

# 2018

## Comprehensive Annual Financial REPORT





# **2018 Comprehensive Annual Financial Report**

of the City of Tacoma, Washington  
for the Year Ended December 31, 2018

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)



The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the City Clerk's Office at (253) 591-5505. TTY or speech to speech users please dial 711 to connect to Washington Relay Services.



## Table of Contents

Page 1 of 2

**INTRODUCTORY SECTION**

	Page
Letter of Transmittal .....	1-1
GFOA Certificate of Achievement .....	1-7
Organizational Chart .....	1-8
Elected Officials .....	1-9
City Officials .....	1-10

**FINANCIAL SECTION**

Independent Auditor's Report .....	2-1
Management's Discussion and Analysis .....	2-5

**Basic Financial Statements:**

Government-wide Financial Statements:	
Statement of Net Position .....	3-2
Statement of Activities .....	3-4
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	3-6
Reconciliation of Balance Sheet – Governmental Funds to the	
Government-wide Statement of Net Position .....	3-7
Statement of Revenues, Expenditures and Changes in Fund	
Balances - Governmental Funds .....	3-8
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds to the Government-wide	
Statement of Activities .....	3-9
Statement of Net Position - Proprietary Funds .....	3-10
Reconciliation of Enterprise Net Position to Government-wide Statement of Net Position .....	3-14
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary	
Funds .....	3-15
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Net Position to Enterprise Funds Statement of Activities .....	3-17
Statement of Cash Flows - Proprietary Funds .....	3-18
Statement of Net Position - Fiduciary Funds .....	3-22
Statement of Changes in Net Position - Fiduciary Funds .....	3-23
Notes to the Financial Statements .....	3-24

**Required Supplementary Information:**

Proportionate Share of NPL and Contributions – LEOFF 1 .....	4-1
Proportionate Share of NPL and Contributions – LEOFF 2 .....	4-2
Proportionate Share of NPL and Contributions – TERS .....	4-3
Schedule of Changes in Liability & Related Ratios - Firefighters and Police Relief Pension .....	4-4
Schedule of Changes in Liability & Related Ratios - Other Post Employment Benefit Plan .....	4-5
Notes to Required Supplementary Information .....	4-6
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget	
And Actual - General Fund .....	4-8

**Combining Statements – Non-Major Funds:**

Combining Balance Sheet - Non-Major Governmental Funds Summary .....	5-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	
- Non-Major Governmental Funds Summary .....	5-3
Combining Balance Sheet – Non-Major Special Revenue Funds .....	5-5
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	
- Non-Major Special Revenue Funds .....	5-11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget	
And Actual - Non-Major Special Revenue Funds .....	5-17
Combining Balance Sheet - Non-Major Debt Service Funds .....	5-40
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	
- Non-Major Debt Service Funds .....	5-43

**Table of Contents****Page 2 of 2**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget	
And Actual - Non-Major Debt Service Funds .....	5-46
Combining Balance Sheet - Non-Major Capital Projects Funds.....	5-56
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	
- Non-Major Capital Projects Funds .....	5-58
Combining Statement of Net Position - Non-Major Enterprise Funds .....	5-61
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position -	
Non - Major Enterprise Funds.....	5-67
Combining Statement of Cash Flows - Non-Major Enterprise Funds .....	5-70
Combining Statement of Net Position - Internal Service Funds .....	5-79
Combining Statement of Revenues, Expenses and Changes in Fund Net Position -	
Internal Service Funds.....	5-87
Combining Statement of Cash Flows - Internal Service Funds .....	5-91
<b>Other Supplementary Information:</b>	
Special Assessment Billings and Collections .....	5-99

**STATISTICAL SECTION:**

Financial Trends:	
Net Position by Component.....	6-1
Changes in Net Position .....	6-3
Fund Balances of Governmental Funds.....	6-7
Changes in Fund Balances of Governmental Funds .....	6-9
Revenue Capacity:	
Governmental Activities Tax Revenue by Source.....	6-11
Assessed and Estimated Actual Value of Taxable Property .....	6-12
Property Tax Rates - Direct and Overlapping Governments.....	6-13
Property Tax Levies and Collections .....	6-14
Principal Taxpayers .....	6-15
Debt Capacity:	
Ratios of Outstanding Debt by Type.....	6-17
Ratios of General Bonded Debt Outstanding .....	6-19
Computation of Direct and Overlapping Debt.....	6-20
Legal Debt Margin Information .....	6-21
Computation of Constitutional Limit of Indebtedness.....	6-23
Pledged-Revenue Coverage.....	6-25
Demographic and Economic Information:	
Demographic and Economic Statistics.....	6-27
Principal Employers .....	6-28
Operating Information:	
Full-time Equivalent City Government Employees by Employees by Function.....	6-29
Operating Indicators by Function .....	6-31
Capital Asset Statistics by Function .....	6-33
Contributing Staff.....	6-35

# SECTION 1

---

## **INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS







City of Tacoma  
Finance Department

July 17, 2019

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Tacoma, Washington (the City), for the year ended December 31, 2018. The State Auditor has issued an unmodified opinion, or in layman's terms a "clean opinion" on the City of Tacoma's 2018 financial statements. The independent auditor's report can be found immediately after the Management's Discussion & Analysis section of the CAFR.

The 2018 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 the accuracy of the data, its completeness and its fair presentation of its information, 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. The cost of those controls should not exceed the benefits derived by them. 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:

- **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 Native American 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 2018 population estimate was 213,418 which is an increase of 7.6% 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 and fire protection, electrical generation and distribution, water distribution, wastewater and surface water services, solid waste services, public works (which includes street operations, engineering, facility management and fleet operations), planning and development services, community and economic development, neighborhood and community services, and many others.

The Tacoma City Council adopts a biennial budget for all fund 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 and 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 October 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. The table below provides the 2018 top ten employers in Pierce County.

## TOP TEN EMPLOYERS FOR 2018 (PIERCE COUNTY)

EMPLOYER NAME	EMPLOYEE COUNT	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
Joint Base Lewis McChord	53,000	5.9%	Military
MultiCare Health System	7,705	0.9%	Health Care
State of Washington	7,621	0.9%	Government
CHI Franciscan Health	6,786	0.8%	Health Care
City of Tacoma	3,591	0.4%	Government
Tacoma Public Schools	3,333	0.4%	Education
Puyallup Tribe & Emerald Queen Casino	3,312	0.4%	Gaming
Pierce County Government	3,089	0.3%	Government
Puyallup School District	2,190	0.2%	Education
Bethel School District	2,028	0.2%	Education
Total	92,655	10.4%	

2018 Pierce County Population      891,299

The average year-to-date unemployment rate for the Tacoma metropolitan area was 5.9% as of February 2019 compared to 6.0% and 6.1% for February 2018 and 2017, respectively. Tacoma's median household income for 2017 was \$55,506 compared to \$53,553 for 2016 and \$52,042 for 2015.

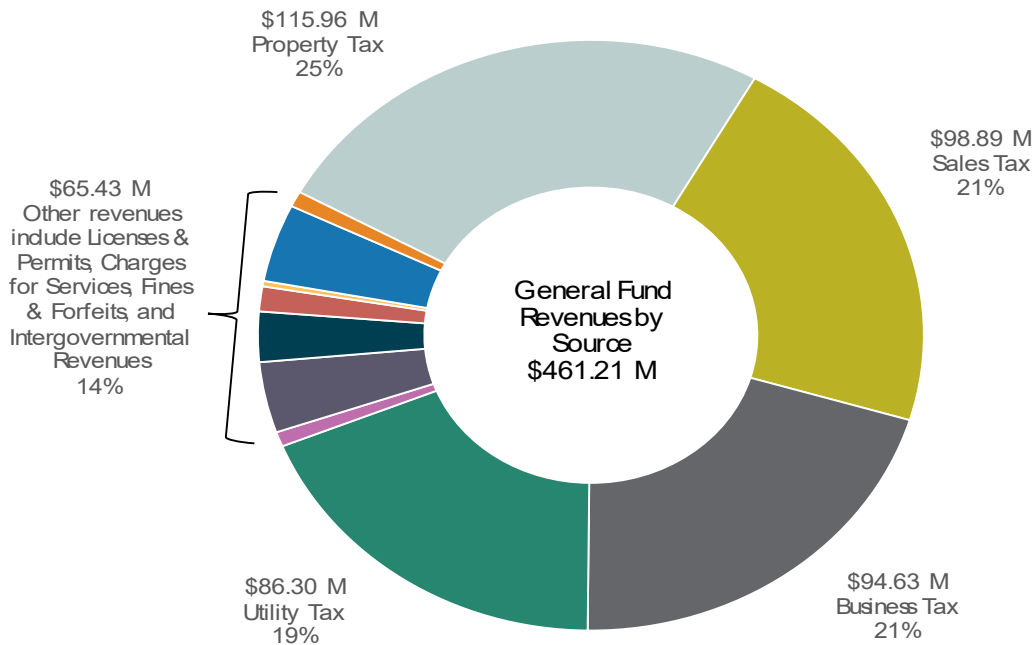
The City's major revenue sources for the General Fund include property tax, business & occupation (B&O) tax, sales tax and a gross earnings tax (GET) on utilities.

**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 2018, the City levied at the statutory limitation of \$2.98 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 253-259 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: [https://cms.cityoftacoma.org/finance/budget/2017-2018/Adopted\\_2017-2018\\_Budget.pdf](https://cms.cityoftacoma.org/finance/budget/2017-2018/Adopted_2017-2018_Budget.pdf).

## MAJOR INITIATIVES

During the 2019-2020 biennial budget process, City priorities were identified by the City Council and the community. Some of the major initiatives included in the upcoming biennium include:

### Affordable Housing

New funding of \$1.2 million will be used to create an Affordable Housing Fund. Two new positions will be created to implement the City's strategy surrounding affordable housing. In addition, a Neighborhood Planning Program will expand the capacity of the City to proactively improve engagement and education in the community around issues of growth and development. In addition, it will assist the City in addressing neighborhood concerns.

### Homelessness

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. 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; and 3) Continue to develop innovative approaches to provide short and long term solutions. The 2019-2020



budget includes \$2.3 million to continue funding the temporary shelter for another year. In addition, funding is also available to increase support to prevent individuals from entering into homelessness.

### **Public Safety**

Additional resources have been made available to enhance public safety services for both Fire and Police Departments. The Fire Department will receive additional resources to provide 24-hour engine response out of Station 13. It will also replace two fire engines in the Department's aging fleet. Funding will also be available for the development of a Facility Master Plan which will provide a long-term strategy for maintenance and construction of fire facilities. With contributions from Puget Sound Energy, along with City funding, construction of a new Fire Station #5 will occur. This station will provide fire and EMS response as well as advanced capabilities to respond to hazardous materials in and around the Port.

An additional \$1 million was included in the Police Department's budget to add additional officers as well as increases in training, equipment and officer wellness. The 2019-2020 budget also included funding for a "Hiring Sergeant" to supervise hiring and recruiting. This position will actively work to support the department's goal of a 20% increase in department personnel from under-represented communities by 2020. Criminal investigations also saw an increase of \$500,000 for an improved forensic lab evidence management system, a digital evidence management system, forensics lab equipment, crime scene mapping laser technology and resources to help track sales of stolen goods online.

### **AWARDS AND ACKNOWLEDGEMENTS**

#### **Awards**

We are pleased to announce that for the 33rd 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 2017 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 6-35, we would like to specifically thank Su Yi, Min Soo Chun, Joel Sipes, Ben Hu, Polly Wainaina, 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





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

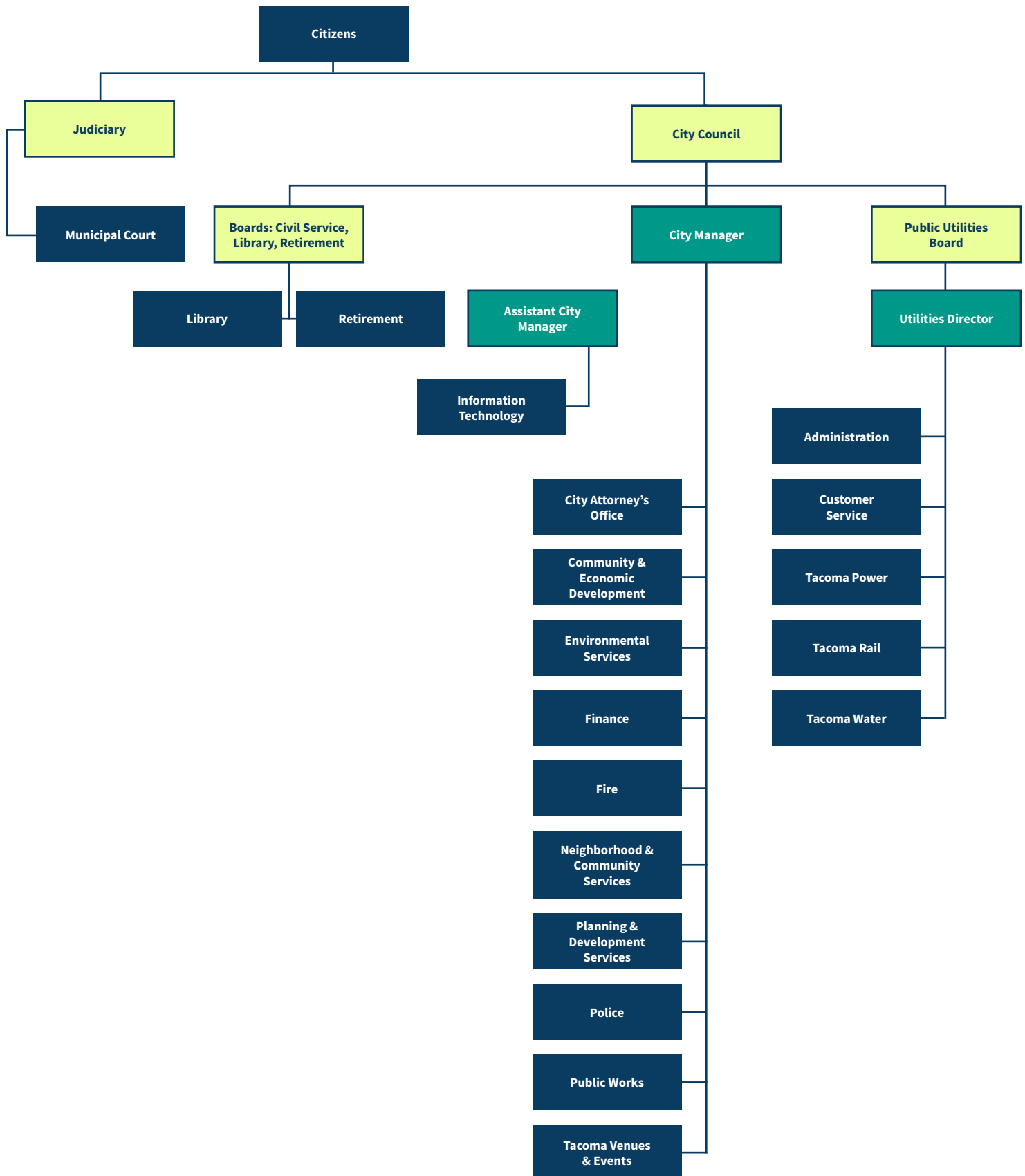
**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

# City of Tacoma

## Organizational Chart





# TACOMA CITY COUNCIL



**Victoria Woodards**  
Mayor



**Conor McCarthy**  
Deputy Mayor



**Anders Ibsen**  
District 1



**Robert Thoms**  
District 2



**Keith Blocker**  
District 3



**Catherine Ushka**  
District 4



**Chris Beale**  
District 5



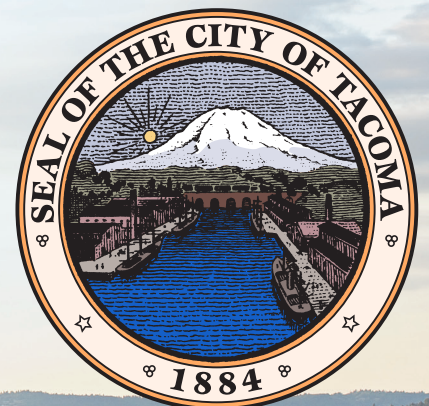
**Lillian Hunter**  
At-Large



**Ryan Mello**  
At-Large



**Elizabeth Pauli**  
City Manager



## City Officials as of December 31, 2018

### Council Members

Victoria Woodards  
 Connor McCarthy  
 Chris Beale  
 Keith Blocker  
 Lillian Hunter  
 Anders Ibsen  
 Ryan Mello  
 Robert Thoms  
 Catherine Ushka

Mayor  
 Deputy Mayor

### Expiration of Term

December 31, 2021  
 December 31, 2019  
 December 31, 2021  
 December 31, 2019  
 December 31, 2021  
 December 31, 2019  
 December 31, 2019  
 December 31, 2019  
 December 31, 2021

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  
 Jeff Robinson  
 Mike Slevin  
 Andrew Cherullo  
 James Duggan  
 Randy Lewis  
 Jeff Capell  
 Gary Buchanan  
 Daniel Key  
 Kate Larsen  
 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

Jackie Flowers  
 Chris Robinson  
 Scott Dewhirst  
 Dale King  
 Steven Hatcher

## SECTION 2

---

### **FINANCIAL SECTION**

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS—NON-MAJOR FUNDS

OTHER SUPPLEMENTARY INFORMATION







## Office of the Washington State Auditor Pat McCarthy

### INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

July 17, 2019

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, as of and for the year ended December 31, 2018, 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, Wastewater, Water or Solid Waste funds, which are presented as major funds and in aggregate represent 91 percent, 90 percent and 89 percent, respectively, of the assets, net position and revenues of the business-type activities. We also did not audit the financial statements of the Tacoma Rail fund, which represents one percent, one percent and four percent, respectively, of the assets, net position, and revenues of the business-type activities and two percent, one percent and eight 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, Wastewater, 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 reports 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Matters of Emphasis**

As discussed in Note 1 to the financial statements, in 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 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 the 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 are presented for purposes of additional analysis and are 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 17, 2019, 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,



Pat McCarthy

State Auditor

Olympia, WA



## **Management's Discussion and Analysis**

### **For the Year Ended December 31, 2018**

---

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, 2018. 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 page 1-1 to 1-6 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 \$2.9 billion. Of this amount, \$199 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 \$61.9 million in 2018.
- Tacoma Power's net position for 2018 was \$863 million which was an increase of \$33 million from 2017.
- Tacoma Water's net position for 2018 was \$582 million which was an increase of \$25 million from 2017.
- Tacoma Sewer's net position for 2018 was \$459 million which was an increase of \$23 million from 2017.

