\$ 1,265</u>    | <u>\$ 288</u> |
| LIABILITIES  |                       |                    |                    |               |
| Accounts payable   | \$ 8                  | \$ 126             | \$ -               | \$ -          |
| Due to other funds   | -                     | 1                  | -                  | -             |
| Due to other governments   | -                     | -                  | -                  | -             |
| Accrued wages  | 1                     | 31                 | -                  | -             |
| Accrued taxes  | -                     | -                  | -                  | -             |
| Customer deposits  | -                     | -                  | -                  | -             |
| Advances from other funds  | -                     | -                  | -                  | -             |
| TOTAL LIABILITIES  | <u>9</u>              | <u>158</u>         | <u>-</u>           | <u>-</u>      |
| DEFERRED INFLOWS OF RESOURCES                                      |                       |                    |                    |               |
| Unavailable revenues   | -                     | -                  | 69                 | -             |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                | <u>-</u>              | <u>-</u>           | <u>69</u>          | <u>-</u>      |
| FUND BALANCES (DEFICITS)   |                       |                    |                    |               |
| Nonspendable   | -                     | -                  | -                  | -             |
| Restricted   | -                     | -                  | 1,196              | 288           |
| Committed  | -                     | -                  | -                  | -             |
| Assigned   | 252                   | 182                | -                  | -             |
| Unassigned   | -                     | -                  | -                  | -             |
| TOTAL FUND BALANCES (DEFICITS)                                     | <u>252</u>            | <u>182</u>         | <u>1,196</u>       | <u>288</u>    |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 261</u>         | <u>\$ 340</u>      | <u>\$ 1,265</u>    | <u>\$ 288</u> |

## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

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|   | DEBT SERVICE FUNDS             |                                 |                            |                            |
|---|--------------------------------|---------------------------------|----------------------------|----------------------------|
|   | PW Trust<br>Fund Loan<br>#2038 | 2001<br>LTGO Refunding<br>#2039 | 2009<br>LTGO Bond<br>#2040 | 2010<br>LTGO Bond<br>#2041 |
| ASSETS  |                                |                                 |                            |                            |
| Cash and cash equivalents   | \$ -                           | \$ -                            | \$ 7                       | \$ 23                      |
| Investments at fair value   | -                              | -                               | -                          | -                          |
| Accounts receivables (net)  | -                              | -                               | -                          | -                          |
| Due from other funds  | -                              | -                               | -                          | -                          |
| Due from other governments  | -                              | -                               | -                          | -                          |
| Inventories   | -                              | -                               | -                          | -                          |
| Advances to other funds   | -                              | -                               | -                          | -                          |
| TOTAL ASSETS  | <u>-</u>                       | <u>-</u>                        | <u>7</u>                   | <u>23</u>                  |
| DEFERRED OUTFLOWS OF RESOURCES  |                                |                                 |                            |                            |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | <u>-</u>                       | <u>-</u>                        | <u>-</u>                   | <u>-</u>                   |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | <u>\$ -</u>                    | <u>\$ -</u>                     | <u>\$ 7</u>                | <u>\$ 23</u>               |
| LIABILITIES   |                                |                                 |                            |                            |
| Accounts payable  | \$ -                           | \$ -                            | \$ -                       | \$ -                       |
| Due to other funds  | -                              | -                               | -                          | -                          |
| Due to other governments  | -                              | -                               | -                          | -                          |
| Accrued wages   | -                              | -                               | -                          | -                          |
| Accrued taxes   | -                              | -                               | -                          | -                          |
| Customer deposits   | -                              | -                               | -                          | -                          |
| Advances from other funds   | -                              | -                               | -                          | -                          |
| TOTAL LIABILITIES   | <u>-</u>                       | <u>-</u>                        | <u>-</u>                   | <u>-</u>                   |
| DEFERRED INFLOWS OF RESOURCES   | -                              | -                               | -                          | -                          |
| Unavailable revenues  | -                              | -                               | -                          | -                          |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | <u>-</u>                       | <u>-</u>                        | <u>-</u>                   | <u>-</u>                   |
| FUND BALANCES (DEFICITS)  |                                |                                 |                            |                            |
| Nonspendable  | -                              | -                               | -                          | -                          |
| Restricted  | -                              | -                               | 7                          | 23                         |
| Committed   | -                              | -                               | -                          | -                          |
| Assigned  | -                              | -                               | -                          | -                          |
| Unassigned  | -                              | -                               | -                          | -                          |
| TOTAL FUND BALANCES (DEFICITS)  | <u>-</u>                       | <u>-</u>                        | <u>7</u>                   | <u>23</u>                  |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | <u>\$ -</u>                    | <u>\$ -</u>                     | <u>\$ 7</u>                | <u>\$ 23</u>               |

## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

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|   | DEBT SERVICE FUNDS         |                            |  |
|---|----------------------------|----------------------------|--|
|   | 2013<br>LTGO Bond<br>#2042 | 2017<br>LTGO Bond<br>#2043 | Consolidated LID<br>Bond Redemption<br># (2)7999 |
| ASSETS  |                            |                            |  |
| Cash and cash equivalents   | \$ -                       | \$ 63                      | \$ 3,246   |
| Investments at fair value   | -                          | -                          | -  |
| Accounts receivables (net)  | -                          | -                          | 25,717   |
| Due from other funds  | -                          | -                          | -  |
| Due from other governments  | -                          | -                          | -  |
| Inventories   | -                          | -                          | -  |
| Advances to other funds   | -                          | -                          | -  |
| TOTAL ASSETS  | -                          | 63                         | 28,963   |
| DEFERRED OUTFLOWS OF RESOURCES  |                            |                            |  |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | -                          | -                          | -  |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | \$ -                       | \$ 63                      | \$ 28,963  |
| LIABILITIES   |                            |                            |  |
| Accounts payable  | \$ -                       | \$ 11                      | \$ -   |
| Due to other funds  | -                          | -                          | -  |
| Due to other governments  | -                          | -                          | -  |
| Accrued wages   | -                          | -                          | -  |
| Accrued taxes   | -                          | -                          | -  |
| Customer deposits   | -                          | -                          | -  |
| Advances from other funds   | -                          | -                          | -  |
| TOTAL LIABILITIES   | -                          | 11                         | -  |
| DEFERRED INFLOWS OF RESOURCES   |                            |                            |  |
| Unavailable revenues  | -                          | -                          | 24,880   |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | -                          | -                          | 24,880   |
| FUND BALANCES (DEFICITS)  |                            |                            |  |
| Nonspendable  | -                          | -                          | -  |
| Restricted  | -                          | -                          | 4,083  |
| Committed   | -                          | -                          | -  |
| Assigned  | -                          | -                          | -  |
| Unassigned  | -                          | 52                         | -  |
| TOTAL FUND BALANCES (DEFICITS)  | -                          | 52                         | 4,083  |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | \$ -                       | \$ 63                      | \$ 28,963  |

## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

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|   | CAPITAL PROJECT FUNDS              |                             |                              |                                  |
|---|------------------------------------|-----------------------------|------------------------------|----------------------------------|
|   | 1997 LTGO<br>Capital Proj<br>#3209 | Capital<br>Revenue<br>#3210 | Capital<br>Projects<br>#3211 | 2002<br>Police Facility<br>#3216 |
| ASSETS  |                                    |                             |                              |                                  |
| Cash and cash equivalents   | \$ 88                              | \$ 49,570                   | \$ 2,919                     | \$ 3,431                         |
| Investments at fair value   | -                                  | -                           | -                            | -                                |
| Accounts receivables (net)  | -                                  | -                           | 3                            | -                                |
| Due from other funds  | 92                                 | -                           | 2,484                        | -                                |
| Due from other governments  | -                                  | 1,407                       | -                            | -                                |
| Inventories   | -                                  | -                           | -                            | -                                |
| Advances to other funds   | -                                  | -                           | 965                          | -                                |
| TOTAL ASSETS  | <u>180</u>                         | <u>50,977</u>               | <u>6,371</u>                 | <u>3,431</u>                     |
| DEFERRED OUTFLOWS OF RESOURCES  |                                    |                             |                              |                                  |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | <u>-</u>                           | <u>-</u>                    | <u>-</u>                     | <u>-</u>                         |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | <u>\$ 180</u>                      | <u>\$ 50,977</u>            | <u>\$ 6,371</u>              | <u>\$ 3,431</u>                  |
| LIABILITIES   |                                    |                             |                              |                                  |
| Accounts payable  | \$ -                               | \$ -                        | \$ 573                       | \$ -                             |
| Due to other funds  | 180                                | 2,453                       | 2                            | 3,431                            |
| Due to other governments  | -                                  | -                           | -                            | -                                |
| Accrued wages   | -                                  | -                           | -                            | -                                |
| Accrued taxes   | -                                  | -                           | 1                            | -                                |
| Customer deposits   | -                                  | -                           | -                            | -                                |
| Advances from other funds   | -                                  | -                           | -                            | -                                |
| TOTAL LIABILITIES   | <u>180</u>                         | <u>2,453</u>                | <u>576</u>                   | <u>3,431</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  | -                                  | 41,038                      | 4,662                        | -                                |
| Committed   | -                                  | 7,486                       | 571                          | -                                |
| Assigned  | -                                  | -                           | 562                          | -                                |
| Unassigned  | -                                  | -                           | -                            | -                                |
| TOTAL FUND BALANCES (DEFICITS)  | <u>-</u>                           | <u>48,524</u>               | <u>5,795</u>                 | <u>-</u>                         |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | <u>\$ 180</u>                      | <u>\$ 50,977</u>            | <u>\$ 6,371</u>              | <u>\$ 3,431</u>                  |

## COMBINING BALANCE SHEET

## GOVERNMENTAL FUNDS

December 31, 2017

(amounts expressed in thousands)

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|   | CAPITAL PROJECT FUNDS              |                                    |   |                                    |
|---|------------------------------------|------------------------------------|---|------------------------------------|
|   | 2009 LTGO<br>Capital Proj<br>#3218 | 2010 LTGO<br>Capital Proj<br>#3220 | LID Interim<br>Capital Proj<br>#(3)7070 | Non-Major<br>Governmental<br>Funds |
| ASSETS  |                                    |                                    |   |                                    |
| Cash and cash equivalents   | \$ 96                              | \$ 1,889                           | \$ 1,843                                | \$ 124,278                         |
| Investments at fair value   | -                                  | -                                  | -                                       | 5,222                              |
| Accounts receivables (net)  | -                                  | -                                  | -                                       | 33,663                             |
| Due from other funds  | -                                  | -                                  | -                                       | 5,888                              |
| Due from other governments  | -                                  | -                                  | -                                       | 6,996                              |
| Inventories   | -                                  | -                                  | -                                       | 1,649                              |
| Advances to other funds   | -                                  | -                                  | -                                       | 965                                |
| TOTAL ASSETS  | <u>96</u>                          | <u>1,889</u>                       | <u>1,843</u>                            | <u>178,661</u>                     |
| DEFERRED OUTFLOWS OF RESOURCES  | -                                  | -                                  | -                                       | -                                  |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                                  | <u>-</u>                           | <u>-</u>                           | <u>-</u>                                | <u>-</u>                           |
| TOTAL ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES                    | <u>\$ 96</u>                       | <u>\$ 1,889</u>                    | <u>\$ 1,843</u>                         | <u>\$ 178,661</u>                  |
| LIABILITIES   |                                    |                                    |   |                                    |
| Accounts payable  | \$ 12                              | \$ 2                               | \$ -                                    | \$ 3,971                           |
| Due to other funds  | -                                  | 70                                 | -                                       | 8,102                              |
| Due to other governments  | -                                  | 21                                 | -                                       | 21                                 |
| Accrued wages   | -                                  | -                                  | -                                       | 619                                |
| Accrued taxes   | -                                  | -                                  | -                                       | 7                                  |
| Customer deposits   | -                                  | -                                  | -                                       | 76                                 |
| Advances from other funds   | -                                  | -                                  | -                                       | 533                                |
| TOTAL LIABILITIES   | <u>12</u>                          | <u>93</u>                          | <u>-</u>                                | <u>13,329</u>                      |
| DEFERRED INFLOWS OF RESOURCES   |                                    |                                    |   |                                    |
| Unavailable revenues  | -                                  | -                                  | -                                       | 27,127                             |
| TOTAL DEFERRED INFLOWS OF RESOURCES                                   | <u>-</u>                           | <u>-</u>                           | <u>-</u>                                | <u>27,127</u>                      |
| FUND BALANCES (DEFICITS)  |                                    |                                    |   |                                    |
| Nonspendable  | -                                  | -                                  | -                                       | 1,685                              |
| Restricted  | 84                                 | 1,796                              | 1,843                                   | 114,693                            |
| Committed   | -                                  | -                                  | -                                       | 8,211                              |
| Assigned  | -                                  | -                                  | -                                       | 13,482                             |
| Unassigned  | -                                  | -                                  | -                                       | 134                                |
| TOTAL FUND BALANCES (DEFICITS)  | <u>84</u>                          | <u>1,796</u>                       | <u>1,843</u>                            | <u>138,205</u>                     |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF<br>RESOURCES AND FUND BALANCES | <u>\$ 96</u>                       | <u>\$ 1,889</u>                    | <u>\$ 1,843</u>                         | <u>\$ 178,661</u>                  |

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | SPECIAL REVENUE FUNDS       |                                    |                 |                                    |
|--|-----------------------------|------------------------------------|-----------------|------------------------------------|
|  | Courts<br>Spec Rev<br>#1020 | Transportation<br>Revenue<br>#1050 | Street<br>#1065 | Transport Ben<br>District<br>#1070 |
| REVENUES   |                             |                                    |                 |                                    |
| Taxes  | \$ -                        | \$ -                               | \$ 907          | \$ 8,602                           |
| Licenses and permits                                 | -                           | 109                                | 235             | -                                  |
| Intergovernmental revenue                            | 66                          | 6,125                              | 145             | -                                  |
| Charges for goods and services                       | -                           | 13                                 | 646             | -                                  |
| Fines and penalties                                  | 5                           | -                                  | 1               | -                                  |
| Interest and other earnings                          | -                           | 2                                  | -               | 3                                  |
| Miscellaneous revenues                               | -                           | -                                  | 45              | -                                  |
| TOTAL REVENUES                                       | <u>71</u>                   | <u>6,249</u>                       | <u>1,979</u>    | <u>8,605</u>                       |
| EXPENDITURES   |                             |                                    |                 |                                    |
| Current:   |                             |                                    |                 |                                    |
| General government                                   | 76                          | -                                  | -               | -                                  |
| Public safety  | -                           | -                                  | -               | -                                  |
| Transportation                                       | -                           | -                                  | 20,668          | -                                  |
| Economic environment                                 | -                           | -                                  | -               | -                                  |
| Mental and physical health                           | -                           | -                                  | -               | -                                  |
| Culture and recreation                               | -                           | -                                  | -               | -                                  |
| Debt service:  |                             |                                    |                 |                                    |
| Principal payments                                   | -                           | -                                  | -               | -                                  |
| Interest and other related costs                     | -                           | -                                  | -               | -                                  |
| Capital outlay                                       | -                           | -                                  | 7               | -                                  |
| TOTAL EXPENDITURES                                   | <u>76</u>                   | <u>-</u>                           | <u>20,675</u>   | <u>-</u>                           |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(5)</u>                  | <u>6,249</u>                       | <u>(18,696)</u> | <u>8,605</u>                       |
| OTHER FINANCING SOURCES (USES)                       |                             |                                    |                 |                                    |
| Issuance of long-term debt                           | -                           | -                                  | -               | -                                  |
| Proceeds from sale of capital assets                 | -                           | -                                  | 24              | -                                  |
| Insurance recoveries                                 | -                           | -                                  | 1               | -                                  |
| Transfer in  | -                           | 1,624                              | 21,662          | -                                  |
| Transfer out   | -                           | (4,484)                            | (634)           | (7,842)                            |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>                    | <u>(2,860)</u>                     | <u>21,053</u>   | <u>(7,842)</u>                     |
| NET CHANGE IN FUND BALANCE                           | (5)                         | 3,389                              | 2,357           | 763                                |
| FUND BALANCE - January 1                             | 122                         | -                                  | 2,187           | 2,383                              |
| Prior period adjustment                              | -                           | -                                  | -               | -                                  |
| FUND BALANCE - January 1, Restated                   | <u>122</u>                  | <u>-</u>                           | <u>2,187</u>    | <u>2,383</u>                       |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ 117</u>               | <u>\$ 3,389</u>                    | <u>\$ 4,544</u> | <u>\$ 3,146</u>                    |

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | SPECIAL REVENUE FUNDS             |                                |                           |
|--|-----------------------------------|--------------------------------|---------------------------|
|  | 2% Gross<br>Earnings Tax<br>#1080 | Streets<br>Initiative<br>#1085 | Fire<br>Spec Rev<br>#1090 |
| REVENUES   |                                   |                                |                           |
| Taxes  | \$ -                              | \$ 6,081                       | \$ -                      |
| Licenses and permits                                 | -                                 | -                              | -                         |
| Intergovernmental revenue                            | -                                 | 94                             | 1,496                     |
| Charges for goods and services                       | -                                 | 57                             | -                         |
| Fines and penalties                                  | -                                 | -                              | -                         |
| Interest and other earnings                          | 1                                 | 39                             | 12                        |
| Miscellaneous revenues                               | -                                 | 4                              | 7                         |
| TOTAL REVENUES                                       | <u>1</u>                          | <u>6,275</u>                   | <u>1,515</u>              |
| EXPENDITURES   |                                   |                                |                           |
| Current:   |                                   |                                |                           |
| General government                                   | -                                 | -                              | -                         |
| Public safety  | -                                 | -                              | 1,290                     |
| Utilities and environment                            | -                                 | -                              | -                         |
| Transportation                                       | -                                 | 10,116                         | -                         |
| Economic environment                                 | -                                 | -                              | -                         |
| Mental and physical health                           | -                                 | -                              | -                         |
| Culture and recreation                               | -                                 | -                              | -                         |
| Debt service:  |                                   |                                |                           |
| Principal payments                                   | -                                 | -                              | -                         |
| Interest and other related costs                     | -                                 | -                              | 7                         |
| Capital outlay                                       | -                                 | -                              | 73                        |
| TOTAL EXPENDITURES                                   | <u>-</u>                          | <u>10,116</u>                  | <u>1,370</u>              |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>1</u>                          | <u>(3,841)</u>                 | <u>145</u>                |
| OTHER FINANCING SOURCES (USES)                       |                                   |                                |                           |
| Issuance of long-term debt                           | -                                 | -                              | -                         |
| Proceeds from sale of capital assets                 | -                                 | -                              | 6                         |
| Insurance recoveries                                 | -                                 | -                              | -                         |
| Transfer in  | -                                 | 14,573                         | -                         |
| Transfer out   | (812)                             | (2,781)                        | (700)                     |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(812)</u>                      | <u>11,792</u>                  | <u>(694)</u>              |
| NET CHANGE IN FUND BALANCE                           | (811)                             | 7,951                          | (549)                     |
| FUND BALANCE - January 1                             | 811                               | 5,197                          | 1,373                     |
| Prior period adjustment                              | -                                 | (444)                          | -                         |
| FUND BALANCE - January 1, Restated                   | <u>811</u>                        | <u>4,753</u>                   | <u>1,373</u>              |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>                       | <u>\$ 12,704</u>               | <u>\$ 824</u>             |

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | SPECIAL REVENUE FUNDS                 |                           |                            |  |
|--|---------------------------------------|---------------------------|----------------------------|--|
|  | Prop Mgmt<br>Street Vacation<br>#1100 | LID<br>Guarantee<br>#1110 | Paths<br>& Trails<br>#1140 | Building & Land<br>Use Services<br>#1145 |
| REVENUES   |                                       |                           |                            |  |
| Taxes  | \$ -                                  | \$ -                      | \$ -                       | \$ -                                     |
| Licenses and permits                                 | 408                                   | -                         | -                          | -  |
| Intergovernmental revenue                            | -                                     | -                         | 1,603                      | -  |
| Charges for goods and services                       | -                                     | -                         | -                          | 388                                      |
| Fines and penalties                                  | -                                     | -                         | -                          | 311                                      |
| Interest and other earnings                          | 23                                    | 57                        | -                          | 34                                       |
| Miscellaneous revenues                               | 105                                   | -                         | -                          | -  |
| TOTAL REVENUES                                       | <u>536</u>                            | <u>57</u>                 | <u>1,603</u>               | <u>733</u>                               |
| EXPENDITURES   |                                       |                           |                            |  |
| Current:   |                                       |                           |                            |  |
| General government                                   | 187                                   | 29                        | -                          | -  |
| Public safety  | -                                     | -                         | -                          | -  |
| Utilities and environment                            | -                                     | -                         | -                          | -  |
| Transportation                                       | -                                     | -                         | 4                          | -  |
| Economic environment                                 | -                                     | -                         | -                          | 610                                      |
| Mental and physical health                           | -                                     | -                         | -                          | -  |
| Culture and recreation                               | -                                     | -                         | -                          | -  |
| Debt service:  | -                                     | -                         | -                          | -  |
| Principal payments                                   | -                                     | -                         | -                          | -  |
| Interest and other related costs                     | -                                     | -                         | 1                          | -  |
| Capital outlay                                       | -                                     | -                         | 2,983                      | -  |
| TOTAL EXPENDITURES                                   | <u>187</u>                            | <u>29</u>                 | <u>2,988</u>               | <u>610</u>                               |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>349</u>                            | <u>28</u>                 | <u>(1,385)</u>             | <u>123</u>                               |
| OTHER FINANCING SOURCES (USES)                       |                                       |                           |                            |  |
| Issuance of long-term debt                           | -                                     | -                         | -                          | -  |
| Proceeds from sale of capital assets                 | 620                                   | -                         | -                          | -  |
| Insurance recoveries                                 | -                                     | -                         | -                          | -  |
| Transfer in  | -                                     | -                         | 1,272                      | -  |
| Transfer out   | (1)                                   | -                         | -                          | -  |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>619</u>                            | <u>-</u>                  | <u>1,272</u>               | <u>-</u>                                 |
| NET CHANGE IN FUND BALANCE                           | 968                                   | 28                        | (113)                      | 123                                      |
| FUND BALANCE - January 1                             | 2,291                                 | 4,280                     | 514                        | 2,494                                    |
| Prior period adjustment                              | 4                                     | -                         | (36)                       | -  |
| FUND BALANCE - January 1, Restated                   | <u>2,295</u>                          | <u>4,280</u>              | <u>478</u>                 | <u>2,494</u>                             |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ 3,263</u>                       | <u>\$ 4,308</u>           | <u>\$ 365</u>              | <u>\$ 2,617</u>                          |



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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | SPECIAL REVENUE FUNDS |                  |                                      |                                  |
|--|-----------------------|------------------|--------------------------------------|----------------------------------|
|  | Fire<br>EMS<br>#1155  | Tourism<br>#1180 | Neighborhood<br>& Comm Svcs<br>#1185 | Community &<br>Econ Dev<br>#1195 |
| REVENUES   |                       |                  |                                      |                                  |
| Taxes  | \$ 10,347             | \$ 4,573         | \$ 5,675                             | \$ -                             |
| Licenses and permits                                 | -                     | -                | -                                    | -                                |
| Intergovernmental revenue                            | -                     | -                | 670                                  | 3,415                            |
| Charges for goods and services                       | 3,157                 | -                | 82                                   | 1,175                            |
| Fines and penalties                                  | -                     | -                | -                                    | -                                |
| Interest and other earnings                          | 17                    | 20               | 66                                   | 44                               |
| Miscellaneous revenues                               | 13                    | -                | 40                                   | -                                |
| TOTAL REVENUES                                       | <u>13,534</u>         | <u>4,593</u>     | <u>6,533</u>                         | <u>4,634</u>                     |
| EXPENDITURES   |                       |                  |                                      |                                  |
| Current:   |                       |                  |                                      |                                  |
| General government                                   | -                     | -                | -                                    | 40                               |
| Public safety  | 14,220                | -                | 434                                  | 1,038                            |
| Utilities and environment                            | -                     | -                | -                                    | -                                |
| Transportation                                       | -                     | -                | -                                    | 23                               |
| Economic environment                                 | -                     | -                | 1,143                                | 4,819                            |
| Mental and physical health                           | -                     | -                | 4,680                                | 21                               |
| Culture and recreation                               | -                     | -                | -                                    | 196                              |
| Debt service:  | -                     | -                | -                                    | -                                |
| Principal payments                                   | -                     | -                | -                                    | -                                |
| Interest and other related costs                     | -                     | -                | -                                    | -                                |
| Capital outlay                                       | -                     | -                | 850                                  | 948                              |
| TOTAL EXPENDITURES                                   | <u>14,220</u>         | <u>-</u>         | <u>7,107</u>                         | <u>7,085</u>                     |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(686)</u>          | <u>4,593</u>     | <u>(574)</u>                         | <u>(2,451)</u>                   |
| OTHER FINANCING SOURCES (USES)                       |                       |                  |                                      |                                  |
| Issuance of long-term debt                           | -                     | -                | -                                    | -                                |
| Proceeds from sale of capital assets                 | 3                     | -                | -                                    | 746                              |
| Insurance recoveries                                 | -                     | -                | -                                    | -                                |
| Transfer in  | 150                   | -                | 838                                  | 103                              |
| Transfer out   | (157)                 | (3,524)          | (165)                                | -                                |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(4)</u>            | <u>(3,524)</u>   | <u>673</u>                           | <u>849</u>                       |
| NET CHANGE IN FUND BALANCE                           | (690)                 | 1,069            | 99                                   | (1,602)                          |
| FUND BALANCE - January 1                             | 3,447                 | 3,554            | 8,902                                | 11,012                           |
| Prior period adjustment                              | -                     | -                | -                                    | (2)                              |
| FUND BALANCE - January 1, Restated                   | <u>3,447</u>          | <u>3,554</u>     | <u>8,902</u>                         | <u>11,010</u>                    |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ 2,757</u>       | <u>\$ 4,623</u>  | <u>\$ 9,001</u>                      | <u>\$ 9,408</u>                  |

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | SPECIAL REVENUE FUNDS |  |                             |                             |
|--|-----------------------|--|-----------------------------|-----------------------------|
|  | Library<br>#1200      | Historically<br>Underutilized Bus<br>#1236 | Police<br>Spec Rev<br>#1267 | Municipal<br>Cable<br>#1431 |
| REVENUES   |                       |  |                             |                             |
| Taxes  | \$ -                  | \$ -                                       | \$ -                        | \$ -                        |
| Licenses and permits                                 | -                     | -  | -                           | 3,258                       |
| Intergovernmental revenue                            | -                     | -  | 1,143                       | -                           |
| Charges for goods and services                       | 126                   | 403  | 376                         | 235                         |
| Fines and penalties                                  | -                     | -  | 325                         | -                           |
| Interest and other earnings                          | 50                    | -  | 13                          | 33                          |
| Miscellaneous revenues                               | 35                    | -  | 50                          | 15                          |
| TOTAL REVENUES                                       | <u>211</u>            | <u>403</u>                                 | <u>1,907</u>                | <u>3,541</u>                |
| EXPENDITURES   |                       |  |                             |                             |
| Current:   |                       |  |                             |                             |
| General government                                   | -                     | 418  | -                           | 3,002                       |
| Public safety  | -                     | -  | 1,705                       | -                           |
| Utilities and environment                            | -                     | -  | -                           | -                           |
| Transportation                                       | -                     | -  | -                           | -                           |
| Economic environment                                 | -                     | -  | -                           | -                           |
| Mental and physical health                           | -                     | -  | -                           | -                           |
| Culture and recreation                               | 183                   | -  | -                           | -                           |
| Debt service:  | -                     | -  | -                           | -                           |
| Principal payments                                   | -                     | -  | -                           | -                           |
| Interest and other related costs                     | -                     | -  | -                           | -                           |
| Capital outlay                                       | 18                    | -  | -                           | 695                         |
| TOTAL EXPENDITURES                                   | <u>201</u>            | <u>418</u>                                 | <u>1,705</u>                | <u>3,697</u>                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>10</u>             | <u>(15)</u>                                | <u>202</u>                  | <u>(156)</u>                |
| OTHER FINANCING SOURCES (USES)                       |                       |  |                             |                             |
| Issuance of long-term debt                           | -                     | -  | -                           | -                           |
| Proceeds from sale of capital assets                 | -                     | -  | 4                           | -                           |
| Insurance recoveries                                 | -                     | -  | -                           | -                           |
| Transfer in  | -                     | -  | 23                          | -                           |
| Transfer out   | -                     | -  | -                           | (4)                         |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>              | <u>-</u>                                   | <u>27</u>                   | <u>(4)</u>                  |
| NET CHANGE IN FUND BALANCE                           | 10                    | (15)                                       | 229                         | (160)                       |
| FUND BALANCE - January 1                             | 6,328                 | 127  | 1,910                       | 3,999                       |
| Prior period adjustment                              | -                     | -  | (42)                        | 628                         |
| FUND BALANCE - January 1, Restated                   | <u>6,328</u>          | <u>127</u>                                 | <u>1,868</u>                | <u>4,627</u>                |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ 6,338</u>       | <u>\$ 112</u>                              | <u>\$ 2,097</u>             | <u>\$ 4,467</u>             |

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | SPECIAL REVENUE FUNDS |  | DEBT SERVICE FUNDS      |                             |
|--|-----------------------|--|-------------------------|-----------------------------|
|  | LEAP<br>#1500         | Traffic Enforce<br>Engineer/Education<br>#1650 | Voted<br>Bonds<br>#2010 | Non-Voted<br>Bonds<br>#2035 |
| REVENUES   |                       |  |                         |                             |
| Taxes  | \$ -                  | \$ -   | \$ 2,701                | \$ -                        |
| Licenses and permits                                 | -                     | -  | -                       | -                           |
| Intergovernmental revenue                            | 102                   | -  | -                       | -                           |
| Charges for goods and services                       | 178                   | -  | -                       | -                           |
| Fines and penalties                                  | -                     | 3,414  | -                       | -                           |
| Interest and other earnings                          | 3                     | 3  | -                       | -                           |
| Miscellaneous revenues                               | -                     | -  | -                       | -                           |
| TOTAL REVENUES                                       | <u>283</u>            | <u>3,417</u>                                   | <u>2,701</u>            | <u>-</u>                    |
| EXPENDITURES   |                       |  |                         |                             |
| Current:   |                       |  |                         |                             |
| General government                                   | -                     | -  | -                       | -                           |
| Public safety  | -                     | 3,387  | -                       | -                           |
| Utilities and environment                            | -                     | -  | -                       | -                           |
| Transportation                                       | -                     | -  | -                       | -                           |
| Economic environment                                 | 298                   | -  | -                       | -                           |
| Mental and physical health                           | -                     | -  | -                       | -                           |
| Culture and recreation                               | -                     | -  | -                       | -                           |
| Debt service:  | -                     | -  | -                       | -                           |
| Principal payments                                   | -                     | -  | 2,105                   | 2,725                       |
| Interest and other related costs                     | -                     | -  | 603                     | 602                         |
| Capital outlay                                       | -                     | -  | -                       | -                           |
| TOTAL EXPENDITURES                                   | <u>298</u>            | <u>3,387</u>                                   | <u>2,708</u>            | <u>3,327</u>                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(15)</u>           | <u>30</u>                                      | <u>(7)</u>              | <u>(3,327)</u>              |
| OTHER FINANCING SOURCES (USES)                       |                       |  |                         |                             |
| Issuance of long-term debt                           | -                     | -  | -                       | 267                         |
| Proceeds from sale of capital assets                 | -                     | -  | -                       | -                           |
| Insurance recoveries                                 | -                     | -  | -                       | -                           |
| Transfer in  | -                     | -  | -                       | 3,060                       |
| Transfer out   | -                     | -  | -                       | -                           |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>              | <u>-</u>                                       | <u>-</u>                | <u>3,327</u>                |
| NET CHANGE IN FUND BALANCE                           | (15)                  | 30   | (7)                     | -                           |
| FUND BALANCE - January 1                             | 267                   | 192  | 1,203                   | 288                         |
| Prior period adjustment                              | -                     | (40)   | -                       | -                           |
| FUND BALANCE - January 1, Restated                   | <u>267</u>            | <u>152</u>                                     | <u>1,203</u>            | <u>288</u>                  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ 252</u>         | <u>\$ 182</u>                                  | <u>\$ 1,196</u>         | <u>\$ 288</u>               |