## **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.

## **Management's Discussion and Analysis**

### **For the Year Ended December 31, 2018**

---

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.

## **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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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.

## Management's Discussion and Analysis For the Year Ended December 31, 2018

---

### 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 3-91 of this report.

### Other 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 4-8 of this report. 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 5-99 of this report. The **Statistical 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 6-35.



## Management's Discussion and Analysis For the Year Ended December 31, 2018

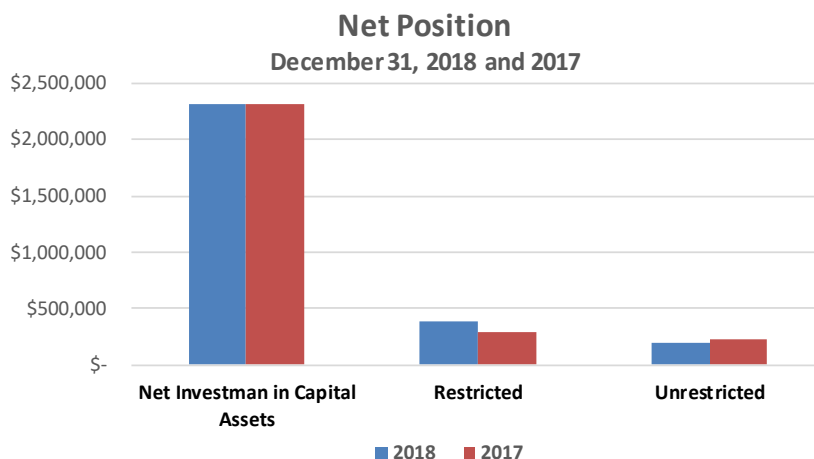
### Government-wide Financial Analysis

#### Statement of Net Position

The following table is a condensed Statement of Net Position for the City of Tacoma for December 31, 2018, which compares the current year to the prior year.

STATEMENT OF NET POSITION (in thousands \$)						
	Governmental Activities		Business-type Activities		Total	
	As of 12/31/18	As of 12/31/17	As of 12/31/18	As of 12/31/17	As of 12/31/18	As of 12/31/17
Current and other assets	\$ 431,227	\$ 401,122	\$ 1,028,720	\$ 856,424	\$ 1,459,947	\$ 1,257,546
Capital assets, net of accumulated depreciation	818,614	806,327	2,871,352	2,822,014	3,689,966	3,628,341
Total assets	1,249,841	1,207,449	3,900,072	3,678,438	5,149,913	4,885,887
Deferred Outflows of Resources	40,789	37,607	41,327	75,168	82,116	112,775
Long-term liabilities	462,040	391,050	1,467,277	1,441,943	1,929,317	1,832,993
Other liabilities	48,081	43,991	130,457	114,463	178,538	158,454
Total liabilities	510,121	435,041	1,597,734	1,556,406	2,107,855	1,991,447
Deferred Inflows of Resources	63,106	43,788	167,644	129,096	230,750	
Net position						
Net investment in capital assets	634,650	666,530	1,671,671	1,636,652	2,306,321	2,303,182
Restricted for:						
Capital Purchases	12,888	3,922	31,211	33,079	44,099	37,001
Debt Service	11,187	-	29,839	35,709	41,026	35,709
Utilities & System Development	-	12,063	64,770	52,727	64,770	64,790
Culture & Recreation	10,783	7,423	21,222	4,405	32,005	11,828
Self Insurance	-	-	2,696	1,150	2,696	1,150
Environmental Programs	-	-	2,367	2,467	2,367	2,467
Inspections	-	-	666	299	666	299
Pension	76,416	52,480	26,470	-	102,886	52,480
Reserves	-	-	32,186	-	32,186	-
Public Safety	2,942	6,606	-	-	2,942	6,606
Transportation	43,167	78,137	-	-	43,167	78,137
Grants	800	95	-	-	800	95
Housing & Economic Development	21,597	7,554	-	-	21,597	7,554
Unrestricted	(97,027)	(68,583)	295,681	301,616	198,654	233,033
Total net position	\$ 717,403	\$ 766,227	\$ 2,178,779	\$ 2,068,104	\$ 2,896,182	\$ 2,834,331

As noted earlier, net position may serve as a useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$2.9 billion at December 31, 2018. The City's investment in capital assets less any outstanding debt used to acquire those assets, known as the Net Investment in Capital Assets is 79.6% of the total net position. The City uses these capital assets to provide services to its citizens; thus, they do not represent resources available for future spending. Unrestricted net position is 6.9% of the total net position, these are funds readily available for meeting the City's ongoing obligations such as road maintenance, employee salaries and other general government services. The remaining 13.5%



## Management's Discussion and Analysis

### For the Year Ended December 31, 2018

of net position is restricted for other purposes such as debt redemption and new capital construction. Governmental activities represent 25% of total net position and business-type activities represent 75% of total net position.

### Changes in Net Position

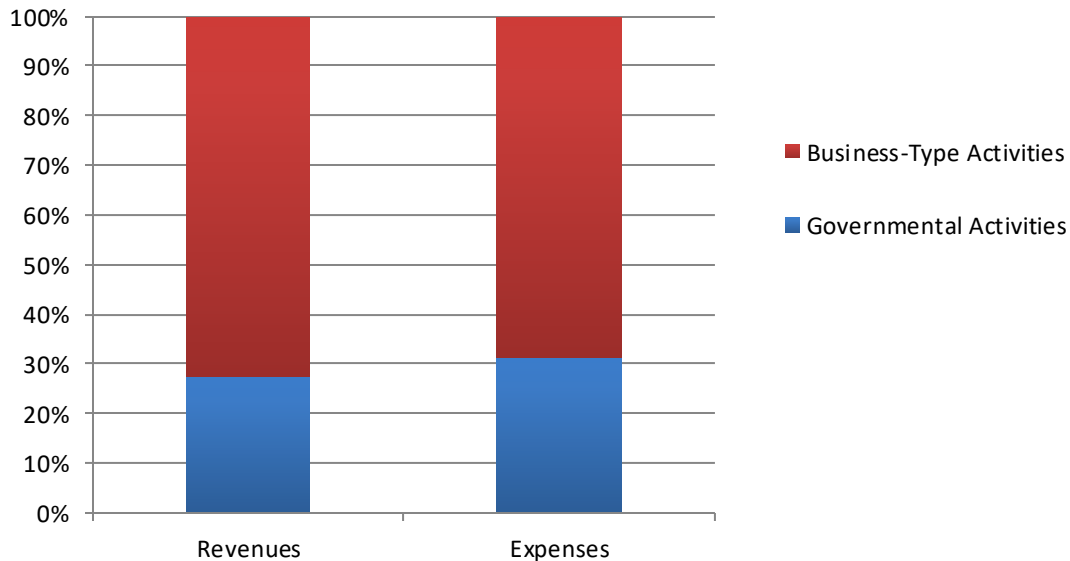
The following table is a condensed version of the City's changes in net position. This table will show the revenue, expenses, and related changes in net position for the governmental activity as well as business-type activities.

CHANGES IN NET POSITION (in thousands \$)						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 46,788	\$ 48,562	\$ 823,360	\$ 791,542	\$ 870,148	\$ 840,104
Operating grants and contributions	44,865	31,791	-	208	44,865	31,999
Capital grants and contributions	18,304	11,549	52,194	30,528	70,498	42,077
General revenues						
Property taxes	74,918	74,479	-	-	74,918	74,479
Sales taxes	76,153	71,634	1,387	1,702	77,540	73,336
Business	53,249	51,043	-	-	53,249	51,043
Excise taxes	15,665	12,881	-	-	15,665	12,881
Investment earnings	5,028	2,134	10,848	5,591	15,876	7,725
Miscellaneous revenue	1,233	293	3,250	4,650	4,483	4,943
Total revenues	336,203	304,366	891,039	834,221	1,227,242	1,138,587
Expenses:						
General government	39,791	24,436	-	-	39,791	24,436
Public safety	154,794	162,416	-	-	154,794	162,416
Transportation	78,066	69,741	-	-	78,066	69,741
Nature and Economic Environment	25,864	25,102	-	-	25,864	25,102
Social Service	7,425	4,908	-	-	7,425	4,908
Culture and recreation	15,380	11,187	-	-	15,380	11,187
Debt Service	-	8,837	-	-	-	8,837
Interest on long-term debt	6,680	-	-	-	6,680	-
Solid Waste	-	-	55,544	52,938	55,544	52,938
Waste Water	-	-	91,802	95,960	91,802	95,960
Water	-	-	96,565	97,540	96,565	97,540
Power	-	-	406,741	420,368	406,741	420,368
Nonmajor Business-Type Activities	-	-	70,862	73,148	70,862	73,148
Total expenses	328,000	306,627	721,514	739,954	1,049,514	1,046,581
Increase in net position before transfers	8,203	(2,261)	169,525	94,267	177,728	92,006
Transfers	49,459	51,452	(49,459)	(51,452)	-	-
Change in net position	57,662	49,191	120,066	42,815	177,728	92,006
Net Position, January 1, as Previously Reported	766,227	751,813	2,068,104	2,025,289	2,834,331	2,777,102
Prior Period Adjustment	(6,856)	1,169	442	-	(6,414)	1,169
Change in Accounting Principle	(99,630)	(35,946)	(9,833)	-	(109,463)	(35,946)
Net Position, January 1, as Restated	659,741	715,867	2,058,713	-	2,718,454	715,867
Net position, December 31	\$ 717,403	\$ 766,227	\$ 2,178,779	\$ 2,068,104	\$ 2,896,182	\$ 2,834,331

## Management's Discussion and Analysis

### For the Year Ended December 31, 2018

#### Comparison of Revenues and Expenses - 2018



**Governmental Activities** net position decreased by \$48.8 million which was a 6.3% decrease from 2017. This was primarily due to a change in accounting principle. Some key revenue and expenditure highlights of governmental activities for 2018 are as follows:

- Operating grants and contributions increased by \$12.9 million, which was a 40% increase over 2017. The largest portion of this increase was due to \$8.3 million the City received from Puget Sound Energy in lieu of taxes to cover the reopening of Fire Station 5 and transportation issues around the proposed liquid natural gas plant.
- Overall general tax revenues increased by \$9.6 million which is a 4.6% increase over 2017. All of the tax categories showed an increase over 2017 which reflects directly on the continued growth of the economy.
  - Sales tax revenue increased by \$4.2 million or 5.7%
  - Excise taxes revenues increased by \$2.8 million or 22%.
  - Business tax revenues increased by \$2.2 million or 4.3%
  - Property tax revenue increased \$0.4 million or 0.6%.
- Governmental activities expenses increased by \$21 million which was a 7% increase. The most significant sources of the increase in expenses can be attributed to general government activities increasing \$15.4 million (63%), transportation increasing \$8.3 million (12%), and interest on long term debt by \$6.7 million. Public safety expenses decreased by \$7.6 million which helped to offset the increases.

**Business-Type Activities** net position increased by \$111 million which was a 5.4% increase with an ending net position of \$2.18 billion. The major enterprise funds are the Solid Waste, Wastewater, Water and Power funds.

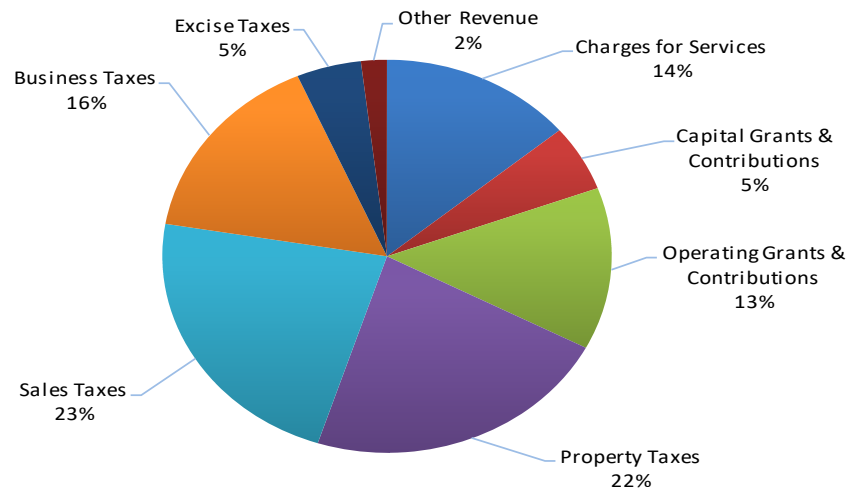
- Charges for Services saw an increase of \$31.8 million or a 4% increase for 2018. This was the result of the various rate increases including Power with a 5.9% average rate increase, Water with an average 4% rate increase, Sewer with rate increase of 5%, and Solid Waste with an average rate increase of 3.7%.
- Grants and Contributions increased by \$21.5 million, this was a 70% increase for 2018. One of the most significant reasons for this increase was large contributions in aid of construction related to the Curran Road acquisition, system development, and new meter installs.
- Investment Earnings saw a \$5.3 million increase to \$10.8 million in 2018, another sign of the improving economy as interest rates are still favorable.
- The business-type activities expenses overall were reduced by 2.5% in 2018 to \$722 million. Power reduced their expenses by \$13.6 million (3.2%), Water was down \$1 million (1%), and Sewer was down \$4.2 million

## Management's Discussion and Analysis For the Year Ended December 31, 2018

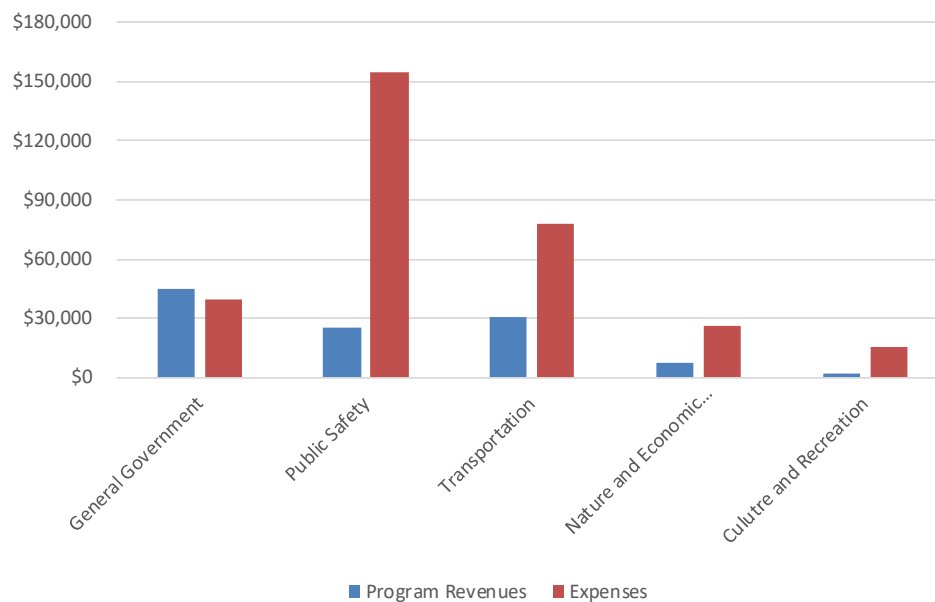
(4.3%). Solid waste was the only major utility fund with increased expenses in 2018 of \$2.6 million (4.9%) from the increased recycling costs on the international market.

There are two charts depicted below for governmental activities. The first chart gives a summary of the governmental revenues sources by activity while the second shows the relationship of the revenues to expenses for the varying activities of the City.

### Revenue by Source - Governmental Activities



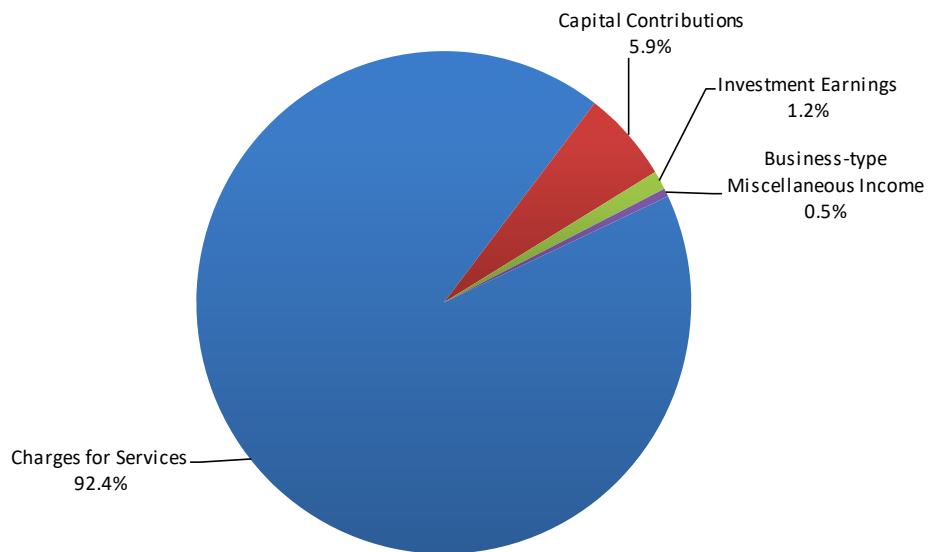
### Program Expenses and Revenues - Governmental Activities



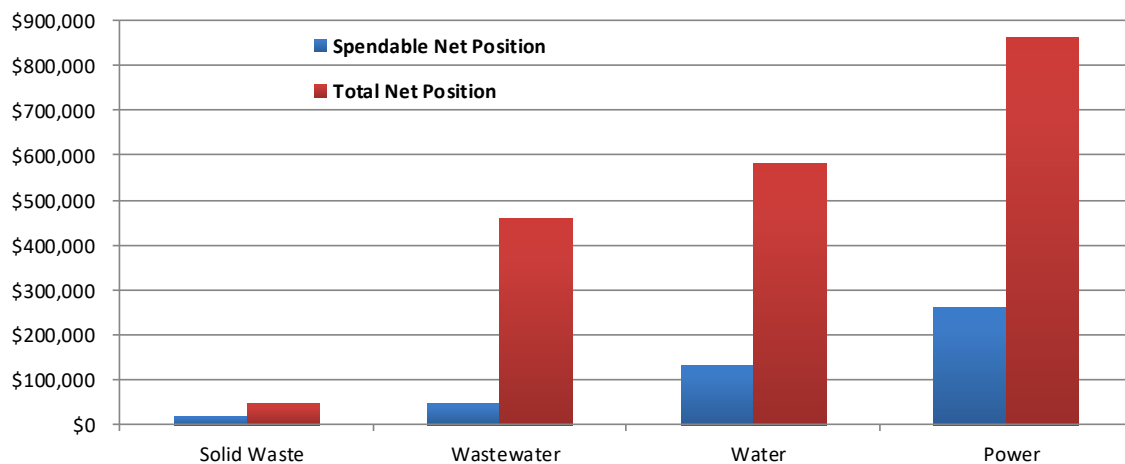
## Management's Discussion and Analysis For the Year Ended December 31, 2018

The following charts below cover the business-type activities. The first gives a summary of the business-type activities while the second shows the relationship of spendable net position to the total net position of the utility funds. A majority of the net position in each of these funds is related to capital infrastructure such as hydroelectric dams, water mains, sewer mains, and vehicles. Therefore, these funds are not readily available for spending in support of ongoing expenses.

### Revenues by Source - Business-type Activities



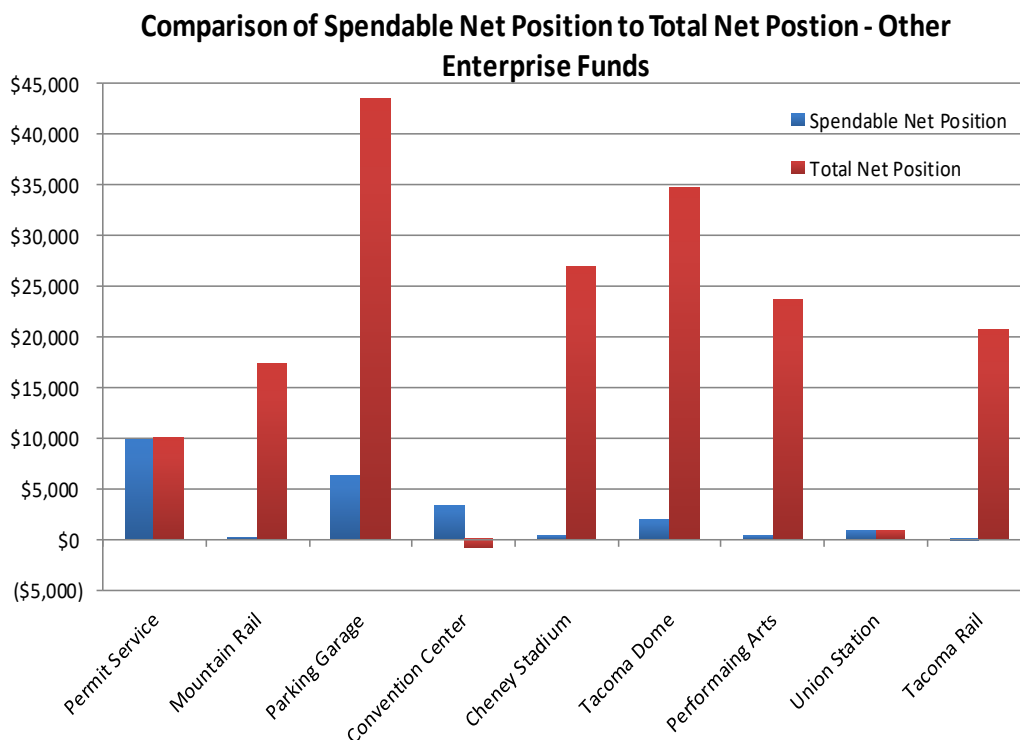
### Comparison of Spendable Net Position to Total Net Position - Utility Funds



## Management's Discussion and Analysis

### For the Year Ended December 31, 2018

The following table shows the remaining enterprise funds and their relationship between net position that is spendable to the total net position. Just as the major enterprise a majority of the net position in each of these funds is related to capital infrastructure such as parking garages, buildings, and vehicles. Therefore, these funds are not readily available for spending in support of ongoing expenses.



Information on significant outstanding claims can be found in Note 8.

## Financial Analysis of the City's Fund Statements

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

### Governmental Fund Statements

Fund balance for the City's General Fund was \$92.4 million this is an increase of \$12.2 million and 15.2% over 2017. Overall general fund revenues saw an 8.8% increase in 2018, the largest contributor of this was the increase in tax revenue collections from property, sales, business, and excise taxes of \$7.7 million. Fund balance for the Transportation Capital and Engineering fund is \$3.2 million which decreased by \$0.6 million (16%) in 2018. This was caused by an increase in transportation expenditures of \$5.6 million but also saw an increase of overall revenues of \$6.6 million mainly driven by increased intergovernmental revenues. Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, was \$120.3 million. This decrease of \$17.9 million is the result of an overall increase in expenditures, with transportation costs being the largest contributor at an increase of \$12.8 million.

## **Management's Discussion and Analysis For the Year Ended December 31, 2018**

---

### **Fund Balances**

At December 31, 2018, the City's governmental funds reported combined ending fund balances of \$216 million. Of this amount, \$5.3 million is nonspendable, either due to its form or legal constraints. \$99.3 million is restricted for specific programs by external constraints. \$8.3 million is committed for specific purposes as approved by City Council. \$18.6 million is assigned to specific purposes by management and the remaining \$84.4 million is unassigned.

### **Proprietary Fund Statements**

Total net position for enterprise funds increased by \$106 million in 2018. 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 for 2018 was \$863 million this is a \$33.3 million increase in net position (4% increase) from 2017. This can be attributed to the 5.9% rate increase that Power had which went into effect April 1<sup>st</sup>, 2018. Revenues from residential, commercial, general, and industrial increased by \$13.4 million, while also seeing a consumption decrease of 137,000 MWh billed.

The Water fund had a net position of \$582 million in 2018, this was a 4.5% increase of \$25 million over 2017. With an increase in usage of \$2.2 million and an average rate increase of 4% that went into effect on January 1, 2018, revenues increased by \$7.3 million. Expenses decreased by \$0.6 million from 2017 from the reporting of GASB 68 and the allocation requirements of labor expenses for the divisions of Water.

The Sewer fund's net position was \$459 million in 2018 which increased by \$23.5 million (5.4%) from 2017. The Sewer funds net investments in capital assets is the largest portion of the net position which totaled \$411 million in 2018. Revenues increased by \$5.8 million in 2018 to \$116 million. This can be attributed to an approved average rate increases of 4.5% for Wastewater and 5.5% increase for Surface water that went in effect January 1<sup>st</sup> 2018. Operating expenses for Sewer were \$4.8 million less than 2017.

The Solid Waste funds net position increased in 2018 by \$9.1 million to \$46.2 million, this was a 24.6% increase over 2017. An average rate increase of 3.7% went into effect at the beginning of the year, residential customer revenues increased by \$324,000 and commercial customers increased by \$573,000. Customer self-hauls had increased revenues of \$567,000, but due to the disruption in the international recycling market, the salvage revenues were down by \$265,000. Operating expenses increased in 2018 by \$2.8 million to \$53.8 million. Increases in labor costs and external contract services contributed to this increase. There was \$5.6 million that was transferred to the general fund for gross earnings tax. Another \$230,000 was contributed to the City's Asphalt plant project that will be able to create reclaimed asphalt pavement and reclaimed asphalt shingles.

### **General Fund Budgetary Highlights**

The City of Tacoma budgets on a biennial basis; that is, the City Council adopts a budget that spans two years. Each budget begins on January 1 of an odd-numbered year and is concluded on December 31 of an even-numbered year. City departments, with the approval of the City Manager and City Council, will adjust their budgets at the conclusion of the odd-numbered year, if necessary, as the needs of the department and city residents shift.

Major General Fund variances for 2018 include:

- \$20.6 million in revenues above projection. The increased revenues included better than expected business and sales tax collections (primarily Retail, Wholesaling, Manufacturing, and Service Taxes), utility taxes, and intergovernmental and miscellaneous revenues.
- \$13.9 million in expenditure savings. The primary areas of under-spending include personnel costs and vacancies, as well as prudent financial management. There are some delays in contract savings that also contribute to this positive variance.



## Management's Discussion and Analysis

### For the Year Ended December 31, 2018

## 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, 2018 is \$3.69 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.

	Schedule of Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 35,828	\$ 36,380	\$ 165,055	\$ 164,293	\$ 200,883	\$ 200,673
Art	2,654	-	-	-	-	-
Construction in progress	56,277	30,800	74,656	53,807	130,933	84,607
Property, plant and equipment	289,905	275,701	4,551,188	4,428,165	4,841,093	4,703,866
Infrastructure	1,423,474	1,410,490	-	-	1,423,474	1,410,490
Less Accumulated depreciation	(989,524)	(947,044)	(1,919,547)	(1,824,251)	(2,909,071)	(2,771,295)
	<u>\$ 818,614</u>	<u>\$ 806,327</u>	<u>\$ 2,871,352</u>	<u>\$ 2,822,014</u>	<u>\$ 3,687,312</u>	<u>\$ 3,628,341</u>

Additional information on the City's capital assets can be found in Notes 1-D5 and 3-C of the Notes to the Financial Statements.

### Outstanding Debt

The City's debt at December 31, 2018 was \$1.93 billion, an increase of \$71 million from governmental activities and an increase of \$25 million from business-type activities caused the \$96 million increase from 2017. Approximately 76% of the bonded debt is related to utilities with repayment pledged by specific revenue sources generated by the utilities. Of the remaining 24% bonded debt, debt is either secured by voter approved special levies or general government resources.

The sewer fund issued \$101 million of revenue bonds to finance and refinance capital construction, improvements and equipping of sewer system and to pay the cost of the issuance of the 2018 bonds. The Power fund had a \$100 million line-of-credit agreement with Wells Fargo that matured in May 2018, but an amendment was issued to extend the line-of-credit for 3 years out to May 2021. Additional information on the City of Tacoma's long-term debt can be found in Note 3-F and Note 11 of the Notes to the Financial Statements.

	Schedule of Long Term Liabilities					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Bonded debt and loans	\$ 183,973	\$ 196,081	\$ 1,394,085	\$ 1,317,775	\$ 1,578,058	\$ 1,513,856
Claims and judgments	33,763	33,784	-	-	33,763	33,784
Accrued landfill liability	-	-	17,960	18,080	17,960	18,080
Net OPEB Obligation	-	69,698	-	21,656	-	91,354
Total OPEB Liability	185,867	-	34,945	-	220,812	-
Net Pension Obligation	-	44,317	-	-	-	44,317
Total Pension Liability Police and Firefighters	38,296	-	-	-	38,296	-
Pension Liability	-	27,989	-	64,891	-	92,880
Compensated absences	20,145	19,181	20,289	19,541	40,434	38,722
	<u>\$ 462,044</u>	<u>\$ 391,050</u>	<u>\$ 1,467,279</u>	<u>\$ 1,441,943</u>	<u>\$ 1,929,323</u>	<u>\$ 1,832,993</u>

## Management's Discussion and Analysis

### For the Year Ended December 31, 2018

---

The City's debt rating for 2018 is as follows:

Bond Ratings			
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

Economic indicators in the City of Tacoma, Pierce County, and the broader Puget Sound region continue to be favorable. Retail sales have increased, which, in turn, has increased the City of Tacoma's sales tax revenues by \$3.0 million, or 6.2% from 2017 to 2018. Taxable property has increased in value within the City of Tacoma by \$3.4 billion dollars. Yet, the increase in property values is also an indicator of housing cost in Tacoma and the surrounding area. The increasing cost of housing persists as a regional problem as well as an issue of import for the City and its civic leaders.

Over the past year the economy has continued to grow, but not quite as fast as it has in the past few years. The current unemployment rate for the Tacoma-Lakewood Metropolitan Division is 5.2% which is down from 5.4% and 6.0% in 2017 and 2016 respectively. The 5.2% unemployment rate is actually better than the pre-recession low of 5.3% back in 2007.

The Tacoma Streets Initiative had completed its third year in 2018. The initiative was made up of two voter passed propositions back in November of 2015. Proposition A raised sales tax by 1/10 of 1% over ten years, while Proposition 3 authorized an additional 1.5% earning tax to natural gas, electric and phone companies, and increase in the regular property tax levy of \$.20 per \$1,000 of assessed value. The program has raised approximately \$114 million, \$29.7 million in 2018, of the end goal of \$325 million over 10 years. Maintenance performed from the initiative has improved 815 blocks in 2018 through the use of either overlays, surface treatments, or other preventative maintenance to bring the total up to 1,659 blocks out of the estimated 5,822.

In November 2018, voters within the City passed a 0.1% increase in sales tax dedicated to a cultural access program called Tacoma Creates. The program will begin as revenues are received by the City in July 2019. Not only will this program fund artists and art organizations in the city, it is designed to help transport City residents to art shows and installations as well as build capacity of neighborhood organizations to put on art events. The City projects between \$10-13 million per biennium will fund this program.

## 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.



**STATEMENT OF NET POSITION**

December 31, 2018

(amounts expressed in thousands)

Page 1 of 2

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 262,727	\$ 422,891	\$ 685,618
Investments	5,180	-	5,180
Accounts Receivables (Net)	53,003	104,942	157,945
Due From Other Governmental Units	27,159	2,871	30,030
Internal Balances	(4,280)	4,280	-
Inventory	3,501	12,147	15,648
Prepays	2,644	14,034	16,678
Restricted Cash			
Cash and Cash Equivalents	-	362,491	362,491
Notes and Contract Receivable	-	986	986
Non Current Assets			
Cash and Cash Equivalents	-	9,395	9,395
Long-Term Contracts and Notes	-	14,613	14,613
Net Pension Asset	81,293	27,370	108,663
Other Non Current Assets	-	52,700	52,700
Capital Assets			
Depreciable Capital Assets (Net of Accumulated Depreciation)	723,855	2,631,641	3,355,496
Non-Depreciable Capital Assets	94,759	239,711	334,470
<b>Total Assets</b>	<b>1,249,841</b>	<b>3,900,072</b>	<b>5,149,913</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows related to Bond Refunding	3,669	6,224	9,893
Deferred Outflows related to Pensions	21,643	35,103	56,746
Deferred Outflows related to OPEB	15,477	2,758	18,235
<b>Total Deferred Outflows of Resources</b>	<b>40,789</b>	<b>44,085</b>	<b>84,874</b>
<b>LIABILITIES</b>			
Accounts Payable	28,917	42,681	71,598
Deposits Payable	898	25,289	26,187
Due to Other Governmental Units	88	599	687
Unearned Revenue	9,134	7,270	16,404
Other Liabilities Payable	9,044	53,486	62,530
Payable From Restricted Assets:			
Other Current Liabilities	-	1,132	1,132
Special Assessment Debt with Government Commitment	22,427	-	22,427
Bonds and Other Debt Payable:			
Due Within One Year	48,357	105,920	154,277
Due in More Than One Year	391,256	1,361,357	1,752,613
<b>Total Liabilities</b>	<b>510,121</b>	<b>1,597,734</b>	<b>2,107,855</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Advanced Payment of Special Assessments	22,514	4,446	26,960
Deferred Inflows - Rate Stabilization	-	115,575	115,575
Deferred Inflows related to Bond Refunding	-	521	521
Deferred Inflows related to Pensions	39,113	46,592	85,705
Deferred Inflows related to OPEB	1,479	510	1,989
<b>Total Deferred Inflows of Resources</b>	<b>63,106</b>	<b>167,644</b>	<b>230,750</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	634,650	1,671,671	2,306,321
Restricted:			
Capital Projects	12,888	31,211	44,099
Debt Service	11,187	29,839	41,026
Utility Donations & System Development	-	64,770	64,770
Culture and recreation	10,783	21,222	32,005
Self Insurance	-	2,696	2,696
Environmental Services and Programs	-	2,367	2,367
Inspection	-	666	666
Pension	76,416	26,470	102,886
Reserves	-	32,186	32,186
Public Safety	2,942	-	2,942
Transportation	43,167	-	43,167
Grants	800	-	800
Housing and Economic development	21,597	-	21,597
Unrestricted	(97,027)	295,681	198,654
<b>Total Net Position</b>	<b>\$ 717,403</b>	<b>\$ 2,178,779</b>	<b>\$ 2,896,182</b>