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | DEBT SERVICE FUNDS             |                                 |                            |                            |
|--|--------------------------------|---------------------------------|----------------------------|----------------------------|
|  | PW Trust<br>Fund Loan<br>#2038 | 2001<br>LTGO Refunding<br>#2039 | 2009<br>LTGO Bond<br>#2040 | 2010<br>LTGO Bond<br>#2041 |
| REVENUES   |                                |                                 |                            |                            |
| Taxes  | \$ -                           | \$ -                            | \$ -                       | \$ -                       |
| Licenses and permits                                 | -                              | -                               | -                          | -                          |
| Intergovernmental revenue                            | -                              | -                               | -                          | -                          |
| Charges for goods and services                       | -                              | -                               | -                          | -                          |
| Fines and penalties                                  | -                              | -                               | -                          | -                          |
| Interest and other earnings                          | -                              | -                               | -                          | -                          |
| Miscellaneous revenues                               | -                              | -                               | -                          | -                          |
| TOTAL REVENUES                                       | -                              | -                               | -                          | -                          |
| EXPENDITURES   |                                |                                 |                            |                            |
| Current:   |                                |                                 |                            |                            |
| General government                                   | -                              | -                               | -                          | -                          |
| Public safety  | -                              | -                               | -                          | -                          |
| Utilities and environment                            | -                              | -                               | -                          | -                          |
| Transportation                                       | -                              | -                               | -                          | -                          |
| Economic environment                                 | -                              | -                               | -                          | -                          |
| Mental and physical health                           | -                              | -                               | -                          | -                          |
| Culture and recreation                               | -                              | -                               | -                          | -                          |
| Debt service:  | -                              | -                               | -                          | -                          |
| Principal payments                                   | 1,111                          | -                               | 250                        | 3,338                      |
| Interest and other related costs                     | 34                             | -                               | 3,232                      | 2,361                      |
| Capital outlay                                       | -                              | -                               | -                          | -                          |
| TOTAL EXPENDITURES                                   | 1,145                          | -                               | 3,482                      | 5,699                      |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (1,145)                        | -                               | (3,482)                    | (5,699)                    |
| OTHER FINANCING SOURCES (USES)                       |                                |                                 |                            |                            |
| Issuance of long-term debt                           | -                              | -                               | 1,950                      | -                          |
| Proceeds from sale of capital assets                 | -                              | -                               | -                          | -                          |
| Insurance recoveries                                 | -                              | -                               | -                          | -                          |
| Transfer in  | 1,145                          | -                               | 1,532                      | 5,699                      |
| Transfer out   | -                              | -                               | -                          | -                          |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 1,145                          | -                               | 3,482                      | 5,699                      |
| NET CHANGE IN FUND BALANCE                           | -                              | -                               | -                          | -                          |
| FUND BALANCE - January 1                             | -                              | -                               | 7                          | 23                         |
| Prior period adjustment                              | -                              | -                               | -                          | -                          |
| FUND BALANCE - January 1, Restated                   | -                              | -                               | 7                          | 23                         |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -                           | \$ -                            | \$ 7                       | \$ 23                      |

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | DEBT SERVICE FUNDS |           |                  |
|--|--------------------|-----------|------------------|
|  | 2013               | 2017      | Consolidated LID |
|  | LTGO Bond          | LTGO Bond | Bond Redemption  |
|  | #2042              | #2043     | # (2)7999        |
| REVENUES   |                    |           |                  |
| Taxes  | \$ -               | \$ -      | \$ -             |
| Licenses and permits                                 | -                  | -         | -                |
| Intergovernmental revenue                            | -                  | -         | -                |
| Charges for goods and services                       | -                  | -         | -                |
| Fines and penalties                                  | -                  | -         | 1,525            |
| Interest and other earnings                          | -                  | -         | 28               |
| Miscellaneous revenues                               | -                  | -         | 3,471            |
| TOTAL REVENUES                                       | -                  | -         | 5,024            |
| EXPENDITURES   |                    |           |                  |
| Current:   |                    |           |                  |
| General government                                   | -                  | -         | 1                |
| Public safety  | -                  | -         | -                |
| Utilities and environment                            | -                  | -         | -                |
| Transportation                                       | -                  | -         | -                |
| Economic environment                                 | -                  | -         | -                |
| Mental and physical health                           | -                  | -         | -                |
| Culture and recreation                               | -                  | -         | -                |
| Debt service:  | -                  | -         | -                |
| Principal payments                                   | -                  | -         | 4,276            |
| Interest and other related costs                     | -                  | 236       | 1,646            |
| Capital outlay                                       | -                  | -         | -                |
| TOTAL EXPENDITURES                                   | -                  | 236       | 5,923            |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | -                  | (236)     | (899)            |
| OTHER FINANCING SOURCES (USES)                       |                    |           |                  |
| Issuance of long-term debt                           | -                  | 288       | -                |
| Proceeds from sale of capital assets                 | -                  | -         | -                |
| Insurance recoveries                                 | -                  | -         | -                |
| Transfer in  | -                  | -         | -                |
| Transfer out   | -                  | -         | -                |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -                  | 288       | -                |
| NET CHANGE IN FUND BALANCE                           | -                  | 52        | (899)            |
| FUND BALANCE - January 1                             | -                  | -         | 4,982            |
| Prior period adjustment                              | -                  | -         | -                |
| FUND BALANCE - January 1, Restated                   | -                  | -         | 4,982            |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -               | \$ 52     | \$ 4,083         |

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | CAPITAL PROJECT FUNDS              |                             |                              |                          |
|--|------------------------------------|-----------------------------|------------------------------|--------------------------|
|  | 1997 LTGO<br>Capital Proj<br>#3209 | Capital<br>Revenue<br>#3210 | Capital<br>Projects<br>#3211 | Police Facility<br>#3216 |
| REVENUES   |                                    |                             |                              |                          |
| Taxes  | \$ -                               | \$ 9,506                    | \$ -                         | \$ -                     |
| Licenses and permits                                 | -                                  | -                           | -                            | -                        |
| Intergovernmental revenue                            | -                                  | -                           | 250                          | -                        |
| Charges for goods and services                       | -                                  | -                           | -                            | -                        |
| Fines and penalties                                  | -                                  | -                           | -                            | -                        |
| Interest and other earnings                          | 1                                  | -                           | 119                          | -                        |
| Miscellaneous revenues                               | 91                                 | -                           | 34                           | -                        |
| TOTAL REVENUES                                       | 92                                 | 9,506                       | 403                          | -                        |
| EXPENDITURES   |                                    |                             |                              |                          |
| Current:   |                                    |                             |                              |                          |
| General government                                   | -                                  | -                           | 11                           | -                        |
| Public safety  | -                                  | -                           | 81                           | -                        |
| Transportation                                       | -                                  | 4                           | 608                          | -                        |
| Economic environment                                 | -                                  | -                           | -                            | -                        |
| Mental and physical health                           | -                                  | -                           | 11                           | -                        |
| Culture and recreation                               | -                                  | 61                          | 129                          | -                        |
| Debt service:  | -                                  | -                           | -                            | -                        |
| Principal payments                                   | -                                  | -                           | -                            | -                        |
| Interest and other related costs                     | 50                                 | -                           | -                            | 65                       |
| Capital outlay                                       | -                                  | -                           | 3,482                        | -                        |
| TOTAL EXPENDITURES                                   | 50                                 | 65                          | 4,322                        | 65                       |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 42                                 | 9,441                       | (3,919)                      | (65)                     |
| OTHER FINANCING SOURCES (USES)                       |                                    |                             |                              |                          |
| Issuance of long-term debt                           | -                                  | 25,007                      | -                            | -                        |
| Proceeds from sale of capital assets                 | -                                  | -                           | -                            | 3,449                    |
| Insurance recoveries                                 | -                                  | -                           | -                            | -                        |
| Transfer in  | -                                  | 25,210                      | 6,783                        | 816                      |
| Transfer out   | -                                  | (11,134)                    | (13,786)                     | -                        |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -                                  | 39,083                      | (7,003)                      | 4,265                    |
| NET CHANGE IN FUND BALANCE                           | 42                                 | 48,524                      | (10,922)                     | 4,200                    |
| FUND BALANCE - January 1                             | (42)                               | -                           | 16,717                       | (4,200)                  |
| Prior period adjustment                              | -                                  | -                           | -                            | -                        |
| FUND BALANCE - January 1, Restated                   | (42)                               | -                           | 16,717                       | (4,200)                  |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -                               | \$ 48,524                   | \$ 5,795                     | \$ -                     |

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

## GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | CAPITAL PROJECT FUNDS              |                                    |   |                                    |
|--|------------------------------------|------------------------------------|---|------------------------------------|
|  | 2009 LTGO<br>Capital Proj<br>#3218 | 2010 LTGO<br>Capital Proj<br>#3220 | LID Interim<br>Capital Proj<br>#(3)7070 | Non-Major<br>Governmental<br>Funds |
| REVENUES   |                                    |                                    |   |                                    |
| Taxes  | \$ -                               | \$ -                               | \$ -                                    | \$ 48,392                          |
| Licenses and permits                                 | -                                  | -                                  | -                                       | 4,010                              |
| Intergovernmental revenue                            | 31                                 | -                                  | -                                       | 15,140                             |
| Charges for goods and services                       | -                                  | -                                  | -                                       | 6,836                              |
| Fines and penalties                                  | -                                  | -                                  | -                                       | 5,581                              |
| Interest and other earnings                          | 11                                 | 24                                 | -                                       | 603                                |
| Miscellaneous revenues                               | -                                  | -                                  | -                                       | 3,910                              |
| TOTAL REVENUES                                       | <u>42</u>                          | <u>24</u>                          | <u>-</u>                                | <u>84,472</u>                      |
| EXPENDITURES   |                                    |                                    |   |                                    |
| Current:   |                                    |                                    |   |                                    |
| General government                                   | -                                  | -                                  | -                                       | 3,764                              |
| Public safety  | -                                  | -                                  | -                                       | 22,155                             |
| Transportation                                       | -                                  | -                                  | -                                       | 31,423                             |
| Economic environment                                 | -                                  | -                                  | -                                       | 6,870                              |
| Mental and physical health                           | -                                  | -                                  | -                                       | 4,712                              |
| Culture and recreation                               | -                                  | 29                                 | -                                       | 598                                |
| Debt service:  |                                    |                                    |   |                                    |
| Principal payments                                   | -                                  | -                                  | -                                       | 13,805                             |
| Interest and other related costs                     | -                                  | -                                  | -                                       | 8,837                              |
| Capital outlay                                       | 36                                 | 173                                | -                                       | 9,265                              |
| TOTAL EXPENDITURES                                   | <u>36</u>                          | <u>202</u>                         | <u>-</u>                                | <u>101,429</u>                     |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>6</u>                           | <u>(178)</u>                       | <u>-</u>                                | <u>(16,957)</u>                    |
| OTHER FINANCING SOURCES (USES)                       |                                    |                                    |   |                                    |
| Issuance of long-term debt                           | -                                  | -                                  | -                                       | 27,512                             |
| Proceeds from sale of capital assets                 | -                                  | -                                  | -                                       | 4,852                              |
| Insurance recoveries                                 | -                                  | -                                  | -                                       | 1                                  |
| Transfer in  | -                                  | -                                  | -                                       | 84,490                             |
| Transfer out   | (850)                              | (805)                              | -                                       | (47,679)                           |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(850)</u>                       | <u>(805)</u>                       | <u>-</u>                                | <u>69,176</u>                      |
| NET CHANGE IN FUND BALANCE                           | (844)                              | (983)                              | -                                       | 52,219                             |
| FUND BALANCE - January 1                             | 928                                | 2,588                              | 1,247                                   | 85,131                             |
| Prior period adjustment                              | -                                  | 191                                | 596                                     | 855                                |
| FUND BALANCE - January 1, Restated                   | <u>928</u>                         | <u>2,779</u>                       | <u>1,843</u>                            | <u>85,986</u>                      |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ 84</u>                       | <u>\$ 1,796</u>                    | <u>\$ 1,843</u>                         | <u>\$ 138,205</u>                  |

## SPECIAL REVENUE FUND - COURTS (1020)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ 143   | \$ 143  | \$ 66  | \$ (77)   |
| Fines and penalties                                  | 8  | 8   | 5  | (3)   |
| Miscellaneous revenues                               | -  | -   | -  | -   |
| TOTAL REVENUES                                       | <u>151</u>   | <u>151</u>  | <u>71</u>                                      | <u>(80)</u>   |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 160  | 160   | 76   | (84)  |
| TOTAL EXPENDITURES                                   | <u>160</u>   | <u>160</u>  | <u>76</u>                                      | <u>(84)</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(9)</u>   | <u>(9)</u>  | <u>(5)</u>                                     | <u>4</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>   | <u>-</u>  | <u>-</u>                                       | <u>-</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(9)</u>   | <u>(9)</u>  | <u>(5)</u>                                     | <u>4</u>  |
| FUND BALANCE - January 1                             | 9  | 9   | 122  | 113   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 117</u>                                  | <u>\$ 117</u>   |



## SPECIAL REVENUE FUND - CONTINGENCY (1030)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Interest and other earnings                          | \$ -   | \$ -  | \$ 6   | \$ 6  |
| Miscellaneous revenues                               | -  | -   | 2  | 2   |
| TOTAL REVENUES                                       | -  | -   | 8  | 8   |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 500  | 850   | 143  | (707)   |
| TOTAL EXPENDITURES                                   | 500  | 850   | 143  | (707)   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (500)  | (850)   | (135)  | 715   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer in  | 500  | 500   | 250  | (250)   |
| Transfer out   | -  | -   | -  | -   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 500  | 500   | 250  | (250)   |
| NET CHANGE IN FUND BALANCE                           | -  | (350)   | 115  | 465   |
| FUND BALANCE - January 1                             | -  | 350   | 584  | 234   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ 699   | \$ 699  |

## SPECIAL REVENUE FUND - TRANSPORTATION REV (1050)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Licenses and permits                                 | \$ 300   | \$ 300  | \$ 109   | \$ (191)  |
| Intergovernmental revenue                            | 9,240  | 9,240   | 6,125  | (3,115)   |
| Charges for goods and services                       | -  | 764   | 13   | (751)   |
| Interest and other earnings                          | -  | -   | 2  | 2   |
| TOTAL REVENUES                                       | <u>9,540</u>   | <u>10,304</u>                                       | <u>6,249</u>                                   | <u>(4,055)</u>  |
| EXPENDITURES   |  |   |  |   |
| Capital outlay                                       | <u>1,182</u>   | <u>1,184</u>  | -  | (1,184)   |
| TOTAL EXPENDITURES                                   | <u>1,182</u>   | <u>1,184</u>  | -  | (1,184)   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>8,358</u>   | <u>9,120</u>  | <u>6,249</u>                                   | <u>(2,871)</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer in  | -  | 1,627   | 1,624  | (3)   |
| Transfer out   | (8,358)  | (10,747)  | (4,484)  | 6,263   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(8,358)</u>                                       | <u>(9,120)</u>                                      | <u>(2,860)</u>                                 | <u>6,260</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>-</u>  | <u>3,389</u>                                   | <u>3,389</u>  |
| FUND BALANCE - January 1                             | -  | -   | -  | -   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 3,389</u>                                | <u>\$ 3,389</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 1,449   | \$ 1,594  | \$ 907   | \$ (687)  |
| Licenses and permits                                 | -  | 396   | 235  | (161)   |
| Intergovernmental revenue                            | -  | -   | 145  | 145   |
| Charges for goods and services                       | 750  | 929   | 646  | (283)   |
| Fines and penalties                                  | -  | -   | 1  | 1   |
| Miscellaneous revenues                               | -  | 40  | 45   | 5   |
| TOTAL REVENUES                                       | <u>2,199</u>   | <u>2,959</u>  | <u>1,979</u>                                   | <u>(980)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Transportation                                       | 43,043   | 45,104  | 20,668   | (24,436)  |
| Economic environment                                 | -  | 18  | -  | (18)  |
| Capital outlay                                       | -  | -   | 7  | 7   |
| TOTAL EXPENDITURES                                   | <u>43,043</u>  | <u>45,122</u>                                       | <u>20,675</u>                                  | <u>(24,447)</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(40,844)</u>                                      | <u>(42,163)</u>                                     | <u>(18,696)</u>                                | <u>23,467</u>   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | -  | 8   | 24   | 16  |
| Insurance recoveries                                 | -  | -   | 1  | 1   |
| Transfer in  | 41,439   | 43,403  | 21,662   | (21,741)  |
| Transfer out   | (595)  | (1,535)   | (634)  | 901   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>40,844</u>  | <u>41,876</u>                                       | <u>21,053</u>                                  | <u>(20,823)</u>   |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>(287)</u>  | <u>2,357</u>                                   | <u>2,644</u>  |
| FUND BALANCE - January 1                             | -  | 287   | 2,187  | 1,900   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 4,544</u>                                | <u>\$ 4,544</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 15,846  | \$ 15,846   | \$ 8,602                                       | \$ (7,244)  |
| Interest and other earnings                          | -  | -   | 3  | 3   |
| TOTAL REVENUES                                       | <u>15,846</u>  | <u>15,846</u>                                       | <u>8,605</u>                                   | <u>(7,241)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| TOTAL EXPENDITURES                                   | <u>-</u>   | <u>-</u>  | <u>-</u>                                       | <u>-</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>15,846</u>  | <u>15,846</u>                                       | <u>8,605</u>                                   | <u>(7,241)</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer out   | (15,846)   | (15,846)  | (7,842)  | 8,004   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(15,846)</u>                                      | <u>(15,846)</u>                                     | <u>(7,842)</u>                                 | <u>8,004</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>-</u>  | <u>763</u>                                     | <u>763</u>  |
| FUND BALANCE - January 1                             | -  | -   | 2,383  | 2,383   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 3,146</u>                                | <u>\$ 3,146</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Interest and other earnings                          | \$ -   | \$ -  | \$ 1   | \$ 1  |
| TOTAL REVENUES                                       | -  | -   | 1  | 1   |
| EXPENDITURES   |  |   |  |   |
| TOTAL EXPENDITURES                                   | -  | -   | -  | -   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | -  | -   | 1  | 1   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer out   | -  | (300)   | (812)  | (512)   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -  | (300)   | (812)  | (512)   |
| NET CHANGE IN FUND BALANCE                           | -  | (300)   | (811)  | (511)   |
| FUND BALANCE - January 1                             | -  | 300   | 811  | 511   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ -   | \$ -  |

## SPECIAL REVENUE FUND - STREET INITIATIVE (1085)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 11,432  | \$ 11,432   | \$ 6,081                                       | \$ (5,351)  |
| Intergovernmental revenue                            | -  | -   | 94   | 94  |
| Charges for goods and services                       | -  | -   | 57   | 57  |
| Interest and other earnings                          | -  | -   | 39   | 39  |
| Miscellaneous revenues                               | -  | -   | 4  | 4   |
| TOTAL REVENUES                                       | <u>11,432</u>  | <u>11,432</u>                                       | <u>6,275</u>                                   | <u>(5,157)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Transportation                                       | <u>35,608</u>  | <u>35,879</u>                                       | <u>10,116</u>                                  | <u>(25,763)</u>   |
| TOTAL EXPENDITURES                                   | <u>35,608</u>  | <u>35,879</u>                                       | <u>10,116</u>                                  | <u>(25,763)</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(24,176)</u>                                      | <u>(24,447)</u>                                     | <u>(3,841)</u>                                 | <u>20,606</u>   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | -  | -   | -  | -   |
| Transfer in  | 28,516   | 28,787  | 14,573   | (14,214)  |
| Transfer out   | <u>(4,340)</u>                                       | <u>(4,340)</u>                                      | <u>(2,781)</u>                                 | <u>1,559</u>  |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>24,176</u>  | <u>24,447</u>                                       | <u>11,792</u>                                  | <u>(12,655)</u>   |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>-</u>  | <u>7,951</u>                                   | <u>7,951</u>  |
| FUND BALANCE - January 1                             | -  | -   | 5,197  | 5,197   |
| Prior period adjustment                              | <u>-</u>   | <u>-</u>  | <u>(444)</u>                                   | <u>(444)</u>  |
| FUND BALANCE - January 1, Restated                   | <u>-</u>   | <u>-</u>  | <u>4,753</u>                                   | <u>4,753</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 12,704</u>                               | <u>\$ 12,704</u>  |

## SPECIAL REVENUE FUND - FIRE DEPARTMENT (1090)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ 910   | \$ 2,627  | \$ 1,496                                       | \$ (1,131)  |
| Interest and other earnings                          | 29   | 29  | 12   | (17)  |
| Miscellaneous revenues                               | -  | -   | 7  | 7   |
| TOTAL REVENUES                                       | <u>939</u>   | <u>2,656</u>  | <u>1,515</u>                                   | <u>(1,141)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Public safety  | 855  | 3,007   | 1,290  | (1,717)   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | 267  | 266   | -  | (266)   |
| Interest and other related costs                     | 30   | 30  | 7  | (23)  |
| Capital outlay                                       | -  | -   | 73   | 73  |
| TOTAL EXPENDITURES                                   | <u>1,152</u>   | <u>3,303</u>  | <u>1,370</u>                                   | <u>(1,933)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(213)</u>   | <u>(647)</u>  | <u>145</u>                                     | <u>792</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | -  | -   | 6  | 6   |
| Transfer out   | (700)  | (850)   | (700)  | 150   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(700)</u>   | <u>(850)</u>  | <u>(694)</u>                                   | <u>156</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(913)</u>   | <u>(1,497)</u>                                      | <u>(549)</u>                                   | <u>948</u>  |
| FUND BALANCE - January 1                             | 913  | 1,497   | 1,373  | (124)   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 824</u>                                  | <u>\$ 824</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Licenses and permits                                 | \$ 610   | \$ 610  | \$ 408   | \$ (202)  |
| Interest and other earnings                          | 58   | 58  | 23   | (35)  |
| Miscellaneous revenues                               | 218  | 218   | 105  | (113)   |
| TOTAL REVENUES                                       | <u>886</u>   | <u>886</u>  | <u>536</u>                                     | <u>(350)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 1,428  | 1,479   | 187  | (1,292)   |
| TOTAL EXPENDITURES                                   | <u>1,428</u>   | <u>1,479</u>  | <u>187</u>                                     | <u>(1,292)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(542)</u>   | <u>(593)</u>  | <u>349</u>                                     | <u>942</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | 500  | 500   | 620  | 120   |
| Transfer out   | -  | (362)   | (1)  | 361   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>500</u>   | <u>138</u>  | <u>619</u>                                     | <u>481</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(42)</u>  | <u>(455)</u>  | <u>968</u>                                     | <u>1,423</u>  |
| FUND BALANCE - January 1                             | 42   | 455   | 2,291  | 1,836   |
| Prior period adjustment                              | -  | -   | 4  | 4   |
| FUND BALANCE - January 1, Restated                   | <u>42</u>  | <u>455</u>  | <u>2,295</u>                                   | <u>1,840</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 3,263</u>                                | <u>\$ 3,263</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Interest and other earnings                          | \$ -   | \$ -  | \$ 57  | \$ 57   |
| TOTAL REVENUES                                       | -  | -   | 57   | 57  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 58   | 58  | 29   | (29)  |
| TOTAL EXPENDITURES                                   | 58   | 58  | 29   | (29)  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (58)   | (58)  | 28   | 86  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -  | -   | -  | -   |
| NET CHANGE IN FUND BALANCE                           | (58)   | (58)  | 28   | 86  |
| FUND BALANCE - January 1                             | 58   | 58  | 4,280  | 4,222   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ 4,308                                       | \$ 4,308  |

## 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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ 2,043   | \$ 4,652  | \$ 1,603                                       | \$ (3,049)  |
| Charges for goods and services                       | -  | 373   | -  | (373)   |
| Miscellaneous revenues                               | -  | 60  | -  | (60)  |
| TOTAL REVENUES                                       | <u>2,043</u>   | <u>5,085</u>  | <u>1,603</u>                                   | <u>(3,482)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Transportation                                       | 3,747  | 7,996   | 4  | (7,992)   |
| Debt service:  |  |   |  |   |
| Interest and other related costs                     | -  | -   | 1  | 1   |
| Capital outlay                                       | -  | -   | 2,983  | 2,983   |
| TOTAL EXPENDITURES                                   | <u>3,747</u>   | <u>7,996</u>  | <u>2,988</u>                                   | <u>(5,008)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(1,704)</u>                                       | <u>(2,911)</u>                                      | <u>(1,385)</u>                                 | <u>1,526</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer in  | 1,704  | 2,911   | 1,272  | (1,639)   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>1,704</u>   | <u>2,911</u>  | <u>1,272</u>                                   | <u>(1,639)</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>-</u>  | <u>(113)</u>                                   | <u>(113)</u>  |
| FUND BALANCE - January 1                             | -  | -   | 514  | 514   |
| Prior period adjustment                              | -  | -   | (36)   | (36)  |
| FUND BALANCE - January 1, Restated                   | <u>-</u>   | <u>-</u>  | <u>478</u>                                     | <u>478</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 365</u>                                  | <u>\$ 365</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Charges for goods and services                       | \$ 407   | \$ 407  | \$ 388   | \$ (19)   |
| Fines and penalties                                  | 502  | 502   | 311  | (191)   |
| Interest and other earnings                          | -  | -   | 34   | 34  |
| TOTAL REVENUES                                       | <u>909</u>   | <u>909</u>  | <u>733</u>                                     | <u>(176)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Economic environment                                 | <u>1,487</u>   | <u>1,987</u>  | <u>610</u>                                     | <u>(1,377)</u>  |
| TOTAL EXPENDITURES                                   | <u>1,487</u>   | <u>1,987</u>  | <u>610</u>                                     | <u>(1,377)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(578)</u>   | <u>(1,078)</u>                                      | <u>123</u>                                     | <u>1,201</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>   | <u>-</u>  | <u>-</u>                                       | <u>-</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(578)</u>   | <u>(1,078)</u>                                      | <u>123</u>                                     | <u>1,201</u>  |
| FUND BALANCE - January 1                             | <u>578</u>   | <u>1,078</u>  | <u>2,494</u>                                   | <u>1,416</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 2,617</u>                                | <u>\$ 2,617</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 21,005  | \$ 21,005   | \$ 10,347                                      | \$ (10,658)   |
| Charges for goods and services                       | 5,992  | 5,992   | 3,157  | (2,835)   |
| Interest and other earnings                          | 24   | 24  | 17   | (7)   |
| Miscellaneous revenues                               | 24   | 24  | 13   | (11)  |
| TOTAL REVENUES                                       | <u>27,045</u>  | <u>27,045</u>                                       | <u>13,534</u>                                  | <u>(13,511)</u>   |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Public safety  | <u>29,564</u>  | <u>29,564</u>                                       | <u>14,220</u>                                  | <u>(15,344)</u>   |
| TOTAL EXPENDITURES                                   | <u>29,564</u>  | <u>29,564</u>                                       | <u>14,220</u>                                  | <u>(15,344)</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(2,519)</u>                                       | <u>(2,519)</u>                                      | <u>(686)</u>                                   | <u>1,833</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | -  | -   | 3  | 3   |
| Transfer in  | 300  | 300   | 150  | (150)   |
| Transfer out   | (315)  | (315)   | (157)  | 158   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(15)</u>  | <u>(15)</u>   | <u>(4)</u>                                     | <u>11</u>   |
| NET CHANGE IN FUND BALANCE                           | <u>(2,534)</u>                                       | <u>(2,534)</u>                                      | <u>(690)</u>                                   | <u>1,844</u>  |
| FUND BALANCE - January 1                             | <u>2,534</u>   | <u>2,534</u>  | <u>3,447</u>                                   | <u>913</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 2,757</u>                                | <u>\$ 2,757</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 7,026   | \$ 7,026  | \$ 4,573                                       | \$ (2,453)  |
| Interest and other earnings                          | -  | -   | 20   | 20  |
| TOTAL REVENUES                                       | <u>7,026</u>   | <u>7,026</u>  | <u>4,593</u>                                   | <u>(2,433)</u>  |
| EXPENDITURES   |  |   |  |   |
| TOTAL EXPENDITURES                                   | <u>-</u>   | <u>-</u>  | <u>-</u>                                       | <u>-</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>7,026</u>   | <u>7,026</u>  | <u>4,593</u>                                   | <u>(2,433)</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer out   | <u>(7,026)</u>                                       | <u>(7,026)</u>                                      | <u>(3,524)</u>                                 | <u>3,502</u>  |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(7,026)</u>                                       | <u>(7,026)</u>                                      | <u>(3,524)</u>                                 | <u>3,502</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>-</u>  | <u>1,069</u>                                   | <u>1,069</u>  |
| FUND BALANCE - January 1                             | <u>-</u>   | <u>-</u>  | <u>3,554</u>                                   | <u>3,554</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 4,623</u>                                | <u>\$ 4,623</u>   |

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

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 10,165  | \$ 11,211   | \$ 5,675                                       | \$ (5,536)  |
| Intergovernmental revenue                            | 1,797  | 2,114   | 670  | (1,444)   |
| Charges for goods and services                       | 3  | 3   | 82   | 79  |
| Interest and other earnings                          | -  | -   | 66   | 66  |
| Miscellaneous revenues                               | 424  | 272   | 40   | (232)   |
| TOTAL REVENUES                                       | <u>12,389</u>  | <u>13,600</u>                                       | <u>6,533</u>                                   | <u>(7,067)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Public safety  | 1,605  | 1,605   | 434  | (1,171)   |
| Economic environment                                 | 2,711  | 2,917   | 1,143  | (1,774)   |
| Mental and physical health                           | 14,036   | 16,402  | 4,680  | (11,722)  |
| Capital outlay                                       | -  | -   | 850  | 850   |
| TOTAL EXPENDITURES                                   | <u>18,352</u>  | <u>20,924</u>                                       | <u>7,107</u>                                   | <u>(13,817)</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(5,963)</u>                                       | <u>(7,324)</u>                                      | <u>(574)</u>                                   | <u>6,750</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer in  | 1,629  | 1,914   | 838  | (1,076)   |
| Transfer out   | -  | (32)  | (165)  | (133)   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>1,629</u>   | <u>1,882</u>  | <u>673</u>                                     | <u>(1,209)</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(4,334)</u>                                       | <u>(5,442)</u>                                      | <u>99</u>                                      | <u>5,541</u>  |
| FUND BALANCE - January 1                             | 4,334  | 5,442   | 8,902  | 3,460   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 9,001</u>                                | <u>\$ 9,001</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ 10,612  | \$ 14,226   | \$ 3,415                                       | \$ (10,811)   |
| Charges for goods and services                       | 1,969  | 1,969   | 1,175  | (794)   |
| Interest and other earnings                          | 200  | 200   | 44   | (156)   |
| TOTAL REVENUES                                       | <u>12,781</u>  | <u>16,395</u>                                       | <u>4,634</u>                                   | <u>(11,761)</u>   |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 444  | 444   | 40   | (404)   |
| Public safety  | 3,379  | 3,379   | 1,038  | (2,341)   |
| Transportation                                       | 323  | 323   | 23   | (300)   |
| Economic environment                                 | 11,333   | 16,562  | 4,819  | (11,743)  |
| Mental and physical health                           | 34   | 34  | 21   | (13)  |
| Culture and recreation                               | 944  | 1,055   | 196  | (859)   |
| Capital outlay                                       | -  | -   | 948  | 948   |
| TOTAL EXPENDITURES                                   | <u>16,457</u>  | <u>21,797</u>                                       | <u>7,085</u>                                   | <u>(14,712)</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(3,676)</u>                                       | <u>(5,402)</u>                                      | <u>(2,451)</u>                                 | <u>2,951</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | -  | 150   | 746  | 596   |
| Transfer in  | -  | 103   | 103  | -   |
| Transfer out   | (176)  | (526)   | -  | 526   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(176)</u>   | <u>(273)</u>  | <u>849</u>                                     | <u>1,122</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(3,852)</u>                                       | <u>(5,675)</u>                                      | <u>(1,602)</u>                                 | <u>4,073</u>  |
| FUND BALANCE - January 1                             | 3,852  | 5,675   | 11,012   | 5,337   |
| Prior period adjustment                              | -  | -   | (2)  | (2)   |
| FUND BALANCE - January 1, Restated                   | <u>3,852</u>   | <u>5,675</u>  | <u>11,010</u>                                  | <u>5,335</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 9,408</u>                                | <u>\$ 9,408</u>   |

## SPECIAL REVENUE FUND - LIBRARY (1200)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Charges for goods and services                       | \$ 185   | \$ 185  | \$ 126   | \$ (59)   |
| Interest and other earnings                          | 127  | 127   | 50   | (77)  |
| Miscellaneous revenues                               | 70   | 70  | 35   | (35)  |
| TOTAL REVENUES                                       | <u>382</u>   | <u>382</u>  | <u>211</u>                                     | <u>(171)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Culture and recreation                               | 799  | 799   | 183  | (616)   |
| Capital outlay                                       | -  | -   | 18   | 18  |
| TOTAL EXPENDITURES                                   | <u>799</u>   | <u>799</u>  | <u>201</u>                                     | <u>(598)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(417)</u>   | <u>(417)</u>  | <u>10</u>                                      | <u>427</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>   | <u>-</u>  | <u>-</u>                                       | <u>-</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(417)</u>   | <u>(417)</u>  | <u>10</u>                                      | <u>427</u>  |
| FUND BALANCE - January 1                             | 417  | 417   | 6,328  | 5,911   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 6,338</u>                                | <u>\$ 6,338</u>   |