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

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

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 1 of 2

		Program Revenues		
	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
<b><u>FUNCTIONS / PROGRAMS:</u></b>				
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 39,791	\$ 24,223	\$ 20,773	\$ -
Public Safety	154,794	14,734	10,035	209
Transportation	78,066	5,087	7,444	18,095
Natural and Economic Environmen	25,864	2,410	5,377	-
Social Services	7,425	9	-	-
Culture and Recreation	15,380	325	1,236	-
Interest on Long-Term Debt	6,680	-	-	-
	<u>328,000</u>	<u>46,788</u>	<u>44,865</u>	<u>18,304</u>
Business-Type Activities				
Solid Waste	55,544	69,541	-	-
Waste Water	91,802	118,606	-	5,569
Water	96,565	103,364	-	20,037
Power	406,741	458,960	-	12,992
Nonmajor Business-Type Activities	70,862	72,889	-	13,596
	<u>721,514</u>	<u>823,360</u>	<u>-</u>	<u>52,194</u>
Total Primary Government	<u>\$ 1,049,514</u>	<u>\$ 870,148</u>	<u>\$ 44,865</u>	<u>\$ 70,498</u>
<b>Component Units</b>				
TCRA	2,836	125	1,316	-
GTRCC PFD	4,194	-	-	-
FWDA	1,600	371	-	276
Total Component Units	<u>\$ 8,630</u>	<u>\$ 496</u>	<u>\$ 1,316</u>	<u>\$ 276</u>

## General Revenues:

## Taxes:

Property Tax

Retail Sales &amp; Use Tax

Business Tax

Excise Tax

Investment Earnings

Gain on Sale of Capital Assets

Transfers

Total General Revenues

Change in Net Position

Net Position, January 1

Prior Period Adjustment

Change in Accounting Principle

Net Position, January 1 restated

Net Position, December 31

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



Net (Expense) Revenue and Changes in Net Position			Component Units		
Governmental Activities	Business-Type Activities	Total	TCRA	GTRCC PFD	FWDA
\$ 5,205	\$ -	\$ 5,205	\$ -	\$ -	\$ -
(129,816)	-	(129,816)	-	-	-
(47,440)	-	(47,440)	-	-	-
(18,077)	-	(18,077)	-	-	-
(7,416)	-	(7,416)	-	-	-
(13,819)	-	(13,819)	-	-	-
(6,680)	-	(6,680)	-	-	-
(218,043)	-	(218,043)	-	-	-
-	13,997	13,997	-	-	-
-	32,373	32,373	-	-	-
-	26,836	26,836	-	-	-
-	65,211	65,211	-	-	-
-	15,623	15,623	-	-	-
-	154,040	154,040	-	-	-
<u>\$ (218,043)</u>	<u>\$ 154,040</u>	<u>\$ (64,003)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
			(1,395)	-	-
			-	(4,194)	-
			-	-	(953)
			<u>\$ (1,395)</u>	<u>\$ (4,194)</u>	<u>\$ (953)</u>
\$ 74,918	\$ -	\$ 74,918	\$ -	\$ -	\$ -
76,153	1,387	77,540	-	4,162	-
53,249	-	53,249	-	-	-
15,665	-	15,665	-	-	-
5,028	10,848	15,876	28	32	13
1,233	3,250	4,483	-	-	-
49,459	(49,459)	-	-	-	-
<u>275,705</u>	<u>(33,974)</u>	<u>241,731</u>	<u>28</u>	<u>4,194</u>	<u>13</u>
57,662	120,066	177,728	(1,367)	-	(940)
<u>766,227</u>	<u>2,068,104</u>	<u>2,834,331</u>	<u>55,280</u>	<u>-</u>	<u>20,539</u>
(6,856)	442	(6,414)	90	-	(60)
(99,630)	(9,833)	(109,463)	-	-	-
<u>659,741</u>	<u>2,058,713</u>	<u>2,718,454</u>	<u>55,370</u>	<u>-</u>	<u>20,479</u>
<u>\$ 717,403</u>	<u>\$ 2,178,779</u>	<u>\$ 2,896,182</u>	<u>\$ 54,003</u>	<u>\$ -</u>	<u>\$ 19,539</u>

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

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2018  
(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 79,234	\$ 2,454	\$ 101,315	\$ 183,003
Investments	-	-	5,180	5,180
Accounts Receivables (Net)	17,568	236	34,642	52,446
Due From other Funds	487	305	3,719	4,511
Due From Other Governmental Units	16,110	2,335	8,695	27,140
Inventory	1,429	-	1,368	2,797
Prepays	4	-	-	4
Advance to Other Funds	-	-	400	400
Total Assets	<u>114,832</u>	<u>5,330</u>	<u>155,319</u>	<u>275,481</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>114,832</u>	<u>5,330</u>	<u>155,319</u>	<u>275,481</u>
<b>LIABILITIES</b>				
Account Payable	7,813	2,000	7,957	17,770
Customer Deposits	-	-	898	898
Other Liabilities Payable	830	10	-	840
Due to Other Funds	3,650	90	2,123	5,863
Due to Other Governmental Units	88	-	-	88
Advances from Other Funds	-	-	400	400
Total Liabilities	<u>12,381</u>	<u>2,100</u>	<u>11,378</u>	<u>25,859</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	10,035	46	23,648	33,729
Total Deferred Inflow of Resources	<u>10,035</u>	<u>46</u>	<u>23,648</u>	<u>33,729</u>
<b>FUND BALANCE</b>				
Nonspendable	3,915	-	1,404	5,319
Restricted	388	1,953	97,006	99,347
Committed	588	-	7,680	8,268
Assigned	3,148	1,231	14,206	18,585
Unassigned	84,377	-	(3)	84,374
Total Fund Balance	<u>92,416</u>	<u>3,184</u>	<u>120,293</u>	<u>215,893</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 114,832</u>	<u>\$ 5,330</u>	<u>\$ 155,319</u>	<u>\$ 275,481</u>

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

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

December 31, 2018

Total governmental fund balances as reported on this statement	\$ 215,893
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 not reported in the governmental funds.	780,058
Other non-current assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Net pension asset	76,037
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the governmental funds.	
Unearned revenue beyond the city's measurable and available period	2,081
Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet, maintenance and information technology, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.	65,064
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Bonds and loans payable	(183,456)
Premium on Bonds Payable	(517)
Deferred amount on bond refunding	3,669
Deferred amounts related to OPEB	13,998
Deferred amounts related to pensions	(15,262)
Police and Fire liability	(38,296)
Total OPEB liability	(185,867)
Compensated absences payable	(15,999)
	(421,730)
Net position of government activities as reported on the statement of net position	<u>\$ 717,403</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 59,142	\$ -	\$ 17,488	\$ 76,630
Retail Sales & Use	58,526	-	17,627	76,153
Business	50,466	-	2,783	53,249
Excise	1,123	-	14,542	15,665
Licenses and Permits	7,320	-	4,200	11,520
Intergovernmental	21,053	20,037	19,309	60,399
Charges for Services	12,613	1,236	8,271	22,120
Fines and Forfeitures	1,584	3	4,029	5,616
Investment Earnings	1,865	42	1,882	3,789
Miscellaneous	92	266	3,773	4,131
Total Revenues	<u>213,784</u>	<u>21,584</u>	<u>93,904</u>	<u>329,272</u>
<b>EXPENDITURES</b>				
Current:				
General Government	36,617	-	15,475	52,092
Public Safety	145,013	-	23,133	168,146
Transportation	375	2,990	44,249	47,614
Natural and Economic Environment	19,311	-	6,217	25,528
Social Services	-	-	7,696	7,696
Culture and Recreation	12,989	-	712	13,701
Debt Service:				
Principal	-	-	13,988	13,988
Interest and Other Costs	-	-	8,874	8,874
Capital Outlay	1,213	22,971	20,470	44,654
Total Expenditures	<u>215,518</u>	<u>25,961</u>	<u>140,814</u>	<u>382,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,734)</u>	<u>(4,377)</u>	<u>(46,910)</u>	<u>(53,021)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	2	-	986	988
Insurance Recoveries	71	-	-	71
Issuance of Debt	-	-	2,209	2,209
Transfers In	47,136	4,742	82,898	134,776
Transfers Out	(33,647)	(120)	(57,166)	(90,933)
Total Other Financing Sources and Uses	<u>13,562</u>	<u>4,622</u>	<u>28,927</u>	<u>47,111</u>
Net Change in Fund Balance	<u>11,828</u>	<u>245</u>	<u>(17,983)</u>	<u>(5,910)</u>
Fund Balance - January 1, as Previously Reported	80,214	3,793	138,205	222,212
Prior Period Adjustment	374	(854)	71	(409)
Fund Balance - January 1, restated	<u>80,588</u>	<u>2,939</u>	<u>138,276</u>	<u>221,803</u>
Fund Balance - Ending	<u>\$ 92,416</u>	<u>\$ 3,184</u>	<u>\$ 120,293</u>	<u>\$ 215,893</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	(5,910)
Amount reported as change in net position in the Statement of Activities are different because:		
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.		
Capital Outlays	44,654	
Depreciation Expense	<u>(41,057)</u>	3,597
The net effect of various miscellaneous transactions involving capital assets.		14,269
Debt proceeds are reported as financing sources in governmental fund and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
Issuance of new debt		(2,209)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes	(1,712)	
Amortization of bond premium	<u>(333)</u>	(2,045)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on the net position.		14,299
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		
		10,430
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.		
Change in accrued interest payable	2,216	
Change in net pension obligation or asset	25,966	
Change in net other postemployment benefits	(2,483)	
Change in compensated absences payable	<u>(468)</u>	25,231
Change in net position on the Statement of Activities	\$	<u>57,662</u>

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 1 of 4

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 42,300	\$ 70,167	\$ 62,264	\$ 198,828
Accounts Receivables (Net)	6,719	15,499	11,607	61,755
Due from Other Funds	71	98	757	1,842
Due From Other Governmental Units	-	815	300	1,756
Inventory	-	1,099	2,470	7,007
Prepaid Expenses	-	227	2,062	10,225
Restricted Cash:				
Debt Service	393	6,977	3,830	20,073
Construction	4,124	103,531	24,024	-
Other	60	-	132,151	31,222
Note, Contract, Lease Receivable	-	212	-	774
Total Current Assets	<u>53,667</u>	<u>198,625</u>	<u>239,465</u>	<u>333,482</u>
Noncurrent Assets				
Restricted Cash, Bond Reserves	4,723	4,672	-	-
Long-Term Contracts and Notes	-	601	-	2,634
Net Pension Assets	2,240	4,409	3,438	15,506
Other non-current assets	-	188	1,231	51,171
Capital Assets:				
Land	2,856	23,696	25,168	77,331
Property, Plant, and Equipment	186,992	834,618	1,097,516	2,042,593
Construction in Progress	521	19,216	7,523	44,528
Less: Accumulated Depreciation	<u>(110,603)</u>	<u>(282,875)</u>	<u>(258,706)</u>	<u>(1,095,980)</u>
Total Capital Assets (Net of A/D)	<u>79,766</u>	<u>594,655</u>	<u>871,501</u>	<u>1,068,472</u>
Total Noncurrent Assets	<u>86,729</u>	<u>604,525</u>	<u>876,170</u>	<u>1,137,783</u>
Total Assets	<u>140,396</u>	<u>803,150</u>	<u>1,115,635</u>	<u>1,471,265</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	2,287	1,175	-
Deferred Outflow related to Pensions	2,873	5,655	4,410	19,886
Deferred Outflow related to OPEB	194	317	296	957
Total Deferred Outflow of Resources	<u>3,067</u>	<u>8,259</u>	<u>5,881</u>	<u>20,843</u>

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



**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 2 of 4

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 25,379	\$ 398,938	\$ 103,677
Accounts Receivables (Net)	9,178	104,758	741
Due from Other Funds	845	3,613	1,070
Due From Other Governmental Units	-	2,871	19
Inventory	1,213	11,789	1,062
Prepaid Expenses	1,520	14,034	2,640
Restricted Cash:			
Debt Service	2,842	34,115	-
Construction	-	131,679	-
Other	33,264	196,697	-
Note, Contract, Lease Receivable	-	986	-
Total Current Assets	<u>74,241</u>	<u>899,480</u>	<u>109,209</u>
Noncurrent Assets			
Restricted Cash, Bond Reserves	-	9,395	-
Long-Term Contracts and Notes	11,378	14,613	-
Net Pension Assets	1,409	27,002	5,624
Other non-current assets	110	52,700	-
Capital Assets:			
Land	36,004	165,055	357
Property, Plant, and Equipment	323,950	4,485,669	186,454
Construction in Progress	2,866	74,654	697
Less: Accumulated Depreciation	<u>(132,830)</u>	<u>(1,880,994)</u>	<u>(121,984)</u>
Total Capital Assets (Net of A/D)	<u>229,990</u>	<u>2,844,384</u>	<u>65,524</u>
Total Noncurrent Assets	<u>242,887</u>	<u>2,948,094</u>	<u>71,148</u>
Total Assets	<u>317,128</u>	<u>3,847,574</u>	<u>180,357</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflow from Bond Refunding	2,762	6,224	-
Deferred Outflow related to Pensions	1,807	34,631	7,213
Deferred Outflow related to OPEB	994	2,758	-
Total Deferred Outflow of Resources	<u>5,563</u>	<u>43,613</u>	<u>7,213</u>

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

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 3 of 4

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	1,614	5,641	1,953	28,672
Due to Other Funds	466	556	1,566	207
Due to Other Governmental Units	-	599	-	-
Customer Deposits	37	-	343	2,708
Interest Payable	-	185	1,835	10,072
Environment Liabilities - Current	947	1,222	-	-
Notes, Contract, Lease Payable - Current	1,980	3,939	177	-
Compensated Absences - Current	134	306	244	1,091
Bonds Payable - Current	-	6,187	14,538	10,095
Payable From Restricted Assets:				
Debt Principal Payable - Current	180	438	-	-
Unearned Revenues	213	853	-	-
Deposits and Other Payable	57	9	-	-
Unearned Revenue	246	403	-	2,753
Other Liabilities Payable	1,101	1,691	2,375	10,969
Total Current Liabilities	6,975	22,029	23,031	66,567
Noncurrent Liabilities				
Bonds Payable	60,508	253,410	368,867	406,089
Unearned Revenue	-	-	7,270	-
Compensated Absences	1,206	2,758	2,197	9,822
Environmental Liabilities	14,778	1,013	-	-
Other LT Liabilities Payable	-	-	7,869	4,222
Notes, Contracts, and Lease Payables	-	36,635	85,282	55,250
Total OPEB Liability	2,611	4,101	3,781	12,272
Net Pension Liability	-	-	-	-
Total Noncurrent Liabilities	79,103	297,917	475,266	487,655
Total Liabilities	86,078	319,946	498,297	554,222
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Inflow - Rate Stabilization	7,000	25,000	35,575	48,000
Deferred Inflow Related to Bond Refunding	378	54	-	-
Deferred Inflow related to Pensions	3,813	7,506	5,853	26,395
Deferred Inflow related to OPEB	44	64	53	59
Total Deferred Inflow of Resources	11,235	32,624	41,481	74,454
<b>NET POSITION</b>				
Net Investment in Capital Assets	28,216	410,745	449,840	602,011
Restricted for:				
Capital Purchase	-	-	-	-
Debt Service	4,723	10,254	1,995	10,003
Utility Donations & System Development	-	-	64,770	-
Culture and Recreation	-	-	-	-
Self Insurance	-	-	-	-
Environment Service & Program	-	-	-	-
Inspection	-	-	-	-
Pension	2,240	4,410	3,438	15,506
Reserves	-	-	-	26,249
Unrestricted	10,971	33,430	61,695	209,663
Total Net Position	\$ 46,150	\$ 458,839	\$ 581,738	\$ 863,432

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

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 4 of 4

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	4,101	41,981	11,007
Due to Other Funds	449	3,244	87
Due to Other Governmental Units	-	599	-
Customer Deposits	22,201	25,289	-
Interest Payable	-	12,092	-
Environment Liabilities - Current	-	2,169	-
Notes, Contract, Lease Payable - Current	820	6,916	-
Compensated Absences - Current	229	2,004	437
Bonds Payable - Current	8,120	38,940	-
Payable From Restricted Assets:			
Debt Principal Payable - Current	-	618	-
Unearned Revenues	-	1,066	-
Deposits and Other Payable	-	66	-
Unearned Revenue	1,044	4,446	-
Other Liabilities Payable	1,023	17,159	40,766
Total Current Liabilities	<u>37,987</u>	<u>156,589</u>	<u>52,297</u>
Noncurrent Liabilities			
Bonds Payable	77,165	1,166,039	-
Unearned Revenue	-	7,270	-
Compensated Absences	2,072	18,055	3,935
Environmental Liabilities	-	15,791	-
Other LT Liabilities Payable	6,985	19,076	7,200
Notes, Contracts, and Lease Payables	4,403	181,570	-
Total OPEB Liability	12,180	34,945	-
Net Pension Liability	-	-	-
Total Noncurrent Liabilities	<u>102,805</u>	<u>1,442,746</u>	<u>11,135</u>
Total Liabilities	<u>140,792</u>	<u>1,599,335</u>	<u>63,432</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow - Rate Stabilization	-	115,575	-
Deferred Inflow Related to Bond Refunding	89	521	-
Deferred Inflow related to Pensions	2,399	45,966	9,575
Deferred Inflow related to OPEB	290	510	-
Total Deferred Inflow of Resources	<u>2,778</u>	<u>162,572</u>	<u>9,575</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	153,892	1,644,704	66,259
Restricted for:			
Capital Purchase	4,934	4,934	26,277
Debt Service	2,864	29,839	-
Utility Donations & System Development	-	64,770	-
Culture and Recreation	21,222	21,222	-
Self Insurance	-	-	2,696
Environment Service & Program	2,367	2,367	-
Inspection	666	666	-
Pension	508	26,102	368
Reserves	5,937	32,186	-
Unrestricted	<u>(13,269)</u>	<u>302,490</u>	<u>18,963</u>
Total Net Position	<u>\$ 179,121</u>	<u>\$ 2,129,280</u>	<u>\$ 114,563</u>

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

**RECONCILIATION OF TOTAL ENTERPRISE NET POSITION  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION**

December 31, 2018

(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 2,129,280
---------------------------------------	--------------

Amounts reported for business activities in the statement of net position are different because:

Internal service funds 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.	49,499
---	--------

NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ 2,178,779</u></u>
--	----------------------------

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

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

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 1 of 2

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 68,599	\$ 112,117	\$ 90,475	\$ 436,752
Interfund Insurance Premiums	-	-	-	-
Other Operating Revenue	512	3,700	11,467	18,539
Total Operating Revenue	69,111	115,817	101,942	455,291
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	19,220	31,309	23,189	99,056
Supplies	978	4,758	2,372	140,512
Services	26,887	28,290	20,330	66,085
Taxes	1,028	1,832	5,274	21,486
Depreciation	5,670	17,563	26,118	53,869
Other Operating Expenses	-	-	-	8,233
Total Operating Expenses	53,783	83,752	77,283	389,241
Operating Income (Loss)	15,328	32,065	24,659	66,050
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	799	1,991	3,656	3,554
Tax Revenues	-	-	-	-
Other Non-Operating Revenues	337	1,866	252	1,933
Gain (Loss) on Sale of Capital Assets	346	(95)	2,975	24
Unrealized Net Gain(Loss) on Fair Value Investment	17	(234)	221	166
Interest Expense	(1,761)	(8,042)	(19,270)	(17,219)
Other Non-Operating Expenses	-	(8)	(12)	(281)
Total Non-Operating Revenues (Expenses)	(262)	(4,522)	(12,178)	(11,823)
Income (Loss) Before Contributions & Transfers	15,066	27,543	12,481	54,227
Capital Contributions	-	5,569	20,037	12,992
Transfers In	-	583	70	223
Transfers Out	(5,841)	(9,488)	(7,696)	(34,385)
Change in Net Position	9,225	24,207	24,892	33,057
Net Position, January 1	37,044	435,373	556,716	830,170
Prior Period Adjustment	-	-	-	-
Change in Accounting Principle	(119)	(741)	130	205
Net Position, January 1 restated	36,925	434,632	556,846	830,375
Net Position, December 31	\$ 46,150	\$ 458,839	\$ 581,738	\$ 863,432

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

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

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 2 of 2

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 65,693	\$ 773,636	\$ 81,088
Interfund Insurance Premiums	-	-	95,381
Other Operating Revenue	5	34,223	1
Total Operating Revenue	<u>65,698</u>	<u>807,859</u>	<u>176,470</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	31,420	204,194	45,213
Supplies	2,255	150,875	3,691
Services	23,159	164,751	110,510
Taxes	826	30,446	-
Depreciation	8,675	111,895	10,390
Other Operating Expenses	-	8,233	-
Total Operating Expenses	<u>66,335</u>	<u>670,394</u>	<u>169,804</u>
Operating Income (Loss)	<u>(637)</u>	<u>137,465</u>	<u>6,666</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest Revenue	746	10,746	1,379
Tax Revenues	1,387	1,387	-
Other Non-Operating Revenues	6,831	11,219	112
Gain (Loss) on Sale of Capital Assets	-	3,250	557
Unrealized Net Gain(Loss) on Fair Value Investment	(68)	102	89
Interest Expense	(3,861)	(50,153)	-
Other Non-Operating Expenses	(666)	(967)	-
Total Non-Operating Revenues (Expenses)	<u>4,369</u>	<u>(24,416)</u>	<u>2,137</u>
Income (Loss) Before Contributions & Transfers	<u>3,732</u>	<u>113,049</u>	<u>8,803</u>
Capital Contributions	13,596	52,194	-
Transfers In	13,053	13,929	6,451
Transfers Out	<u>(5,978)</u>	<u>(63,388)</u>	<u>(835)</u>
Change in Net Position	<u>24,403</u>	<u>115,784</u>	<u>14,419</u>
Net Position, January 1	163,584	2,022,887	102,494
Prior Period Adjustment	442	442	(2,350)
Change in Accounting Principle	<u>(9,308)</u>	<u>(9,833)</u>	<u>-</u>
Net Position, January 1 restated	<u>154,718</u>	<u>2,013,496</u>	<u>100,144</u>
Net Position, December 31	<u>\$ 179,121</u>	<u>\$ 2,129,280</u>	<u>\$ 114,563</u>

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

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

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

NET CHANGE IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 115,784
---	------------

Amounts reported for business activities in the statement of activities are different because:

The net revenue of certain activities of internal service funds is reported with business activities.	4,282
---	-------

NET POSITION OF BUSINESS ACTIVITIES	<u><u>\$ 120,066</u></u>
-------------------------------------	--------------------------

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

**STATEMENT OF CASH FLOW**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 1 of 4

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 69,717	\$ 113,697	\$ 101,669	\$ 456,705
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	(27,244)	(29,418)	(23,225)	(214,903)
Payments to employees	(21,155)	(35,453)	(26,248)	(119,302)
Payments for taxes	(1,015)	(1,824)	(5,011)	(21,415)
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues	74	1,527	-	(8)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>20,377</u>	<u>48,529</u>	<u>47,185</u>	<u>101,077</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	438	-	74,834
Grants and contributions received	119	304	-	-
Payments paid on noncapital debts	(332)	(29,723)	-	-
Transfer to other funds	(5,824)	(9,452)	(7,625)	(109,219)
Advance from other funds	-	-	-	-
Contributions made	-	20	-	(100)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(6,037)</u>	<u>(38,413)</u>	<u>(7,625)</u>	<u>(34,485)</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	145	-	-
Proceeds received from capital debts	-	100,945	-	75,000
Proceeds from sales of capital assets	504	51	-	-
Contributions and donations	-	3,146	14,710	12,596
Acquisitions and constructions of capital assets	(3,498)	(27,758)	(18,795)	(82,223)
Principals paid on capital debts	(2,060)	(15,168)	(13,559)	(31,575)
Interest and issuance costs paid on capital debts	(2,312)	(1,713)	(19,778)	(20,060)
Transfers to other funds	-	(42)	-	-
Capital lease obligation	-	-	-	360
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(7,366)</u>	<u>59,606</u>	<u>(37,422)</u>	<u>(45,902)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	799	1,757	7,092	5,496
Change in fair value of investment	17	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>816</u>	<u>1,757</u>	<u>7,092</u>	<u>5,496</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>7,790</u>	<u>71,479</u>	<u>9,230</u>	<u>26,186</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>43,810</u>	<u>113,868</u>	<u>213,039</u>	<u>223,937</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 51,600</u>	<u>\$ 185,347</u>	<u>\$ 222,269</u>	<u>\$ 250,123</u>

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



**STATEMENT OF CASH FLOW**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 99,539	\$ 841,327	\$ 82,192
Contribution received - employee/employer	-	-	90,747
Payments to suppliers	(39,645)	(334,435)	(107,265)
Payments to employees	(31,899)	(234,057)	(46,867)
Payments for taxes	(825)	(30,090)	(1,503)
Payments for interfund services used	(4,518)	(4,518)	(4,137)
Other operating or non-operating revenues	7,817	9,410	84
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	30,469	247,637	13,251
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	9,551	84,823	5,526
Grants and contributions received	4,238	4,661	30
Payments paid on noncapital debts	-	(30,055)	-
Transfer to other funds	(3,063)	(135,183)	(806)
Advance from other funds	(431)	(431)	-
Contributions made	-	(80)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	10,295	(76,265)	4,750
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	3,502	3,647	924
Proceeds received from capital debts	-	175,945	-
Proceeds from sales of capital assets	-	555	-
Contributions and donations	2,602	33,054	-
Acquisitions and constructions of capital assets	(7,755)	(140,029)	(11,688)
Principals paid on capital debts	(8,820)	(71,182)	-
Interest and issuance costs paid on capital debts	(4,074)	(47,937)	-
Transfers to other funds	(2,876)	(2,918)	(29)
Capital lease obligation	-	360	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(17,421)	(48,505)	(10,793)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	742	15,886	1,384
Change in fair value of investment	(65)	(48)	88
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	677	15,838	1,472
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,020	138,705	8,680
CASH AND CASH EQUIVALENTS, JANUARY 1	37,780	632,434	94,997
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 61,800	\$ 771,139	\$ 103,677

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

**STATEMENT OF CASH FLOW**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 3 of 4

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
---------------------------	--------------------------	---------------------	---------------------

**RECONCILIATION OF OPERATING INCOME (LOSS) TO  
NET CASH PROVIDED (USED) BY OPERATING  
ACTIVITIES**

Operating income (loss)	\$ 15,328	\$ 32,065	\$ 24,659	\$ 66,050
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation and amortization expenses	5,670	17,563	26,118	62,102
(Increase) decrease in accounts receivable	68	(1,507)	(839)	72
(Increase) decrease in intergovernmental receivables	-	-	-	(8)
(Increase) decrease in due from other funds	(4)	(97)	(688)	(25)
(Increase) decrease in inventories	-	144	(66)	-
(Increase) decrease in prepaid items	-	87	(822)	(3,437)
(Increase) decrease in other assets	-	33	842	-
Increase (decrease) in deposit payable	(3)	9	(14)	(83)
Increase (decrease) in accounts payable	560	2,376	584	-
Increase (decrease) in accrued wages payable	9	260	74	423
Increase (decrease) in compensated absences	101	(222)	129	424
Increase (decrease) in intergovernmental payable	-	48	-	-
Increase (decrease) in due to other funds	213	(176)	469	140
Increase (decrease) in deferred revenues	1,000	62	-	-
Increase (decrease) in other current liabilities	51	345	-	-
Increase (decrease) in notes, contracts, and lease payable	-	-	-	-
Increase (decrease) long term liabilities	(2,690)	(4,023)	(3,261)	(24,581)
Miscellaneous non-operating revenues (expenses)	74	1,562	-	-
Prior Period Adjustment	-	-	-	-
Total adjustments	5,049	16,464	22,526	35,027
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 20,377</u>	<u>\$ 48,529</u>	<u>\$ 47,185</u>	<u>\$ 101,077</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets	-	2,422	5,326	619

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

**STATEMENT OF CASH FLOW**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 4 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (637)	\$ 137,465	\$ 6,666
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation and amortization expenses	8,675	120,128	10,390
(Increase) decrease in accounts receivable	(1,211)	(3,417)	(475)
(Increase) decrease in intergovernmental receivables	-	(8)	-
(Increase) decrease in due from other funds	(331)	(1,145)	(119)
(Increase) decrease in inventories	(46)	32	160
(Increase) decrease in prepaid items	(635)	(4,807)	836
(Increase) decrease in other assets	(1,293)	(418)	(5,399)
Increase (decrease) in deposit payable	16,877	16,786	-
Increase (decrease) in accounts payable	1,411	4,931	1,472
Increase (decrease) in accrued wages payable	9,240	10,006	1,167
Increase (decrease) in compensated absences	269	701	489
Increase (decrease) in intergovernmental payable	296	344	(3)
Increase (decrease) in due to other funds	110	756	(799)
Increase (decrease) in deferred revenues	(201)	861	(63)
Increase (decrease) in other current liabilities	(1,757)	(1,361)	95
Increase (decrease) in notes, contracts, and lease payable	-	-	-
Increase (decrease) long term liabilities	894	(33,661)	(1,248)
Miscellaneous non-operating revenues (expenses)	9,233	10,869	82
Prior Period Adjustment	(10,425)	(10,425)	-
Total adjustments	31,106	110,172	6,585
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 30,469</b>	<b>\$ 247,637</b>	<b>\$ 13,251</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	10,993	19,360	-

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

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2018  
(amounts expressed in thousands)

	Deferred Compensation Fund #6050	TERS Fund #6100	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 40	\$ 2,191	\$ 2,231
Investments	-	15,318	15,318
Equities	-	823,621	823,621
Fixed income	-	576,714	576,714
Real estate	-	76,859	76,859
Venture capital and partnerships	-	150,993	150,993
Securities lending collateral	-	21,576	21,576
Due From Other Governments	-	1,138	1,138
Interest and Dividends	-	2,796	2,796
Investment Sales	-	582	582
Capital Assets, net of accumulated depreciation	-	9	9
Total Assets	<u>40</u>	<u>1,671,797</u>	<u>1,671,837</u>
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	-	-	-
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	-	1,752	1,752
Accrued Wages and Benefits Payable	2	67	69
Due To Other Governmental Units	-	4	4
Investments Purchase Payable	-	34,839	34,839
Other Current Liabilities	-	5	5
Total Current Liabilities	<u>2</u>	<u>36,667</u>	<u>36,669</u>
Noncurrent Liabilities			
Accrued Employee Leave Benefits	-	110	110
Total Noncurrent Liabilities	<u>-</u>	<u>110</u>	<u>110</u>
Total Liabilities	<u>2</u>	<u>36,777</u>	<u>36,779</u>
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	-	-	-
<b>NET POSITION</b>			
Net position restricted for pensions and other purposes	<u>\$ 38</u>	<u>\$ 1,635,020</u>	<u>\$ 1,635,058</u>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Deferred Compensation Fund #6050	TERS Fund #6100	TOTAL
<b>ADDITIONS</b>			
Employer Contributions	\$ -	\$ 28,588	\$ 28,588
Member Contributions	-	25,193	25,193
Other Contributions	243	-	243
Total Contributions	243	53,781	54,024
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	-	(86,229)	(86,229)
Interest and Dividends	-	35,749	35,749
Total Investment Income	-	(50,480)	(50,480)
Less Investment Expenses:			
Investment Management Fees	-	(6,625)	(6,625)
Securities Lending - Agent Fees	-	(59)	(59)
Securities Lending - Broker Rebates	-	(922)	(922)
Total Investment Expense	-	(7,606)	(7,606)
Net Investment Income	-	(58,086)	(58,086)
Total Additions	243	(4,305)	(4,062)
<b>DEDUCTIONS</b>			
Wages and Benefits Payable	112	866	978
Healthcare Benefit Payments	-	80,035	80,035
Refunds of Contributions	-	2,199	2,199
Administrative Expense	102	825	927
Total Deductions	214	83,925	84,139
Net Increase (Decrease)	29	(88,230)	(88,201)
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
Net position - beginning	9	1,723,250	1,723,259
Net position - ending	\$ 38	\$ 1,635,020	\$ 1,635,058

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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### Table of Contents – Notes to the Financial Statements

<b>Note 1 Summary of Significant Accounting Policies</b>	3-25
A. Reporting Entity	3-25
B. Government-wide and Fund Financial Statements	3-28
C. Measurement Focus, Bases of Accounting and Financial Statement Presentation	3-28
D. Assets, Liabilities and Net Position or Fund Balances	3-30
1. Cash and Investments	3-30
2. Receivables and Payables	3-30
3. Inventories and Prepaid Items	3-31
4. Restricted Assets	3-31
5. Capital Assets	3-31
6. Compensated Absences	3-32
7. Pensions	3-32
8. Long-term Obligations	3-32
9. Fund Equity	3-33
<b>Note 2 Stewardship, Compliance and Accountability</b>	3-34
A. Budgetary Information	3-34
B. Deficits in Fund Balance or Net Position	3-34
C. Legal and Contractual Compliance	3-34
<b>Note 3 Detailed Notes on All Funds</b>	3-35
A. Deposits and Investments	3-35
B. Receivables	3-41
C. Capital Assets and Depreciation	3-42
D. Leases	3-43
E. Short-Term Debt	3-43
F. Long-Term Debt	3-43
G. Restricted Assets	3-48
H. Related Party Transactions	3-48
I. Fund Balances	3-48
J. Restricted Net position-Governmental Activities	3-50
<b>Note 4 Pension Plan(s) Obligations and Other Post-Employment Benefits</b>	3-50
A. Tacoma Employees' Retirement System (TERS)	3-51
B. Law Enforcement Officers' and Fire Fighter's Retirement System	3-56
C. Police and Firefighter's Relief and Pension Funds	3-62
D. Defined Benefit Other Post-Employment Benefits (OPEB) Plan	3-66
<b>Note 5 Deferred Compensation</b>	3-72
<b>Note 6 Interfund Activity</b>	3-72
<b>Note 7 Other Information</b>	3-75
A. Accounting Changes	3-75
B. Risk Management	3-75
C. Prior-Period Adjustments	3-76
D. Segment Information	3-79
E. Tax Expense-Utility Funds	3-81
F. Results of Operations of Joint Ventures	3-81
<b>Note 8 Claims, Judgements and Commitments</b>	3-81
A. Claims	3-81
B. Construction Commitments	3-82
C. Tax Abatements	3-83
D. Solid Waste Utility-Landfill Closure and Post Closure Liabilities	3-84
E. Potential Environmental Contamination or Utility Claims or Suits	3-85
<b>Note 9 Contingent Liabilities</b>	3-85
<b>Note 10 Subsequent Events</b>	3-87
<b>Note 11 Detail of Changes in Long-Term Debt by Debt Issue</b>	3-88

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### 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 2018, the City implemented the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this statement is to improve accounting and financial reporting for postemployment benefits other than pensions. It replaces the requirement of GASB statements No. 45 and No. 57.

GASB Statement No. 85 – *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements.

GASB Statement No. 86 – *Certain Debt Extinguishment Issues*. The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which existing resources are placed into an irrevocable trust for the sole purpose of extinguishing debt.