SPECIAL REVENUE FUND - HUB (1236)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2017  
 (amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Charges for goods and services                       | \$ 1,015   | \$ 1,015  | \$ 403   | \$ (612)  |
| TOTAL REVENUES                                       | <u>1,015</u>   | <u>1,015</u>  | <u>403</u>                                     | <u>(612)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 1,015  | 1,040   | 418  | (622)   |
| TOTAL EXPENDITURES                                   | <u>1,015</u>   | <u>1,040</u>  | <u>418</u>                                     | <u>(622)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>-</u>   | <u>(25)</u>   | <u>(15)</u>                                    | <u>10</u>   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>   | <u>-</u>  | <u>-</u>                                       | <u>-</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>(25)</u>   | <u>(15)</u>                                    | <u>10</u>   |
| FUND BALANCE - January 1                             | -  | 25  | 127  | 102   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 112</u>                                  | <u>\$ 112</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ 1,213   | \$ 1,628  | \$ 1,143                                       | \$ (485)  |
| Charges for goods and services                       | 500  | 580   | 376  | (204)   |
| Fines and penalties                                  | 557  | 607   | 325  | (282)   |
| Interest and other earnings                          | -  | -   | 13   | 13  |
| Miscellaneous revenues                               | 33   | 33  | 50   | 17  |
| TOTAL REVENUES                                       | <u>2,303</u>   | <u>2,848</u>  | <u>1,907</u>                                   | <u>(941)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Public safety  | 2,862  | 3,422   | 1,705  | (1,717)   |
| TOTAL EXPENDITURES                                   | <u>2,862</u>   | <u>3,422</u>  | <u>1,705</u>                                   | <u>(1,717)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(559)</u>   | <u>(574)</u>  | <u>202</u>                                     | <u>776</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | -  | -   | 4  | 4   |
| Transfer in  | 16   | 16  | 23   | 7   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>16</u>  | <u>16</u>   | <u>27</u>                                      | <u>11</u>   |
| NET CHANGE IN FUND BALANCE                           | <u>(543)</u>   | <u>(558)</u>  | <u>229</u>                                     | <u>787</u>  |
| FUND BALANCE - January 1                             | 543  | 558   | 1,910  | 1,352   |
| Prior period adjustment                              | -  | -   | (42)   | (42)  |
| FUND BALANCE - January 1, Restated                   | <u>543</u>   | <u>558</u>  | <u>1,868</u>                                   | <u>1,310</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 2,097</u>                                | <u>\$ 2,097</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Licenses and permits                                 | \$ 7,085   | \$ 7,085  | \$ 3,258                                       | \$ (3,827)  |
| Charges for goods and services                       | 450  | 450   | 235  | (215)   |
| Interest and other earnings                          | -  | -   | 33   | 33  |
| Miscellaneous revenues                               | 72   | 72  | 15   | (57)  |
| TOTAL REVENUES                                       | <u>7,607</u>   | <u>7,607</u>  | <u>3,541</u>                                   | <u>(4,066)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 7,358  | 7,433   | 3,002  | (4,431)   |
| Capital outlay                                       | -  | -   | 695  | 695   |
| TOTAL EXPENDITURES                                   | <u>7,358</u>   | <u>7,433</u>  | <u>3,697</u>                                   | <u>(3,736)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>249</u>   | <u>174</u>  | <u>(156)</u>                                   | <u>(330)</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer out   | (305)  | (305)   | (4)  | 301   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(305)</u>   | <u>(305)</u>  | <u>(4)</u>                                     | <u>301</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(56)</u>  | <u>(131)</u>  | <u>(160)</u>                                   | <u>(29)</u>   |
| FUND BALANCE - January 1                             | 56   | 131   | 3,999  | 3,868   |
| Prior period adjustment                              | -  | -   | 628  | 628   |
| FUND BALANCE - January 1, Restated                   | <u>56</u>  | <u>131</u>  | <u>4,627</u>                                   | <u>4,496</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 4,467</u>                                | <u>\$ 4,467</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ 219   | \$ 219  | \$ 102   | \$ (117)  |
| Charges for goods and services                       | 661  | 686   | 178  | (508)   |
| Fines and penalties                                  | 18   | 18  | -  | (18)  |
| Interest and other earnings                          | -  | -   | 3  | 3   |
| TOTAL REVENUES                                       | <u>898</u>   | <u>923</u>  | <u>283</u>                                     | <u>(640)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Economic environment                                 | <u>915</u>   | <u>940</u>  | <u>298</u>                                     | <u>(642)</u>  |
| TOTAL EXPENDITURES                                   | <u>915</u>   | <u>940</u>  | <u>298</u>                                     | <u>(642)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(17)</u>  | <u>(17)</u>   | <u>(15)</u>                                    | <u>2</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>   | <u>-</u>  | <u>-</u>                                       | <u>-</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>(17)</u>  | <u>(17)</u>   | <u>(15)</u>                                    | <u>2</u>  |
| FUND BALANCE - January 1                             | 17   | 17  | 267  | 250   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 252</u>                                  | <u>\$ 252</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Fines and penalties                                  | \$ 5,445   | \$ 5,445  | \$ 3,414                                       | \$ (2,031)  |
| Interest and other earnings                          | -  | -   | 3  | 3   |
| TOTAL REVENUES                                       | <u>5,445</u>   | <u>5,445</u>  | <u>3,417</u>                                   | <u>(2,028)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Public safety  | <u>6,797</u>   | <u>6,797</u>  | <u>3,387</u>                                   | <u>(3,410)</u>  |
| TOTAL EXPENDITURES                                   | <u>6,797</u>   | <u>6,797</u>  | <u>3,387</u>                                   | <u>(3,410)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(1,352)</u>                                       | <u>(1,352)</u>                                      | <u>30</u>                                      | <u>1,382</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer in  | <u>1,352</u>   | <u>1,352</u>  | -  | <u>(1,352)</u>  |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>1,352</u>   | <u>1,352</u>  | -  | <u>(1,352)</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>-</u>  | <u>30</u>                                      | <u>30</u>   |
| FUND BALANCE - January 1                             | -  | -   | 192  | 192   |
| Prior period adjustment                              | -  | -   | (40)   | (40)  |
| FUND BALANCE - January 1, Restated                   | -  | -   | 152  | 152   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 182</u>                                  | <u>\$ 182</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNium | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNium | ACTUAL BIENNium-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| TOTAL EXPENDITURES                                   | -  | -   | -  | -   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | -  | -   | -  | -   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -  | -   | -  | -   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | -  | -   |
| FUND BALANCE - January 1                             | -  | -   | -  | -   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ -   | \$ -  |

DEBT SERVICE FUND - VOTED BONDS (2010)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL  
 For the Year Ended December 31, 2017  
 (amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 5,423   | \$ 5,423  | \$ 2,701                                       | \$ (2,722)  |
| TOTAL REVENUES                                       | <u>5,423</u>   | <u>5,423</u>  | <u>2,701</u>                                   | <u>(2,722)</u>  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | 4,295  | 4,295   | 2,105  | (2,190)   |
| Interest and other related costs                     | <u>1,128</u>   | <u>1,128</u>  | <u>603</u>                                     | <u>(525)</u>  |
| TOTAL EXPENDITURES                                   | <u>5,423</u>   | <u>5,423</u>  | <u>2,708</u>                                   | <u>(2,715)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>-</u>   | <u>-</u>  | <u>(7)</u>                                     | <u>(7)</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>(7)</u>                                     | <u>(7)</u>  |
| FUND BALANCE - January 1                             | -  | -   | 1,203  | 1,203   |
| FUND BALANCE (DEFICIT) - December 31 \$              | <u>-</u>   | <u>-</u>  | <u>1,196</u>                                   | <u>1,196</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | 5,390  | 5,390   | 2,725  | (2,665)   |
| Interest and other related costs                     | 669  | 669   | 602  | (67)  |
| TOTAL EXPENDITURES                                   | 6,059  | 6,059   | 3,327  | (2,732)   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (6,059)  | (6,059)   | (3,327)  | 2,732   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Issuance of long-term debt                           | -  | -   | 267  | 267   |
| Transfer in  | 6,059  | 6,059   | 3,060  | (2,999)   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 6,059  | 6,059   | 3,327  | (2,732)   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | -  | -   |
| FUND BALANCE - January 1                             | -  | -   | 288  | 288   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ 288   | \$ 288  |



DEBT SERVICE FUND - PUBLIC WORKS TRUST FUND LOANS (2038)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | 2,222  | 2,222   | 1,111  | (1,111)   |
| Interest and other related costs                     | 59   | 59  | 34   | (25)  |
| TOTAL EXPENDITURES                                   | 2,281  | 2,281   | 1,145  | (1,136)   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (2,281)  | (2,281)   | (1,145)  | 1,136   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer in  | 2,281  | 2,281   | 1,145  | (1,136)   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 2,281  | 2,281   | 1,145  | (1,136)   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | -  | -   |
| FUND BALANCE - January 1                             | -  | -   | -  | -   |
| FUND BALANCE (DEFICIT) - 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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| TOTAL EXPENDITURES                                   | -  | -   | -  | -   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | -  | -   | -  | -   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -  | -   | -  | -   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | -  | -   |
| FUND BALANCE - January 1                             | -  | -   | -  | -   |
| FUND BALANCE (DEFICIT) - 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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | 535  | 535   | 250  | (285)   |
| Interest and other related costs                     | 2,552  | 2,552   | 3,232  | 680   |
| TOTAL EXPENDITURES                                   | 3,087  | 3,087   | 3,482  | 395   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (3,087)  | (3,087)   | (3,482)  | (395)   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Issuance of long-term debt                           | -  | -   | 1,950  | 1,950   |
| Transfer in  | 3,087  | 3,087   | 1,532  | (1,555)   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 3,087  | 3,087   | 3,482  | 395   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | -  | -   |
| FUND BALANCE - January 1                             | -  | -   | 7  | 7   |
| FUND BALANCE (DEFICIT) - 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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | 8,260  | 8,260   | 3,338  | (4,922)   |
| Interest and other related costs                     | 4,827  | 4,827   | 2,361  | (2,466)   |
| TOTAL EXPENDITURES                                   | 13,087   | 13,087  | 5,699  | (7,388)   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (13,087)   | (13,087)  | (5,699)  | 7,388   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer in  | 13,087   | 13,087  | 5,699  | (7,388)   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 13,087   | 13,087  | 5,699  | (7,388)   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | -  | -   |
| FUND BALANCE - January 1                             | -  | -   | 23   | 23  |
| FUND BALANCE (DEFICIT) - 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, 2017  
 (amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | 3,165  | 3,165   | -  | (3,165)   |
| Interest and other related costs                     | 3,626  | 3,626   | -  | (3,626)   |
| TOTAL EXPENDITURES                                   | 6,791  | 6,791   | -  | (6,791)   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (6,791)  | (6,791)   | -  | 6,791   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 6,791  | 6,791   | -  | (6,791)   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | -  | -   |
| FUND BALANCE - January 1                             | -  | -   | -  | -   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ -   | \$ -  |

| DEBT SERVICE FUND - 2017 LTGO BONDS (2043)  |  |   |  |   |
|---|--|---|--|---|
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL |  |   |  |   |
| For the Year Ended December 31, 2017  |  |   |  |   |
| (amounts expressed in thousands)  |  |   |  |   |
|   | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
| REVENUES  |  |   |  |   |
| TOTAL REVENUES  | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES  |  |   |  |   |
| Debt service:   |  |   |  |   |
| Principal payments  | -  | 955   | -  | (955)   |
| Interest and other related costs  | -  | 1,016   | 236  | (780)   |
| TOTAL EXPENDITURES  | -  | 1,971   | 236  | (1,735)   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES                              | -  | (1,971)   | (236)  | 1,735   |
| OTHER FINANCING SOURCES (USES)  |  |   |  |   |
| Issuance of long-term debt  | -  | 25,295  | 288  | (25,007)  |
| Transfer in   | -  | 1,683   | -  | (1,683)   |
| Transfer out  | -  | (25,007)  | -  | 25,007  |
| TOTAL OTHER FINANCE SOURCES (USES)  | -  | 1,971   | 288  | (1,683)   |
| NET CHANGE IN FUND BALANCE  | -  | -   | 52   | 52  |
| FUND BALANCE - January 1  | -  | -   | -  | -   |
| FUND BALANCE (DEFICIT) - December 31  | \$ -   | \$ -  | \$ 52  | \$ 52   |

DEBT SERVICE FUND - CONSOLIDATED LID BOND REDEMPTION (2-7999)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Fines and penalties                                  | \$ -   | \$ -  | \$ 1,525                                       | \$ 1,525  |
| Interest and other earnings                          | -  | -   | 28   | 28  |
| Miscellaneous revenues                               | -  | -   | 3,471  | 3,471   |
| TOTAL REVENUES                                       | <u>-</u>   | <u>-</u>  | <u>5,024</u>                                   | <u>5,024</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | -  | -   | 1  | 1   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | -  | -   | 4,276  | 4,276   |
| Interest and other related costs                     | -  | -   | 1,646  | 1,646   |
| TOTAL EXPENDITURES                                   | <u>-</u>   | <u>-</u>  | <u>5,923</u>                                   | <u>5,923</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>-</u>   | <u>-</u>  | <u>(899)</u>                                   | <u>(899)</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>(899)</u>                                   | <u>(899)</u>  |
| FUND BALANCE - January 1                             | -  | -   | 4,982  | 4,982   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 4,083</u>                                | <u>\$ 4,083</u>   |

## CAPITAL PROJECT FUND - STREET FUND (3-1060)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNium | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNium | ACTUAL BIENNium-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ 13,840  | \$ 83,060   | \$ 14,137                                      | \$ (68,923)   |
| Charges for goods and services                       | -  | 506   | 706  | 200   |
| Fines and penalties                                  | -  | -   | 6  | 6   |
| Interest and other earnings                          | -  | -   | 22   | 22  |
| Miscellaneous revenues                               | -  | 57  | 147  | 90  |
| TOTAL REVENUES                                       | <u>13,840</u>  | <u>83,623</u>                                       | <u>15,018</u>                                  | <u>(68,605)</u>   |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Transportation                                       | 20,442   | 107,146   | 8,391  | (98,755)  |
| Capital outlay                                       | -  | -   | 11,964   | 11,964  |
| TOTAL EXPENDITURES                                   | <u>20,442</u>  | <u>107,146</u>                                      | <u>20,355</u>                                  | <u>(86,791)</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(6,602)</u>                                       | <u>(23,523)</u>                                     | <u>(5,337)</u>                                 | <u>18,186</u>   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Issuance of long-term debt                           | 57   | 660   | -  | (660)   |
| Transfer in  | 6,545  | 21,520  | 4,276  | (17,244)  |
| Transfer out   | -  | (1,737)   | (1,977)  | (240)   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>6,602</u>   | <u>20,443</u>                                       | <u>2,299</u>                                   | <u>(18,144)</u>   |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>(3,080)</u>                                      | <u>(3,038)</u>                                 | <u>42</u>   |
| FUND BALANCE - January 1                             | -  | 3,080   | 6,519  | 3,439   |
| Prior period adjustment                              | -  | -   | 312  | 312   |
| FUND BALANCE - January 1, Restated                   | <u>-</u>   | <u>3,080</u>  | <u>6,831</u>                                   | <u>3,751</u>  |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 3,793</u>                                | <u>\$ 3,793</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Interest and other earnings                          | \$ -   | \$ -  | \$ 1   | \$ 1  |
| Miscellaneous revenues                               | -  | -   | 91   | 91  |
| TOTAL REVENUES                                       | -  | -   | 92   | 92  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| Interest and other related costs                     | -  | -   | 50   | 50  |
| TOTAL EXPENDITURES                                   | -  | -   | 50   | 50  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | -  | -   | 42   | 42  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -  | -   | -  | -   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | 42   | 42  |
| FUND BALANCE - January 1                             | -  | -   | (42)   | (42)  |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ -   | \$ -  |

## CAPITAL PROJECT FUND - CAPITAL REVENUE (3210)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNium | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNium | ACTUAL BIENNium-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Taxes  | \$ 13,000  | \$ 15,000   | \$ 9,506                                       | \$ (5,494)  |
| Interest and other earnings                          | 242  | 200   | -  | (200)   |
| TOTAL REVENUES                                       | <u>13,242</u>  | <u>15,200</u>                                       | <u>9,506</u>                                   | <u>(5,694)</u>  |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | -  | 114   | -  | (114)   |
| Transportation                                       | 3,630  | 6,676   | 4  | (6,672)   |
| Culture and recreation                               | -  | -   | 61   | 61  |
| TOTAL EXPENDITURES                                   | <u>3,630</u>   | <u>6,790</u>  | <u>65</u>                                      | <u>(6,725)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>9,612</u>   | <u>8,410</u>  | <u>9,441</u>                                   | <u>1,031</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Issuance of long-term debt                           | -  | 25,007  | 25,007   | -   |
| Transfer in  | -  | 28,806  | 25,210   | (3,596)   |
| Transfer out   | (15,160)   | (62,555)  | (11,134)                                       | 51,421  |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>(15,160)</u>                                      | <u>(8,742)</u>                                      | <u>39,083</u>                                  | <u>47,825</u>   |
| NET CHANGE IN FUND BALANCE                           | <u>(5,548)</u>                                       | <u>(332)</u>  | <u>48,524</u>                                  | <u>48,856</u>   |
| FUND BALANCE - January 1                             | 5,548  | 4,532   | -  | (4,532)   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ 4,200</u>                                     | <u>\$ 48,524</u>                               | <u>\$ 44,324</u>  |

## CAPITAL PROJECT FUND - CAPITAL PROJECTS (3211)

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

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ -   | \$ 1,663  | \$ 250   | \$ (1,413)  |
| Interest and other earnings                          | -  | -   | 119  | 119   |
| Miscellaneous revenues                               | -  | 111   | 34   | (77)  |
| TOTAL REVENUES                                       | -  | 1,774   | 403  | (1,371)   |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| General government                                   | 306  | 305   | 11   | (294)   |
| Public safety  | 915  | 1,540   | 81   | (1,459)   |
| Transportation                                       | 850  | 1,944   | 608  | (1,336)   |
| Mental and physical health                           | -  | -   | 11   | 11  |
| Culture and recreation                               | 2,350  | 4,575   | 129  | (4,446)   |
| Capital outlay                                       | 1,403  | 43,384  | 3,482  | (39,902)  |
| TOTAL EXPENDITURES                                   | 5,824  | 51,748  | 4,322  | (47,426)  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (5,824)  | (49,974)  | (3,919)  | 46,055  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer in  | 5,122  | 49,974  | 6,783  | (43,191)  |
| Transfer out   | -  | (14,402)  | (13,786)                                       | 616   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 5,122  | 35,572  | (7,003)  | (42,575)  |
| NET CHANGE IN FUND BALANCE                           | (702)  | (14,402)  | (10,922)                                       | 3,480   |
| FUND BALANCE - January 1                             | 702  | 14,402  | 16,717   | 2,315   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ 5,795                                       | \$ 5,795  |

CAPITAL PROJECT FUND - 2002 POLICE FACILITY FUND - CAPITAL PROJECTS (3216)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   |  |   |  |   |
| Debt service:  |  |   |  |   |
| Principal payments                                   | -  | 800   | -  | (800)   |
| Interest and other related costs                     | 126  | 126   | 65   | (61)  |
| Capital outlay                                       | -  | -   | -  | -   |
| TOTAL EXPENDITURES                                   | 126  | 926   | 65   | (861)   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (126)  | (926)   | (65)   | 861   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Proceeds from sale of capital assets                 | -  | 3,400   | 3,449  | 49  |
| Transfer in  | 126  | 926   | 816  | (110)   |
| Transfer out   | -  | (3,400)   | -  | 3,400   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | 126  | 926   | 4,265  | 3,339   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | 4,200  | 4,200   |
| FUND BALANCE - January 1                             | -  | -   | (4,200)  | (4,200)   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ -   | \$ -  |

CAPITAL PROJECT FUND - 2009 LTGO - CAPITAL PROJECTS (3218)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL

For the Year Ended December 31, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Intergovernmental revenue                            | \$ -   | \$ -  | \$ 31  | \$ 31   |
| Interest and other earnings                          | -  | -   | 11   | 11  |
| TOTAL REVENUES                                       | -  | -   | 42   | 42  |
| EXPENDITURES   |  |   |  |   |
| Capital outlay                                       | -  | -   | 36   | 36  |
| TOTAL EXPENDITURES                                   | -  | -   | 36   | 36  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | -  | -   | 6  | 6   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer out   | -  | (850)   | (850)  | -   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -  | (850)   | (850)  | -   |
| NET CHANGE IN FUND BALANCE                           | -  | (850)   | (844)  | 6   |
| FUND BALANCE - January 1                             | -  | 850   | 928  | 78  |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ 84  | \$ 84   |

## 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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| Interest and other earnings                          | \$ -   | \$ -  | \$ 24  | \$ 24   |
| TOTAL REVENUES                                       | <u>-</u>   | <u>-</u>  | <u>24</u>                                      | <u>24</u>   |
| EXPENDITURES   |  |   |  |   |
| Current:   |  |   |  |   |
| Transportation                                       | -  | 308   | -  | (308)   |
| Culture and recreation                               | -  | 175   | 29   | (146)   |
| Capital outlay                                       | -  | -   | 173  | 173   |
| TOTAL EXPENDITURES                                   | <u>-</u>   | <u>483</u>  | <u>202</u>                                     | <u>(281)</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>-</u>   | <u>(483)</u>  | <u>(178)</u>                                   | <u>305</u>  |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| Transfer out   | -  | (1,944)   | (805)  | 1,139   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | <u>-</u>   | <u>(1,944)</u>                                      | <u>(805)</u>                                   | <u>1,139</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>-</u>   | <u>(2,427)</u>                                      | <u>(983)</u>                                   | <u>1,444</u>  |
| FUND BALANCE - January 1                             | -  | 2,427   | 2,588  | 161   |
| Prior period adjustment                              | -  | -   | 191  | 191   |
| FUND BALANCE - January 1, Restated                   | -  | 2,427   | 2,779  | 352   |
| FUND BALANCE (DEFICIT) - December 31                 | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ 1,796</u>                                | <u>\$ 1,796</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, 2017

(amounts expressed in thousands)

|  | APPROVED<br>ORIGINAL BUDGET<br>2017-2018<br>BIENNIUM | APPROVED REVISED<br>BUDGET<br>2017-2018<br>BIENNIUM | ACTUAL BIENNIUM-<br>TO-DATE THRU<br>12/31/2017 | VARIANCE WITH<br>APPROVED<br>REVISED BUDGET<br>OVER (UNDER) |
|--|--|---|--|---|
| REVENUES   |  |   |  |   |
| TOTAL REVENUES                                       | \$ -   | \$ -  | \$ -   | \$ -  |
| EXPENDITURES   | -  | -   | -  |   |
| TOTAL EXPENDITURES                                   | -  | -   | -  | -   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | -  | -   | -  | -   |
| OTHER FINANCING SOURCES (USES)                       |  |   |  |   |
| TOTAL OTHER FINANCE SOURCES (USES)                   | -  | -   | -  | -   |
| NET CHANGE IN FUND BALANCE                           | -  | -   | -  | -   |
| FUND BALANCE - January 1                             | -  | -   | 1,247  | 1,247   |
| Prior period adjustment                              | -  | -   | 596  | 596   |
| FUND BALANCE - January 1, Restated                   | -  | -   | 1,843  | 1,843   |
| FUND BALANCE (DEFICIT) - December 31                 | \$ -   | \$ -  | \$ 1,843                                       | \$ 1,843  |

**Enterprise Funds:**

Enterprise Funds are used as a cost center for the City for which in exchange of goods and/or services, a fee is charged. The City of Tacoma has 10 different enterprise funds which include the Performing Arts Fund and the Tacoma Dome Fund.

**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 the 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 the 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.



COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 1 of 6

|   | Permit<br>Services<br>#4110 | Tacoma Rail<br>Mountain Div<br>#4120 | Parking<br>#4140        |
|---|-----------------------------|--------------------------------------|-------------------------|
| <b>ASSETS</b>   |                             |                                      |                         |
| Current assets:   |                             |                                      |                         |
| Cash and cash equivalents                               | \$ 3,647                    | \$ 1,135                             | \$ 2,415                |
| Accounts receivable (net)                               | 73                          | 260                                  | -                       |
| Due from other funds                                    | -                           | -                                    | -                       |
| Due from other governments                              | -                           | -                                    | -                       |
| Inventory   | -                           | -                                    | -                       |
| Prepayments   | -                           | 51                                   | 17                      |
| Current restricted assets:                              |                             |                                      |                         |
| Cash and cash equivalents:                              |                             |                                      |                         |
| Debt services, deposits and replacements                | -                           | -                                    | -                       |
| Other special purposes                                  | 2,799                       | -                                    | 6,230                   |
| Total current assets                                    | <u>6,519</u>                | <u>1,446</u>                         | <u>8,662</u>            |
| Noncurrent assets:                                      |                             |                                      |                         |
| Notes and contracts receivable                          | -                           | -                                    | -                       |
| Other noncurrent assets                                 | -                           | -                                    | -                       |
| Capital assets:   |                             |                                      |                         |
| Land  | -                           | 1,110                                | 11,176                  |
| Property, plant, and equipment                          | 268                         | 26,436                               | 51,526                  |
| Less: accumulated depreciation                          | (121)                       | (9,684)                              | (15,170)                |
| Construction work in progress                           | -                           | 63                                   | 66                      |
| Total capital assets net of accumulated depreciation    | <u>147</u>                  | <u>17,925</u>                        | <u>47,598</u>           |
| Total noncurrent assets                                 | <u>147</u>                  | <u>17,925</u>                        | <u>47,598</u>           |
| <b>TOTAL ASSETS</b>                                     | <u><u>6,666</u></u>         | <u><u>19,371</u></u>                 | <u><u>56,260</u></u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                    |                             |                                      |                         |
| Unamortized loss on refunding                           | -                           | -                                    | -                       |
| Deferred outflows related to pensions                   | 1,957                       | -                                    | 307                     |
| <b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>              | <u>1,957</u>                | <u>-</u>                             | <u>307</u>              |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOW OF RESOURCES</b> | <u><u>\$ 8,623</u></u>      | <u><u>\$ 19,371</u></u>              | <u><u>\$ 56,567</u></u> |

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS

December 31, 2017

(amounts expressed in thousands)

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|  | Permit<br>Services<br>#4110 | Tacoma Rail<br>Mountain Div<br>#4120 | Parking<br>#4140        |
|--|-----------------------------|--------------------------------------|-------------------------|
| <b>LIABILITIES</b>                                 |                             |                                      |                         |
| Current liabilities:                               |                             |                                      |                         |
| Accounts payable                                   | \$ 37                       | \$ 408                               | \$ 248                  |
| Due to other funds                                 | 98                          | 164                                  | 8                       |
| Due to other governments                           | 4                           | -                                    | -                       |
| Advances from other funds                          | -                           | -                                    | -                       |
| Interest payable                                   | -                           | -                                    | 26                      |
| Deposits payable                                   | 125                         | 195                                  | -                       |
| Accrued wages                                      | 174                         | -                                    | 28                      |
| Accrued benefits                                   | -                           | -                                    | -                       |
| Accrued taxes                                      | -                           | 5                                    | 59                      |
| Revenue bonds - current                            | -                           | -                                    | 1,589                   |
| Unearned revenue                                   | -                           | -                                    | -                       |
| Other  | -                           | -                                    | -                       |
| Total current liabilities                          | <u>438</u>                  | <u>772</u>                           | <u>1,958</u>            |
| Noncurrent liabilities:                            |                             |                                      |                         |
| Revenue bonds payable (net)                        | -                           | -                                    | 10,137                  |
| Compensated absences                               | 417                         | -                                    | 80                      |
| Notes, contracts & leases payable - noncurrent     | -                           | -                                    | -                       |
| Net OPEB obligation                                | -                           | -                                    | -                       |
| Net pension liability                              | 1,869                       | -                                    | 293                     |
| Other - noncurrent liabilities                     | -                           | -                                    | -                       |
| Total noncurrent liabilities                       | <u>2,286</u>                | <u>-</u>                             | <u>10,510</u>           |
| <b>TOTAL LIABILITIES</b>                           | <u><u>2,724</u></u>         | <u><u>772</u></u>                    | <u><u>12,468</u></u>    |
| <b>DEFERRED INFLOW OF RESOURCES</b>                |                             |                                      |                         |
| Deferred inflows related to pensions               | <u>403</u>                  | <u>-</u>                             | <u>63</u>               |
| <b>TOTAL DEFERRED INFLOW OF RESOURCES</b>          | <u><u>403</u></u>           | <u><u>-</u></u>                      | <u><u>63</u></u>        |
| <b>NET POSITION</b>                                |                             |                                      |                         |
| Net investment in capital assets                   | 147                         | 17,925                               | 35,872                  |
| Restricted:  | -                           | -                                    | -                       |
| Restricted for capital purchases                   | -                           | -                                    | 6,230                   |
| Restricted for debt                                | -                           | -                                    | -                       |
| Restricted for culture and recreation              | -                           | -                                    | -                       |
| Restricted for environmental services and programs | 2,467                       | -                                    | -                       |
| Restricted for inspections                         | 299                         | -                                    | -                       |
| Unrestricted                                       | <u>2,583</u>                | <u>674</u>                           | <u>1,934</u>            |
| <b>TOTAL NET POSITION</b>                          | <u><u>\$ 5,496</u></u>      | <u><u>\$ 18,599</u></u>              | <u><u>\$ 44,036</u></u> |

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS

December 31, 2017

(amounts expressed in thousands)

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|   | Convention<br>Center<br>#4165 | Cheney<br>Stadium<br>#4170 | Tacoma<br>Dome<br>#4180 | Performing<br>Arts<br>#4190 |
|---|-------------------------------|----------------------------|-------------------------|-----------------------------|
| <b>ASSETS</b>   |                               |                            |                         |                             |
| Current assets:   |                               |                            |                         |                             |
| Cash and cash equivalents                               | \$ 1,194                      | \$ 112                     | \$ 2,043                | \$ 446                      |
| Accounts receivable (net)                               | 308                           | -                          | 44                      | -                           |
| Due from other funds                                    | -                             | 8                          | -                       | 348                         |
| Due from other governments                              | 300                           | -                          | -                       | -                           |
| Inventory   | -                             | -                          | -                       | -                           |
| Prepayments   | 51                            | 18                         | 40                      | 19                          |
| Current restricted assets:                              |                               |                            |                         |                             |
| Cash and cash equivalents:                              | -                             |                            |                         |                             |
| Debt services, deposits and replacements                | 660                           | 41                         | -                       | -                           |
| Other special purposes                                  | -                             | 37                         | 4,405                   | 19                          |
| Total current assets                                    | <u>2,513</u>                  | <u>216</u>                 | <u>6,532</u>            | <u>832</u>                  |
| Noncurrent assets:                                      |                               |                            |                         |                             |
| Notes and contracts receivable                          | -                             | -                          | -                       | -                           |
| Other noncurrent assets                                 | 110                           | -                          | -                       | -                           |
| Capital assets:   |                               |                            |                         |                             |
| Land  | 15,086                        | 224                        | 6,161                   | 2,087                       |
| Property, plant, and equipment                          | 69,235                        | 39,869                     | 48,071                  | 23,964                      |
| Less: accumulated depreciation                          | (25,883)                      | (11,660)                   | (31,771)                | (8,387)                     |
| Construction work in progress                           | -                             | -                          | 41                      | 501                         |
| Total capital assets net of accumulated depreciation    | <u>58,438</u>                 | <u>28,433</u>              | <u>22,502</u>           | <u>18,165</u>               |
| Total noncurrent assets                                 | <u>58,548</u>                 | <u>28,433</u>              | <u>22,502</u>           | <u>18,165</u>               |
| <b>TOTAL ASSETS</b>                                     | <u><u>61,061</u></u>          | <u><u>28,649</u></u>       | <u><u>29,034</u></u>    | <u><u>18,997</u></u>        |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                    |                               |                            |                         |                             |
| Unamortized loss on refunding                           | 2,932                         | -                          | -                       | -                           |
| Deferred outflows related to pensions                   | 463                           | -                          | 750                     | -                           |
| <b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>              | <u>3,395</u>                  | <u>-</u>                   | <u>750</u>              | <u>-</u>                    |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOW OF RESOURCES</b> | <u><u>\$ 64,456</u></u>       | <u><u>\$ 28,649</u></u>    | <u><u>\$ 29,784</u></u> | <u><u>\$ 18,997</u></u>     |

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS

December 31, 2017

(amounts expressed in thousands)