For more information on the accounting changes, please see Note 7A – *Accounting changes*.

#### 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, 2018

---

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 3 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 TCRA 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



## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

of a Convention Center. The City appoints 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 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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

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

#### **Tacoma-Pierce County Health Department**

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

Financial information for both entities is included in Note 7 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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.

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

Transportation Capital &		
General Fund	Engineering	Non-major Funds
\$ 2,394	\$ 9,429	\$ 22,833

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 service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

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

##### 1. Cash and investments

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

##### 2. Receivables and payables

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

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

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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

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 3 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, 2018

---

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	13-60 years
Power Plant	2-62 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

### For the Year Ended December 31, 2018

---

#### 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 3 Section J.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### *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 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **A. Budgetary information**

The Tacoma City Council adopts a biennial budget using an appropriation ordinance. While not legally required by law, the City also adopts budgets for debt service funds, proprietary funds, and some selected trust funds. Capital project budgets are adopted for fiscal periods that correspond to the lives of the projects.

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 2018.

##### **B. Deficits in fund balance or net position**

The following governmental and proprietary funds had deficit net position.

The \$0.785 million deficit in the Convention Center fund resulted from cumulative expenses exceeding revenues/transfers. The fund balance has increased by \$3.7 million over the previous year. Operating losses were \$3.5 million for the year as compared to \$4.2 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 \$25.2 million, a decrease of \$1.2 million over the prior year, due to an increase in claims liability.

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

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

<b>FUND</b>	<b>AMOUNT</b>
Convention Center (#4165)	\$ (785)
Third Party Liability Claims (#5550)	(25,184)
	<u>\$ (25,969)</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.



## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### Note 3 – 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 \$75,242,954.

***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 2018, 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.
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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

6. Reverse Repurchase Agreements: The City did not participate in any reverse repurchase agreements in 2018.
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, 2018

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, 2018

---

At December 31, 2018, the City's total deposits and investments consisted of the following:

#### Schedule of Deposits and Investments December 31, 2018 (amounts expressed in thousands)

##### Reconciliation of Cash and Investments:

Investments (less Component Units)	\$ 2,649,212
Certificates of Deposit	4,116
Treasurer's Cash, net	76,391
Petty Cash Funds	277
Sub-total	<u>2,729,996</u>
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	1,591
TCRA - External Cash	6,373
Foss Waterway Development Authority (FWDA)	441
FWDA - External Cash	265
Public Facilities District (PFD)	2,053
Sub-total (Component Units)	<u>10,723</u>
Total	<u>\$ 2,740,719</u>

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

	Amounts expressed in thousands
From Statement of Net Position	
Cash and cash equivalents	\$ 685,618
Investments at fair value	5,180
Restricted cash and cash equivalents	371,886
Total Primary Government	<u>1,062,684</u>
Component Units	
TCRA	7,964
GTRCC PFD	2,053
FWDA	706
Total Component Units	<u>10,723</u>
Fiduciary Funds	
Cash and cash equivalents	2,231
Investments at fair value	15,318
Pension Trust	1,649,763
Total Fiduciary Funds	<u>1,667,312</u>
Total cash and investments	<u>\$ 2,740,719</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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

Investments:	Fair Value at 12/31/18
Financial Institutions	
WA State Local Government Investment Pool	\$ 178,206
Government Agencies (various)	810,009
Equity in Pool Transferred to Component Units	(6,316)
Total Investments with Financial Institutions	981,899
Pension Trust	
Equities	823,621
Fixed Income	576,714
Real Estate	76,859
Venture Capital & Partnerships	150,993
Short Term Bill & Notes	4,547
Cash and Cash Equivalents	13,001
Securities Lending Collateral	21,576
Total Other Investments - Pension Trust	1,667,311
Total	\$ 2,649,210

### 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 \$172,726,974 with the State Treasurer's Local Government Investment Pool, \$9,153,363 in an interest bearing certificate of deposit with a commercial bank and \$75,785,656 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	\$ 75,785,656	\$ 75,785,656	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	182,322,392	182,322,392	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	35,748,647	18,059,490	13,190,708	4,498,449	-	-
Fixed Rate Non-Callable Agency Securities	422,796,533	185,854,995	120,854,541	49,347,925	24,942,545	41,796,527
Fixed Rate Callable Agency Securities	24,218,747	14,878,005	9,340,742	-	-	-
Totals	\$ 740,871,975	\$ 476,900,538	\$ 143,385,991	\$ 53,846,374	\$ 24,942,545	\$ 41,796,527
Percent of Total		64.37%	19.35%	7.27%	3.37%	5.64%

### 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 2018 for each type of investment. AAA is

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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

Investment Type	Par	Minimum Legal Requirement	FDIC and PDPC	AAA	AA	A
Bank Demand Deposits & State Pool	\$ 258,108,048	FDIC & PDPC	\$ 258,108,048	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	35,748,647	A	-	2,142,864	33,605,783	-
Fixed Rate Non-Callable Agency Securities	422,796,533	AAA	-	422,796,533	-	-
Fixed Rate Callable Agency Securities	24,218,747	AAA	-	24,218,747	-	-
Total	\$ 740,871,975		\$ 258,108,048	\$ 449,158,144	\$ 33,605,783	\$ -

#### 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	55,443,638	6.8%
Federal Home Loan Bank	Agency Securities	190,306,151	23.5%
Federal Home Mortgage Corporation	Agency Securities	87,568,311	10.8%
Federal National Mortgage Association	Agency Securities	98,657,205	12.2%
Total		\$ 431,975,305	

#### 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, 2018

- 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:

#### Investments Measured at Fair Value

Debt Securities	As of			
	12/31/2018	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 282,822,308	\$ -	\$ 282,822,308	\$ -
Supranational Securities	19,814,100	-	19,814,100	-
Municipal Bonds	35,748,647	-	35,748,647	-
Agency Securities	447,015,280	-	447,015,280	-
Corporate Securities	24,607,491	-	24,607,491	-
<b>Total</b>	<b>\$ 810,007,826</b>	<b>\$ -</b>	<b>\$ 810,007,826</b>	<b>\$ -</b>

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### B. Receivables

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

(amounts expressed in thousands)						
Accounts Receivable (amounts expressed in thousands)	General		Trans Capital & Engineering		Non-Major Governmental	
	Fund		Fund		Funds	
Accounts Receivable (net short-term)	\$ 17,568	\$	236	\$	34,642	\$
Due from other Funds	487		305		3,719	
Advances to other Funds	-		-		400	
Due from Other Governments	16,110		2,335		8,695	
Interest Receivable (net short-term)	-		-		-	
Notes and Contracts Receivable (net short-term)	-		-		-	
Notes and Contracts Receivable (net long-term)	-		-		-	
TOTAL	\$ 34,165	\$	2,876	\$	47,456	\$

Accounts Receivable (amounts expressed in thousands)	Water		Power		Non-Major Enterprise		Internal Service		Fiduciary		Total
	Fund		Fund		Funds		Funds		Funds		
Accounts Receivable (net short-term)	\$ 11,607	\$	61,755	\$	9,178	\$	741	\$	-	\$	157,945
Due from other Funds	757		1,842		845		1,069		-		9,193
Advances to other Funds	-		-		-		-		-		400
Due from Other Governments	300		1,756		-		19		1,138		31,168
Interest Receivable (net short-term)	-		-		-		-		2,796		2,796
Notes and Contracts Receivable (net short-term)	-		774		-		-		582		1,356
Notes and Contracts Receivable (net long-term)	-		2,634		11,378		-		-		14,613
TOTAL	\$ 12,664	\$	68,761	\$	21,401	\$	1,829	\$	4,516	\$	217,471

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### C. Capital assets

Capital asset activity for the year-ended December 31, 2018 was as follows:

(amounts expressed in thousands)

Governmental activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 36,380	\$ 11	\$ (563)	\$ 35,828
Art	2,414	240	-	2,654
Construction Work in progress	30,800	36,038	(10,561)	56,277
Total Capital assets, not being depreciated	69,594	36,289	(11,124)	94,759
Capital assets, being depreciated				
Property, plant, and equipment	273,287	20,822	(4,204)	289,905
Infrastructure	1,410,490	13,011	(27)	1,423,474
Total capital assets, being depreciated	1,683,777	33,833	(4,231)	1,713,379
Less Accumulated depreciation:				
Property, plant, and equipment	(149,433)	(23,298)	3,791	(168,940)
Infrastructure	(797,611)	(33,571)	10,598	(820,584)
Total accumulated depreciation	(947,044)	(56,869)	14,389	(989,524)
Governmental activities, capital assets (net of accumulated depreciation)	\$ 806,327	\$ 13,253	\$ (966)	\$ 818,614

Business Type Activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 164,293	\$ 857	\$ (95)	\$ 165,055
Construction Work in progress	53,807	53,805	(32,956)	74,656
Total Capital assets, not being depreciated	218,100	54,662	(33,051)	239,711
Capital assets, being depreciated				
Property, plant, and equipment	4,428,165	141,152	(18,129)	4,551,188
Total capital assets, being depreciated	4,428,165	141,152	(18,129)	4,551,188
Less Accumulated depreciation:				
Property, plant, and equipment	(1,824,251)	(116,912)	21,616	(1,919,547)
Total accumulated depreciation	(1,824,251)	(116,912)	21,616	(1,919,547)
Business Type Activities, capital assets (net of accumulated depreciation)	\$ 2,822,014	\$ 78,902	\$ (29,564)	\$ 2,871,352



## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

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

#### Governmental Activities:

General Government	\$ 888
Public Safety	3,321
Transportation	34,548
Economic Environment	127
Social Services	3
Culture and Recreation	2,170
Capital Assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>6,800</u>
Total depreciation expense - governmental activities	<u>47,857</u>
Prior period adjustment	<u>9,012</u>
Total depreciation increase	<u>\$ 56,869</u>

#### Business-type activities:

Permit	\$ 19
Mountain Rail	824
Parking Garage	1,363
Convention Center	1,927
Baseball Park	1,535
Tacoma Dome	537
Performing Arts	732
TPU Fleet *	3,590
Solid Waste	5,670
Waste Water	17,563
Tacoma Rail	1,738
Water	26,118
Power	<u>53,869</u>
Total depreciation expense - business-type activities	<u>115,485</u>
Prior period adjustment	<u>1,427</u>
Total depreciation increase	<u>\$ 116,912</u>

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

#### D. Leases

There are no capital leases to report for fiscal year 2018.

#### E. Short-term debt

Governmental activities: No short-term debt was issued or outstanding in 2018.

Business-type activities: No short-term debt was issued or outstanding in 2018.

#### 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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of December 31, 2018 are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2019	10,128	4,877	\$ 2,597	\$ 2,267
2020	10,468	4,545	2,677	2,168
2021	10,852	4,179	2,763	2,043
2022	11,219	3,803	2,861	1,932
2023	7,920	5,006	2,505	1,797
2024-2028	38,974	24,845	14,505	6,982
2029-2033	37,112	23,317	18,150	3,476
2034-2038	20,861	4,065	5,930	299
2039-2043	990	90	-	-
Total	<u>\$ 148,526</u>	<u>\$ 74,728</u>	<u>\$ 51,987</u>	<u>\$ 20,963</u>

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 (amounts expressed in thousands)			
	Interest Rates to Maturity	Outstanding December 31, 2018	
Governmental activities	2.6323 - 7.2020%	\$	148,526
Business-type activities	2.7966 - 3.20667%	\$	51,987

#### ***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, 2018, the amount of LID Special Assessment delinquency equals \$330,958. The bond interest rates range from 3.25 to 5.75% and are payable over the next twenty-five years.

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

	Governmental activities Special Assessment Bonds (amounts expressed in thousands)		
	Principal	Interest	Total
2019	-	1,276	1,276
2020	-	1,276	1,276
2021	-	1,276	1,276
2022	-	1,276	1,276
2023	154	1,276	1,430
2024-2028	-	6,341	6,341
2029-2033	-	6,341	6,341
2034-2038	1,680	6,231	7,911
2039-2043	21,105	6,068	27,173
Total	<u>22,939</u>	<u>31,360</u>	<u>54,299</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### Revenue Bonds and Loans

The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service. Revenue bonds are secured by net operating revenue and cash and equity in pooled investment balances in the bond construction, reserve, and debt service funds. The bonds are also subject to certain financial and non-financial covenants. 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 \$1.2 billion. During 2018, new debt issues amounted to \$175.9 million for refunding, construction and capital improvements in the Tacoma Sewer fund.

Business-type activities Revenue Bonds and Loans (amounts expressed in thousands)			
	Principal	Interest	Total
2019	\$ 43,701	\$ 54,325	\$ 98,025
2020	44,169	50,346	94,514
2021	43,494	48,666	92,160
2022	40,017	47,054	87,071
2023	38,200	45,721	83,921
2024-2028	210,611	207,917	418,528
2029-2033	256,779	162,920	419,699
2034-2038	269,347	89,859	359,207
2039-2043	222,720	33,793	256,513
2043-2048	46,900	3,561	50,461
Total	\$ 1,215,938	\$ 744,162	\$ 1,960,100

Changes in long-term liabilities for the year ended December 31, 2018 are as follows:

#### Changes in long-term liabilities

##### Governmental activities

Long-term liabilities (amounts expressed in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year	Reconcile to Note 11
General obligation bonds	\$ 155,874	\$ 2,209	\$ (9,559)	148,524	\$ 10,128	\$ 148,524
Add: Unamortized premium	897	-	(332)	565	-	-
Less: Unamortized discount	(53)	-	5	(48)	-	-
Public works trust fund loans	4,534	-	(1,112)	3,422	570	3,423
Bond anticipation notes	8,572	-	-	8,572	8,572	8,572
Special assessment debt	26,257	-	(3,319)	22,938	511	22,938
Claims and judgments	33,784	4,608	(4,629)	33,763	26,563	-
Net OPEB obligation	69,698	-	(69,698)	-	-	-
Total OPEB Liabilities	-	193,715	(7,848)	185,867	-	-
Total pension liability-Police and Firefighters'	44,317	-	(6,021)	38,296	-	-
Net pension liability	27,989	-	(27,989)	-	-	-
Compensated absences	19,181	13,425	(12,461)	20,145	2,014	-
Total governmental activities - long-term liabilities	\$ 391,050	\$ 213,957	\$ (142,963)	\$ 462,044	\$ 48,359	\$ 183,457

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$4.4 million of internal service funds compensated absences were included in the above amounts. Additionally, the governmental activities, claims and judgments, and employee benefits are generally liquidated by the Third Party Claims and Workers' Compensation funds, Information Services fund, and the General fund respectively.

The additions for governmental activities general obligations bonds in the amount of \$2,209 listed above represents the Governmental Funds issuance of long-term debt (\$2,209) reported in the government wide financial statements.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### Business-Type activities

Long-term liabilities (amounts expressed in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Revenue Bonds, Public Works Trust Fund loans, Drinking Water State Revolving loans, WA DOT Rail loans	\$ 1,191,244	\$ 100,945	\$ (76,251)	\$ 1,215,938	\$ 43,701
Muckleshoot liability	6,944	-	(181)	6,763	177
General obligation bonds	54,778	-	(2,791)	51,987	2,597
Add: Unamortized premium	64,578	7,011	(7,425)	64,163	-
Less: Unamortized discount	(19)	-	3	(16)	-
Revolving line of credit	250	75,000	(20,000)	55,250	55,250
Environmental liability	1,726	1,439	(930)	2,235	1,222
Landfill postclosure care cost liability	16,354	71	(700)	15,725	947
Net OPEB obligation	21,656	-	(21,656)	-	-
Total OPEB Liabilities	-	35,742	(797)	34,945	-
Compensated absences	19,541	15,935	(15,187)	20,289	2,027
Net pension liability	64,891	-	(64,891)	-	-
Total business-type activities - long-term liabilities	<u>\$ 1,441,943</u>	<u>\$ 236,143</u>	<u>\$ (210,806)</u>	<u>\$ 1,467,279</u>	<u>\$ 105,921</u>

Note 11 summarizes changes in long-term debt.

#### ***Debt issued in 2018***

##### Governmental activities

There is no new bond issue for Governmental activities in 2018

##### Business-type activities:

On November 1, 2018, the Sewer Revenue Bonds, Series 2018 were issued in the amount of \$100,945,000 with interest rate ranging from 3.0% to 4.0%. The proceeds from sale of the bond will be used (a) to finance and refinance certain capital construction, improvements and equipping of Sewer System and (b) to pay the costs of issuance of the 2018 Bonds.

In October 2018, Tacoma Sewer used cash to decreased \$34,315,000 of outstanding 2011 Sewer Revenue and Refunding Bonds and \$5,000 of the outstanding 2006 Sewer Revenue and Refunding Bonds to levelize and reduce future debt service payments. This defeasance resulted in a loss of \$150,361. The Cash Flow impact of the defeasance was a reduction in principal and interest payments in the amount of \$34,320,000 and \$14,836,000 from 2019 through 2036.

In 2015, Tacoma Power entered into a \$100 million line-of-credit agreement with Wells Fargo for working capital. The line matured in May 2018. An amendment was executed in May 2018 to extend the line-of-credit for an additional 3 years and will mature in May 2021. Each advance will bear interest at the London Interbank Offered Rate (LIBOR) of 3.13819% at December 31, 2018. Each advance is secured by Revenues as set forth in the Note Ordinance. The balance outstanding is \$55.3 million as of December 31, 2018.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### Bond Defeasance

In October 2018, the Wastewater and Surface Water Fund used 36,870,275 of cash to defease \$34,320,000 of the outstanding 2006 and 2011 Sewer Revenue and Refunding Bonds, resulting in a loss of \$150,361 as summarized below.

<u>Defeased Bonds</u>	<u>Amount of debt</u>	<u>Total Cash transferred to escrow</u>	<u>Gain/Loss on cash defeasance</u>
2006 Sewer Revenue and Refunding Bonds	\$ 5,000	\$ 7,635	\$ 975
2011 Sewer Revenue and Refunding Bonds	34,315,000	36,862,640	(151,336)
	<u>\$ 34,320,000</u>	<u>\$ 36,870,275</u>	<u>\$ (150,361)</u>

The bonds were defeased to reduce debt service and trigger springing-forward bond covenants allowing the required bond reserves for the 2016 Series A and B Revenue and Refunding Bonds to be zero, thus freeing up these bond reserves to debt service and allowing future debt required reserves to be zero.

Those funds were deposited in an irrevocable trust with an escrow agent to purchase United States Treasury Securities – State and Local Government Series (SLGS) to provide for the future debt service payments on the bonds. As a result, the bonds are considered defeased and the liability for those bonds have been removed from the statement of net position.

The cash flow requirements on the old bonds prior to this transaction were \$34,320,000 in principle and \$18,005,507.68 in interest from 2019 through 2036.

As of December 31, 2018, the following outstanding bonds were considered defeased in substance:

<u>Issue</u>	<u>Amount</u>
Sewer Revenue Refunding Bonds, 2006 and 2011	\$ 36,125,148
Sewer Revenue Refunding Bonds, Series 2016 A (TES Properties Lease Revenue Bonds 2009)	31,762,760
Electric System Revenue Refunding Bonds 2013 Series A	<u>25,411,262</u>
	<u>\$ 93,299,170</u>

These refunded bonds constitute a contingent liability only to the extent that cash and investments presently in the control of the refunding trustees are not sufficient to meet debt service requirements, and are therefore excluded from the financial statements because the likelihood of additional funding requirements is considered remote.

#### Arbitrage

Under US Treasury Department regulations, all tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. In general, the requirements stipulate that the earnings from investments of tax-exempt bond proceeds that exceed interest expenditures on the related debt, must be remitted to the Federal government on every fifth anniversary of each bond issue. At the fund level, the City recognizes this liability only when it is due and payable. The city has evaluated each general obligation bond and revenue bond issue subject to the arbitrage rebate requirement and, as of December 31, 2018, has no outstanding arbitrage liability.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### 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	\$	34,115
Cash for bond reserve		9,395
Cash for construction		131,679
Cash for other special purposes		196,697
	\$	<u>371,886</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. 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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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	
Fund balances:						
Nonspendable:						
Long-term receivables/advances	\$ 2,482	\$ -	\$ -	\$ -	\$ -	\$ 2,482
Inventory	1,429	-	1,368	-	-	2,797
Prepays	4	-	-	-	-	4
Trust	-	-	36	-	-	36
Total nonspendable	<u>3,915</u>	<u>-</u>	<u>1,404</u>	<u>-</u>	<u>-</u>	<u>5,319</u>
Restricted:						
Business & Training Assistance	-	-	25	-	-	25
Crime Prevention & Safety	-	-	9,782	-	-	9,782
Debt service	-	-	10,360	5,644	1,247	17,251
Economic development programs	-	-	7,341	-	-	7,341
Grants	-	-	800	-	-	800
Library, Arts & Preservation	-	-	4,721	-	-	4,721
Local Improvement District	-	1,573	-	-	-	1,573
Neighborhoods	-	-	269	-	-	269
Other capital & purchase	-	-	4,345	-	4,146	8,491
Paths & Trails	-	-	149	-	-	149
Pensions	379	-	-	-	-	379
Public services	9	-	7,112	-	-	7,121
Public Works projects	-	-	8,092	-	12,120	20,212
Sidewalk & Street projects	-	380	12,888	-	7,965	21,233
Total restricted	<u>388</u>	<u>1,953</u>	<u>65,884</u>	<u>5,644</u>	<u>25,478</u>	<u>99,347</u>
Committed:						
Council contingency*	588	-	-	-	-	588
Neighborhoods	-	-	85	-	-	85
Public Works projects	-	-	-	-	7,595	7,595
Total committed	<u>588</u>	<u>-</u>	<u>85</u>	<u>-</u>	<u>7,595</u>	<u>8,268</u>
Assigned:						
Business & Training Assistance	-	-	329	-	-	329
Demolitions	-	-	2,552	-	-	2,552
Library	-	-	2,401	-	-	2,401
Municipal TV	-	-	453	-	-	453
Neighborhoods	-	-	3,266	-	-	3,266
Open Space Properties	-	-	428	-	-	428
Police activities	-	-	570	-	-	570
Public services	-	1,231	3,909	-	269	5,409
Other purposes	3,148	-	-	-	29	3,177
Total assigned	<u>3,148</u>	<u>1,231</u>	<u>13,908</u>	<u>-</u>	<u>298</u>	<u>18,585</u>
Unassigned:	<u>84,377</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>84,374</u>
Total fund balances:	<u>\$ 92,416</u>	<u>\$ 3,184</u>	<u>\$ 81,281</u>	<u>\$ 5,641</u>	<u>\$ 33,371</u>	<u>\$ 215,893</u>

\* 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, 2018

#### J. Restricted fund balance – governmental funds

In the governmental funds financial statements fund balance is restricted when constraints placed on fund balance 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	\$ 4,346
Debt Service	17,249
Culture and recreation	4,721
Public safety	9,782
Transportation	54,704
Grants	800
Housing and economic development	7,367
Pension	378
	<u>\$ 99,347</u>

#### Note 4 – 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 2018:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$0
Pension assets	\$108,662,849
Deferred outflows of resources	\$56,745,776
Deferred inflows of resources	(\$85,704,671)
Pension expense/expenditures	(\$16,534,813)

At December 31, 2018, 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	(\$22,956,320)	\$2,691,028
Changes of assumptions	(\$7,209,730)	\$24,015,261
Net difference between projected and actual earnings	(\$55,466,249)	-
Contributions made subsequent to the measurement date	n/a	\$28,464,568
Changes in employer proportion	(\$72,731)	\$1,574,920
Total	(\$85,705,030)	\$56,745,777



## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### 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.

**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, 2018 is as follows:

Retirees and beneficiaries currently receiving benefits	2,396
Terminated vested and other terminated participants	715
Active members:	
City of Tacoma	2,677
South Sound 911	2
Pierce Transit	8
Tacoma-Pierce County Health Department	261
Total active members	2,948
Total membership	6,059

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

**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 9.66% of their regular base pay; the employer contributes 11.34%, for a combined total of 21.00%. 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 18.49%. The difference of 2.51% 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, 2018

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

Measurement Date	December 31, 2017
Valuation Date	January 1, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	<p>Funding is based on statutory contributions rate.</p> <p>This amount is compared to a 25-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>• 25 year amortization period</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 Healthy and Disabled Annuitants, with age adjustments
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.*

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

**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.

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

Valuations as of January 1

- 2018 Contribution rates were increased effective February 2018
- 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.

**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, 2017. The target asset allocation is based on TERS Investment Policy Statement dated March 2016.

Asset Class	Target Allocation	Long-term Expected
		Arithmetic Real Rate of Return
Investment Grade Fixed Income	15.0%	2.06%
US Inflation-Indexed Bonds	5.0	1.36
High Yield Bonds	9.0	4.69
Emerging Market Debt	5.0	3.39
Global Equity	41.5	4.95
Public Real Estate	2.0	5.55
Private Real Estate	2.5	3.83
Private Equity	10.0	8.88
Master Limited Partnerships	4.0	4.20
Timber	2.0	4.04
Infrastructure	2.0	4.89
Agriculture	2.0	4.54
Assumed Inflation - Mean		2.75
Assumed Inflation - Standard Deviation		1.85
Portfolio Arithmetic Real Mean Return		4.56
Portfolio Median Nominal Geometric Return		6.68
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, 2018

**8. Sensitivity Analysis:** The following presents the employer's proportionate share of the collective net pension liability as of the December 31, 2017 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% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Employers proportionate share of the net pension liability	\$159,881,485	(\$39,323,299)	(\$205,786,372)

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

For the period ended December 31, 2018, the employer recognizes the following amounts:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	(\$21,789,842)	-
Changes of assumptions	-	23,986,824
Net difference between projected and actual earnings	(45,123,372)	-
Contributions made subsequent to the measurement date	n/a	26,414,403
Changes in employer proportion	(24,218)	27,878
Total	(66,937,432)	50,429,105

**10. Deferred outflows for contribution subsequent to the measurement date:** The total contributions made subsequent to the measurement date 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. Note that the employer reporting date is one year later than the measurement date.

Year-ended December 31	
2018	(\$3,079,587)
2019	(\$543,524)
2020	(\$20,343,542)
2021	(\$17,944,634)
2022	(\$1,011,533)
Thereafter	-

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

**11. Schedule of Pension Amounts by Employer:** 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	2017 Employer Contributions	Rounded Percentage of Total Contributions	Beginning Net Pension Liability *	Ending Net Pension Liability **
City of Tacoma	\$24,124,140	92.46037%	\$92,880,523	(\$39,323,299)
South Sound 911	22,953	0.08797%	136,405	(37,414)
Pierce Transit	73,435	0.28145%	274,143	(119,702)
Health Department	1,870,803	7.17021%	7,139,763	(3,049,483)
Grand Total	26,091,331	100.00000%	100,430,834	(42,529,898)

\* Based on unrounded contributions from 2016.

\*\* Based on unrounded contributions from 2017.

#### 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

#### Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2018. 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 2018 were as follows:

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
Ports and Universities	8.75%	8.75%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.93%</b>	<b>8.75%</b>
Local governments	5.25%	8.75%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.43%</b>	<b>8.75%</b>
State of Washington	3.50%	N/A
<b>Total</b>	<b>3.50%</b>	

The City of Tacoma's actual contributions to the plan were \$4,278,699 for the year ended December 31, 2018.

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, 2018, the state contributed \$68,152,127 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$2,770,377.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017. 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 2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from June 30, 2017, to June 30, 2018, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

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.

- Updated valuation interest rate, general salary growth, and inflation assumptions to be consistent with the assumptions adopted by the Pension Funding Council and LEOFF 2 Board.
  - Lowered the valuation interest rate from 7.70% to 7.50% for all systems except LEOFF 2. For LEOFF 2 the valuation interest rate was lowered from 7.50% to 7.40
  - Lowered assumed general salary growth from 3.75% to 3.50% for all systems.
  - Lowered assumed inflation from 3.00% to 2.75% for all systems.
- Modified how the valuation software calculates benefits paid to remarried duty-related death survivors of LEOFF 2 members.
- Improved how minimum benefits paid to TRS 1 annuitants were modeled in the case where the member had elected a reduced annuity upon retirement
- Updated the trend that the valuation software uses to project medical inflation for the LEOFF 2 survivors of a duty-related death, and for certain LEOFF 2 medical-related duty disability benefits.

#### Discount Rate

The discount rate used to measure the total pension liability for all LEOFF plans was 7.4 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. LEOFF 1 uses 7.5 percent. Consistent with the long-term expected rate of return, a 7.4 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 7.4 percent was used to determine the total liability.



## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 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.

#### 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, 2018, 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	7%	4.90%
Real Estate	18%	5.80%
Global Equity	32%	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 7.4 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 (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
LEOFF 1	(\$15,197,487)	(\$19,103,856)	(\$22,467,105)
LEOFF 2	(\$6,680,407)	(\$50,235,694)	(\$85,760,096)

#### 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, 2018, the City of Tacoma reported a total LEOFF pension asset of \$69,339,550 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
LEOFF 1	(\$19,103,856)
LEOFF 2	(\$50,235,694)

The amount of the liability/ (asset) reported above for LEOFF Plan 1 and 2 reflects a reduction for State pension

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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	(\$19,103,856)	(\$50,235,694)
State's proportionate share of the net pension liability/(asset) associated with the employer	(\$129,218,006)	(\$32,526,664)
TOTAL	(\$148,321,862)	(\$82,762,358)

At June 30, 2018, 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	1.07%	1.05%	(.02%)
LEOFF 2	2.59%	2.47%	(.12%)

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2018 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 2018. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2018, 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 2018, the state of Washington contributed 39.30 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.70 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

#### Pension Expense

For the year ended December 31, 2018, the City of Tacoma recognized pension expense as follows:

	Pension Expense
LEOFF 1	(\$2,891,650)
LEOFF 2	(\$1,633,806)
TOTAL	(\$4,525,456)

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, 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 of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments	\$0	(\$1,550,954)
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>(\$1,550,594)</b>

<b>LEOFF 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$2,691,028	(\$1,166,478)
Net difference between projected and actual investment earnings on pension plan investments	\$0	(\$8,791,922)
Changes of assumptions	\$28,437	(\$7,209,730)
Changes in proportion and differences between contributions and proportionate share of contributions	\$1,547,042	(\$48,153)
Contributions subsequent to the measurement date	\$2,050,165	\$0
<b>TOTAL</b>	<b>\$6,316,671</b>	<b>(\$17,216,284)</b>

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	LEOFF 1
2019	\$1,481
2020	(\$349,881)
2021	(\$952,937)
2022	(\$249,617)
2023	\$0
Thereafter	\$0

Year ended December 31:	LEOFF 2
2019	(\$835,426)
2020	(\$2,166,575)
2021	(\$5,055,418)
2022	(\$1,822,974)
2023	(\$576,533)
Thereafter	(\$2,492,853)

#### 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 2018:

Aggregate Pension Amounts		
	Firefighters' Pension Fund	Police Pension Fund
Total pension liability	\$24,903,710	\$13,391,119

##### 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 1 active Firefighters with prior rights covered under these plans as of December 31, 2018. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 119 for the PRP and 163 for the FRP as of December 31, 2018. There are no terminated employees under either plan who are entitled to benefits but not receiving them.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

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. 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

adequate cash to pay its obligations each year. The total General Fund contributions to the FRP and PRP were \$4.1 million and \$4.6 million for 2018.

The state contributes 25% of taxes on fire insurance premiums to the FRP and the amount contributed in 2018 was \$387,000.

#### 4. Actuarial Assumptions

The total pension liability (TPL) was determined by an actuarial valuation as of January 1, 2018, projected forward to the measurement date of December 31, 2018. 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	4.00%	4.00%
Actuarial Assumptions:		
Valuation Date	January 1, 2018	January 1, 2018
Measurement Date	December 31, 2018	December 31, 2018
Inflation	2.25%	2.25%
Salary increases including inflation	3.25%	3.25%
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Project Scale BB, with ages set back one year for females (set forward two years for disabled members).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Project Scale BB, with ages set back one year for females (set forward two years for disabled members).
Actual Cost Method	Entry Age Normal	Entry Age Normal

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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

	Firefighters' Relief Pension	Police Relief Pension
	Increase (Decrease) Total Pension Liability	Increase (Decrease) Total Pension Liability
<b>Balance as of December 31, 2017</b>	\$ 28,827,798	\$ 15,489,578
<b>Changes for the year:</b>		
Service cost	-	-
Interest	975,114	514,470
Effect of plan changes	-	-
Effect of economic/demographic gains or losses	(1,871,375)	(666,515)
Effect of assumptions changes or inputs	(1,076,219)	(540,011)
Benefit payments*	(1,951,608)	(1,406,403)
<b>Net changes</b>	<b>(3,924,088)</b>	<b>(2,098,459)</b>
<b>Balance as of December 31, 2018</b>	<b>24,903,710</b>	<b>13,391,119</b>

\*Benefit payments are estimated based on expected payouts.

#### 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 (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total pension liability - Fire	\$27,137,094	\$24,903,710	\$22,966,195
Total pension liability - Police	\$14,509,928	\$13,391,119	\$12,414,515

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

Pension expense of (\$2,359,480) and (\$692,056) for was recognized in 2018 for the FRP and PRP. As of December 31, 2018, 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 \$1,076,219 and \$540,011 shown above for the effect of changes in assumptions were expensed in the current year.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### D. Defined Benefit Other Post-Employment Benefits (OPEB) Plans

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2018:

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	(\$220,811,987)
OPEB assets	-
Deferred outflows of resources	18,234,375
Deferred inflows of resources	(1,988,674)
OPEB expense/expenditures	12,361,610

##### 1. Plan description:

Eligibility and the amount of benefits paid by the City for Other Post-Employment Benefits (OPEB) vary by retirement group. Each plan provides medical benefits to eligible retired City employees and beneficiaries. The City contributes to multiple retirement systems including the Tacoma Employees' Retirement System Fund (TERS), a cost sharing-multi employer plan; 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. 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.

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 established by state statute of the State of Washington through the Department of Retirement Systems, per RCW 41.26. LEOFF Plan 1 is closed to new entrants. For the Railroad Retirement System, these are administered by Federal statute under the Railroad Retirement Act (45 U.S.C. 231 et seq.) and authority resides by these Federal statutory provisions.

Financial reports for the LEOFF Plans and Railroad Retirement System plans are available at the addresses below. These reports may be obtained by writing at the following addresses:

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

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



## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

Benefit payments are recognized when due and payable in accordance with benefit terms. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes, and is administered by the City of Tacoma's Human Resources Department. The membership in the program is as follows:

	<b>Non-LEOFF 1 as of January 1, 2017</b>	<b>LEOFF 1 As of January 1, 2018</b>	<b>Total</b>
Inactive employees or beneficiaries currently receiving benefits	255	406	661
Inactive employees entitle to but not yet receiving benefits	476	0	476
Active employees	3,490	1	3,491
<b>Total</b>	<b>4,221</b>	<b>407</b>	<b>4,628</b>

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

#### **2. Actuarial Assumptions and Other Inputs:**

The Valuation Date is January 1, 2017 for non-LEOFF 1 members and January 1, 2018 for LEOFF 1 members. This is the date as of which the census data was gathered and the actuarial valuation was performed. The Measurement Date is December 31, 2017. The Reporting Date is December 31, 2018. This is also the City's fiscal year ending date.