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|  | Convention<br>Center<br>#4165 | Cheney<br>Stadium<br>#4170 | Tacoma<br>Dome<br>#4180 | Performing<br>Arts<br>#4190 |
|--|-------------------------------|----------------------------|-------------------------|-----------------------------|
| <b>LIABILITIES</b>                                 |                               |                            |                         |                             |
| Current liabilities:                               |                               |                            |                         |                             |
| Accounts payable                                   | \$ 193                        | \$ -                       | \$ 82                   | \$ 349                      |
| Due to other funds                                 | 3                             | -                          | 3                       | -                           |
| Due to other governments                           | -                             | -                          | -                       | -                           |
| Advances from other funds                          | -                             | -                          | 432                     | -                           |
| Interest payable                                   | 214                           | -                          | -                       | -                           |
| Deposits payable                                   | 509                           | -                          | 4,498                   | -                           |
| Accrued wages                                      | 33                            | -                          | 60                      | -                           |
| Accrued benefits                                   | -                             | -                          | -                       | -                           |
| Accrued taxes                                      | 6                             | -                          | 6                       | -                           |
| Revenue bonds - current                            | 4,216                         | -                          | -                       | -                           |
| Unearned revenue                                   | -                             | -                          | 31                      | -                           |
| Other  | 3                             | -                          | -                       | -                           |
| Total current liabilities                          | <u>5,177</u>                  | <u>-</u>                   | <u>5,112</u>            | <u>349</u>                  |
| Noncurrent liabilities:                            |                               |                            |                         |                             |
| Revenue bonds payable (net)                        | 63,165                        | -                          | -                       | -                           |
| Compensated absences                               | 94                            | -                          | 223                     | -                           |
| Notes, contracts & leases payable - noncurrent     | -                             | -                          | -                       | -                           |
| Net OPEB obligation                                | -                             | -                          | -                       | -                           |
| Net pension liability                              | 442                           | -                          | 716                     | -                           |
| Other - noncurrent liabilities                     | -                             | -                          | -                       | -                           |
| Total noncurrent liabilities                       | <u>63,701</u>                 | <u>-</u>                   | <u>939</u>              | <u>-</u>                    |
| <b>TOTAL LIABILITIES</b>                           | <u><u>68,878</u></u>          | <u><u>-</u></u>            | <u><u>6,051</u></u>     | <u><u>349</u></u>           |
| <b>DEFERRED INFLOW OF RESOURCES</b>                |                               |                            |                         |                             |
| Deferred inflows related to pensions               | 95                            | -                          | 154                     | -                           |
| <b>TOTAL DEFERRED INFLOW OF RESOURCES</b>          | <u><u>95</u></u>              | <u><u>-</u></u>            | <u><u>154</u></u>       | <u><u>-</u></u>             |
| <b>NET POSITION</b>                                |                               |                            |                         |                             |
| Net investment in capital assets                   | (6,102)                       | 28,433                     | 22,502                  | 18,165                      |
| Restricted:  |                               |                            |                         |                             |
| Restricted for capital purchases                   | 536                           | 37                         | -                       | -                           |
| Restricted for debt                                | 660                           | 41                         | -                       | -                           |
| Restricted for culture and recreation              | -                             | -                          | 4,405                   | -                           |
| Restricted for environmental services and programs | -                             | -                          | -                       | -                           |
| Restricted for inspections                         | -                             | -                          | -                       | -                           |
| Unrestricted                                       | 389                           | 138                        | (3,328)                 | 483                         |
| <b>TOTAL NET POSITION</b>                          | <u><u>\$ (4,517)</u></u>      | <u><u>\$ 28,649</u></u>    | <u><u>\$ 23,579</u></u> | <u><u>\$ 18,648</u></u>     |

## COMBINING STATEMENT OF NET POSITION

## NON-MAJOR ENTERPRISE FUNDS

December 31, 2017

(amounts expressed in thousands)

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|   | Union<br>Station<br>#4450 | Tacoma Rail<br>Belt Line Div<br>#4500 | Low Income<br>Assistance<br>#4805 | Non-Major<br>Enterprise<br>Funds |
|---|---------------------------|---------------------------------------|-----------------------------------|----------------------------------|
| <b>ASSETS</b>   |                           |                                       |                                   |                                  |
| Current assets:   |                           |                                       |                                   |                                  |
| Cash and cash equivalents                               | \$ -                      | \$ 8,729                              | \$ 1,873                          | \$ 21,594                        |
| Accounts receivable (net)                               | 4,051                     | 3,222                                 | -                                 | 7,958                            |
| Due from other funds                                    | -                         | 158                                   | -                                 | 514                              |
| Due from other governments                              | -                         | -                                     | -                                 | 300                              |
| Inventory   | -                         | 1,167                                 | -                                 | 1,167                            |
| Prepayments   | -                         | 688                                   | -                                 | 884                              |
| Current restricted assets:                              |                           |                                       |                                   |                                  |
| Cash and cash equivalents:                              |                           |                                       |                                   |                                  |
| Debt services, deposits and replacements                | 1,993                     | -                                     | -                                 | 2,694                            |
| Other special purposes                                  | -                         | -                                     | -                                 | 13,490                           |
| Total current assets                                    | 6,044                     | 13,964                                | 1,873                             | 48,601                           |
| Noncurrent assets:                                      |                           |                                       |                                   |                                  |
| Notes and contracts receivable                          | 15,430                    | -                                     | -                                 | 15,430                           |
| Other noncurrent assets                                 | -                         | -                                     | -                                 | 110                              |
| Capital assets:   |                           |                                       |                                   |                                  |
| Land  | -                         | 160                                   | -                                 | 36,004                           |
| Property, plant, and equipment                          | -                         | 46,425                                | -                                 | 305,794                          |
| Less: accumulated depreciation                          | -                         | (20,058)                              | -                                 | (122,734)                        |
| Construction work in progress                           | -                         | 179                                   | -                                 | 850                              |
| Total capital assets net of accumulated depreciation    | -                         | 26,706                                | -                                 | 219,914                          |
| Total noncurrent assets                                 | 15,430                    | 26,706                                | -                                 | 235,454                          |
| <b>TOTAL ASSETS</b>                                     | <b>21,474</b>             | <b>40,670</b>                         | <b>1,873</b>                      | <b>284,055</b>                   |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                    |                           |                                       |                                   |                                  |
| Unamortized loss on refunding                           | -                         | -                                     | -                                 | 2,932                            |
| Deferred outflows related to pensions                   | -                         | -                                     | -                                 | 3,477                            |
| <b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>              | <b>-</b>                  | <b>-</b>                              | <b>-</b>                          | <b>6,409</b>                     |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOW OF RESOURCES</b> | <b>\$ 21,474</b>          | <b>\$ 40,670</b>                      | <b>\$ 1,873</b>                   | <b>\$ 290,464</b>                |

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS

December 31, 2017

(amounts expressed in thousands)

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|  | Union<br>Station<br>#4450 | Tacoma Rail<br>Belt Line Div<br>#4500 | Low Income<br>Assistance<br>#4805 | Non-Major<br>Enterprise<br>Funds |
|--|---------------------------|---------------------------------------|-----------------------------------|----------------------------------|
| <b>LIABILITIES</b>                                 |                           |                                       |                                   |                                  |
| Current liabilities:                               |                           |                                       |                                   |                                  |
| Accounts payable                                   | \$ -                      | \$ 754                                | \$ -                              | \$ 2,071                         |
| Due to other funds                                 | -                         | 61                                    | -                                 | 337                              |
| Due to other governments                           | -                         | -                                     | -                                 | 4                                |
| Advances from other funds                          | -                         | -                                     | -                                 | 432                              |
| Interest payable                                   | 394                       | -                                     | -                                 | 634                              |
| Deposits payable                                   | -                         | -                                     | -                                 | 5,327                            |
| Accrued wages                                      | -                         | 316                                   | -                                 | 611                              |
| Accrued benefits                                   | -                         | 12                                    | -                                 | 12                               |
| Accrued taxes                                      | -                         | 278                                   | -                                 | 354                              |
| Revenue bonds - current                            | 2,760                     | -                                     | -                                 | 8,565                            |
| Unearned revenue                                   | 1,214                     | -                                     | -                                 | 1,245                            |
| Other  | -                         | -                                     | 1,873                             | 1,876                            |
| Total current liabilities                          | 4,368                     | 1,421                                 | 1,873                             | 21,468                           |
| Noncurrent liabilities:                            |                           |                                       |                                   |                                  |
| Revenue bonds payable (net)                        | 11,875                    | -                                     | -                                 | 85,177                           |
| Compensated absences                               | -                         | 1,012                                 | -                                 | 1,826                            |
| Notes, contracts & leases payable - noncurrent     | -                         | 6,043                                 | -                                 | 6,043                            |
| Net OPEB obligation                                | -                         | 1,626                                 | -                                 | 1,626                            |
| Net pension liability                              | -                         | -                                     | -                                 | 3,320                            |
| Other - noncurrent liabilities                     | 4,304                     | 2,401                                 | -                                 | 6,705                            |
| Total noncurrent liabilities                       | 16,179                    | 11,082                                | -                                 | 104,697                          |
| <b>TOTAL LIABILITIES</b>                           | <b>20,547</b>             | <b>12,503</b>                         | <b>1,873</b>                      | <b>126,165</b>                   |
| <b>DEFERRED INFLOW OF RESOURCES</b>                |                           |                                       |                                   |                                  |
| Deferred inflows related to pensions               | -                         | -                                     | -                                 | 715                              |
| <b>TOTAL DEFERRED INFLOW OF RESOURCES</b>          | <b>-</b>                  | <b>-</b>                              | <b>-</b>                          | <b>715</b>                       |
| <b>NET POSITION</b>                                |                           |                                       |                                   |                                  |
| Net investment in capital assets                   | -                         | 20,662                                | -                                 | 137,604                          |
| Restricted:  |                           |                                       |                                   |                                  |
| Restricted for capital purchases                   | -                         | -                                     | -                                 | 6,803                            |
| Restricted for debt                                | 1,993                     | -                                     | -                                 | 2,694                            |
| Restricted for culture and recreation              | -                         | -                                     | -                                 | 4,405                            |
| Restricted for environmental services and programs | -                         | -                                     | -                                 | 2,467                            |
| Restricted for inspections                         | -                         | -                                     | -                                 | 299                              |
| Unrestricted                                       | (1,066)                   | 7,505                                 | -                                 | 9,312                            |
| <b>TOTAL NET POSITION</b>                          | <b>\$ 927</b>             | <b>\$ 28,167</b>                      | <b>\$ -</b>                       | <b>\$ 163,584</b>                |

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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 1 of 3

|  | Permit<br>Services<br>#4110 | Tacoma Rail<br>Mountain Div<br>#4120 | Parking<br>#4140 |
|--|-----------------------------|--------------------------------------|------------------|
| OPERATING REVENUES                               |                             |                                      |                  |
| Charges for goods and services                   | \$ 11,498                   | \$ 1,100                             | \$ 7,815         |
| TOTAL OPERATING REVENUES                         | <u>11,498</u>               | <u>1,100</u>                         | <u>7,815</u>     |
| OPERATING EXPENSES                               |                             |                                      |                  |
| Salary and wages                                 | 4,624                       | 438                                  | 924              |
| Personnel benefits                               | 2,383                       | 297                                  | 528              |
| Supplies   | 66                          | 81                                   | 186              |
| Services   | 2,143                       | 1,518                                | 2,184            |
| Taxes  | -                           | 22                                   | 83               |
| Depreciation expense                             | 19                          | 824                                  | 1,349            |
| TOTAL OPERATING EXPENSES                         | <u>9,235</u>                | <u>3,180</u>                         | <u>5,254</u>     |
| OPERATING INCOME (LOSS)                          | <u>2,263</u>                | <u>(2,080)</u>                       | <u>2,561</u>     |
| NON-OPERATING REVENUES (EXPENSES)                |                             |                                      |                  |
| Taxes  | -                           | -                                    | -                |
| Interest and other earnings                      | 48                          | 14                                   | 71               |
| Interest and other related costs                 | -                           | -                                    | (372)            |
| Unrealized net gain/loss in FMV of investments   | (29)                        | 4                                    | (48)             |
| Other non operating revenues (expenses)          | 1                           | 389                                  | 74               |
| Gain(loss) on disposition of property            | -                           | -                                    | 4,707            |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | <u>20</u>                   | <u>407</u>                           | <u>4,432</u>     |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>2,283</u>                | <u>(1,673)</u>                       | <u>6,993</u>     |
| Capital contributions - federal/state/local      | -                           | -                                    | -                |
| Capital contributions - private                  | -                           | -                                    | -                |
| Transfer in                                      | 673                         | 200                                  | -                |
| Transfer out                                     | (350)                       | -                                    | (1,205)          |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | <u>323</u>                  | <u>200</u>                           | <u>(1,205)</u>   |
| CHANGE IN NET POSITION                           | <u>2,606</u>                | <u>(1,473)</u>                       | <u>5,788</u>     |
| NET POSITION                                     |                             |                                      |                  |
| NET POSITION - January 1                         | 2,890                       | 20,072                               | 38,248           |
| NET POSITION - December 31                       | <u>\$ 5,496</u>             | <u>\$ 18,599</u>                     | <u>\$ 44,036</u> |

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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | Convention<br>Center<br>#4165 | Cheney<br>Stadium<br>#4170 | Tacoma<br>Dome<br>#4180 | Performing<br>Arts<br>#4190 |
|--|-------------------------------|----------------------------|-------------------------|-----------------------------|
| OPERATING REVENUES                               |                               |                            |                         |                             |
| Charges for goods and services                   | \$ 2,817                      | \$ 689                     | \$ 9,102                | \$ -                        |
| TOTAL OPERATING REVENUES                         | <u>2,817</u>                  | <u>689</u>                 | <u>9,102</u>            | <u>-</u>                    |
| OPERATING EXPENSES                               |                               |                            |                         |                             |
| Salary and wages                                 | 1,243                         | -                          | 2,218                   | -                           |
| Personnel benefits                               | 651                           | -                          | 1,034                   | -                           |
| Supplies   | 330                           | 166                        | 447                     | 46                          |
| Services   | 2,813                         | 67                         | 5,551                   | 959                         |
| Taxes  | 66                            | 64                         | 122                     | -                           |
| Depreciation expense                             | 1,927                         | 1,538                      | 538                     | 732                         |
| TOTAL OPERATING EXPENSES                         | <u>7,030</u>                  | <u>1,835</u>               | <u>9,910</u>            | <u>1,737</u>                |
| OPERATING INCOME (LOSS)                          | <u>(4,213)</u>                | <u>(1,146)</u>             | <u>(808)</u>            | <u>(1,737)</u>              |
| NON-OPERATING REVENUES (EXPENSES)                |                               |                            |                         |                             |
| Taxes  | 13                            | 222                        | 1,467                   | -                           |
| Interest and other earnings                      | 27                            | 2                          | 87                      | 4                           |
| Interest and other related costs                 | (2,722)                       | (1)                        | (8)                     | -                           |
| Unrealized net gain/loss in FMV of investments   | (7)                           | (2)                        | (19)                    | (1)                         |
| Other non operating revenues (expenses)          | 3,643                         | -                          | 19                      | -                           |
| Gain(loss) on disposition of property            | -                             | -                          | -                       | -                           |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | <u>954</u>                    | <u>221</u>                 | <u>1,546</u>            | <u>3</u>                    |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>(3,259)</u>                | <u>(925)</u>               | <u>738</u>              | <u>(1,734)</u>              |
| Capital contributions - federal/state/local      | -                             | -                          | -                       | 657                         |
| Capital contributions - private                  | -                             | -                          | -                       | -                           |
| Transfer in                                      | 5,169                         | 820                        | -                       | 1,496                       |
| Transfer out                                     | -                             | (1,320)                    | -                       | -                           |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | <u>5,169</u>                  | <u>(500)</u>               | <u>-</u>                | <u>2,153</u>                |
| CHANGE IN NET POSITION                           | <u>1,910</u>                  | <u>(1,425)</u>             | <u>738</u>              | <u>419</u>                  |
| NET POSITION                                     |                               |                            |                         |                             |
| NET POSITION - January 1                         | <u>(6,427)</u>                | <u>30,074</u>              | <u>22,841</u>           | <u>18,229</u>               |
| NET POSITION - December 31                       | <u>\$ (4,517)</u>             | <u>\$ 28,649</u>           | <u>\$ 23,579</u>        | <u>\$ 18,648</u>            |



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

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | Union<br>Station<br>#4450 | Tacoma Rail<br>Belt Line Div<br>#4500 | Low Income<br>Assistance<br>#4805 | Non-Major<br>Enterprise<br>Funds |
|--|---------------------------|---------------------------------------|-----------------------------------|----------------------------------|
| OPERATING REVENUES                               |                           |                                       |                                   |                                  |
| Charges for goods and services                   | \$ -                      | \$ 30,717                             | \$ -                              | \$ 63,738                        |
| TOTAL OPERATING REVENUES                         | <u>-</u>                  | <u>30,717</u>                         | <u>-</u>                          | <u>63,738</u>                    |
| OPERATING EXPENSES                               |                           |                                       |                                   |                                  |
| Salary and wages                                 | -                         | 10,604                                | -                                 | 20,051                           |
| Personnel benefits                               | -                         | 5,093                                 | -                                 | 9,986                            |
| Supplies   | -                         | 1,216                                 | -                                 | 2,538                            |
| Services   | 5                         | 10,540                                | -                                 | 25,780                           |
| Taxes  | -                         | 432                                   | -                                 | 789                              |
| Depreciation expense                             | -                         | 1,644                                 | -                                 | 8,571                            |
| TOTAL OPERATING EXPENSES                         | <u>5</u>                  | <u>29,529</u>                         | <u>-</u>                          | <u>67,715</u>                    |
| OPERATING INCOME (LOSS)                          | <u>(5)</u>                | <u>1,188</u>                          | <u>-</u>                          | <u>(3,977)</u>                   |
| NON-OPERATING REVENUES (EXPENSES)                |                           |                                       |                                   |                                  |
| Taxes  | -                         | -                                     | -                                 | 1,702                            |
| Interest and other earnings                      | 1                         | 96                                    | -                                 | 350                              |
| Interest and other related costs                 | (1,459)                   | -                                     | -                                 | (4,562)                          |
| Unrealized net gain/loss in FMV of investments   | -                         | (28)                                  | -                                 | (130)                            |
| Other non operating revenues (expenses)          | 1,459                     | 1,040                                 | -                                 | 6,625                            |
| Gain(loss) on disposition of property            | -                         | (650)                                 | -                                 | 4,057                            |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | <u>1</u>                  | <u>458</u>                            | <u>-</u>                          | <u>8,042</u>                     |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>(4)</u>                | <u>1,646</u>                          | <u>-</u>                          | <u>4,065</u>                     |
| Capital contributions - federal/state/local      | -                         | -                                     | -                                 | 657                              |
| Capital contributions - private                  | -                         | 36                                    | -                                 | 36                               |
| Transfer in                                      | -                         | -                                     | -                                 | 8,358                            |
| Transfer out                                     | -                         | (2,549)                               | -                                 | (5,424)                          |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | <u>-</u>                  | <u>(2,513)</u>                        | <u>-</u>                          | <u>3,627</u>                     |
| CHANGE IN NET POSITION                           | <u>(4)</u>                | <u>(867)</u>                          | <u>-</u>                          | <u>7,692</u>                     |
| NET POSITION                                     |                           |                                       |                                   |                                  |
| NET POSITION - January 1                         | <u>931</u>                | <u>29,034</u>                         | <u>-</u>                          | <u>155,892</u>                   |
| NET POSITION - December 31                       | <u>\$ 927</u>             | <u>\$ 28,167</u>                      | <u>\$ -</u>                       | <u>\$ 163,584</u>                |

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## COMBINING STATEMENT OF CASH FLOWS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 1 of 8

|  | Permit<br>Services<br>#4110 | Tacoma Rail<br>Mountain Div<br>#4120 | Parking<br>#4140 |
|--|-----------------------------|--------------------------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                             |                                      |                  |
| Receipts from customers and users                              | \$ 11,485                   | \$ 1,155                             | \$ 7,815         |
| Receipts from interfund services provided                      | 5                           | -                                    | -                |
| Payments to suppliers  | (425)                       | (1,312)                              | (2,018)          |
| Payments to employees  | (7,016)                     | (735)                                | (1,417)          |
| Payments for taxes   | (3)                         | (106)                                | (122)            |
| Payments for interfund services used                           | (1,289)                     | (18)                                 | (498)            |
| Other operating or non-operating revenues (expenses)           | 1                           | 390                                  | 74               |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | 2,758                       | (626)                                | 3,834            |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                             |                                      |                  |
| Transfers from other funds                                     | 673                         | 200                                  | -                |
| Transfers (to) other funds                                     | (350)                       | -                                    | -                |
| Advances (to) other funds                                      | -                           | -                                    | -                |
| Grants received  | -                           | -                                    | -                |
| Contributions and Donations                                    | -                           | -                                    | -                |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | 323                         | 200                                  | -                |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |                             |                                      |                  |
| Transfers from other funds                                     | -                           | -                                    | -                |
| Transfers (to) funds   | -                           | -                                    | (1,205)          |
| Acquisition and construction of capital assets                 | -                           | (63)                                 | (500)            |
| Proceeds from the sale of capital assets                       | -                           | -                                    | 5,931            |
| Principal paid on capital debt                                 | -                           | -                                    | (1,549)          |
| Interest and issuance costs paid on capital debt               | -                           | -                                    | (379)            |
| Premium from capital debt                                      | -                           | -                                    | -                |
| Contributions and donations                                    | -                           | -                                    | -                |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | -                           | (63)                                 | 2,298            |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                             |                                      |                  |
| Interest and dividends received                                | 49                          | 15                                   | 71               |
| Investment long-term   | (29)                        | 3                                    | (48)             |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | 20                          | 18                                   | 23               |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | 3,101                       | (471)                                | 6,155            |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 3,345                       | 1,606                                | 2,490            |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31          | \$ 6,446                    | \$ 1,135                             | \$ 8,645         |

## COMBINING STATEMENT OF CASH FLOWS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 2 of 8

|   | Permit<br>Services<br>#4110 | Tacoma Rail<br>Mountain Div<br>#4120 | Parking<br>#4140 |
|---|-----------------------------|--------------------------------------|------------------|
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                             |                                      |                  |
| Operating income (loss)   | \$ 2,263                    | \$ (2,080)                           | \$ 2,561         |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                             |                                      |                  |
| Depreciation expense  | 19                          | 824                                  | 1,349            |
| (increase) decrease in accounts receivable  | (13)                        | 54                                   | -                |
| (Increase) decrease in due from other funds   | 5                           | -                                    | -                |
| (Increase) decrease in inventories  | -                           | -                                    | -                |
| (Increase) decrease in prepaid items  | 100                         | (50)                                 | 21               |
| (Increase) decrease in other current assets   | (48)                        | -                                    | 20               |
| Increase (decrease) in deposits payable   | -                           | -                                    | -                |
| Increase (decrease) in accounts payable   | 23                          | 96                                   | (255)            |
| Increase (decrease) in accrued wages payable  | 36                          | -                                    | 2                |
| Increase (decrease) in compensated absences   | (45)                        | -                                    | 33               |
| Increase (decrease) in intergovernmental payables   | 2                           | -                                    | -                |
| Increase (decrease) in due to other funds   | (92)                        | 140                                  | (26)             |
| Increase (decrease) in unearned revenues  | -                           | -                                    | -                |
| Increase (decrease) in other current liabilities  | -                           | -                                    | -                |
| Increase (decrease) in notes, contracts, and leases payable   | -                           | -                                    | -                |
| Increase (decrease) in other long-term liabilities  | 508                         | -                                    | 55               |
| Prior period adjustments  | -                           | -                                    | -                |
| Miscellaneous non-operating revenues (expenditures)   | -                           | 390                                  | 74               |
| Total adjustments   | 495                         | 1,454                                | 1,273            |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ 2,758                    | \$ (626)                             | \$ 3,834         |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                             |                                      |                  |
| Contributions of capital assets   | \$ -                        | \$ -                                 | \$ -             |

## COMBINING STATEMENT OF CASH FLOWS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 3 of 8

|  | Convention<br>Center<br>#4165 | Cheney<br>Stadium<br>#4170 | Tacoma<br>Dome<br>#4180 | Performing<br>Arts<br>#4190 |
|--|-------------------------------|----------------------------|-------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                               |                            |                         |                             |
| Receipts from customers and users                              | \$ 2,774                      | \$ 689                     | \$ 9,157                | \$ -                        |
| Receipts from interfund services provided                      | 1                             | -                          | -                       | -                           |
| Payments to suppliers  | (2,776)                       | (242)                      | (7,672)                 | (563)                       |
| Payments to employees  | (1,879)                       | -                          | (3,236)                 | -                           |
| Payments for taxes   | (65)                          | (64)                       | (121)                   | -                           |
| Payments for interfund services used                           | (599)                         | (36)                       | (581)                   | (448)                       |
| Other operating or non-operating revenues (expenses)           | 63                            | 223                        | 1,486                   | -                           |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | (2,481)                       | 570                        | (967)                   | (1,011)                     |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                               |                            |                         |                             |
| Transfers from other funds                                     | -                             | 820                        | -                       | 1,495                       |
| Transfers (to) other funds                                     | -                             | -                          | -                       | -                           |
| Advances (to) other funds                                      | -                             | -                          | (431)                   | -                           |
| Grants received  | 2,270                         | -                          | -                       | -                           |
| Contributions and Donations                                    | -                             | -                          | -                       | -                           |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | 2,270                         | 820                        | (431)                   | 1,495                       |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |                               |                            |                         |                             |
| Transfers from other funds                                     | 5,168                         | -                          | -                       | -                           |
| Transfers (to) funds   | -                             | (1,320)                    | -                       | -                           |
| Acquisition and construction of capital assets                 | -                             | -                          | (34)                    | (1,205)                     |
| Proceeds from the sale of capital assets                       | -                             | -                          | -                       | -                           |
| Principal paid on capital debt                                 | (3,491)                       | -                          | -                       | -                           |
| Interest and issuance costs paid on capital debt               | (2,703)                       | (2)                        | (8)                     | -                           |
| Premium from capital debt                                      | -                             | -                          | -                       | -                           |
| Contributions and donations                                    | 1,324                         | -                          | -                       | 657                         |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | 298                           | (1,322)                    | (42)                    | (548)                       |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                               |                            |                         |                             |
| Interest and dividends received                                | 27                            | 2                          | 88                      | 5                           |
| Investment long-term   | (7)                           | (2)                        | (20)                    | (1)                         |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | 20                            | -                          | 68                      | 4                           |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | 107                           | 68                         | (1,372)                 | (60)                        |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 1,747                         | 122                        | 7,820                   | 525                         |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31          | 1,854                         | 190                        | 6,448                   | 465                         |

## COMBINING STATEMENT OF CASH FLOWS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 4 of 8

|   | Convention<br>Center<br>#4165 | Cheney<br>Stadium<br>#4170 | Tacoma<br>Dome<br>#4180 | Performing<br>Arts<br>#4190 |
|---|-------------------------------|----------------------------|-------------------------|-----------------------------|
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                               |                            |                         |                             |
| Operating income (loss)   | \$ (4,213)                    | \$ (1,146)                 | \$ (808)                | \$ (1,737)                  |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                               |                            |                         |                             |
| Depreciation expense  | 1,927                         | 1,538                      | 538                     | 732                         |
| (increase) decrease in accounts receivable  | (42)                          | -                          | 56                      | -                           |
| (Increase) decrease in intergovernmental receivables  | (300)                         | -                          | -                       | -                           |
| (Increase) decrease in due from other funds   | 1                             | (8)                        | -                       | (348)                       |
| (Increase) decrease in inventories  | -                             | -                          | -                       | -                           |
| (Increase) decrease in prepaid items  | 1                             | -                          | 1                       | -                           |
| (Increase) decrease in other current assets   | (13)                          | -                          | (16)                    | -                           |
| Increase (decrease) in deposits payable   | 73                            | -                          | (2,153)                 | -                           |
| Increase (decrease) in accounts payable   | (40)                          | (34)                       | (218)                   | 349                         |
| Increase (decrease) in accrued wages payable  | 3                             | -                          | 4                       | -                           |
| Increase (decrease) in compensated absences   | 13                            | -                          | 12                      | -                           |
| Increase (decrease) in due to other funds   | (76)                          | (3)                        | (58)                    | (7)                         |
| Increase (decrease) in unearned revenues  | -                             | -                          | (2)                     | -                           |
| Increase (decrease) in other current liabilities  | 1                             | -                          | -                       | -                           |
| Increase (decrease) in notes, contracts, and leases payable   | -                             | -                          | -                       | -                           |
| Increase (decrease) in other long-term liabilities  | 121                           | -                          | 191                     | -                           |
| Prior period adjustments  | -                             | -                          | -                       | -                           |
| Miscellaneous non-operating revenues (expenditures)   | 63                            | 223                        | 1,486                   | -                           |
| Total adjustments   | 1,732                         | 1,716                      | (159)                   | 726                         |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ (2,481)                    | \$ 570                     | \$ (967)                | \$ (1,011)                  |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                               |                            |                         |                             |
| Contributions of capital assets   | \$ -                          | \$ -                       | \$ -                    | \$ -                        |

## COMBINING STATEMENT OF CASH FLOWS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 5 of 8

|  | Union<br>Station<br>#4450 | Tacoma Rail<br>Belt Line Div<br>#4500 | Assistance<br>#4805 |
|--|---------------------------|---------------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                           |                                       |                     |
| Receipts from customers and users                              | \$ -                      | \$ 30,469                             | \$ -                |
| Receipts from interfund services provided                      | -                         | -                                     | -                   |
| Payments to suppliers  | (1,531)                   | (11,135)                              | (145)               |
| Payments to employees  | -                         | (15,866)                              | -                   |
| Payments for taxes   | -                         | (432)                                 | -                   |
| Payments for interfund services used                           | -                         | -                                     | -                   |
| Other operating or non-operating revenues (expenses)           | 1,459                     | -                                     | -                   |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | (72)                      | 3,036                                 | (145)               |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                           |                                       |                     |
| Transfers from other funds                                     | -                         | -                                     | -                   |
| Transfers (to) other funds                                     | -                         | (2,549)                               | -                   |
| Advances (to) other funds                                      | -                         | -                                     | -                   |
| Grants received  | -                         | -                                     | -                   |
| Contributions and Donations                                    | -                         | -                                     | -                   |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | -                         | (2,549)                               | -                   |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |                           |                                       |                     |
| Transfers from other funds                                     | -                         | -                                     | -                   |
| Acquisition and construction of capital assets                 | -                         | (134)                                 | -                   |
| Proceeds from capital debt                                     | 4,051                     | 715                                   | -                   |
| Proceeds from the sale of capital assets                       | -                         | -                                     | -                   |
| Principal paid on capital debt                                 | (2,520)                   | (884)                                 | -                   |
| Interest and issuance costs paid on capital debt               | (1,459)                   | (1)                                   | -                   |
| Premium from capital debt                                      | -                         | -                                     | -                   |
| Contributions and donations                                    | -                         | 36                                    | -                   |
| Proceeds from other non-operating revenues                     | -                         | 390                                   | -                   |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | 72                        | 122                                   | -                   |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                           |                                       |                     |
| Interest and dividends received                                | 1                         | 97                                    | -                   |
| Investment long-term   | -                         | (29)                                  | -                   |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | 1                         | 68                                    | -                   |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | 1                         | 677                                   | (145)               |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 1,992                     | 8,052                                 | 2,018               |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31          | \$ 1,993                  | \$ 8,729                              | \$ 1,873            |

## COMBINING STATEMENT OF CASH FLOWS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 6 of 8

|   | Union<br>Station<br>#4450 | Tacoma Rail<br>Belt Line Div<br>#4500 | Assistance<br>#4805 |
|---|---------------------------|---------------------------------------|---------------------|
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                           |                                       |                     |
| Operating income (loss)   | \$ (5)                    | \$ 1,188                              | \$ -                |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                           |                                       |                     |
| Depreciation expense  | -                         | 1,644                                 | -                   |
| (increase) decrease in accounts receivable  | -                         | (89)                                  | -                   |
| (Increase) decrease in due from other funds   | -                         | (148)                                 | -                   |
| (Increase) decrease in inventories  | -                         | (142)                                 | -                   |
| (Increase) decrease in prepaid items  | -                         | 1,119                                 | -                   |
| (Increase) decrease in other current assets   | -                         | -                                     | -                   |
| Increase (decrease) in deposits payable   | -                         | (11)                                  | -                   |
| Increase (decrease) in accounts payable   | (68)                      | (132)                                 | -                   |
| Increase (decrease) in accrued wages payable  | -                         | 36                                    | -                   |
| Increase (decrease) in compensated absences   | -                         | 8                                     | -                   |
| Increase (decrease) in due to other funds   | -                         | (200)                                 | -                   |
| Increase (decrease) in unearned revenues  | (244)                     | -                                     | -                   |
| Increase (decrease) in other current liabilities  | -                         | -                                     | (145)               |
| Increase (decrease) in notes, contracts, and leases payable   | -                         | -                                     | -                   |
| Increase (decrease) in other long-term liabilities  | (1,214)                   | (237)                                 | -                   |
| Prior period adjustments  | -                         | -                                     | -                   |
| Miscellaneous non-operating revenues (expenditures)   | 1,459                     | -                                     | -                   |
| Total adjustments   | (67)                      | 1,848                                 | (145)               |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ (72)                   | \$ 3,036                              | \$ (145)            |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                           |                                       |                     |
| Contributions of capital assets   | \$ -                      | \$ -                                  | \$ -                |



## COMBINING STATEMENT OF CASH FLOWS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 7 of 8

|  | Non-Major<br>Enterprise<br>Funds |
|--|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                                  |
| Receipts from customers and users                              | \$ 63,544                        |
| Receipts from interfund services provided                      | 6                                |
| Payments to suppliers  | (27,819)                         |
| Payments to employees  | (30,149)                         |
| Payments for taxes   | (913)                            |
| Payments for interfund services used                           | (3,469)                          |
| Other operating or non-operating revenues (expenses)           | 3,696                            |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | <u>4,896</u>                     |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                                  |
| Transfers from other funds                                     | 3,188                            |
| Transfers (to) other funds                                     | (2,899)                          |
| Advances (to) other funds                                      | (431)                            |
| Grants received  | 2,270                            |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | <u>2,128</u>                     |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |                                  |
| Transfers from other funds                                     | 5,168                            |
| Transfers (to) funds   | (2,525)                          |
| Acquisition and construction of capital assets                 | (1,936)                          |
| Proceeds from capital debt                                     | 4,766                            |
| Proceeds from the sale of capital assets                       | 5,931                            |
| Principal paid on capital debt                                 | (8,444)                          |
| Interest and issuance costs paid on capital debt               | (4,552)                          |
| Contributions and donations                                    | 2,017                            |
| Proceeds from other non-operating revenue                      | 390                              |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | <u>815</u>                       |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                                  |
| Interest and dividends received                                | 355                              |
| Investment long-term   | (133)                            |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | <u>222</u>                       |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | 8,061                            |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 29,717                           |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31          | <u>\$ 37,778</u>                 |

## COMBINING STATEMENT OF CASH FLOWS

## NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 8 of 8

|   | Non-Major<br>Enterprise<br>Funds |
|---|----------------------------------|
| <hr/>   |                                  |
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                                  |
| Operating income (loss)   | \$ (3,977)                       |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                                  |
| Depreciation expense  | 8,571                            |
| (Increase) decrease in accounts receivable  | (34)                             |
| (Increase) decrease in intergovernmental receivables  | (300)                            |
| (Increase) decrease in due from other funds   | (498)                            |
| (Increase) decrease in inventories  | (142)                            |
| (Increase) decrease in prepaid items  | 1,192                            |
| (Increase) decrease in other current assets   | (57)                             |
| Increase (decrease) in deposits payable   | (2,091)                          |
| Increase (decrease) in accounts payable   | (279)                            |
| Increase (decrease) in accrued wages payable  | 81                               |
| Increase (decrease) in compensated absences   | 21                               |
| Increase (decrease) in intergovernmental payables   | 2                                |
| Increase (decrease) in due to other funds   | (322)                            |
| Increase (decrease) in unearned revenues  | (246)                            |
| Increase (decrease) in other current liabilities  | (144)                            |
| Increase (decrease) in other long-term liabilities  | (576)                            |
| Miscellaneous non-operating revenues (expenditures)   | 3,695                            |
| Total adjustments   | 8,873                            |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ 4,896                         |
| <hr/>   |                                  |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                                  |
| Contributions of capital assets   | \$ -                             |

**Internal Service Funds:**

Internal Service funds are used to report the financing of goods and/or services administered from one department/agency to another department/agency. These transactions follow a cost reimbursement basis and include funds such as the Worker's Compensation Fund, Health Benefits Trust Fund, as well as 14 other 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 type activities.

**Tacoma Training and 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 Fund (#5700)**

Accounts for maintenance and operation cost associated with all City of Tacoma buildings.

**General Government Internal Service Fund (#5800)**

Internal services 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.

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COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
(amounts expressed in thousands)  
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|  | Finance<br>#5007 | BSIP<br>Project<br>#5027 |
|--|------------------|--------------------------|
| ASSETS   |                  |                          |
| Current assets:                                      |                  |                          |
| Cash and cash equivalents                            | \$ 1             | \$ 143                   |
| Accounts receivable (net)                            | 21               | -                        |
| Due from other funds                                 | -                | -                        |
| Due from other governments                           | -                | -                        |
| Inventory  | -                | -                        |
| Prepayments  | -                | -                        |
| Total current assets                                 | <u>22</u>        | <u>143</u>               |
| Noncurrent assets:                                   |                  |                          |
| Capital assets:                                      |                  |                          |
| Land   | -                | -                        |
| Property, plant, and equipment                       | -                | -                        |
| Less: accumulated depreciation                       | -                | -                        |
| Construction work in progress                        | -                | -                        |
| Total capital assets net of accumulated depreciation | <u>-</u>         | <u>-</u>                 |
| Total noncurrent assets                              | <u>-</u>         | <u>-</u>                 |
| TOTAL ASSETS   | <u>22</u>        | <u>143</u>               |
| DEFERRED OUTFLOW OF RESOURCES                        |                  |                          |
| Deferred outflows related to pensions                | -                | -                        |
| TOTAL DEFERRED OUTFLOW OF RESOURCES                  | <u>-</u>         | <u>-</u>                 |
| TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES         | <u>\$ 22</u>     | <u>\$ 143</u>            |

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
(amounts expressed in thousands)  
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|  | Finance<br>#5007  | BSIP<br>Project<br>#5027 |
|--|-------------------|--------------------------|
|  | <u>          </u> | <u>          </u>        |
| LIABILITIES                                      |                   |                          |
| Current liabilities:                             |                   |                          |
| Accounts payable                                 | \$ -              | \$ -                     |
| Due to other funds                               | -                 | -                        |
| Accrued wages                                    | -                 | -                        |
| Accrued benefits                                 | -                 | -                        |
| Accrued taxes                                    | -                 | -                        |
| Unearned revenue                                 | -                 | -                        |
| Other  | -                 | -                        |
| Total current liabilities                        | <u>-</u>          | <u>-</u>                 |
| Noncurrent liabilities:                          |                   |                          |
| Compensated absences                             | -                 | -                        |
| Net pension liability                            | -                 | -                        |
| Other - noncurrent liabilities                   | -                 | -                        |
| Total noncurrent liabilities                     | <u>-</u>          | <u>-</u>                 |
| TOTAL LIABILITIES                                | <u>-</u>          | <u>-</u>                 |
| DEFERRED INFLOW OF RESOURCES                     |                   |                          |
| Deferred inflows related to pensions             | -                 | -                        |
| TOTAL DEFERRED INFLOW OF RESOURCES               | <u>-</u>          | <u>-</u>                 |
| TOTAL LIABILITIES & DEFERRED INFLOW OF RESOURCES | <u>-</u>          | <u>-</u>                 |
| NET POSITION                                     |                   |                          |
| Net investment in capital assets                 | -                 | -                        |
| Restricted:                                      |                   |                          |
| Restricted for capital purchases                 | -                 | -                        |
| Restricted for self-insurance                    | -                 | -                        |
| Unrestricted                                     | 22                | 143                      |
| TOTAL NET POSITION                               | <u>\$ 22</u>      | <u>\$ 143</u>            |

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
(amounts expressed in thousands)  
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|   | Graphic<br>Services<br>#5042 | TPU Fleet<br>Services<br>#5050 | Tacoma<br>Training & Emp<br>#5086 | Equipment<br>Rental<br>#5400 |
|---|------------------------------|--------------------------------|-----------------------------------|------------------------------|
| <b>ASSETS</b>   |                              |                                |                                   |                              |
| Current assets:   |                              |                                |                                   |                              |
| Cash and cash equivalents                               | \$ 104                       | \$ 18,653                      | \$ 139                            | \$ 7,625                     |
| Accounts receivable (net)                               | -                            | 99                             | -                                 | 5                            |
| Due from other funds                                    | -                            | 5                              | 64                                | 36                           |
| Due from other governments                              | -                            | -                              | -                                 | -                            |
| Inventory   | -                            | 310                            | -                                 | 522                          |
| Prepayments   | -                            | -                              | -                                 | 23                           |
| Total current assets                                    | 104                          | 19,067                         | 203                               | 8,211                        |
| Noncurrent assets:                                      |                              |                                |                                   |                              |
| Capital assets:   |                              |                                |                                   |                              |
| Land  | -                            | -                              | -                                 | -                            |
| Property, plant, and equipment                          | -                            | 62,495                         | -                                 | 54,786                       |
| Less: accumulated depreciation                          | -                            | (37,242)                       | -                                 | (36,877)                     |
| Construction work in progress                           | -                            | 728                            | -                                 | 3,101                        |
| Total capital assets net of accumulated depreciation    | -                            | 25,981                         | -                                 | 21,010                       |
| Total noncurrent assets                                 | -                            | 25,981                         | -                                 | 21,010                       |
| <b>TOTAL ASSETS</b>                                     | <b>104</b>                   | <b>45,048</b>                  | <b>203</b>                        | <b>29,221</b>                |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                    |                              |                                |                                   |                              |
| Deferred outflows related to pensions                   | -                            | 916                            | -                                 | 1,175                        |
| <b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>              | <b>-</b>                     | <b>916</b>                     | <b>-</b>                          | <b>1,175</b>                 |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOW OF RESOURCES</b> | <b>\$ 104</b>                | <b>\$ 45,964</b>               | <b>\$ 203</b>                     | <b>\$ 30,396</b>             |

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
(amounts expressed in thousands)  
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|   | Graphic<br>Services<br>#5042 | TPU Fleet<br>Services<br>#5050 | Tacoma<br>Training & Emp<br>#5086 | Equipment<br>Rental<br>#5400 |
|---|------------------------------|--------------------------------|-----------------------------------|------------------------------|
| <b>LIABILITIES</b>  |                              |                                |                                   |                              |
| Current liabilities:  |                              |                                |                                   |                              |
| Accounts payable  | \$ -                         | \$ 543                         | \$ 63                             | \$ 198                       |
| Due to other funds  | 2                            | 13                             | -                                 | 11                           |
| Accrued wages   | -                            | 69                             | -                                 | 90                           |
| Accrued benefits  | -                            | -                              | -                                 | -                            |
| Accrued taxes   | -                            | -                              | -                                 | 2                            |
| Unearned revenue  | -                            | -                              | -                                 | -                            |
| Other   |                              |                                |                                   |                              |
| Total current liabilities                                   | <u>2</u>                     | <u>625</u>                     | <u>63</u>                         | <u>301</u>                   |
| Noncurrent liabilities:                                     |                              |                                |                                   |                              |
| Compensated absences  | -                            | 210                            | -                                 | 236                          |
| Net pension liability                                       | -                            | 874                            | -                                 | 1,122                        |
| Other - noncurrent liabilities                              | -                            | -                              | -                                 | -                            |
| Total noncurrent liabilities                                | <u>-</u>                     | <u>1,084</u>                   | <u>-</u>                          | <u>1,358</u>                 |
| <b>TOTAL LIABILITIES</b>                                    | <u>2</u>                     | <u>1,709</u>                   | <u>63</u>                         | <u>1,659</u>                 |
| <b>DEFERRED INFLOW OF RESOURCES</b>                         |                              |                                |                                   |                              |
| Deferred inflows related to pensions                        | -                            | 188                            | -                                 | 242                          |
| <b>TOTAL DEFERRED INFLOW OF RESOURCES</b>                   | <u>-</u>                     | <u>188</u>                     | <u>-</u>                          | <u>242</u>                   |
| <b>TOTAL LIABILITIES &amp; DEFERRED INFLOW OF RESOURCES</b> | <u>2</u>                     | <u>1,897</u>                   | <u>63</u>                         | <u>1,901</u>                 |
| <b>NET POSITION</b>   |                              |                                |                                   |                              |
| Net investment in capital assets                            | -                            | 25,981                         | -                                 | 21,010                       |
| Restricted:   |                              |                                |                                   |                              |
| Restricted for capital purchases                            | -                            | 26,276                         | -                                 | -                            |
| Restricted for self-insurance                               | -                            | -                              | -                                 | -                            |
| Unrestricted  | 102                          | (8,190)                        | 140                               | 7,485                        |
| <b>TOTAL NET POSITION</b>                                   | <u>\$ 102</u>                | <u>\$ 44,067</u>               | <u>\$ 140</u>                     | <u>\$ 28,495</u>             |



COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
(amounts expressed in thousands)  
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|  | Asphalt<br>Plant<br>#5453 | Communications<br>Equipment<br>#5540 | Third Party<br>Liability Claims<br>#5550 | Unemployment<br>Compensation<br>#5560 |
|--|---------------------------|--------------------------------------|--|---------------------------------------|
| ASSETS   |                           |                                      |  |                                       |
| Current assets:                                      |                           |                                      |  |                                       |
| Cash and cash equivalents                            | \$ 431                    | \$ 5,382                             | \$ 4,464                                 | \$ 606                                |
| Accounts receivable (net)                            | -                         | 111                                  | -  | -                                     |
| Due from other funds                                 | 9                         | -                                    | 294                                      | -                                     |
| Due from other governments                           | -                         | -                                    | -  | -                                     |
| Inventory  | 372                       | -                                    | -  | -                                     |
| Prepayments  | -                         | 63                                   | -  | -                                     |
| Total current assets                                 | <u>812</u>                | <u>5,556</u>                         | <u>4,758</u>                             | <u>606</u>                            |
| Noncurrent assets:                                   |                           |                                      |  |                                       |
| Capital assets:                                      |                           |                                      |  |                                       |
| Land   | 11                        | -                                    | -  | -                                     |
| Property, plant, and equipment                       | 258                       | 5,730                                | -  | -                                     |
| Less: accumulated depreciation                       | (258)                     | (3,189)                              | -  | -                                     |
| Construction work in progress                        | -                         | -                                    | -  | -                                     |
| Total capital assets net of accumulated depreciation | <u>11</u>                 | <u>2,541</u>                         | <u>-</u>                                 | <u>-</u>                              |
| Total noncurrent assets                              | <u>11</u>                 | <u>2,541</u>                         | <u>-</u>                                 | <u>-</u>                              |
| TOTAL ASSETS   | <u>823</u>                | <u>8,097</u>                         | <u>4,758</u>                             | <u>606</u>                            |
| DEFERRED OUTFLOW OF RESOURCES                        |                           |                                      |  |                                       |
| Deferred outflows related to pensions                | 58                        | 217                                  | 13                                       | -                                     |
| TOTAL DEFERRED OUTFLOW OF RESOURCES                  | <u>58</u>                 | <u>217</u>                           | <u>13</u>                                | <u>-</u>                              |
| TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES         | <u>\$ 881</u>             | <u>\$ 8,314</u>                      | <u>\$ 4,771</u>                          | <u>\$ 606</u>                         |

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
(amounts expressed in thousands)  
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|   | Asphalt<br>Plant<br>#5453 | Communications<br>Equipment<br>#5540 | Third Party<br>Liability Claims<br>#5550 | Unemployment<br>Compensation<br>#5560 |
|---|---------------------------|--------------------------------------|--|---------------------------------------|
| <b>LIABILITIES</b>  |                           |                                      |  |                                       |
| Current liabilities:  |                           |                                      |  |                                       |
| Accounts payable  | \$ 19                     | \$ 23                                | \$ 67                                    | \$ 53                                 |
| Due to other funds  | 7                         | -                                    | -  | -                                     |
| Accrued wages   | 5                         | 23                                   | 1  | -                                     |
| Accrued benefits  | -                         | -                                    | -  | -                                     |
| Accrued taxes   | 4                         | 1                                    | -  | -                                     |
| Unearned revenue  | -                         | 61                                   | -  | -                                     |
| Other   | -                         | -                                    | 20,950                                   | -                                     |
| Total current liabilities                                   | <u>35</u>                 | <u>108</u>                           | <u>21,018</u>                            | <u>53</u>                             |
| Noncurrent liabilities:                                     |                           |                                      |  |                                       |
| Compensated absences  | 11                        | 115                                  | -  | -                                     |
| Net pension liability                                       | 55                        | 207                                  | 12                                       | -                                     |
| Other - noncurrent liabilities                              | -                         | -                                    | 7,750                                    | -                                     |
| Total noncurrent liabilities                                | <u>66</u>                 | <u>322</u>                           | <u>7,762</u>                             | <u>-</u>                              |
| <b>TOTAL LIABILITIES</b>                                    | <u>101</u>                | <u>430</u>                           | <u>28,780</u>                            | <u>53</u>                             |
| <b>DEFERRED INFLOW OF RESOURCES</b>                         |                           |                                      |  |                                       |
| Deferred inflows related to pensions                        | 12                        | 45                                   | 2  | -                                     |
| <b>TOTAL DEFERRED INFLOW OF RESOURCES</b>                   | <u>12</u>                 | <u>45</u>                            | <u>2</u>                                 | <u>-</u>                              |
| <b>TOTAL LIABILITIES &amp; DEFERRED INFLOW OF RESOURCES</b> | <u>113</u>                | <u>475</u>                           | <u>28,782</u>                            | <u>53</u>                             |
| <b>NET POSITION</b>   |                           |                                      |  |                                       |
| Net investment in capital assets                            | 11                        | 2,541                                | -  | -                                     |
| Restricted:   |                           |                                      |  |                                       |
| Restricted for capital purchases                            | -                         | -                                    | -  | -                                     |
| Restricted for self-insurance                               | -                         | -                                    | -  | -                                     |
| Unrestricted  | 757                       | 5,298                                | (24,011)                                 | 553                                   |
| <b>TOTAL NET POSITION</b>                                   | <u>\$ 768</u>             | <u>7,839</u>                         | <u>(24,011)</u>                          | <u>553</u>                            |

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS

December 31, 2017

(amounts expressed in thousands)

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|  | Worker's<br>Compensation<br>#5570 | Facilities<br>#5700 | GG Internal<br>Services<br>#5800 | Health<br>Benefits<br>#(5)64xx |
|--|-----------------------------------|---------------------|----------------------------------|--------------------------------|
| ASSETS   |                                   |                     |                                  |                                |
| Current assets:                                      |                                   |                     |                                  |                                |
| Cash and cash equivalents                            | \$ 5,270                          | \$ 4,014            | \$ 11,963                        | \$ 29,175                      |
| Accounts receivable (net)                            | -                                 | 4                   | 22                               | 4                              |
| Due from other funds                                 | -                                 | -                   | 7                                | 535                            |
| Due from other governments                           | -                                 | -                   | 16                               | -                              |
| Inventory  | -                                 | -                   | 19                               | -                              |
| Prepayments  | -                                 | 31                  | 3,359                            | -                              |
| Total current assets                                 | <u>5,270</u>                      | <u>4,049</u>        | <u>15,386</u>                    | <u>29,714</u>                  |
| Noncurrent assets:                                   |                                   |                     |                                  |                                |
| Capital assets:                                      |                                   |                     |                                  |                                |
| Land   | -                                 | 346                 | -                                | -                              |
| Property, plant, and equipment                       | -                                 | 21,224              | 31,112                           | 12                             |
| Less: accumulated depreciation                       | -                                 | (14,569)            | (22,009)                         | -                              |
| Construction work in progress                        | -                                 | 346                 | 13                               | -                              |
| Total capital assets net of accumulated depreciation | <u>-</u>                          | <u>7,347</u>        | <u>9,116</u>                     | <u>12</u>                      |
| Total noncurrent assets                              | <u>-</u>                          | <u>7,347</u>        | <u>9,116</u>                     | <u>12</u>                      |
| TOTAL ASSETS   | <u>5,270</u>                      | <u>11,396</u>       | <u>24,502</u>                    | <u>29,726</u>                  |
| DEFERRED OUTFLOW OF RESOURCES                        |                                   |                     |                                  |                                |
| Deferred outflows related to pensions                | 301                               | 497                 | 4,260                            | -                              |
| TOTAL DEFERRED OUTFLOW OF RESOURCES                  | <u>301</u>                        | <u>497</u>          | <u>4,260</u>                     | <u>-</u>                       |
| TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES         | <u>\$ 5,571</u>                   | <u>\$ 11,893</u>    | <u>\$ 28,762</u>                 | <u>\$ 29,726</u>               |

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
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|  | Worker's<br>Compensation<br>#5570 | Facilities<br>#5700 | GG Internal<br>Services<br>#5800 | Health<br>Benefits<br>#(5)64xx |
|--|-----------------------------------|---------------------|----------------------------------|--------------------------------|
|  | <u>          </u>                 | <u>          </u>   | <u>          </u>                | <u>          </u>              |
| LIABILITIES                                      |                                   |                     |                                  |                                |
| Current liabilities:                             |                                   |                     |                                  |                                |
| Accounts payable                                 | \$ 349                            | \$ 515              | \$ 2,921                         | \$ 4,373                       |
| Due to other funds                               | 3                                 | 632                 | 206                              | -                              |
| Accrued wages                                    | 16                                | 35                  | 870                              | -                              |
| Accrued benefits                                 | -                                 | -                   | -                                | 6                              |
| Accrued taxes                                    | -                                 | 2                   | 5                                | -                              |
| Unearned revenue                                 | -                                 | -                   | 1                                | 2                              |
| Other  | 5,084                             | -                   | -                                | 8,915                          |
| Total current liabilities                        | <u>5,452</u>                      | <u>1,184</u>        | <u>4,003</u>                     | <u>13,296</u>                  |
| Noncurrent liabilities:                          |                                   |                     |                                  |                                |
| Compensated absences                             | -                                 | 68                  | 2,854                            | -                              |
| Net pension liability                            | 287                               | 475                 | 4,067                            | -                              |
| Other - noncurrent liabilities                   | -                                 | -                   | -                                | -                              |
| Total noncurrent liabilities                     | <u>287</u>                        | <u>543</u>          | <u>6,921</u>                     | <u>-</u>                       |
| TOTAL LIABILITIES                                | <u>5,739</u>                      | <u>1,727</u>        | <u>10,924</u>                    | <u>13,296</u>                  |
| DEFERRED INFLOW OF RESOURCES                     |                                   |                     |                                  |                                |
| Deferred inflows related to pensions             | 62                                | 102                 | 876                              | -                              |
| TOTAL DEFERRED INFLOW OF RESOURCES               | <u>62</u>                         | <u>102</u>          | <u>876</u>                       | <u>-</u>                       |
| TOTAL LIABILITIES & DEFERRED INFLOW OF RESOURCES | <u>5,801</u>                      | <u>1,829</u>        | <u>11,800</u>                    | <u>13,296</u>                  |
| NET POSITION                                     |                                   |                     |                                  |                                |
| Net investment in capital assets                 | -                                 | 7,347               | 9,116                            | 12                             |
| Restricted:                                      |                                   |                     |                                  |                                |
| Restricted for capital purchases                 | -                                 | -                   | -                                | -                              |
| Restricted for self-insurance                    | -                                 | -                   | -                                | -                              |
| Unrestricted                                     | (230)                             | 2,717               | 7,846                            | 16,418                         |
| TOTAL NET POSITION                               | <u>\$ (230)</u>                   | <u>\$ 10,064</u>    | <u>\$ 16,962</u>                 | <u>\$ 16,430</u>               |

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
(amounts expressed in thousands)  
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|  | Self Insurance<br>Claims<br>#(5)4800 | Internal Service<br>Funds |
|--|--------------------------------------|---------------------------|
| ASSETS   |                                      |                           |
| Current assets:                                      |                                      |                           |
| Cash and cash equivalents                            | \$ 7,028                             | \$ 94,998                 |
| Accounts receivable (net)                            | -                                    | 266                       |
| Due from other funds                                 | -                                    | 950                       |
| Due from other governments                           | -                                    | 16                        |
| Inventory  | -                                    | 1,223                     |
| Prepayments  | -                                    | 3,476                     |
| Total current assets                                 | <u>7,028</u>                         | <u>100,929</u>            |
| Noncurrent assets:                                   |                                      |                           |
| Capital assets:                                      |                                      |                           |
| Land   | -                                    | 357                       |
| Property, plant, and equipment                       | -                                    | 175,617                   |
| Less: accumulated depreciation                       | -                                    | (114,144)                 |
| Construction work in progress                        | -                                    | 4,188                     |
| Total capital assets net of accumulated depreciation | <u>-</u>                             | <u>66,018</u>             |
| Total noncurrent assets                              | <u>-</u>                             | <u>66,018</u>             |
| TOTAL ASSETS   | <u>7,028</u>                         | <u>166,947</u>            |
| DEFERRED OUTFLOW OF RESOURCES                        |                                      |                           |
| Deferred outflows related to pensions                | -                                    | 7,437                     |
| TOTAL DEFERRED OUTFLOW OF RESOURCES                  | <u>-</u>                             | <u>7,437</u>              |
| TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES         | <u>\$ 7,028</u>                      | <u>\$ 174,384</u>         |

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
December 31, 2017  
(amounts expressed in thousands)  
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|  | Claims<br>#(5)4800 | Internal Service<br>Funds |
|--|--------------------|---------------------------|
|  | <u>          </u>  | <u>          </u>         |
| LIABILITIES                                      |                    |                           |
| Current liabilities:                             |                    |                           |
| Accounts payable                                 | \$ 12              | \$ 9,136                  |
| Due to other funds                               | 9                  | 883                       |
| Accrued wages                                    | -                  | 1,109                     |
| Accrued benefits                                 | -                  | 6                         |
| Accrued taxes                                    | -                  | 14                        |
| Unearned revenue                                 | -                  | 64                        |
| Other  | -                  | 34,949                    |
| Total current liabilities                        | <u>21</u>          | <u>46,161</u>             |
| Noncurrent liabilities:                          |                    |                           |
| Compensated absences                             | -                  | 3,494                     |
| Net pension liability                            | -                  | 7,099                     |
| Other - noncurrent liabilities                   | 5,857              | 13,607                    |
| Total noncurrent liabilities                     | <u>5,857</u>       | <u>24,200</u>             |
| TOTAL LIABILITIES                                | <u>5,878</u>       | <u>70,361</u>             |
| DEFERRED INFLOW OF RESOURCES                     |                    |                           |
| Deferred inflows related to pensions             | -                  | 1,529                     |
| TOTAL DEFERRED INFLOW OF RESOURCES               | <u>-</u>           | <u>1,529</u>              |
| TOTAL LIABILITIES & DEFERRED INFLOW OF RESOURCES | <u>5,878</u>       | <u>71,890</u>             |
| NET POSITION                                     |                    |                           |
| Net investment in capital assets                 | -                  | 66,018                    |
| Restricted:                                      |                    |                           |
| Restricted for capital purchases                 | -                  | 26,276                    |
| Restricted for self-insurance                    | 1,150              | 1,150                     |
| Unrestricted                                     | -                  | 9,050                     |
| TOTAL NET POSITION                               | <u>\$ 1,150</u>    | <u>\$ 102,494</u>         |

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 1 of 5

|  | Finance<br>#5007 | BSIP<br>Project<br>#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)                |                  |                          |
| Taxes  | -                | -                        |
| Interest and other earnings                      | -                | -                        |
| Unrealized net gain/loss in FMV of investments   | -                | -                        |
| Other non operating revenues (expenses)          | -                | -                        |
| Gain(loss) on disposition of property            | -                | -                        |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | -                | -                        |
| 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                         | -                | -                        |
| NET POSITION - January 1, Restated               | -                | -                        |
| NET POSITION - December 31                       | \$ 22            | \$ 143                   |

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 2 of 5

|  | Graphic<br>Services<br>#5042 | TPU Fleet<br>Services<br>#5050 | Tacoma Training<br>& Employment<br>#5086 | Equipment<br>Rental<br>#5400 |
|--|------------------------------|--------------------------------|--|------------------------------|
| OPERATING REVENUES                               |                              |                                |  |                              |
| Charges for goods and services                   | \$ -                         | \$ 6,248                       | \$ 170                                   | \$ 7,739                     |
| Interfund insurance premiums                     | -                            | -                              | -  | -                            |
| Miscellaneous revenues                           | -                            | -                              | -  | -                            |
| TOTAL OPERATING REVENUES                         | -                            | 6,248                          | 170                                      | 7,739                        |
| OPERATING EXPENSES                               |                              |                                |  |                              |
| Salary and wages                                 | -                            | 2,921                          | -  | 4,034                        |
| Personnel benefits                               | -                            | 408                            | -  | 97                           |
| Supplies   | -                            | 64                             | -  | 108                          |
| Services   | -                            | 1,398                          | 171                                      | 1,639                        |
| Depreciation expense                             | -                            | 3,493                          | -  | 3,176                        |
| TOTAL OPERATING EXPENSES                         | -                            | 8,284                          | 171                                      | 9,054                        |
| OPERATING INCOME (LOSS)                          | -                            | (2,036)                        | (1)                                      | (1,315)                      |
| NON-OPERATING REVENUES (EXPENSES)                |                              |                                |  |                              |
| Taxes  | -                            | -                              | -  | -                            |
| Interest and other earnings                      | -                            | 50                             | 1  | 77                           |
| Unrealized net gain/loss in FMV of investments   | -                            | (58)                           | -  | (28)                         |
| Other non operating revenues (expenses)          | -                            | 42                             | -  | 14                           |
| Gain(loss) on disposition of property            | -                            | 488                            | -  | 293                          |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | -                            | 522                            | 1  | 356                          |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | -                            | (1,514)                        | -  | (959)                        |
| Transfer in                                      | -                            | -                              | -  | 5,005                        |
| Transfer out                                     | -                            | -                              | -  | -                            |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | -                            | -                              | -  | 5,005                        |
| CHANGE IN NET POSITION                           | -                            | (1,514)                        | -  | 4,046                        |
| NET POSITION                                     |                              |                                |  |                              |
| NET POSITION - January 1                         | 7                            | 45,581                         | 140                                      | 24,560                       |
| Prior period adjustments                         | 95                           | -                              | -  | (111)                        |
| NET POSITION - January 1, Restated               | 102                          | 45,581                         | 140                                      | 24,449                       |
| NET POSITION - December 31                       | \$ 102                       | \$ 44,067                      | \$ 140                                   | \$ 28,495                    |



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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | Asphalt<br>Plant<br>#5453 | Communications<br>Equipment<br>#5540 | Third Party<br>Liability<br>#5550 | Unemployment<br>Compensation<br>#5560 |
|--|---------------------------|--------------------------------------|-----------------------------------|---------------------------------------|
| OPERATING REVENUES                               |                           |                                      |                                   |                                       |
| Charges for goods and services                   | \$ 1,560                  | \$ 2,963                             | \$ -                              | \$ -                                  |
| Interfund insurance premiums                     | -                         | -                                    | 3,538                             | 510                                   |
| Miscellaneous revenues                           | -                         | -                                    | -                                 | -                                     |
| TOTAL OPERATING REVENUES                         | <u>1,560</u>              | <u>2,963</u>                         | <u>3,538</u>                      | <u>510</u>                            |
| OPERATING EXPENSES                               |                           |                                      |                                   |                                       |
| Salary and wages                                 | 171                       | 393                                  | 42                                | -                                     |
| Personnel benefits                               | 103                       | 259                                  | 17                                | -                                     |
| Supplies   | 665                       | 239                                  | 1                                 | -                                     |
| Services   | 612                       | 1,219                                | 13,169                            | 482                                   |
| Depreciation expense                             | -                         | 395                                  | -                                 | -                                     |
| TOTAL OPERATING EXPENSES                         | <u>1,551</u>              | <u>2,505</u>                         | <u>13,229</u>                     | <u>482</u>                            |
| OPERATING INCOME (LOSS)                          | 9                         | 458                                  | (9,691)                           | 28                                    |
| NON-OPERATING REVENUES (EXPENSES)                |                           |                                      |                                   |                                       |
| Taxes  | -                         | -                                    | -                                 | -                                     |
| Interest and other earnings                      | 3                         | 55                                   | 72                                | 6                                     |
| Unrealized net gain/loss in FMV of investments   | (2)                       | (21)                                 | (7)                               | (1)                                   |
| Other non operating revenues (expenses)          | -                         | -                                    | -                                 | -                                     |
| Gain(loss) on disposition of property            | -                         | -                                    | -                                 | -                                     |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | <u>1</u>                  | <u>34</u>                            | <u>65</u>                         | <u>5</u>                              |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 10                        | 492                                  | (9,626)                           | 33                                    |
| Transfer in                                      | -                         | 20                                   | -                                 | -                                     |
| Transfer out                                     | -                         | -                                    | -                                 | -                                     |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | <u>-</u>                  | <u>20</u>                            | <u>-</u>                          | <u>-</u>                              |
| CHANGE IN NET POSITION                           | <u>10</u>                 | <u>512</u>                           | <u>(9,626)</u>                    | <u>33</u>                             |
| NET POSITION                                     |                           |                                      |                                   |                                       |
| NET POSITION - January 1                         | 758                       | 7,327                                | (14,385)                          | 520                                   |
| Prior period adjustments                         | -                         | -                                    | -                                 | -                                     |
| NET POSITION - January 1, Restated               | <u>758</u>                | <u>7,327</u>                         | <u>(14,385)</u>                   | <u>520</u>                            |
| NET POSITION - December 31                       | <u>\$ 768</u>             | <u>\$ 7,839</u>                      | <u>\$ (24,011)</u>                | <u>\$ 553</u>                         |

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | Worker's<br>Compensation<br>#5570 | Facilities<br>#5700 | GG Internal<br>Services<br>#5800 | Health<br>Benefits<br>#(5)64xx |
|--|-----------------------------------|---------------------|----------------------------------|--------------------------------|
| OPERATING REVENUES                               |                                   |                     |                                  |                                |
| Charges for goods and services                   | \$ -                              | \$ 5,215            | \$ 57,026                        | \$ -                           |
| Interfund insurance premiums                     | 8,966                             | -                   | -                                | 76,974                         |
| Miscellaneous revenues                           | -                                 | -                   | 11                               | -                              |
| TOTAL OPERATING REVENUES                         | <u>8,966</u>                      | <u>5,215</u>        | <u>57,037</u>                    | <u>76,974</u>                  |
| OPERATING EXPENSES                               |                                   |                     |                                  |                                |
| Salary and wages                                 | 720                               | 1,016               | 25,642                           | -                              |
| Personnel benefits                               | 362                               | 664                 | 10,340                           | -                              |
| Supplies   | 26                                | 433                 | 1,905                            | 101                            |
| Services   | 5,889                             | 2,390               | 10,498                           | 74,191                         |
| Depreciation expense                             | -                                 | 599                 | 2,150                            | -                              |
| TOTAL OPERATING EXPENSES                         | <u>6,997</u>                      | <u>5,102</u>        | <u>50,535</u>                    | <u>74,292</u>                  |
| OPERATING INCOME (LOSS)                          | 1,969                             | 113                 | 6,502                            | 2,682                          |
| NON-OPERATING REVENUES (EXPENSES)                |                                   |                     |                                  |                                |
| Taxes  | -                                 | -                   | 10                               | -                              |
| Interest and other earnings                      | 47                                | 46                  | 111                              | 314                            |
| Unrealized net gain/loss in FMV of investments   | (21)                              | (15)                | (72)                             | (111)                          |
| Operating contributions - federal/state/local    | -                                 | -                   | -                                | -                              |
| Other non operating revenues (expenses)          | -                                 | 9                   | -                                | -                              |
| Gain(loss) on disposition of property            | -                                 | -                   | -                                | -                              |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | <u>26</u>                         | <u>40</u>           | <u>49</u>                        | <u>203</u>                     |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 1,995                             | 153                 | 6,551                            | 2,885                          |
| Transfer in                                      | -                                 | -                   | -                                | -                              |
| Transfer out                                     | -                                 | (625)               | (638)                            | -                              |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | <u>-</u>                          | <u>(625)</u>        | <u>(638)</u>                     | <u>-</u>                       |
| CHANGE IN NET POSITION                           | 1,995                             | (472)               | 5,913                            | 2,885                          |
| NET POSITION                                     |                                   |                     |                                  |                                |
| NET POSITION - January 1                         | (2,225)                           | 10,536              | 11,049                           | 13,545                         |
| Prior period adjustments                         | -                                 | -                   | -                                | -                              |
| NET POSITION - January 1, Restated               | <u>(2,225)</u>                    | <u>10,536</u>       | <u>11,049</u>                    | <u>13,545</u>                  |
| NET POSITION - December 31                       | <u>\$ (230)</u>                   | <u>\$ 10,064</u>    | <u>\$ 16,962</u>                 | <u>\$ 16,430</u>               |

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

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 5 of 5

|  | Self Insurance<br>Claims<br>#(5) 4800 | Total<br>Internal Service<br>Funds |
|--|---------------------------------------|------------------------------------|
| OPERATING REVENUES                               |                                       |                                    |
| Charges for goods and services                   | \$ -                                  | \$ 80,921                          |
| Interfund insurance premiums                     | 1,207                                 | 91,195                             |
| Miscellaneous revenues                           | -                                     | 11                                 |
| TOTAL OPERATING REVENUES                         | <u>1,207</u>                          | <u>172,127</u>                     |
| OPERATING EXPENSES                               |                                       |                                    |
| Salary and wages                                 | -                                     | 34,939                             |
| Personnel benefits                               | -                                     | 12,250                             |
| Supplies   | 1                                     | 3,543                              |
| Services   | 2,919                                 | 114,577                            |
| Depreciation expense                             | -                                     | 9,813                              |
| TOTAL OPERATING EXPENSES                         | <u>2,920</u>                          | <u>175,122</u>                     |
| OPERATING INCOME (LOSS)                          | (1,713)                               | (2,995)                            |
| NON-OPERATING REVENUES (EXPENSES)                |                                       |                                    |
| Taxes  | -                                     | 10                                 |
| Interest and other earnings                      | 79                                    | 861                                |
| Unrealized net gain/loss in FMV of investments   | (22)                                  | (358)                              |
| Other non operating revenues (expenses)          | -                                     | 65                                 |
| Gain(loss) on disposition of property            | -                                     | 781                                |
| TOTAL NON-OPERATING REVENUES (EXPENSES)          | <u>57</u>                             | <u>1,359</u>                       |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | (1,656)                               | (1,636)                            |
| Transfer in                                      | -                                     | 5,025                              |
| Transfer out                                     | -                                     | (1,263)                            |
| TOTAL CONTRIBUTIONS AND TRANSFERS                | <u>-</u>                              | <u>3,762</u>                       |
| CHANGE IN NET POSITION                           | (1,656)                               | 2,126                              |
| NET POSITION                                     |                                       |                                    |
| NET POSITION - January 1                         | 2,806                                 | 100,384                            |
| Prior period adjustments                         | -                                     | (16)                               |
| NET POSITION - January 1, Restated               | 2,806                                 | 100,368                            |
| NET POSITION - December 31                       | <u>\$ 1,150</u>                       | <u>\$ 102,494</u>                  |

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## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 1 of 10

|  | Finance<br>#5007 | Budget<br>and Research<br>#5016 | BSIP<br>Project<br>#5027 |
|--|------------------|---------------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                  |                                 |                          |
| Receipts from customers and users                              | \$ -             | \$ -                            | \$ -                     |
| Receipts from interfund services provided                      | -                | -                               | -                        |
| Contributions received - employee/employer                     | -                | -                               | -                        |
| Payments to suppliers  | -                | -                               | -                        |
| Payments to employees  | -                | -                               | -                        |
| Payments for taxes   | -                | -                               | -                        |
| Payments for interfund services used                           | -                | -                               | -                        |
| Other operating or non-operating revenues (expenses)           | -                | -                               | -                        |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | -                | -                               | -                        |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                  |                                 |                          |
| Transfers from other funds                                     | -                | -                               | -                        |
| Transfers (to) other funds                                     | -                | -                               | -                        |
| Advances from other funds                                      | -                | -                               | -                        |
| Grants received  | -                | -                               | -                        |
| Contributions and Donations                                    | -                | -                               | -                        |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | -                | -                               | -                        |
| CASH FLOWS FROM CAPITAL<br>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<br>CAPITAL FINANCING ACTIVITIES    | -                | -                               | -                        |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                  |                                 |                          |
| Interest and dividends received                                | -                | -                               | -                        |
| Investment long-term   | -                | -                               | -                        |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | -                | -                               | -                        |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | -                | -                               | -                        |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 1                | -                               | 143                      |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31          | \$ 1             | \$ -                            | \$ 143                   |

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 2 of 10

|   | Finance<br>#5007 | Budget<br>and Research<br>#5016 | BSIP<br>Project<br>#5027 |
|---|------------------|---------------------------------|--------------------------|
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                  |                                 |                          |
| Operating income (loss)   | \$ -             | \$ -                            | \$ -                     |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                  |                                 |                          |
| Depreciation expense  | -                | -                               | -                        |
| (increase) decrease in accounts receivable  | -                | -                               | -                        |
| (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   | -                | -                               | -                        |
| Increase (decrease) in unearned revenues  | -                | -                               | -                        |
| Increase (decrease) in other current liabilities  | -                | -                               | -                        |
| Increase (decrease) in other long-term liabilities  | -                | -                               | -                        |
| Prior period adjustments  | -                | -                               | -                        |
| Miscellaneous non-operating revenues (expenditures)   | -                | -                               | -                        |
| Total adjustments   | -                | -                               | -                        |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ -             | \$ -                            | \$ -                     |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                  |                                 |                          |
| Contributions of capital assets   | -                | -                               | -                        |

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 3 of 10

|  | Graphic<br>Services<br>#5042 | TPU Fleet<br>Services<br>#5050 | Tacoma<br>Training & Emp<br>#5086 | Equipment<br>Rental<br>#5400 |
|--|------------------------------|--------------------------------|-----------------------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                              |                                |                                   |                              |
| Receipts from customers and users                              | \$ -                         | \$ 3,882                       | \$ -                              | \$ 7,173                     |
| Receipts from interfund services provided                      | 81                           | 352                            | 261                               | 561                          |
| Contributions received - employee/employer                     | -                            | -                              | -                                 | -                            |
| Payments to suppliers  | (142)                        | (565)                          | (254)                             | (681)                        |
| Payments to employees  | -                            | (1,335)                        | -                                 | (4,699)                      |
| Payments for taxes   | -                            | (2)                            | -                                 | (9)                          |
| Payments for interfund services used                           | -                            | (786)                          | (10)                              | (1,088)                      |
| Other operating or non-operating revenues (expenses)           | -                            | 42                             | -                                 | 15                           |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | (61)                         | 1,588                          | (3)                               | 1,272                        |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                              |                                |                                   |                              |
| Transfers from other funds                                     | -                            | -                              | -                                 | 4,855                        |
| Transfers (to) other funds                                     | -                            | -                              | -                                 | -                            |
| Advances from other funds                                      | -                            | -                              | -                                 | -                            |
| Grants received  | -                            | -                              | -                                 | -                            |
| Contributions and Donations                                    | -                            | -                              | -                                 | -                            |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | -                            | -                              | -                                 | 4,855                        |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |                              |                                |                                   |                              |
| Transfers from other funds                                     | -                            | -                              | -                                 | 150                          |
| Acquisition and construction of capital assets                 | -                            | (2,736)                        | -                                 | (5,343)                      |
| Proceeds from the sale of capital assets                       | -                            | -                              | -                                 | -                            |
| Interest and issuance costs paid on capital debt               | -                            | -                              | -                                 | -                            |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | -                            | (2,736)                        | -                                 | (5,193)                      |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                              |                                |                                   |                              |
| Interest and dividends received                                | -                            | 54                             | 2                                 | 78                           |
| Investment long-term   | -                            | (62)                           | -                                 | (29)                         |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | -                            | (8)                            | 2                                 | 49                           |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | (61)                         | (1,156)                        | (1)                               | 983                          |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 165                          | 19,809                         | 140                               | 6,642                        |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER \$          | 104 \$                       | 18,653 \$                      | 139 \$                            | 7,625                        |

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 4 of 10

|   | Graphic<br>Services<br>#5042 | TPU Fleet<br>Services<br>#5050 | Tacoma<br>Training & Emp<br>#5086 | Equipment<br>Rental<br>#5400 |
|---|------------------------------|--------------------------------|-----------------------------------|------------------------------|
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                              |                                |                                   |                              |
| Operating income (loss)   | \$ -                         | \$ (2,036)                     | \$ (1)                            | \$ (1,315)                   |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                              |                                |                                   |                              |
| Depreciation expense  | -                            | 3,493                          | -                                 | 3,176                        |
| (increase) decrease in accounts receivable  | -                            | 115                            | -                                 | 9                            |
| (Increase) decrease in intergovernmental receivables  | -                            | -                              | -                                 | -                            |
| (Increase) decrease in due from other funds   | 81                           | 27                             | 91                                | (14)                         |
| (Increase) decrease in inventories  | -                            | (14)                           | -                                 | (45)                         |
| (Increase) decrease in prepaid items  | -                            | -                              | -                                 | -                            |
| (Increase) decrease in other current assets   | -                            | 49                             | -                                 | 112                          |
| Increase (decrease) in accounts payable   | (237)                        | (143)                          | (93)                              | (170)                        |
| Increase (decrease) in accrued wages payable  | -                            | (5)                            | -                                 | (56)                         |
| Increase (decrease) in compensated absences   | -                            | (21)                           | -                                 | (511)                        |
| Increase (decrease) in due to other funds   | -                            | (90)                           | -                                 | (104)                        |
| Increase (decrease) in unearned revenues  | -                            | -                              | -                                 | -                            |
| Increase (decrease) in other current liabilities  | -                            | -                              | -                                 | -                            |
| Increase (decrease) in other long-term liabilities  | -                            | 172                            | -                                 | 175                          |
| Prior period adjustments  | 95                           | -                              | -                                 | -                            |
| Miscellaneous non-operating revenues (expenditures)   | -                            | 41                             | -                                 | 15                           |
| Total adjustments   | (61)                         | 3,624                          | (2)                               | 2,587                        |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ (61)                      | \$ 1,588                       | \$ (3)                            | \$ 1,272                     |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                              |                                |                                   |                              |
| Contributions of capital assets   | -                            | -                              | -                                 | -                            |



## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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|  | Asphalt<br>Plant<br>#5453 | Communications<br>Equipment<br>#5540 | Third Party<br>Liability Claims<br>#5550 | Unemployment<br>Compensation<br>#5560 |
|--|---------------------------|--------------------------------------|--|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                           |                                      |  |                                       |
| Receipts from customers and users                              | \$ 903                    | \$ 2,988                             | \$ -                                     | \$ -                                  |
| Receipts from interfund services provided                      | 691                       | 163                                  | -  | -                                     |
| Contributions received - employee/employer                     | -                         | -                                    | 3,538                                    | 510                                   |
| Payments to suppliers  | (1,089)                   | (1,229)                              | (5,155)                                  | (519)                                 |
| Payments to employees  | (274)                     | (780)                                | (59)                                     | -                                     |
| Payments for taxes   | (239)                     | (3)                                  | -  | -                                     |
| Payments for interfund services used                           | (115)                     | (286)                                | (1,239)                                  | (16)                                  |
| Other operating or non-operating revenues (expenses)           | -                         | -                                    | -  | -                                     |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | (123)                     | 853                                  | (2,915)                                  | (25)                                  |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                           |                                      |  |                                       |
| Transfers from other funds                                     | -                         | 20                                   | -  | -                                     |
| Transfers (to) other funds                                     | -                         | -                                    | -  | -                                     |
| Advances from other funds                                      | -                         | -                                    | -  | -                                     |
| Grants received  | -                         | -                                    | -  | -                                     |
| Contributions and Donations                                    | -                         | -                                    | -  | -                                     |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | -                         | 20                                   | -  | -                                     |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |                           |                                      |  |                                       |
| Transfers from other funds                                     | -                         | -                                    | -  | -                                     |
| Acquisition and construction of capital assets                 | -                         | (131)                                | -  | -                                     |
| Proceeds from the sale of capital assets                       | -                         | -                                    | -  | -                                     |
| Interest and issuance costs paid on capital debt               | -                         | -                                    | -  | -                                     |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | -                         | (131)                                | -  | -                                     |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                           |                                      |  |                                       |
| Interest and dividends received                                | 3                         | 56                                   | 72                                       | 7                                     |
| Investment long-term   | (2)                       | (21)                                 | (8)                                      | (2)                                   |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | 1                         | 35                                   | 64                                       | 5                                     |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | (122)                     | 777                                  | (2,851)                                  | (20)                                  |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 553                       | 4,605                                | 7,315                                    | 626                                   |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS,<br>DECEMBER 31       | \$ 431                    | \$ 5,382                             | \$ 4,464                                 | \$ 606                                |

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 6 of 10

|   | Asphalt<br>Plant<br>#5453 | Communications<br>Equipment<br>#5540 | Third Party<br>Liability Claims<br>#5550 | Unemployment<br>Compensation<br>#5560 |
|---|---------------------------|--------------------------------------|--|---------------------------------------|
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                           |                                      |  |                                       |
| Operating income (loss)   | \$ 9                      | \$ 458                               | \$ (9,691)                               | \$ 28                                 |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                           |                                      |  |                                       |
| Depreciation expense  | -                         | 395                                  | -  | -                                     |
| (increase) decrease in accounts receivable  | -                         | 25                                   | -  | -                                     |
| (Increase) decrease in intergovernmental receivables  | -                         | -                                    | -  | -                                     |
| (Increase) decrease in due from other funds   | 33                        | 164                                  | (294)                                    | -                                     |
| (Increase) decrease in inventories  | (133)                     | -                                    | -  | -                                     |
| (Increase) decrease in prepaid items  | -                         | (63)                                 | -  | -                                     |
| (Increase) decrease in other current assets   | (5)                       | 7                                    | -  | -                                     |
| Increase (decrease) in accounts payable   | (42)                      | (69)                                 | 7,165                                    | (52)                                  |
| Increase (decrease) in accrued wages payable  | -                         | (14)                                 | -  | -                                     |
| Increase (decrease) in compensated absences   | -                         | (115)                                | -  | -                                     |
| Increase (decrease) in due to other funds   | (4)                       | (42)                                 | (98)                                     | (1)                                   |
| Increase (decrease) in unearned revenues  | -                         | 62                                   | -  | -                                     |
| Increase (decrease) in other current liabilities  | -                         | -                                    | -  | -                                     |
| Increase (decrease) in other long-term liabilities  | 19                        | 45                                   | 3  | -                                     |
| Prior period adjustments  | -                         | -                                    | -  | -                                     |
| Miscellaneous non-operating revenues (expenditures)   | -                         | -                                    | -  | -                                     |
| Total adjustments   | (132)                     | 395                                  | 6,776                                    | (53)                                  |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ (123)                  | \$ 853                               | \$ (2,915)                               | \$ (25)                               |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                           |                                      |  |                                       |
| Contributions of capital assets   | -                         | -                                    | -  | -                                     |

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 7 of 10

|  | Worker's<br>Compensation<br>#5570 | Facilities<br>#5700 | GG Internal<br>Services<br>#5800 | Health<br>Benefits<br>#(5)64xx |
|--|-----------------------------------|---------------------|----------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                                   |                     |                                  |                                |
| Receipts from customers and users                              | \$ -                              | \$ 5,211            | \$ 2,016                         | \$ 880                         |
| Receipts from interfund services provided                      | -                                 | 1                   | 60,035                           | -                              |
| Contributions received - employee/employer                     | 8,966                             | -                   | -                                | 76,095                         |
| Payments to suppliers  | (4,976)                           | (1,927)             | (13,276)                         | (73,957)                       |
| Payments to employees  | (1,081)                           | (1,875)             | (34,894)                         | -                              |
| Payments for taxes   | (1,310)                           | (21)                | -                                | -                              |
| Payments for interfund services used                           | (202)                             | 242                 | -                                | (718)                          |
| Other operating or non-operating revenues (expenses)           | -                                 | 10                  | 21                               | -                              |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | <u>1,397</u>                      | <u>1,641</u>        | <u>13,902</u>                    | <u>2,300</u>                   |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                                   |                     |                                  |                                |
| Transfers from other funds                                     | -                                 | -                   | 100                              | -                              |
| Transfers (to) other funds                                     | -                                 | -                   | (738)                            | -                              |
| Advances from other funds                                      | -                                 | -                   | -                                | -                              |
| Grants received  | -                                 | -                   | -                                | -                              |
| Contributions and Donations                                    | -                                 | -                   | -                                | -                              |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | <u>-</u>                          | <u>-</u>            | <u>(638)</u>                     | <u>-</u>                       |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |                                   |                     |                                  |                                |
| Transfers from other funds                                     | -                                 | -                   | -                                | -                              |
| Transfers (to) funds   | -                                 | (625)               | -                                | -                              |
| Acquisition and construction of capital assets                 | -                                 | (1,332)             | (2,884)                          | (12)                           |
| Proceeds from the sale of capital assets                       | -                                 | -                   | -                                | -                              |
| Interest and issuance costs paid on capital debt               | -                                 | -                   | -                                | -                              |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | <u>-</u>                          | <u>(1,957)</u>      | <u>(2,884)</u>                   | <u>(12)</u>                    |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                                   |                     |                                  |                                |
| Interest and dividends received                                | 48                                | 46                  | 111                              | 318                            |
| Investment long-term   | (22)                              | (14)                | (72)                             | (114)                          |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | <u>26</u>                         | <u>32</u>           | <u>39</u>                        | <u>204</u>                     |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | <u>1,423</u>                      | <u>(284)</u>        | <u>10,419</u>                    | <u>2,492</u>                   |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 3,847                             | 4,298               | 1,544                            | 26,683                         |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER             | <u>\$ 5,270</u>                   | <u>\$ 4,014</u>     | <u>\$ 11,963</u>                 | <u>\$ 29,175</u>               |

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

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| Worker's<br>Compensation<br>#5570 | -<br>Facilities<br>#5700 | GG Internal<br>Services<br>#5800 | Health<br>Benefits<br>#(5)64xx |
|-----------------------------------|--------------------------|----------------------------------|--------------------------------|
|-----------------------------------|--------------------------|----------------------------------|--------------------------------|

## RECONCILIATION OF OPERATING INCOME

(LOSS) TO NET CASH PROVIDED (USED)

BY OPERATING ACTIVITIES:

|                         |          |        |          |          |
|-------------------------|----------|--------|----------|----------|
| Operating income (loss) | \$ 1,969 | \$ 113 | \$ 6,502 | \$ 2,682 |
|-------------------------|----------|--------|----------|----------|

Adjustments to reconcile operating income

(loss) to net cash provided (used)

by operating activities:

|  |       |       |         |       |
|--|-------|-------|---------|-------|
| Depreciation expense                                 | -     | 599   | 2,150   | -     |
| (increase) decrease in accounts receivable           | -     | (4)   | (23)    | 1     |
| (Increase) decrease in intergovernmental receivables | -     | -     | (8)     | -     |
| (Increase) decrease in due from other funds          | -     | 1     | 5,360   | (529) |
| (Increase) decrease in inventories                   | -     | -     | -       | -     |
| (Increase) decrease in prepaid items                 | -     | 1     | (2,498) | -     |
| (Increase) decrease in other current assets          | 39    | 34    | 51      | -     |
| Increase (decrease) in accounts payable              | (22)  | 391   | 319     | (255) |
| Increase (decrease) in accrued wages payable         | -     | (20)  | 415     | -     |
| Increase (decrease) in compensated absences          | -     | (175) | 560     | -     |
| Increase (decrease) in intergovernmental payables    | -     | -     | (8)     | -     |
| Increase (decrease) in due to other funds            | (28)  | 606   | 110     | (29)  |
| Increase (decrease) in unearned revenues             | -     | -     | 1       | 2     |
| Increase (decrease) in other current liabilities     | (596) | -     | -       | 428   |
| Increase (decrease) in other long-term liabilities   | 35    | 86    | 961     | -     |
| Prior period adjustments                             | -     | -     | -       | -     |
| Miscellaneous non-operating revenues (expenditures)  | -     | 9     | 10      | -     |

Total adjustments

NET CASH PROVIDED (USED) BY

OPERATING ACTIVITIES

|          |          |           |          |
|----------|----------|-----------|----------|
| \$ 1,397 | \$ 1,641 | \$ 13,902 | \$ 2,300 |
|----------|----------|-----------|----------|

## NONCASH INVESTING, CAPITAL, AND

FINANCING ACTIVITIES

Contributions of capital assets

|   |   |   |   |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 9 of 10

|  | Self Insurance<br>Claims<br>#(5)4800 | Internal Service<br>Funds |
|--|--------------------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:                          |                                      |                           |
| Receipts from customers and users                              | \$ 1,207                             | \$ 24,260                 |
| Receipts from interfund services provided                      | -                                    | 62,145                    |
| Contributions received - employee/employer                     | -                                    | 89,109                    |
| Payments to suppliers  | (1,728)                              | (105,498)                 |
| Payments to employees  | -                                    | (44,997)                  |
| Payments for taxes   | -                                    | (1,584)                   |
| Payments for interfund services used                           | (141)                                | (4,359)                   |
| Other operating or non-operating revenues (expenses)           | -                                    | 88                        |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES            | (662)                                | 19,164                    |
| CASH FLOWS FROM NONCAPITAL<br>FINANCING ACTIVITIES:            |                                      |                           |
| Transfers from other funds                                     | -                                    | 4,975                     |
| Transfers (to) other funds                                     | -                                    | (738)                     |
| Advances from other funds                                      | -                                    | -                         |
| Grants received  | -                                    | -                         |
| Contributions and Donations                                    | -                                    | -                         |
| NET CASH PROVIDED (USED) BY<br>NONCAPITAL FINANCING ACTIVITIES | -                                    | 4,237                     |
| CASH FLOWS FROM CAPITAL<br>FINANCING ACTIVITIES:               |                                      |                           |
| Transfers from other funds                                     | -                                    | 150                       |
| Transfers (to) funds   | -                                    | (625)                     |
| Acquisition and construction of capital assets                 | -                                    | (12,438)                  |
| Proceeds from the sale of capital assets                       | -                                    | -                         |
| Interest and issuance costs paid on capital debt               | -                                    | -                         |
| NET CASH PROVIDED (USED) BY<br>CAPITAL FINANCING ACTIVITIES    | -                                    | (12,913)                  |
| CASH FLOWS FROM INVESTING ACTIVITIES:                          |                                      |                           |
| Interest and dividends received                                | 80                                   | 875                       |
| Investment long-term   | (23)                                 | (369)                     |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES            | 57                                   | 506                       |
| NET INCREASE (DECREASE) IN CASH &<br>CASH EQUIVALENTS          | (605)                                | 10,994                    |
| CASH & CASH EQUIVALENTS, JANUARY 1                             | 7,633                                | 84,004                    |
| CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31          | \$ 7,028                             | \$ 94,998                 |

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 10 of 10

|   | Self Insurance<br>Claims<br>#(5)4800 | Internal Service<br>Funds |
|---|--------------------------------------|---------------------------|
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                                      |                           |
| Operating income (loss)   | \$ (1,713)                           | \$ (2,994)                |
| Adjustments to reconcile operating income<br>(loss) to net cash provided (used)<br>by operating activities: |                                      |                           |
| Depreciation expense  | -                                    | 9,813                     |
| (increase) decrease in accounts receivable  | -                                    | 123                       |
| (Increase) decrease in intergovernmental receivables  | -                                    | (8)                       |
| (Increase) decrease in due from other funds   | -                                    | 4,920                     |
| (Increase) decrease in inventories  | -                                    | (192)                     |
| (Increase) decrease in prepaid items  | -                                    | (2,560)                   |
| (Increase) decrease in other current assets   | -                                    | 287                       |
| Increase (decrease) in accounts payable   | 7                                    | 6,799                     |
| Increase (decrease) in accrued wages payable  | -                                    | 320                       |
| Increase (decrease) in compensated absences   | -                                    | (262)                     |
| Increase (decrease) in intergovernmental payables   | -                                    | (8)                       |
| Increase (decrease) in due to other funds   | (3)                                  | 317                       |
| Increase (decrease) in unearned revenues  | -                                    | 65                        |
| Increase (decrease) in other current liabilities  | -                                    | (168)                     |
| Increase (decrease) in other long-term liabilities  | 1,047                                | 2,543                     |
| Prior period adjustments  | -                                    | 95                        |
| Miscellaneous non-operating revenues (expenditures)   | -                                    | 74                        |
| Total adjustments   | 1,051                                | 22,158                    |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES   | \$ (662)                             | \$ 19,164                 |
| NONCASH INVESTING, CAPITAL, AND<br>FINANCING ACTIVITIES   |                                      |                           |
| Contributions of capital assets   | -                                    | -                         |

**Trust Funds:**

The City of Tacoma has two types of trust funds in place. The first is the Deferred Compensation Fund which account for the activities related to mandatory and optional payroll deductions. The second is the Tacoma Employee Retirement Systems Fund which accounts for the activities of the City's retirement system. This system accumulates resources for pension benefit payments to qualified City employees.

**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.

**Payroll Clearing Fund (#6450)**

Accounts for monies held by the City but not yet disbursed related to various payroll deductions.

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## COMBINING STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 1 of 2

|   | DEFERRED<br>COMPENSATION<br>FUND #6050 | TERS<br>FUND #6100  |
|---|--|---------------------|
| ASSETS  |  |                     |
| Cash and cash equivalents                               | \$ 11                                  | \$ 2,742            |
| Investments at fair value                               | -                                      | 32,707              |
| Equities  | -                                      | 945,893             |
| Fixed income  | -                                      | 576,353             |
| Real estate   | -                                      | 70,971              |
| Venture capital and partnerships                        | -                                      | 134,143             |
| Securities lending collateral                           | -                                      | 41,990              |
| Due from other funds                                    | -                                      | -                   |
| Due from other governments                              | -                                      | 868                 |
| Interest and dividends                                  | -                                      | 2,490               |
| Investment sales  | -                                      | 1,965               |
| Capital assets - net of accumulated depreciation        | -                                      | 10                  |
| TOTAL ASSETS  | <u>11</u>                              | <u>1,810,132</u>    |
| TOTAL DEFERRED OUTFLOW OF RESOURCES                     | <u>-</u>                               | <u>-</u>            |
| LIABILITIES   |  |                     |
| Current liabilities:                                    |  |                     |
| Accounts payable  | -                                      | 1,855               |
| Accrued wages and benefits payable                      | 2                                      | 41                  |
| Due to the governmental units                           | -                                      | 3                   |
| Investments purchase payable                            | -                                      | 84,883              |
| Other current liabilities                               | -                                      | 5                   |
| Total current liabilities                               | <u>2</u>                               | <u>86,787</u>       |
| Non-current liabilities:                                |  |                     |
| Accrued employee leave benefits                         | -                                      | 96                  |
| Total non-current liabilities                           | <u>-</u>                               | <u>96</u>           |
| TOTAL LIABILITIES                                       | <u>2</u>                               | <u>86,883</u>       |
| TOTAL DEFERRED INFLOW OF RESOURCES                      | <u>-</u>                               | <u>-</u>            |
| NET POSITION  |  |                     |
| Net position restricted for pensions and other purposes | <u>\$ 9</u>                            | <u>\$ 1,723,249</u> |

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

December 31, 2017

(amounts expressed in thousands)

Page 2 of 2

|   | PAYROLL<br>CLEARING<br>FUND #6450 | TOTAL PENSION AND<br>EMPLOYEE TRUST<br>FUNDS #6050-6100, 6450 |
|---|-----------------------------------|---|
| ASSETS  |                                   |   |
| Cash and cash equivalents                               | \$ 5,156                          | \$ 7,909  |
| Investments at fair value                               | -                                 | 32,707  |
| Equities  | -                                 | 945,893   |
| Fixed income  | -                                 | 576,353   |
| Real estate   | -                                 | 70,971  |
| Venture capital and partnerships                        | -                                 | 134,143   |
| Securities lending collateral                           | -                                 | 41,990  |
| Due from other funds                                    | 1                                 | 1   |
| Due from other governments                              | -                                 | 868   |
| Interest and dividends                                  | -                                 | 2,490   |
| Investment sales  | -                                 | 1,965   |
| Capital assets - net of accumulated depreciation        | -                                 | 10  |
| TOTAL ASSETS  | <u>5,157</u>                      | <u>1,815,300</u>  |
| TOTAL DEFERRED OUTFLOW OF RESOURCES                     | <u>-</u>                          | <u>-</u>  |
| LIABILITIES   |                                   |   |
| Current liabilities:                                    |                                   |   |
| Accounts payable  | 3,762                             | 5,617   |
| Accrued wages and benefits payable                      | 1,395                             | 1,438   |
| Due to the governmental units                           | -                                 | 3   |
| Investments purchase payable                            | -                                 | 84,883  |
| Other current liabilities                               | -                                 | 5   |
| Total current liabilities                               | <u>5,157</u>                      | <u>91,946</u>   |
| Non-current liabilities:                                |                                   |   |
| Accrued employee leave benefits                         | -                                 | 96  |
| Total non-current liabilities                           | <u>-</u>                          | <u>96</u>   |
| TOTAL LIABILITIES                                       | <u>5,157</u>                      | <u>92,042</u>   |
| TOTAL DEFERRED INFLOW OF RESOURCES                      | <u>-</u>                          | <u>-</u>  |
| NET POSITION  |                                   |   |
| Net position restricted for pensions and other purposes | <u>\$ -</u>                       | <u>\$ 1,723,258</u>   |

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 1 of 2

|  | DEFERRED<br>COMPENSATION<br>FUND #6050 | TERS<br>FUND #6100  |
|--|--|---------------------|
| ADDITIONS  |  |                     |
| Employer contributions                                       | \$ -                                   | \$ 26,091           |
| Member contributions   | -                                      | 23,009              |
| Other contributions  | 160                                    | -                   |
| Total contributions  | <u>160</u>                             | <u>49,100</u>       |
| Investment income:   |  |                     |
| Net appreciation (depreciation) in fair value of investments | -                                      | 180,406             |
| Interest & dividends   | 1                                      | 32,057              |
| Total investment income                                      | <u>1</u>                               | <u>212,463</u>      |
| Less investment expenses:                                    |  |                     |
| Investment management fees                                   | -                                      | (6,276)             |
| Securities lending - agent fees                              | -                                      | (81)                |
| Securities lending - broker rebates                          | -                                      | (490)               |
| Total investment expense                                     | <u>-</u>                               | <u>(6,847)</u>      |
| Net investment income  | 1                                      | 205,616             |
| TOTAL ADDITIONS  | <u>161</u>                             | <u>254,716</u>      |
| DEDUCTIONS   |  |                     |
| Wages and benefits   | 100                                    | 834                 |
| Benefit payments   | -                                      | 75,047              |
| Refunds of contributions                                     | -                                      | 2,421               |
| Administrative expense                                       | 97                                     | 829                 |
| TOTAL DEDUCTIONS   | <u>197</u>                             | <u>79,131</u>       |
| NET INCREASE (DECREASE)                                      | (36)                                   | 175,585             |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS              |  |                     |
| Net position - beginning                                     | 45                                     | 1,547,664           |
| Net position - ending  | <u>\$ 9</u>                            | <u>\$ 1,723,249</u> |

## COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

For the Year Ended December 31, 2017

(amounts expressed in thousands)

Page 2 of 2

|  | PAYROLL<br>CLEARING<br>FUND #6450 | TOTAL PENSION AND<br>EMPLOYEE TRUST<br>FUNDS #6050-6100, 6450 |
|--|-----------------------------------|---|
| ADDITIONS  |                                   |   |
| Employer contributions                                       | \$ -                              | \$ 26,091   |
| Member contributions   | -                                 | 23,009  |
| Other contributions  | -                                 | 160   |
| Total contributions  | -                                 | 49,260  |
| Investment income:   |                                   |   |
| Net appreciation (depreciation) in fair value of investments | -                                 | 180,406   |
| Interest & dividends   | -                                 | 32,058  |
| Total investment income                                      | -                                 | 212,464   |
| Less investment expenses:                                    |                                   |   |
| Investment management fees                                   | -                                 | (6,276)   |
| Securities lending - agent fees                              | -                                 | (81)  |
| Securities lending - broker rebates                          | -                                 | (490)   |
| Total investment expense                                     | -                                 | (6,847)   |
| Net investment income  | -                                 | 205,617   |
| TOTAL ADDITIONS  | -                                 | 254,877   |
| DEDUCTIONS   |                                   |   |
| Wages and benefits   | -                                 | 934   |
| Benefit payments   | -                                 | 75,047  |
| Refunds of contributions                                     | -                                 | 2,421   |
| Administrative expense                                       | -                                 | 926   |
| TOTAL DEDUCTIONS   | -                                 | 79,328  |
| NET INCREASE (DECREASE)                                      | -                                 | 175,549   |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS              |                                   |   |
| Net position - beginning                                     | -                                 | 1,547,709   |
| Net position - ending  | \$ -                              | \$ 1,723,258  |

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

| <b>Fiscal Year<br/>Ending<br/>31-Dec</b> | <b>Assessments<br/>Levied</b> | <b>Assessments<br/>Collected</b> | <b>Total<br/>Assessments<br/>Outstanding</b> |
|--|-------------------------------|----------------------------------|--|
| 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                                   |
| 2017                                     | -                             | 3,617,601                        | 24,657,565                                   |

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

# SECTION 3

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## STATISTICAL SECTION

### FINANCIAL TRENDS

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

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

### REVENUE CAPACITY

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

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

### DEBT CAPACITY

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

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

### DEMOGRAPHIC AND ECONOMIC INFORMATION

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

16. DEMOGRAPHIC AND ECONOMIC STATISTICS
17. PRINCIPAL EMPLOYERS

### OPERATING INFORMATION

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

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

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

|   | <u>2008</u>        | <u>2009</u>        | <u>2010</u>        | <u>2011</u>        | <u>2012</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Governmental activities                     |                    |                    |                    |                    |                    |
| Net investment in capital assets            | \$716,586          | \$697,653 (2)      | \$729,601 (4)      | \$732,174          | \$699,307          |
| Restricted                                  | 23,144             | 48,852 (3)         | 36,943             | 84,842             | 82,405             |
| Unrestricted                                | 120,151 (1)        | 32,193             | 44,682 (6)         | (87,658)           | (64,890)           |
| Total governmental activities net position  | <u>859,881</u>     | <u>778,698</u>     | <u>811,226</u>     | <u>729,358</u>     | <u>716,822</u>     |
| Business-type activities                    |                    |                    |                    |                    |                    |
| Net investment in capital assets            | 1,202,761          | 1,286,616          | 1,355,118 (5)      | 1,365,324          | 1,401,679          |
| Restricted                                  | 54,137             | 94,139             | 93,429             | 126,952            | 103,350            |
| Unrestricted                                | 269,378            | 276,939            | 246,032            | 282,088            | 318,920            |
| Total business-type activities net position | <u>1,526,276</u>   | <u>1,657,694</u>   | <u>1,694,579</u>   | <u>1,774,364</u>   | <u>1,823,949</u>   |
| Primary government                          |                    |                    |                    |                    |                    |
| Net investment in capital assets            | 1,919,347          | 1,984,269          | 2,084,719          | 2,097,498          | 2,100,986          |
| Restricted                                  | 77,281             | 142,991            | 130,372            | 211,794            | 185,755            |
| Unrestricted                                | 389,529            | 309,132            | 290,714            | 194,430            | 254,030            |
| Total primary government net                | <u>\$2,386,157</u> | <u>\$2,436,392</u> | <u>\$2,505,805</u> | <u>\$2,503,722</u> | <u>\$2,540,771</u> |

(1) 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.

(2) 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.

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

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

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

(6) 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>2013</u>               | <u>2014</u>               | <u>2015</u>               | <u>2016</u>               | <u>2017</u>               |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Governmental activities                     |                           |                           |                           |                           |                           |
| Net investment in capital assets            | \$681,794 (7)             | \$669,951                 | \$678,872                 | \$673,093                 | \$666,530                 |
| Restricted                                  | 74,670 (8)                | 79,630                    | 110,825                   | 113,897                   | 168,280                   |
| Unrestricted                                | <u>(25,296) (8)</u>       | <u>(20,567)</u>           | <u>(17,920)</u>           | <u>(35,177)</u>           | <u>(68,583)</u>           |
| Total governmental activities net position  | <u>731,168</u>            | <u>729,014</u>            | <u>771,777</u>            | <u>751,813</u>            | <u>766,227</u>            |
| Business-type activities                    |                           |                           |                           |                           |                           |
| Net investment in capital assets            | 1,508,950 (7)             | 1,515,858                 | 1,620,194                 | 1,613,805                 | 1,636,652                 |
| Restricted                                  | 112,925                   | 121,369                   | 127,008                   | 124,289                   | 129,836                   |
| Unrestricted                                | <u>256,481</u>            | <u>307,104</u>            | <u>258,962</u>            | <u>287,195</u>            | <u>301,616</u>            |
| Total business-type activities net position | <u>1,878,356</u>          | <u>1,944,331</u>          | <u>2,006,164</u>          | <u>2,025,289</u>          | <u>2,068,104</u>          |
| Primary government                          |                           |                           |                           |                           |                           |
| Net investment in capital assets            | 2,190,744                 | 2,185,809                 | 2,299,066                 | 2,286,898                 | 2,303,182                 |
| Restricted                                  | 187,595                   | 200,999                   | 237,833                   | 238,186                   | 298,116                   |
| Unrestricted                                | <u>231,185</u>            | <u>286,537</u>            | <u>241,042</u>            | <u>252,018</u>            | <u>233,033</u>            |
| Total primary government net                | <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> | <u><u>\$2,834,331</u></u> |

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

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

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

(1) Business-type operating grants and contributions increased in 2008 primarily due to Airport Fund construction grant revenues.

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

|   | 2013                | 2014                | 2015                | 2016                | 2017                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Expenses</b>                                 |                     |                     |                     |                     |                     |
| Governmental activities:                        |                     |                     |                     |                     |                     |
| General government                              | \$ 49,781           | \$ 56,887           | \$ 51,578           | \$ 74,293           | \$ 24,436           |
| Public Safety                                   | 138,368             | 142,097             | 144,312             | 175,131             | 162,416             |
| Utilities                                       | 2,477               | 2,580               | 2,864               | 1                   |                     |
| Transportation                                  | 58,288              | 61,524              | 57,885              | 60,881              | 69,741              |
| Social Services                                 | 1,953               | 2,649               | 3,551               | 4,983               | 4,908               |
| Natural & Econ Environment                      | 21,255              | 22,856              | 20,887              | 36,759              | 25,102              |
| Culture and Recreation                          | 18,832              | 14,823              | 18,448              | 15,258              | 11,187              |
| Interest on long-term debt                      | 14,401              | 13,001              | 13,643              | 8,670               | 8,837               |
| Total governmental activities expense           | <u>305,355</u>      | <u>316,417</u>      | <u>313,168</u>      | <u>375,976</u>      | <u>306,627</u>      |
| Public Assembly Facilities                      | 16,832              | 19,801              | 17,801              | 20,986              | 23,243              |
| Rail  | 29,024              | 30,095              | 28,579              | 31,571              | 33,579              |
| Solid Waste                                     | 67,591              | 61,040              | 54,867              | 66,661              | 52,938              |
| Sewer   | 81,286              | 80,343              | 84,984              | 92,958              | 95,960              |
| Water   | 79,773              | 72,324              | 82,604              | 95,869              | 97,540              |
| Power   | 432,321             | 422,265             | 425,044             | 404,566             | 420,368             |
| Other business-type funds                       | 14,979              | 16,005              | 16,594              | 16,721              | 16,326              |
| Total business-type activities                  | <u>721,806</u>      | <u>701,873</u>      | <u>710,473</u>      | <u>729,332</u>      | <u>739,954</u>      |
| Total primary government expenses               | <u>\$ 1,027,161</u> | <u>\$ 1,018,290</u> | <u>\$ 1,023,641</u> | <u>\$ 1,105,308</u> | <u>\$ 1,046,581</u> |
| <b>Program Revenues</b>                         |                     |                     |                     |                     |                     |
| Charges for services:                           |                     |                     |                     |                     |                     |
| General government                              | \$ 23,726           | \$ 31,568           | \$ 27,729           | \$ 39,227           | \$ 23,007           |
| Public Safety                                   | 8,153               | 6,439               | 7,353               | 15,625              | 20,221              |
| Utilities                                       | 287                 | 353                 | 297                 | -                   | -                   |
| Transportation                                  | 1,168               | 1,097               | 2,661               | 5,749               | 1,994               |
| Social Services                                 | 207                 | -                   | -                   | -                   | -                   |
| Natural & Econ Environment                      | 3,396               | 2,096               | 2,024               | 2,116               | 3,145               |
| Culture and Recreation                          | 417                 | 75                  | 86                  | 65                  | 195                 |
| Interest on long-term debt                      | -                   | -                   | -                   | -                   | -                   |
| Operating grants and contributions:             | 33,925              | 30,378              | 30,420              | 33,903              | 31,791              |
| Capital grants and contributions                | 19,813              | 15,882              | 23,996              | 7,392               | 11,549              |
| Total governmental activities program revenues  | <u>91,092</u>       | <u>87,888</u>       | <u>94,566</u>       | <u>104,077</u>      | <u>91,902</u>       |
| Business-type activities:                       |                     |                     |                     |                     |                     |
| Charges for services:                           |                     |                     |                     |                     |                     |
| Tacoma Venues and Events                        | 10,766              | 10,933              | 14,823              | 15,871              | 16,270              |
| Rail  | 29,926              | 32,937              | 32,673              | 33,864              | 33,246              |
| Solid Waste                                     | 62,026              | 64,642              | 66,843              | 71,809              | 67,964              |
| Sewer   | 85,493              | 90,648              | 97,583              | 106,601             | 111,787             |
| Water   | 96,365              | 99,426              | 100,305             | 94,433              | 95,085              |
| Power   | 438,444             | 468,988             | 437,491             | 420,332             | 446,343             |
| Other business-type funds                       | 16,679              | 17,928              | 17,459              | 18,372              | 20,847              |
| Operating grants and contributions:             | 7,438               | 7,968               | 8,138               | 8,392               | 208                 |
| Capital grants and contributions                | 25,150              | 19,587              | 21,582              | 21,413              | 30,528              |
| Total business-type activities program revenues | <u>772,287</u>      | <u>813,057</u>      | <u>796,897</u>      | <u>791,087</u>      | <u>822,278</u>      |
| Total primary government program revenues       | <u>\$ 863,379</u>   | <u>\$ 900,945</u>   | <u>\$ 891,463</u>   | <u>\$ 895,164</u>   | <u>\$ 914,180</u>   |
| Net (expense)/revenue                           |                     |                     |                     |                     |                     |
| Governmental activities                         | \$ (214,263)        | \$ (228,529)        | \$ (218,602)        | \$ (271,899)        | \$ (214,725)        |
| Business-type activities                        | 50,481              | 111,184             | 86,424              | 61,755              | 82,324              |
| Total primary government net expense            | <u>\$ (163,782)</u> | <u>\$ (117,345)</u> | <u>\$ (132,178)</u> | <u>\$ (210,144)</u> | <u>\$ (132,401)</u> |

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

Page 3 of 4

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

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

(2) 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.

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

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

Page 4 of 4

|   | 2013                     | 2014                     | 2015                     | 2016                     | 2017                     |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>General Revenues and Other Changes in Net Position</b> |                          |                          |                          |                          |                          |
| Governmental activities:                                  |                          |                          |                          |                          |                          |
| Taxes:  |                          |                          |                          |                          |                          |
| Property taxes  | \$ 62,487                | \$ 64,204                | \$ 67,313                | \$ 78,886                | \$ 74,479                |
| Excise taxes  | -                        | 5,359 (4)                | 12,096                   | 13,900                   | 12,881                   |
| Sales taxes   | 45,743                   | 47,976                   | 81,772                   | 58,970                   | 71,634                   |
| Business taxes  | 103,631                  | 63,969                   | 36,325                   | 49,440                   | 51,043                   |
| Unrestricted investment earnings                          | 297                      | 2,044                    | 2,000                    | 2,141                    | 2,134                    |
| Gain on sale of capital assets                            | 136                      | 46                       | (103)                    | 175                      | 293                      |
| Transfers   | (2,153)                  | 44,853                   | 43,572                   | 48,973                   | 51,452                   |
| Total governmental activities                             | <u>210,141</u>           | <u>228,451</u>           | <u>242,975</u>           | <u>252,485</u>           | <u>263,916</u>           |
| Business-type activities:                                 |                          |                          |                          |                          |                          |
| Taxes:  |                          |                          |                          |                          |                          |
| Property taxes  | -                        | -                        | -                        | -                        | -                        |
| Sales taxes   | -                        | -                        | -                        | -                        | -                        |
| Business taxes  | -                        | -                        | -                        | -                        | 1,702                    |
| Unrestricted investment earnings                          | 3,063                    | 1,130                    | 3,965                    | 6,223                    | 5,591                    |
| Gain on sale of capital assets                            | (184)                    | 644                      | 4,679                    | 782                      | 4,650                    |
| Transfers   | 2,153                    | (44,853)                 | (43,572)                 | (48,973)                 | (51,452)                 |
| Total business-type activities                            | <u>5,032</u>             | <u>(43,079)</u>          | <u>(34,928)</u>          | <u>(41,968)</u>          | <u>(39,509)</u>          |
| Total primary government                                  | <u><u>\$ 215,173</u></u> | <u><u>\$ 185,372</u></u> | <u><u>\$ 208,047</u></u> | <u><u>\$ 210,517</u></u> | <u><u>\$ 224,407</u></u> |
| <b>Change in Net Position</b>                             |                          |                          |                          |                          |                          |
| Governmental activities                                   | \$ (4,122)               | \$ (78)                  | \$ 24,373                | \$ (19,414)              | \$ 49,191                |
| Business-type activities                                  | <u>55,513</u>            | <u>68,105</u>            | <u>51,496</u>            | <u>19,787</u>            | <u>42,815</u>            |
| Total primary government                                  | <u><u>\$ 51,391</u></u>  | <u><u>\$ 68,027</u></u>  | <u><u>\$ 75,869</u></u>  | <u><u>\$ 373</u></u>     | <u><u>\$ 92,006</u></u>  |

(4) Excise taxes have been presented separately from Business taxes beginning in 2014.

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years**

**Table 3**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

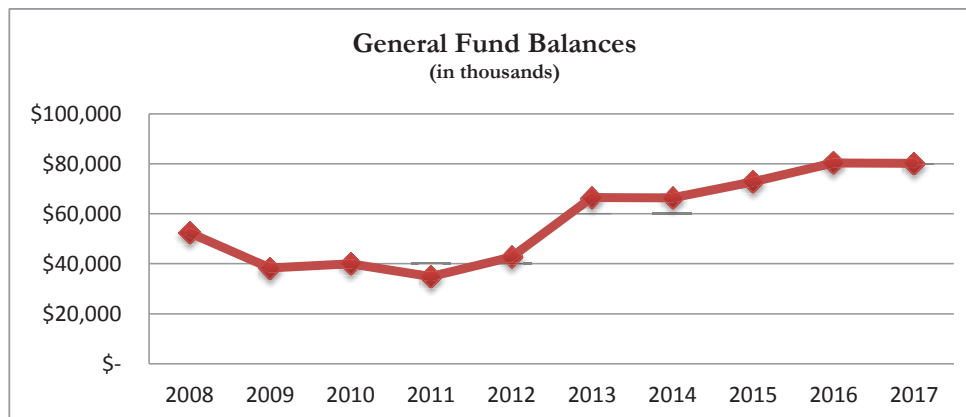
Page 1 of 2

|                                    | <u>2008</u>      | <u>2009</u>      | <u>2010</u>      | <u>2011</u>      | <u>2012</u>       |
|------------------------------------|------------------|------------------|------------------|------------------|-------------------|
| General Fund                       |                  |                  |                  | (3)              |                   |
| Reserved                           | \$ 24,871        | \$ 24,517 (2)    | \$ 20,947        | \$ -             | \$ -              |
| Unreserved                         | 27,534 (1)       | 13,744           | 19,048           | -                | -                 |
| Nonspendable                       | -                | -                | -                | 17,361           | 16,719            |
| Restricted                         | -                | -                | -                | 2                | -                 |
| Committed                          | -                | -                | -                | -                | -                 |
| Committed - Council Contingencies  | -                | -                | -                | 1,117            | 1,130             |
| Assigned                           | -                | -                | -                | 2,133            | 1,274             |
| Unassigned                         | -                | -                | -                | 14,239           | 23,573            |
| Total General Fund                 | <u>\$ 52,405</u> | <u>\$ 38,261</u> | <u>\$ 39,995</u> | <u>\$ 34,852</u> | <u>\$ 42,696</u>  |
| All other governmental funds       |                  |                  |                  |                  |                   |
| Reserved                           | \$ 33,768        | \$ 50,960        | \$ 48,665        | \$ -             | \$ -              |
| Nonspendable                       | -                | -                | -                | 1,920            | 1,913             |
| Restricted                         | -                | -                | -                | 85,191           | 78,341            |
| Committed                          | -                | -                | -                | 18,928           | 20,669            |
| Assigned                           | -                | -                | -                | 36,261           | 6,863             |
| Unassigned                         | -                | -                | -                | (43,860)         | (5,079)           |
| Total all other governmental funds | <u>\$ 33,768</u> | <u>\$ 50,960</u> | <u>\$ 48,665</u> | <u>\$ 98,440</u> | <u>\$ 102,707</u> |

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

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

(3) In 2011 the City implemented GASB 54.



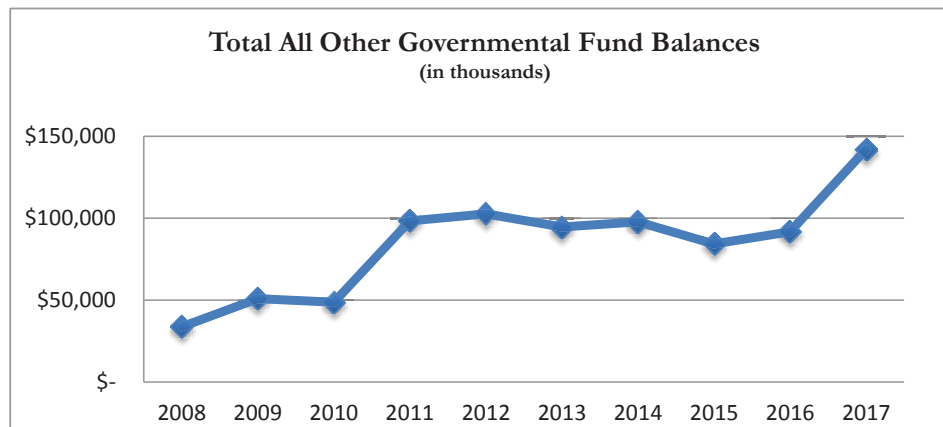
**Fund Balances of Governmental Funds  
Last Ten Fiscal Years**

**Table 3**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

Page 2 of 2

|                                    | <u>2013</u>      | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>       |
|------------------------------------|------------------|------------------|------------------|------------------|-------------------|
| General Fund                       |                  |                  |                  |                  |                   |
| Reserved                           | \$ -             | \$ -             | \$ -             | \$ -             | \$ -              |
| Unreserved                         | -                | -                | -                | -                | -                 |
| Nonspendable                       | 15,961           | 15,026           | 9,933            | 7,774            | 3,630             |
| Restricted                         | 9                | 9                | 9                | 476              | 352               |
| Committed                          | -                | -                | -                | -                | 52 (4)            |
| Committed - Council Contingencies  | 982              | 973              | 732              | 584              | 647               |
| Assigned                           | 6,364            | 1,949            | 5,580            | 2,592            | 7,974             |
| Unassigned                         | 43,178           | 48,343           | 56,517           | 68,922           | 67,559            |
| Total General Fund                 | <u>\$ 66,494</u> | <u>\$ 66,300</u> | <u>\$ 72,771</u> | <u>\$ 80,348</u> | <u>\$ 80,214</u>  |
| All other governmental funds       |                  |                  |                  |                  |                   |
| Reserved                           | \$ -             | \$ -             | \$ -             | \$ -             | \$ -              |
| Nonspendable                       | 1,833            | 1,824            | 1,887            | 1,887            | 1,685             |
| Restricted                         | 74,797           | 79,622           | 69,493           | 78,204           | 115,791           |
| Committed                          | 21,728           | 237              | 370              | 1,047            | 8,211             |
| Assigned                           | 4,722            | 21,743           | 17,048           | 14,941           | 16,177            |
| Unassigned                         | (8,530)          | (5,709)          | (4,512)          | (4,429)          | 134               |
| Total all other governmental funds | <u>\$ 94,550</u> | <u>\$ 97,717</u> | <u>\$ 84,286</u> | <u>\$ 91,650</u> | <u>\$ 141,998</u> |

(4) Committed fund balance for Deportation Defense program established in 2017.



**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>2008</u>        | <u>2009</u>      | <u>2010</u>     | <u>2011</u>        | <u>2012</u>      |
|---|--------------------|------------------|-----------------|--------------------|------------------|
| <b>Revenues</b>   |                    |                  |                 |                    |                  |
| Taxes   | \$ 155,129         | \$ 145,101 (1)   | \$ 187,904 (2)  | \$ 190,362         | \$ 203,028       |
| Licenses and permits                                    | 6,168              | 5,382            | 3,823           | 3,539              | 3,043            |
| Intergovernmental revenue                               | 31,461             | 40,991           | 48,259          | 61,376             | 52,295           |
| Charges for goods and services                          | 10,663             | 10,836           | 9,473           | 9,512              | 24,115           |
| Fines and forfeitures                                   | 4,366              | 4,617            | 6,080           | 3,612              | 3,772            |
| Interest  | 6,566              | 4,131            | 2,982           | 4,657              | 2,658            |
| Miscellaneous revenues                                  | <u>3,805</u>       | <u>2,606</u>     | <u>4,642</u>    | <u>4,382</u>       | <u>6,441</u>     |
| Total revenues  | <u>218,158</u>     | <u>213,664</u>   | <u>263,163</u>  | <u>277,440</u>     | <u>295,352</u>   |
| <b>Expenditures</b>                                     |                    |                  |                 |                    |                  |
| General government                                      | 23,728             | 37,148           | 25,553          | 25,116             | 49,208           |
| Security of persons & property                          | 142,967            | 135,269          | 139,371         | 144,949            | 138,406          |
| Physical environment                                    | 628                | (2)              | -               | -                  | -                |
| Transportation  | 24,670             | 24,066           | 26,220          | 33,525             | 21,379           |
| Economic environment                                    | 27,055             | 28,682           | 25,972          | 21,892             | 19,633           |
| Mental and physical health                              | 2,138              | 2,256            | 2,093           | 2,109              | 684              |
| Culture and recreation                                  | 16,212             | 13,185           | 13,339          | 13,266             | 14,133           |
| Capital outlay  | 34,813             | 40,172           | 49,514          | 71,860             | 55,395           |
| Debt Service:   |                    |                  |                 |                    |                  |
| Principal retirement                                    | 4,934              | 4,949            | 5,490           | 5,924              | 3,991            |
| Interest and fiscal charges                             | <u>3,899</u>       | <u>3,777</u>     | <u>7,635</u>    | <u>6,499</u>       | <u>6,117</u>     |
| Total Expenditures                                      | <u>281,044</u>     | <u>289,502</u>   | <u>295,187</u>  | <u>325,140</u>     | <u>308,946</u>   |
| Excess of revenues over (under) expenditures            | (62,886)           | (75,838)         | (32,024)        | (47,700)           | (13,594)         |
| <b>Other financing sources (uses)</b>                   |                    |                  |                 |                    |                  |
| Sale of capital asset                                   | 2,705              | 170              | 19              | (91)               | 1,684            |
| Transfers in  | 52,657             | 56,635           | 6,407 (2)       | 24,526             | 28,755           |
| Transfers (out)   | (17,788)           | (16,612)         | (13,330)        | (32,419)           | (33,023)         |
| Insurance recoveries                                    | -                  | -                | -               | -                  | 43               |
| Proceeds from bonds issues                              | 4,468              | 56,335           | 43,305          | -                  | 30,235           |
| Issuance of debt refunding bonds                        | -                  | -                | 29,671          | 16,539             | -                |
| Payment to escrow - refunded bonds                      | -                  | -                | (29,152)        | -                  | -                |
| Contributions from property owners                      | 11                 | -                | -               | -                  | -                |
| Premium on issuance of debt                             | -                  | 226              | 2,618           | -                  | -                |
| Discount on issuance of debt                            | <u>-</u>           | <u>(154)</u>     | <u>(59)</u>     | <u>-</u>           | <u>(3)</u>       |
| Total other financing sources and (uses)                | <u>42,053</u>      | <u>96,600</u>    | <u>39,479</u>   | <u>8,555</u>       | <u>27,691</u>    |
| Net change in fund balances                             | <u>\$ (20,833)</u> | <u>\$ 20,762</u> | <u>\$ 7,455</u> | <u>\$ (39,145)</u> | <u>\$ 14,097</u> |
| Debt service as a percentage of noncapital expenditures | 3.6%               | 3.5%             | 5.3%            | 4.9%               | 4.0%             |

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

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



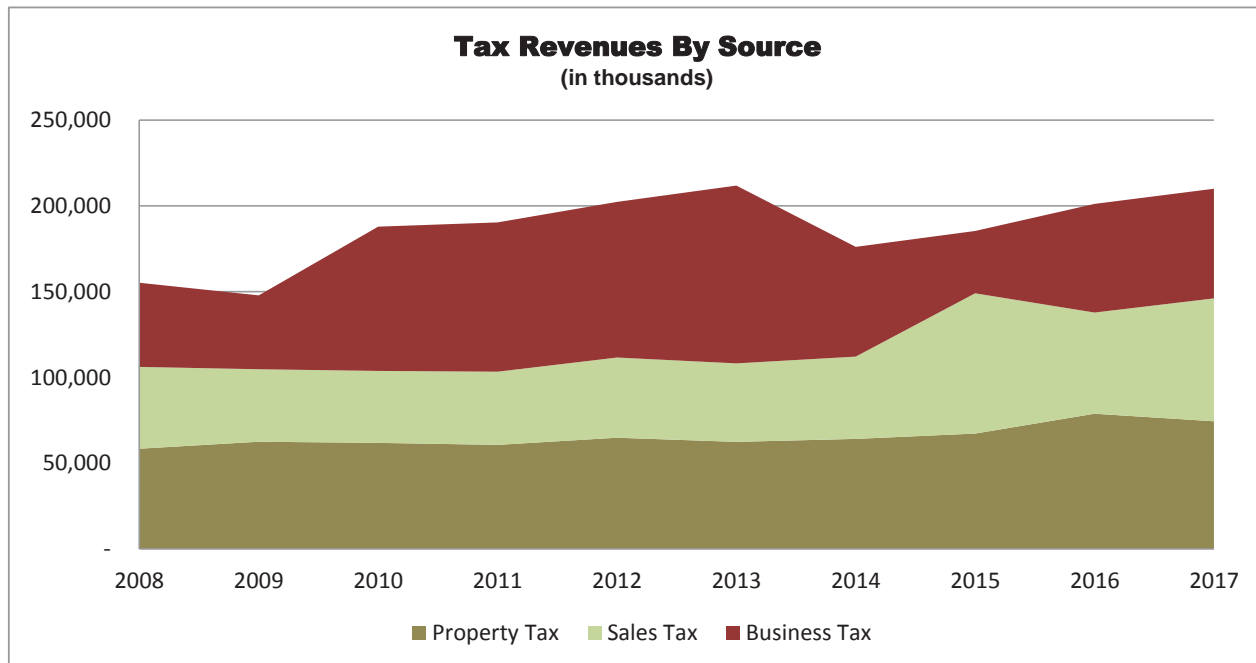
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Table 4**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

|   | <u>2013</u>      | <u>2014</u>     | <u>2015</u>       | <u>2016</u>      | <u>2017</u>      |
|---|------------------|-----------------|-------------------|------------------|------------------|
| <b>Revenues</b>   |                  |                 |                   |                  |                  |
| Taxes   | \$ 212,066       | \$ 176,615      | \$ 184,836        | \$ 197,531       | \$ 209,970       |
| Licenses and permits                                    | 3,235            | 3,652           | 4,743             | 9,335            | 11,207           |
| Intergovernmental revenue                               | 53,466           | 46,260          | 52,026            | 38,097           | 40,624           |
| Charges for goods and services                          | 23,323           | 25,840          | 26,614            | 39,544           | 20,623           |
| Fines and forfeitures                                   | 6,395            | 7,761           | 6,842             | 7,182            | 6,931            |
| Interest  | 994              | 1,626           | 1,758             | 1,702            | 1,677            |
| Miscellaneous revenues                                  | 2,791            | 2,777           | 1,327             | 3,433            | 4,882            |
| Total revenues  | <u>302,270</u>   | <u>264,531</u>  | <u>278,146</u>    | <u>296,824</u>   | <u>295,914</u>   |
| <b>Expenditures</b>                                     |                  |                 |                   |                  |                  |
| General government                                      | 47,041           | 54,671          | 53,917            | 58,488           | 37,959           |
| Security of persons & property                          | 132,783          | 140,578         | 144,331           | 155,393          | 161,404          |
| Physical environment                                    | 2,477            | 2,571           | 2,704             | -                | -                |
| Transportation  | 21,597           | 21,997          | 26,362            | 24,219           | 40,182           |
| Economic environment                                    | 21,123           | 20,846          | 19,560            | 31,853           | 24,132           |
| Mental and physical health                              | 1,953            | 2,640           | 3,387             | 4,360            | 4,712            |
| Culture and recreation                                  | 10,688           | 12,198          | 12,379            | 11,781           | 13,459           |
| Capital outlay  | 36,317           | 25,969          | 45,573            | 22,869           | 22,509           |
| Debt Service:   |                  |                 |                   |                  |                  |
| Principal retirement                                    | 34,263 (3)       | 15,652          | 12,305            | 16,074           | 13,805           |
| Interest and fiscal charges                             | 11,072           | 12,977          | 13,617            | 8,670            | 8,837            |
| Total Expenditures                                      | <u>319,314</u>   | <u>310,099</u>  | <u>334,135</u>    | <u>333,707</u>   | <u>326,999</u>   |
| Excess of revenues over (under) expenditures            | (17,044)         | (45,568)        | (55,989)          | (36,883)         | (31,085)         |
| <b>Other financing sources (uses)</b>                   |                  |                 |                   |                  |                  |
| Sale of capital asset                                   | 492              | 1,477           | 91                | 526              | 4,852            |
| Transfers in  | 28,588           | 95,060          | 87,312            | 98,474           | 134,993          |
| Transfers (out)   | (32,145)         | (50,705)        | (41,500)          | (51,163)         | (87,303)         |
| Insurance recoveries                                    | 58               | 121             | 148               | 55               | 60               |
| Proceeds from bonds issues                              | 37,769           | 2,203           | 22,444            | 4,563            | -                |
| Issuance of debt refunding bonds                        | -                | -               | -                 | -                | 27,512           |
| Payment to escrow - refunded bonds                      | (1,105)          | -               | (20,033)          | -                | -                |
| Contributions from property owners                      | -                | -               | -                 | -                | -                |
| Premium on issuance of debt                             | 68               | -               | -                 | -                | -                |
| Discount on issuance of debt                            | -                | -               | -                 | -                | -                |
| Total other financing sources                           | <u>33,725</u>    | <u>48,156</u>   | <u>48,462</u>     | <u>52,455</u>    | <u>80,114</u>    |
| Tacoma Venues and Events                                |                  |                 |                   |                  |                  |
| Net change in fund balances                             | <u>\$ 16,681</u> | <u>\$ 2,588</u> | <u>\$ (7,527)</u> | <u>\$ 15,572</u> | <u>\$ 49,029</u> |
| Debt service as a percentage of noncapital expenditures | 16.0%            | 10.1%           | 9.0%              | 8.0%             | 7.4%             |

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

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

| <b>Fiscal Year</b> | <b>Property Tax</b> | <b>Sales Tax</b> | <b>Business Tax</b> | <b>Total</b> |
|--------------------|---------------------|------------------|---------------------|--------------|
| 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      |
| 2017               | 74,479              | 71,634           | 63,924              | 210,037      |



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

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

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

**Table 6**

| <b>Fiscal<br/>Year</b> | <b>Real Property<br/>Assessed Value/<br/>Estimated Actual<br/>Value<br/>(\$ in Thousands)</b> | <b>Personal Property<br/>Assessed Value/<br/>Estimated Actual<br/>Value<br/>(\$ in Thousands)</b> | <b>Total<br/>Assessed Value/<br/>Estimated Actual<br/>Value<br/>(\$ in Thousands)</b> | <b>Total Direct<br/>Tax Rate</b> | <b>Growth<br/>Increase (Decrease)<br/>Dollars<br/>(\$ in Thousands)</b> | <b>Percent<br/>Increase<br/>(Decrease)</b> | <b>Assessed<br/>Value<br/>Per Capita</b> |
|------------------------|---|---|---|----------------------------------|---|--|--|
| 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                                  |
| 2017                   | 21,876,770  | 1,302,320   | 23,179,090  | 3.31                             | 2,412,790   | 11.62%                                     | 111,438                                  |

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

| <b>Fiscal<br/>Year Ended<br/>December 31</b> | <b>City of<br/>Tacoma</b> | <b>Tacoma<br/>School<br/>District<br/>#10</b> | <b>Pierce<br/>County</b> | <b>Port of<br/>Tacoma</b> | <b>Metro Park<br/>District</b> | <b>Washington<br/>State</b> | <b>Total</b> |
|--|---------------------------|---|--------------------------|---------------------------|--------------------------------|-----------------------------|--------------|
| 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        |
| 2017   | 3.31                      | 6.27  | 1.18                     | 0.18                      | 1.55                           | 2.91                        | 15.40        |
| <b>"CITY" TAX RATE BREAKDOWN:</b>            |                           |   | <u>2016</u>              | <u>2017</u>               |                                |                             |              |
| General Fund                                 |                           |   | \$2.83                   | \$2.61                    |                                |                             |              |
| Councilmanic Nonvoted Bonds                  |                           |   | 0.13                     | 0.12                      |                                |                             |              |
| EMS Levy                                     |                           |   | 0.50                     | 0.46                      |                                |                             |              |
| G.O. Bonds                                   |                           |   | <u>0.13</u>              | <u>0.12</u>               |                                |                             |              |
| <b>TOTAL CITY</b>                            |                           |   | <b>\$3.59</b>            | <b>\$3.31</b>             |                                |                             |              |

- 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<br>ended<br>December 31 | Total Tax<br>Levy | Current Tax<br>Collections | Percentage<br>of Levy<br>Collected | Delinquent<br>Tax<br>Collections | Tax Levy<br>Adjustment | Total Tax<br>Collections | Total Tax<br>Collected as a<br>Percentage of<br>Total Levy | Outstanding<br>Delinquent<br>Taxes | Outstanding<br>Delinquent<br>Taxes as a<br>Percent of Total<br>Levy |
|-------------------------------------|-------------------|----------------------------|------------------------------------|----------------------------------|------------------------|--------------------------|--|------------------------------------|---|
| 2008                                | 59,033            | 56,650                     | 95.96%                             | 2,127                            | (256)                  | 58,777                   | 99.57%   | -                                  | 0.00%   |
| 2009                                | 60,752            | 57,981                     | 95.44%                             | 2,170                            | (599)                  | 60,151                   | 99.01%   | 2                                  | 0.00%   |
| 2010                                | 61,918            | 59,115                     | 95.47%                             | 2,102                            | (691)                  | 61,217                   | 98.87%   | 10                                 | 0.02%   |
| 2011                                | 61,823            | 58,881                     | 95.24%                             | 1,969                            | (961)                  | 60,850                   | 98.43%   | 12                                 | 0.02%   |
| 2012                                | 63,821            | 61,484                     | 96.34%                             | 1,857                            | (469)                  | 63,341                   | 99.25%   | 11                                 | 0.02%   |
| 2013                                | 63,031            | 60,795                     | 96.45%                             | 1,907                            | (312)                  | 62,702                   | 99.48%   | 17                                 | 0.03%   |
| 2014                                | 64,789            | 62,855                     | 97.01%                             | 1,657                            | (250)                  | 64,512                   | 99.57%   | 27                                 | 0.04%   |
| 2015                                | 66,494            | 64,839                     | 97.51%                             | 1,107                            | (331)                  | 65,946                   | 99.18%   | 217                                | 0.33%   |
| 2016                                | 72,290            | 70,280                     | 97.22%                             | 975                              | (547)                  | 71,255                   | 98.57%   | 488                                | 0.68%   |
| 2017                                | 74,638            | 72,855                     | 97.61%                             | -                                | (252)                  | 72,855                   | 97.61%   | 1,531                              | 2.05%   |

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 2017**

| <u>TAXPAYERS</u>                | EMPLOYEES | PERCENTAGE | TYPE OF BUSINESS                  |
|---------------------------------|-----------|------------|-----------------------------------|
| AT&T Mobility                   | 15        | 0.1%       | Wireless Telecommunications       |
| Comcast Cable Communication     | 13        | 0.1%       | Cable Telecommunications          |
| Multicare Health System         | 5,200     | 49.0%      | Healthcare Services               |
| Puget Sound Energy Inc.         | 215       | 2.0%       | Natural Gas                       |
| Qwest Corporation               | 0         | 0.0%       | Telecommunications                |
| Sound Inpatient Physicians Inc. | 187       | 1.8%       | Management of Healthcare Services |
| St. Joseph Hospital             | 4,766     | 44.9%      | Healthcare Services               |
| T Mobile West LLC               | 9         | 0.1%       | Wireless Telecommunications       |
| US Oil & Refining Company       | 199       | 1.9%       | Petroleum Refinery                |
| Verizon Wireless                | 2         | 0.0%       | Wireless Telecommunications       |
| Total                           | 10,606    | 100.0%     |                                   |

Total 2017 Aggregate B & O Tax  
Collections of the Top Ten Taxpayer \$18,688

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2008**

| <u>TAXPAYERS</u>              | EMPLOYEES | PERCENTAGE | TYPE OF BUSINESS     |
|-------------------------------|-----------|------------|----------------------|
| AT&T Mobility                 | N/A       | N/A        | Cellular             |
| Comcast of Tacoma, Inc.       | 13        | 0.0%       | Cable                |
| Puget Sound Energy Inc.       | 228       | 0.1%       | Portfolio Management |
| Qwest Corporation             | N/A       | N/A        | Natural Gas          |
| Russell Investments Group     | 522       | 0.3%       | Telecommunications   |
| Sprint PCS                    | N/A       | N/A        | Portfolio Management |
| T Mobile West Corporation     | N/A       | N/A        | Cellular             |
| Temco Tacoma Export Marketing | 13        | 0.0%       |                      |
| US Oil Trading LLC            | 10        | 0.0%       | Cellular             |
| Verizon Wireless              | 24        | 0.0%       | Petroleum Refinery   |
|                               |           |            | Cellular             |
| Total                         | 810       | 0.4%       |                      |

Total 2007 Aggregate B & O Tax  
Collections of the Top Ten Taxpayer \$16,591

- 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 2017**

| <u>TAXPAYERS</u>                                   | <u>RANK</u> | <u>2017<br/>ASSESSED</u> | <u>PERCENTAGE TOTAL<br/>ASSESSED VALUE</u> |
|--|-------------|--------------------------|--|
| Tacoma Mall Partnership                            | 1           | \$279,060                | 25.2%                                      |
| Rocktenn CP LLC                                    | 2           | 199,859                  | 18.1%                                      |
| US Oil & Refining Co                               | 3           | 114,424                  | 10.3%                                      |
| Puget Sound Energy/Gas                             | 4           | 113,207                  | 10.2%                                      |
| Targa Sound Terminal LLC                           | 5           | 88,654                   | 8.0%                                       |
| Westridges Apartments Property Owner LLC           | 6           | 71,773                   | 6.5%                                       |
| CSC of Tacoma LLC                                  | 7           | 67,848                   | 6.1%                                       |
| Fairways TIC I LLC & Fairways II LLC               | 8           | 60,292                   | 5.4%                                       |
| AT&T Mobility LLC                                  | 9           | 57,332                   | 5.2%                                       |
| University Street Properties I LLC                 | 10          | 54,000                   | 4.9%                                       |
| Total Assessed Value of Top Ten Property Taxpayers |             | <u>\$1,106,451</u>       | <u>100%</u>                                |

**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2008**

| <u>TAXPAYERS</u>                                   | <u>RANK</u> | <u>2008<br/>ASSESSED VALUE</u> | <u>PERCENTAGE TOTAL<br/>ASSESSED VALUE</u> |
|--|-------------|--------------------------------|--|
| Tacoma Mall Partnership                            | 1           | \$231,151                      | 26.5%                                      |
| Simpson Kraft Company                              | 2           | 133,083                        | 15.3%                                      |
| US Oil and Refining Company                        | 3           | 85,602                         | 9.8%                                       |
| Quest Corporation                                  | 4           | 69,018                         | 7.9%                                       |
| Puget Sound Energy/Gas                             | 5           | 66,810                         | 7.7%                                       |
| Simpson Lumber Company LLC                         | 6           | 66,265                         | 7.6%                                       |
| AT&T Mobility LLC                                  | 7           | 60,089                         | 6.9%                                       |
| CSC of Tacoma LLC                                  | 8           | 54,111                         | 6.2%                                       |
| Fred Meyers Stores, Inc.                           | 9           | 52,787                         | 6.1%                                       |
| NGP Centennial Tacoma LLC                          | 10          | 52,496                         | 6.0%                                       |
| Total Assessed Value of Top Ten Property Taxpayers |             | <u>\$871,412</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 |
| 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                   | -              |
| 2017        | 155,874                  | 4,534                        |                          | 8,572                   | 26,257                   | -              |

(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



**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<br>Year | Business-Type Activities        |                                |                   | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income (1) | Per<br>Capita (2) |
|----------------|---------------------------------|--------------------------------|-------------------|--------------------------------|---|-------------------|
|                | Revenue<br>Bonds<br>& Loans (3) | General<br>Obligation<br>Bonds | Capital<br>Leases |                                |   |                   |
| 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             |
| 2017           | 1,191,244                       | 54,778                         | -                 | 1,441,259                      | 3.58%                                   | 6,929             |

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

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

| <b>Fiscal Year</b> | <b>General Obligation Bonds</b> | <b>Less: Amounts Available in Debt Service Fund (1)</b> | <b>Total</b> | <b>% of Estimated Actual Taxable Value of Property (2)</b> | <b>Per Capita (3)</b> |
|--------------------|---------------------------------|---|--------------|--|-----------------------|
| 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                   |
| 2017               | 210,652                         | 2,000   | 208,652      | 0.90%  | 1,003                 |

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)**

|  | <b>Net Bonded<br/>Debt<br/>Outstanding<br/>(1)</b> | <b>Percentage<br/>Applicable<br/>To City<br/>(2)</b> | <b>City<br/>Residents<br/>Share of<br/>Debt</b> |
|--|--|--|---|
| City of Tacoma                         | \$215,186  | 100.000%   | \$215,186                                       |
| <b><u>OVERLAPPING DEBT</u></b>         |  |  |   |
| Tacoma School District #10             | 523,175  | 92.559%  | 484,247   |
| Metropolitan Park District             | 142,625  | 95.887%  | 136,759   |
| Port of Tacoma                         | 175,947  | 22.861%  | 40,222  |
| Pierce County                          | 124,025  | 22.861%  | 28,353  |
| Franklin Pierce School District        | 140,435  | 0.510%   | 716   |
| Fife School District                   | 11,703   | 6.968%   | 815   |
| Clover Park School District            | 130,485  | 2.053%   | 2,679   |
| University Place School District       | 60,473   | 3.402%   | 2,057   |
| <b>TOTAL OVERLAPPING DEBT</b>          | <u>1,308,868</u>                                   |  | <u>695,848</u>                                  |
| <br><b>GRAND TOTAL</b>                 | <br><u><u>\$ 1,524,054</u></u>                     |  | <br><u><u>\$ 911,034</u></u>                    |
| Population                             |  |  | 208,100   |
| Direct and Overlapping Debt per Capita |  |  | 4.38  |

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

**Legal Debt Margin Calculation for Fiscal Year 2017**  
**(amounts expressed in thousands)**

|   |                    |
|---|--------------------|
| Assessed Value                            | \$23,179,090       |
| Debt Limit (7.5% of assessed value)       | 1,738,432          |
| Debt Applicable to Limit:                 |                    |
| General Obligation bonds and loans        | 215,186            |
| Capital leases                            | 0                  |
| Less: Assets available from Debt Svc Fund | (1,178)            |
| Total Net Debt Applicable to Limit        | 214,008            |
| Legal Debt Margin                         | <u>\$1,524,424</u> |

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

|   | <u>2013</u>      | <u>2014</u>        | <u>2015</u>        | <u>2016</u>        | <u>2017</u>        |
|---|------------------|--------------------|--------------------|--------------------|--------------------|
| Assessed Value of Property  | \$16,593,506     | \$17,887,171       | \$19,015,503       | \$20,766,300       | \$23,179,090       |
| Debt Limit, 7.5% of Assessed Value                                      | 1,244,513        | 1,341,538          | 1,426,163          | 1,557,473          | 1,738,432          |
| Total Net Debt Applicable to Limit                                      | 261,445          | 217,009            | 209,654            | 198,678            | 214,008            |
| Legal Debt Margin   | <u>\$983,068</u> | <u>\$1,124,529</u> | <u>\$1,216,509</u> | <u>\$1,358,795</u> | <u>\$1,524,424</u> |
| Total Net Debt Applicable to the Limit<br>as a Percentage of Debt Limit | 21.0%            | 16.2%              | 14.7%              | 12.8%              | 12.3%              |

**Computation of Constitutional Limit of Indebtedness**  
**As of December 31, 2017**  
**Table 14**

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

|   |  |                  |
|---|--|------------------|
| Total Taxable Property Value (Assessed at 100%, for taxes payable in 2017) (PV)       | \$   | 23,179,089,876   |
| <b>GENERAL PURPOSE INDEBTEDNESS</b>   |  |                  |
| Non-Voted General Purpose Indebtedness and Capital Leases                             |  |                  |
| Legal Limit 1.5% of Total Taxable Property Value                                      |  | 347,686,348      |
| Indebtedness (Liabilities)  |  |                  |
| Non-Voted General Obligation Bonds  | 233,933,448                                      |                  |
| Capital Leases Payable  | -  |                  |
| Less Assets Available   | -  |                  |
| Indebtedness Incurred - Non-Voted General Purposes                                    | 233,933,448                                      |                  |
| Remaining Legally Available Non-Voted Debt Capacity - General Purposes                |  | 113,752,900      |
| Less Required Reserve (10% of Non-Voted Debt Capacity)                                |  | (34,768,635)     |
| Available Non-Voted Debt Capacity - net of Required Reserve                           | \$   | 78,984,265       |
| Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted) |  |                  |
| Legal Limit 2.5% of Total Taxable Property Value                                      |  | 579,477,247      |
| Less: Indebtedness Incurred - Non-Voted General Purposes                              |  | (233,933,448)    |
|   | \$   | 345,543,799      |
| Indebtedness (Liabilities)  |  |                  |
| Voted General Obligation Bonds  | 12,015,000                                       |                  |
| Less Assets Available   | (1,178,007)                                      |                  |
| Indebtedness Incurred - Voted General Purposes  |  | 10,836,993       |
| Total Remaining Debt Capacity - General Purposes                                      | \$   | 334,706,806      |
| <b>UTILITY PURPOSE INDEBTEDNESS</b>   |  |                  |
| Indebtedness For Utility Purposes With 3/5 Vote of the People                         |  |                  |
| Legal Limit 2.5% of Total Taxable Property Value                                      | \$   | 579,477,247      |
| Remaining Debt Capacity - Utility Purposes  | \$   | 579,477,247      |
| <b>OPEN SPACES AND PARKS FACILITIES INDEBTEDNESS</b>                                  |  |                  |
| Indebtedness For Open Space And Parks Facilities With 3/5 Vote of the People          |  |                  |
| Legal Limit 2.5% of Total Taxable Property Value                                      | \$   | 579,477,247      |
| Remaining Debt Capacity - Open Spaces and Parks Facilities                            | \$   | 579,477,247      |
| <b>SUMMARY</b>  |  |                  |
| Total Indebtedness Allowable  | Legal Limit 7.5% of Total Taxable Property Value | 1,738,431,741    |
| Less: Indebtedness Incurred - General Purposes  | 1.0560%  | 244,770,441      |
| Less: Indebtedness Incurred - Utility Purposes  |  | -                |
| Less: Indebtedness Incurred - Open Space And Parks Facilities                         |  | -                |
| Remaining Debt Capacity   | 6.4440%  | \$ 1,493,661,300 |

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

| <b>Sewer Revenue Bonds</b> |                                |                                 |                              |                  |                 |                 |
|----------------------------|--------------------------------|---------------------------------|------------------------------|------------------|-----------------|-----------------|
| <b>Fiscal Year</b>         | <b>Sewer Charges and Other</b> | <b>Less: Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Principal</b> | <b>Interest</b> | <b>Coverage</b> |
| 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            |
| 2017                       | 110,041                        | 67,359                          | 42,682                       | 4,830            | 7,859           | 3.36            |

| <b>Power Revenue Bonds</b> |                                |                                 |                              |                  |                 |                 |
|----------------------------|--------------------------------|---------------------------------|------------------------------|------------------|-----------------|-----------------|
| <b>Fiscal Year</b>         | <b>Power Charges and Other</b> | <b>Less: Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Principal</b> | <b>Interest</b> | <b>Coverage</b> |
| 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                       | 418,614                        | 388,220                         | 30,394                       | 12,730           | 19,026          | 0.96            |
| 2017                       | 450,724                        | 345,978                         | 104,746                      | 11,575           | 18,949          | 3.43            |

| <b>Solid Waste Revenue Bonds</b> |                                      |                                 |                              |                  |                 |                 |
|----------------------------------|--------------------------------------|---------------------------------|------------------------------|------------------|-----------------|-----------------|
| <b>Fiscal Year</b>               | <b>Solid Waste Charges and Other</b> | <b>Less: Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Principal</b> | <b>Interest</b> | <b>Coverage</b> |
| 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            |
| 2017                             | 67,894                               | 49,616                          | 18,278                       | 4,645            | 2,915           | 2.48            |

| <b>Water Revenue Bonds</b> |                                |                                 |                              |                  |                 |                 |
|----------------------------|--------------------------------|---------------------------------|------------------------------|------------------|-----------------|-----------------|
| <b>Fiscal Year</b>         | <b>Water Charges and Other</b> | <b>Less: Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Principal</b> | <b>Interest</b> | <b>Coverage</b> |
| 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            |
| 2017                       | 98,305                         | 54,977                          | 43,328                       | 5,216            | 13,447          | 2.32            |

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 |
| 2008                                | 19,052                 | 16,437                   | 2,615                 | 162       | 98       | 10.02    |
| 2009                                | 15,373                 | 13,561                   | 1,812                 | 171       | 90       | 6.90     |
| 2010                                | 16,328                 | 14,204                   | 2,124                 | 180       | 80       | 8.17     |
| 2011                                | 20,115                 | 16,457                   | 3,658                 | 190       | 70       | 14.07    |
| 2012                                | 24,089                 | 19,366                   | 4,723                 | 201       | 60       | 18.10    |
| 2013                                | 27,923                 | 22,785                   | 5,138                 | 212       | 49       | 19.73    |
| 2014                                | 30,482                 | 25,493                   | 4,989                 | 223       | 37       | 19.16    |
| 2015                                | 30,249                 | 24,585                   | 5,663                 | 236       | 25       | 21.75    |
| 2016                                | 32,261                 | 27,135                   | 5,126                 | 249       | 12       | 19.64    |
| 2017                                | 31175                  | 27884                    | 3291                  | N/A       | N/A      | N/A      |

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 |
| 2008  | 2,455                | 2,887                 | 5,342                  | 2,638                   | 2.03     |
| 2009  | 2,303                | 2,543                 | 4,846                  | 2,635                   | 1.84     |
| 2010  | 2,132                | 2,599                 | 4,731                  | 1,216                   | 3.89     |
| 2011  | 2,637                | 2,571                 | 5,208                  | 1,328                   | 3.92     |
| 2012  | 2,593                | 2,939                 | 5,532                  | 1,317                   | 4.20     |
| 2013  | 3,339                | 2,928                 | 6,267                  | 2,817                   | 2.22     |
| 2014  | 4,283                | 3,063                 | 7,346                  | 2,817                   | 2.61     |
| 2014  | 4,283                | 3,063                 | 7,346                  | 2,817                   | 2.61     |
| 2016  | 4,740                | 3,524                 | 8,264                  | 2,922                   | 2.83     |
| 2017  | 5,201                | 3,818                 | 9,019                  | 2,925                   | 3.08     |

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 |
| 2008                         | 2,455                | 292                   | 8.42     |
| 2009                         | 2,303                | 291                   | 7.91     |
| 2010                         | 2,132                | 134                   | 15.86    |
| 2011                         | 2,637                | 147                   | 17.97    |
| 2012                         | 2,593                | 146                   | 17.76    |
| 2013                         | 3,339                | 311                   | 10.74    |
| 2014                         | 4,300                | 311                   | 13.83    |
| 2015                         | 4,591                | 346                   | 13.27    |
| 2016                         | 4,740                | 323                   | 14.68    |
| 2017                         | 5,201                | 323                   | 16.09    |

Note: Net Parking Revenues represent Parking Operating Revenues less Parking

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

**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Table 16**

| <b>Fiscal Year<br/>Ended<br/>December 31</b> | <b>Population (1)<br/>(Thousands)</b> | <b>Personal<br/>Income (2)<br/>(Thousands)</b> | <b>Per Capita<br/>Personal<br/>Income (2)</b> | <b>School<br/>Enrollment (3)<br/>(Thousands)</b> | <b>Unemployment<br/>% Rate (4)</b> |
|--|---------------------------------------|--|---|--|------------------------------------|
| 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                                   | 40,228,355                                     | 46,706  | 29   | 6.0                                |
| 2017   | 208                                   | N/A  | N/A   | 29   | 5.4                                |

## SOURCES:

- (1) Washington State Office of Financial Management, except 2010. See (5).
- (2) U.S. Department of Commerce, Bureau of Economic Analysis (currently updated only through 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 2017 (PIERCE COUNTY)**

|                                | EMPLOYEES | PERCENTAGE OF<br>TOTAL COUNTY<br>POPULATION | TYPE OF BUSINESS |
|--------------------------------|-----------|---|------------------|
| Joint Base Lewis McChord       | 60,100    | 6.9%  | Military         |
| MultiCare Health System        | 7,439     | 0.8%  | Health Care      |
| State of Washington            | 6,838     | 0.8%  | Government       |
| CHI Franciscan Health          | 6,528     | 0.7%  | Health Care      |
| Tacoma Public Schools          | 3,541     | 0.4%  | Education        |
| Pierce County Government       | 3,058     | 0.3%  | Government       |
| Bethel School District         | 2,465     | 0.3%  | Education        |
| City of Tacoma                 | 2,251     | 0.3%  | Government       |
| State Farm Insurance Companies | 2,150     | 0.2%  | Insurance        |
| Puyallup School District       | 2,124     | 0.2%  | Gaming           |
| Total                          | 96,494    | 11.0%                                       |                  |

2017 Pierce County Population 876,764

**TOP TEN EMPLOYERS FOR 2008 (PIERCE COUNTY)**

| EMPLOYEERS               | EMPLOYEES | PERCENTAGE OF<br>TOTAL COUNTY<br>POPULATION | TYPE OF BUSINESS        |
|--------------------------|-----------|---|-------------------------|
| 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%                                       |                         |

2008 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 2008

**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**

| <b>Function</b>                   | <b><u>2008</u></b> | <b><u>2009</u></b> | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>General government</b>         | 304                | 300                | 257                | 287                | 260                | 265                | 268                | 285                | 286                | 286                |
| <b>Public Safety</b>              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Police                            | 418                | 429                | 418                | 415                | 389                | 370                | 361                | 370                | 369                | 376                |
| Fire                              | 434                | 426                | 414                | 431                | 401                | 376                | 389                | 406                | 401                | 398                |
| Law Enforcement Support Agency    | 165                | 160                | 151                | 159                | 160                | N/A (3)            | N/A                | N/A                | N/A                | N/A                |
| <b>Economic Environment</b>       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Community & Economic Development  | 43                 | 42                 | 92                 | 89                 | 77                 | 26 (2)             | 26                 | 26                 | 27                 | 30                 |
| Planning and Development Services | N/A                | N/A                | N/A                | N/A                | N/A                | 51                 | 59                 | 60                 | 29                 | 59                 |
| Hearing Examiner                  | 3                  | 3                  | 3                  | 4                  | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  |
| Human Rights Human Services       | 33                 | 38                 | 37                 | 33                 | 31                 | 54                 | 48                 | 41                 | 41                 | 37                 |
| <b>Culture and Recreation</b>     | 207                | 202                | 213                | 202                | 179                | 159                | 158                | 171                | 171                | 166                |
| <b>Transportation</b>             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Public Works                      | 773                | 800                | 744 (1)            | 743                | 691                | 707                | 713                | 718                | 732                | 735                |
| <b>Information Systems</b>        | 114                | 139                | 136                | 136                | 112                | 109                | 109                | 116                | 111                | 117                |
| <b>Retirement</b>                 | 9                  | 9                  | 9                  | 9                  | 10                 | 10                 | 10                 | 10                 | 9                  | 9                  |
| <b>Tacoma Public Utilities</b>    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Administration                    | 8                  | 9                  | 9                  | 11                 | 10                 | 10                 | 10                 | 11                 | 12                 | 12                 |
| Customer Service                  | 174                | 157                | 153                | 153                | 153                | 140                | 143                | 148                | 150                | 158                |
| Geographic Info System            | 9                  | 12                 | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                | N/A                |
| Rail                              | 99                 | 99                 | 95                 | 91                 | 99                 | 107                | 115                | 116                | 113                | 115                |
| Power                             | 792                | 872                | 874                | 829                | 805                | 839                | 839                | 851                | 860                | 837                |
| Water                             | 267                | 267                | 259                | 248                | 240                | 240                | 239                | 236                | 237                | 237                |
| <b>Total</b>                      | <b>3,852</b>       | <b>3,964</b>       | <b>3,864</b>       | <b>3,840</b>       | <b>3,620</b>       | <b>3,466</b>       | <b>3,490</b>       | <b>3,568</b>       | <b>3,551</b>       | <b>3,575</b>       |

(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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Function</b>                    |             |             |             |             |             |
| Public Safety                      |             |             |             |             |             |
| <i>Police</i>                      |             |             |             |             |             |
| Violent Crimes                     | 1,965       | 1,883       | 1,703       | 4,756       | 4,623       |
| Property Crimes                    | 14,813      | 13,337      | 12,405      | 20,102      | 21,961      |
| <i>Fire</i>                        |             |             |             |             |             |
| Incidents                          | 37,844      | 38,534      | 38,232      | 38,239      | 39,810      |
| <i>Utilities</i>                   |             |             |             |             |             |
| Power customers                    | 166,307     | 168,207     | 169,413     | 169,112     | 169,112     |
| Power service units - MWH          | 6,652,547   | 6,618,995   | 6,781,964   | 7,237,792   | 7,885,213   |
| Water customers                    | 95,587      | 96,983      | 97,137      | 96,734      | 96,333      |
| Water service units                | 24,400,467  | 24,720,956  | 23,229,748  | 23,074,632  | 23,201,613  |
| Wastewater customers               | 60,698      | 60,651      | 60,705      | 60,673      | 60,591      |
| Surface Water customers            | 70,120      | 70,422      | 70,204      | 70,544      | 70,479      |
| Solid Waste customers              | 58,550      | 58,549      | 58,637      | 58,451      | 58,517      |
| <i>Rail</i>                        |             |             |             |             |             |
| Miles of track                     | 38          | 38          | 38          | 57.5        | 57.5        |
| Number of cars switched            | 77,194      | 60,924      | 73,175      | 68,953      | 92,117      |
| <i>Parking Garages</i>             |             |             |             |             |             |
| Number of parking stalls - garages | 2,282       | 2,384       | 2,384       | 2,384       | 2,362       |
| Number of parking stalls - surface | 73          | 73          | 73          | 102         | 108         |
| Number of on-street metered        |             |             |             |             | 1,403       |

## Operating Indicators by Function

Last Ten Fiscal Years

Table 19

Page 2 of 2

|                                    | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2,017</u> |
|------------------------------------|-------------|-------------|-------------|-------------|--------------|
| <b>Function</b>                    |             |             |             |             |              |
| Public Safety                      |             |             |             |             |              |
| <i>Police</i>                      |             |             |             |             |              |
| Violent Crimes                     | 4,379       | 4,319       | 4,376       | 4,443       | 4,569        |
| Property Crimes                    | 21,534      | 20,573      | 20,531      | 21,229      | 22,881       |
| <i>Fire</i>                        |             |             |             |             |              |
| Incidents                          | 39,244      | 41,094      | 45,266      | 46,783      | 47,510       |
| <i>Utilities</i>                   |             |             |             |             |              |
| Power customers                    | 171,506     | 172,531     | 174,562     | 176,784     | 177,153      |
| Power service units - MWH          | 7,050,749   | 7,602,630   | 6,510,290   | 7,302,235   | 7,588,005    |
| Water customers                    | 97,854      | 98,608      | 99,943      | 100,731     | 101,871      |
| Water service units                | 23,886,864  | 24,553,529  | 26,087,248  | 24,610,996  | 24,097,864   |
| Wastewater customers               | 60,758      | 61,348      | 75,732 (1)  | 76,268      | 76,859       |
| Surface Water customers            | 70,459      | 70,512      | 70,611      | 70,703      | 70,834       |
| Solid Waste customers              | 58,265      | 59,308      | 60,262      | 60,646      | 60,971       |
| <i>Rail</i>                        |             |             |             |             |              |
| Miles of track                     | 57.5        | 57.5        | 57.5        | 48.5        | 48.5         |
| Number of cars switched            | 138,410     | 108,137     | 102,173     | 124,467     | 107,130      |
| <i>Parking Garages</i>             |             |             |             |             |              |
| Number of parking stalls - garages | 2,362       | 2,362       | 2,282       | 2,282       | 2,122        |
| Number of parking stalls - surface | 108         | 98          | 98          | 98          | 98           |
| Number of on-street metered        | 1,403       | 1,800       | 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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Function</b>                      |             |             |             |             |             |
| Public Safety                        |             |             |             |             |             |
| <i>Police</i>                        |             |             |             |             |             |
| Number of Stations                   | 6           | 6           | 6           | 6           | 6           |
| Vehicles:                            |             |             |             |             |             |
| Marked Cars                          | 249         | 245         | 247         | 256         | 269         |
| Unmarked Cars-(includes seized vehic | 99          | 113         | 123         | 119         | 101         |
| Motorcycles                          | 21          | 22          | 22          | 22          | 16          |
| <i>Fire</i>                          |             |             |             |             |             |
| Number of Stations                   | 16          | 16          | 16          | 16          | 15          |
| Pumpers                              | 17          | 16          | 16          | 16          | 13          |
| Trucks                               | 4           | 4           | 4           | 4           | 4           |
| Rescue Vehicles                      | 5           | 5           | 5           | 5           | 5           |
| Fireboats                            | 1           | 1           | 1           | 1           | 2           |
| Squad Vehicles                       | N/A         | N/A         | N/A         | N/A         | 1.5         |
| Training Towers                      | 1           | 1           | 1           | 1           | 1           |
| Fire Rating                          | 3           | 3           | 3           | 3           | 3           |
| <i>Transportation</i>                |             |             |             |             |             |
| Streets                              |             |             |             |             |             |
| Miles of Paved Streets               | 642.52      | 642.52      | 642.52      | 642.52      | 642.52      |
| Miles of Unpaved Streets             | 208.10      | 208.10      | 208.10      | 208.10      | 208.10      |
| Total                                | 850.62      | 850.62      | 850.62      | 850.62      | 850.62      |

1)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**

| <b>Function</b>                     | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Public Safety                       |                    |                    |                    |                    |                    |
| <i>Police</i>                       |                    |                    |                    |                    |                    |
| Number of Stations                  | 6                  | 6                  | 6                  | 6                  | 6                  |
| Vehicles:                           |                    |                    |                    |                    |                    |
| Marked Cars                         | 290                | 282                | 265                | 265                | 267                |
| Unmarked Cars-(includes seized vehi | 125                | 106                | 110                | 112                | 115                |
| Motorcycles                         | 16                 | 16                 | 15                 | 10                 | 14                 |
| <i>Fire</i>                         |                    |                    |                    |                    |                    |
| Number of Stations                  | 15                 | 15                 | 15                 | 15                 | 16                 |
| Pumpers                             | 13                 | 13                 | 13                 | 13                 | 15.5               |
| Trucks                              | 4                  | 4                  | 4                  | 4                  | 4                  |
| Rescue Vehicles                     | 5                  | 5                  | 5                  | 5                  | 5                  |
| Fireboats                           | 2                  | 2                  | 3                  | 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                  |
| <i>Transportation</i>               |                    |                    |                    |                    |                    |
| Streets                             |                    |                    |                    |                    |                    |
| Miles of Paved Streets              | 642.52             | 642.52             | 642.52 (1)         | 746.6              | 746.6              |
| Miles of Unpaved Streets            | 208.10             | 208.10             | 208.10 (1)         | 10.80              | 10.8               |
| Total                               | 850.62             | 850.62             | 850.62             | 757.4              | 757.4              |

**Contributing Staff**  
**Table 21**

The following individuals contributed to the successful completion of the City of Tacoma's 2017 Comprehensive Annual Financial Report:

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Teresa L. Sedmak, City Treasurer  
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Leda Voight, CPA, Senior Financial Manager  
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