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rates below, and then projected to the measurement dates. There have been no significant changes between the valuation date and fiscal year ends. If there were significant changes, an additional analysis or valuation might be required.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

	Non-LEOFF 1	LEOFF 1																					
Valuation Date	January 1, 2017	January 1, 2018																					
Measurement Date	December 31, 2017	December 31, 2017																					
Actuarial Cost Method	Entry Age Normal	Entry Age Normal																					
Discount Rate – based on 20 Year Tax-Exempt Municipal Bond Yield with an average rating of AA/Aa or higher at the Measurement Date	3.44%	3.44%																					
Funding Plan	Pay-as-you-go	Pay-as-you-go																					
Medical Cost Trends	2017 9.1% 2018 6.4% 2019 5.8% 2020 5.3% 2030 5.4% 2040 5.5% 2050 5.2% Grading down to an ultimate rate of 4.4% in 2073. The trends above do not reflect increases in costs due to excise tax.	<table> <tr> <th></th><th>Pre-65</th><th>Post-65</th></tr> <tr> <td>2018/19</td><td>5.8%</td><td>5.5%</td></tr> <tr> <td>2019/20</td><td>5.3%</td><td>5.2%</td></tr> <tr> <td>2020/21</td><td>4.9%</td><td>4.9%</td></tr> <tr> <td>2021/22</td><td>4.9%</td><td>4.8%</td></tr> <tr> <td>2022/23</td><td>4.8%</td><td>4.8%</td></tr> <tr> <td>2023/25</td><td>4.8%</td><td>4.7%</td></tr> </table> Grading down to an ultimate rate of 3.8% in 2074. The trends above do not reflect increases in costs due to excise tax.		Pre-65	Post-65	2018/19	5.8%	5.5%	2019/20	5.3%	5.2%	2020/21	4.9%	4.9%	2021/22	4.9%	4.8%	2022/23	4.8%	4.8%	2023/25	4.8%	4.7%
	Pre-65	Post-65																					
2018/19	5.8%	5.5%																					
2019/20	5.3%	5.2%																					
2020/21	4.9%	4.9%																					
2021/22	4.9%	4.8%																					
2022/23	4.8%	4.8%																					
2023/25	4.8%	4.7%																					
Dental Trend	Not applicable	Minimum of 4% and Medical Trend.																					
Long-Term Care Inflation Rate	Not applicable	4.5%																					
Participation Assumption	100% Rail employees eligible for City-paid retiree medical benefits.  25% of TERS and LEOFF 2 active employees who are not eligible for benefits paid entirely by the City.  5% of terminated vested members.	100% participation																					
Experience Study Dates	2012-2015	2007-2012																					
<b>Demographic Assumptions (Eligibility):</b>																							
Disability	Five years of service are required for non-service connected disability.	For a duty disability, employee is eligible after six-month waiting period (RCW 41.18.050). For non-duty disability, employee eligible after 90-day waiting period (RCW 41.18.080).																					

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

	Non-LEOFF 1	LEOFF 1
Retirement	<p>TERS members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits).</p> <ul style="list-style-type: none"> <li>- 30 years of service</li> <li>- 60 years of age</li> <li>- Age + Service = 80 years</li> <li>- Age 55 with 10 service years</li> <li>- Age 40 with 20 service years</li> </ul> <p>LEOFF 2 members are eligible for retiree medical benefits after achieving one of the following:</p> <ul style="list-style-type: none"> <li>- Age 53 with 5 service years</li> <li>- Age 50 with 20 service years</li> </ul> <p>Certain Rail employees and their spouses are entitled to employer-paid retiree medical benefits until age 65 when retiring at age 60 with 30 service years.</p>	Members are eligible to receive lifetime medical benefits upon service retirement after age 50 with at least five years of service. If they are not eligible to retire at time of termination but have 20 years of service credit, they are eligible for medical benefits when pension benefits commence.
<b>Mortality:</b>		
Active Members	RP-2014 Employee Tables for respective sexes, projected with a unisex table based on Social Security Administration data from the most recent 60 years available (adopted 1/1/2017).	RP-2000 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.
Male Inactive Members, Retired Members, and Beneficiaries	RP-2014 Mortality Table for Males, blended 50% Blue Collar and 50% White Collar, projected with a unisex table based on Social Security Administration data from the most recent 60 years available (adopted 1/1/2017).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males.
Female Inactive Members, Retired Members, and Beneficiaries:	RP-2014 Blue Collar Mortality for Females, projected with a unisex table based on Social Security Administration data from the most recent 60 years available (adopted 1/1/2017).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set forward one year for females.
Disabled Members	RP-2014 Disabled Male Mortality projected with unisex table based on Social Security Administration data from the most recent 60 years available (adopted 1/1/2017).	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set forward two years for disabled members.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### 3. Sensitivity Analysis:

The following represents the total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates. See the Medical Cost Trends provided in the table above.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$194,295,536	\$220,811,987	\$252,553,115

The following represents the total OPEB liability of the City, calculated using the discount rate of 3.44%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that are one percentage point lower (2.44%) or one percentage point higher (4.44%) than the current trend rates.

	1% Decrease 2.44%	Discount Rate 3.44%	1% Increase 4.44%
Total OPEB Liability	\$251,108,907	\$220,811,987	\$195,695,862

#### 4. Changes in the Total OPEB Liability:

Changes in the Total OPEB Liability for reporting period ending December 31, 2018, are as follows:

	Increase (Decrease) Total OPEB Liability
Total OPEB Liability at beginning of period	\$209,227,341
Changes for the year:	
Service cost	3,010,110
Interest on total OPEB liability	7,866,185
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	9,060,421
Expected benefit payments	(8,352,070)
Total OPEB Liability at end of period	\$220,811,987

There was a change in assumption as the discount rate was updated to 3.44% from 3.78%.

The total OPEB liability of \$220,811,987 was determined by an actuarial valuation as of the valuation dates of January 1, 2017 and 2018, calculated based on the discount rate of 3.44%, and then projected to the measurement date of December 31, 2017. The City recognized an OPEB expense of \$12,361,610. The OPEB expense for December 31, 2018 financial reporting period is as follows:

	OPEB Expense
Service cost	\$3,010,110
Interest on total OPEB liability	7,866,185
Effect of plan changes	-
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	-
Recognition of assumptions changes or inputs	1,485,315
OPEB Expense	\$12,361,610

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-	\$-
Changes of assumptions	7,575,106	-
Changes in proportionate share	1,157,567	(1,157,567)
Difference in contributions	831,107	(831,107)
Payments subsequent to the measurement date	8,670,595	-
<b>TOTAL</b>	<b>\$18,234,375</b>	<b>(\$1,988,674)</b>

Deferred outflows of resources of \$8,670,595 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2019	\$1,485,315
2020	1,485,315
2021	1,485,315
2022	1,485,315
2023	1,485,315
Thereafter	\$148,531

#### 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.

GASB Statement No. 75 indicates 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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### Note 5 – 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 2018 contribution limits are \$18,500 for regular deferral, \$37,000 for pre-retirement and \$24,500 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	2,075,140	13,900,338	1,073,654	17,049,132
457 deferred compensation	Nationwide	1,348,673	2,417,884	81,303	3,847,860
Total		<u>\$ 3,423,813</u>	<u>\$ 16,318,222</u>	<u>\$ 1,154,957</u>	<u>\$ 20,896,992</u>

#### Note 6 – 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, 2018.

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	\$ 4	\$ -	\$ 2,889	\$ -	\$ -	\$ 563	\$ 38	\$ 102	\$ 54	\$ 3,650
Trans Cap & Engineer Fund	-	-	48	-	-	-	-	-	42	90
Non-major Governmental Funds	287	305	618	2	51	30	5	145	680	2,123
Solid Waste Fund	1	-	27	-	-	-	170	268	-	466
Waste Water Fund	7	-	18	51	-	-	390	40	50	556
Tacoma Water Fund	-	-	4	18	-	164	1,144	236	-	1,566
Tacoma Power Fund	-	-	10	-	-	-	-	194	3	207
Non-major Enterprise Funds	177	-	101	-	47	-	62	46	16	449
Internal Service Funds	11	-	4	-	-	-	33	39	-	87
Total	<u>\$ 487</u>	<u>\$ 305</u>	<u>\$ 3,719</u>	<u>\$ 71</u>	<u>\$ 98</u>	<u>\$ 757</u>	<u>\$ 1,842</u>	<u>\$ 1,070</u>	<u>\$ 845</u>	<u>\$ 9,194</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

The composition of interfund advances to and from other funds balances at December 31, 2018 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	\$400	\$0	\$400
Total	\$400	\$0	\$400

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

\$399,992 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, 2018 is as follows:

Interfund Transfers  
(amounts expressed in thousands)

	Transfer In									
	General Fund	Trans Capital & Engineering	Non-Major Governmental Funds	Wastewater & Surface Water	Tacoma Water	Tacoma Power	Non-Major Enterprise Funds	Internal Service Funds	Transfer Out Total	
Transfer Out										
General Fund	\$ 250	\$ -	\$ 23,332	\$ -	\$ -	\$ -	\$ 5,848	\$ 4,217	\$ 33,647	
Trans Capital & Engineering	-	-	120	-	-	-	-	-	120	
Non-Major Governmental Funds	307	4,742	42,939	228	70	223	6,880	1,777	57,166	
Solid Waste	4,208	-	1,403	-	-	-	-	230	5,841	
Wastewater & Surface Water	7,085	-	2,403	-	-	-	-	-	9,488	
Tacoma Water	5,781	-	1,915	-	-	-	-	-	7,696	
Tacoma Power	27,442	-	6,943	-	-	-	-	-	34,385	
Non-Major Enterprise Funds	2,063	-	3,238	327	-	-	325	25	5,978	
Internal Service Funds	-	-	605	28	-	-	-	202	835	
Transfer In Total	\$ 47,136	\$ 4,742	\$ 82,898	\$ 583	\$ 70	\$ 223	\$ 13,053	\$ 6,451	\$ 155,156	

The information below provides detail of the interfund transfer transactions:

\$250,000 was transferred from the General Fund to the General Fund for Contingency

\$4,217,177 was transferred from the General Fund to Internal Service funds for services and projects.

\$23,331,956 was transferred from the General Fund to Non-Major Governmental Funds for grant matches, debt service, capital projects, non-capital projects and regular operations

\$5,847,473 was transferred from the General Fund to Non-Major Enterprise Funds for contributions to support debt services payments, capital projects and regular operations

\$120,276 was transferred from the Trans Capital & Engineering Fund to Non-Major Governmental Funds for capital projects.

\$4,208,348 was transferred from the Solid Waste Fund to the General Fund for Gross Earnings Tax.

**Notes to the Financial Statements  
For the Year Ended December 31, 2018**

---

\$230,068 was transferred from Solid Waste to Internal Service Funds to support Asphalt Plant.

\$1,402,782 was transferred from the Solid Waste Fund to Non-Major Governmental Funds for Gross Earnings Tax.

\$7,084,363 was transferred from the Waste Water Fund to the General Fund for Gross Earnings Tax.

\$2,403,454 was transferred from the Waste Water Fund to the Non-Major Governmental Funds for Gross Earnings Tax

\$5,781,019 was transferred from the Water Fund to the General Fund for Gross Earnings Tax.

\$1,913,393 was transferred from the Water Fund to the Non-Major Governmental Funds for Gross Earnings Tax

\$27,441,557 was transferred from the Power Fund to the General Fund for Gross Earnings Tax.

\$6,943,400 was transferred from the Power Fund to the Non-Major Governmental Funds for special revenues.

\$28,500 was transferred from the Internal Service Funds to Waste Water Fund for capital assets

\$201,485 was transferred from the Internal Service Funds to Internal Service Fund for regular operations.

\$605,388 was transferred from the Internal Service Funds to Non-Governmental Funds for regular operations.

\$307,250 was transferred from the Non-Major Governmental Funds to the General Fund to fund emergency medical services and fire management analyst.

\$4,741,904 was transferred from the Non-Major Governmental funds to the Trans Capital & Engineering Fund for capital projects.

\$227,678 was transferred from the Non-Major Governmental Funds to Wastewater & Surface Water Fund for the streets Initiative Green Projects

\$70,350 was transferred from the Non-Major Governmental Funds to Water Fund for capital projects

\$223,114 was transferred from the Non-Major Governmental Funds to Power Fund for capital projects

\$1,776,577 was transferred from the Non-Major Governmental Funds to Internal Services Funds for facilities and equipment.

\$42,939,566 was transferred from the Non-Major Governmental funds to Non-Major Governmental Funds for various capital projects and debt service payments.

\$6,880,681 was transferred from the Non-Major Governmental funds to Non-Major Enterprise funds for capital projects and debt service payments.

\$2,063,145 was transferred from the Non-Major Enterprise Funds to the General Fund for Gross Earnings Tax.

\$326,833 was transferred from the Non-Major Enterprise Funds to Wastewater & Surface Water Fund for capital projects

\$25,000 was transferred from the Non-Major Enterprise Funds to Internal Services Funds for facilities and equipment.



## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

\$3,238,233 was transferred from the Non-Major Enterprise Funds to Non-Major Governmental Funds for Gross Earnings Tax and debt service payments.

\$325,000 was transferred from the Non-Major Enterprise Funds to Non-Major Enterprise Funds for capital projects.

#### Note 7 – OTHER INFORMATION

##### A. Accounting changes

Effective for the fiscal year 2018, the City implemented the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

*GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The objective of this statement is to improve accounting and financial reporting for postemployment benefits other than pensions. It replaces the requirement of GASB statements No. 45 and No. 57. Specifically, this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. It identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefits payments to their actuarial present value, and attribute that present value to periods of employee service. Requirements were also established for note disclosures and required supplemental information. The City has made the required adjustments as prescribed by GASB Statement No. 75. As a result of this implementation the Net OPEB Obligation was replaced by the Total OPEB Liability resulting in a decrease in beginning net position of \$109,463,000. The beginning net position for governmental activities was decreased by \$99,630,000 and for business-type activities was decreased by \$9,833,000.

Solid Waste, Wastewater & Surface Water, Tacoma Water, Tacoma Power and Tacoma Rail issue separate, audited standalone comparative financial statements for the years ended December 31, 2018 and 2017. GASB 75 requires retroactive implementation. For standalone statements it requires the restatement of all presented periods. This resulted in a change in the beginning fund balances for January 1, 2018 on the face of the standalone statements. However, since the City does not present comparable financial statements, the net effect of the accounting change related to the above mentioned funds are reflected in the Change in Accounting Principle instead of restating the January 1, 2018 beginning balance.

*GASB Statement No. 85 – Omnibus 2017.* The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. It addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (both pensions and other postemployment benefits other than pensions). Where applicable, the City has made the required adjustments as prescribed by GASB Statement No. 85.

*GASB Statement No. 86 – Certain Debt Extinguishment Issues.* The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which existing resources are placed into an irrevocable trust for the sole purpose of extinguishing debt. It improves the accounting and financial reporting for prepaid insurance on debt that is extinguished and improves the required note disclosures for debt that is defeased in substance. The City has made the required adjustments as prescribed by GASB Statement No. 86.

##### 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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, except a \$5,000,000 self-insured retention applies to Law Enforcement Liability claims. This policy renews on May 1 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—2018, 2017, and 2016.

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	
	2018	2017	2018	2017	2018	2017
Balance 01/01	\$ 28,700	\$ 21,502	\$ 5,084	\$ 5,681	\$ 5,878	\$ 4,827
New Claims	875	1,191	1,791	2,320	1,254	969
Adjustments to Claims	3,419	10,380	3,435	1,419	(2,131)	1,499
Claims Payment	(4,280)	(4,373)	(5,261)	(4,336)	171	(1,417)
Balance 12/31	\$ 28,714	\$ 28,700	\$ 5,049	\$ 5,084	\$ 5,172	\$ 5,878

### 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, 2018 financial statements, prior period adjustments were made.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### Governmental Funds:

Fund Name	Description
General Fund # 0010	Beginning net position increased by \$373,550 from accrual, replacement expenditures, and prepaid postage.
Transportation Capital and Engine #1060	Beginning net position decreased by \$853,871 from allowance for uncollectible account, revenue, and capital expenditure.
Special Funds # 1090 and # 1650	Beginning net position increased by \$69,108 from grant revenue and expenditure accrual.
Capital Project Fund # 3218	Beginning net position increased by \$1,679 from capital outlay and accrual of expenditure

#### Enterprises Funds

Fund Name	Description
Fund #4110	Beginning net position decreased by \$123,154 from correction of revenues
Fund #4140	Beginning net position increased by \$888,147 from correction of revenues and reclassified depreciation
Fund #4170	Beginning net position decreased by \$313,905 from reclassified depreciation
Fund #4180	Beginning net position decreased by \$57,243 from reclassified depreciation
Fund #4190	Beginning net position decreased by \$48,695 from reclassified depreciation
Fund #4200	Beginning net position decreased by \$119,028 from adjustment of OPEB - GASB 75
Fund# 4300	Beginning net position decreased by \$740,773 from adjustment of OPEB - GASB 75
Fund #4450	Beginning net position decreased by \$9,308,463 from adjustment of OPEB - GASB 75
Fund #4600	Beginning net position increased by \$129,846 from adjustment of OPEB - GASB 75
Fund \$4700	Beginning net position increased by \$204,841 from adjustment of OPEB - GASB 75

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

#### Internal Service Funds

<u>Fund name</u>	<u>Description</u>
Fund #5540	Beginning net position decreased by \$290,664 from reclassified depreciation
Fund #5700	Beginning net position decreased by \$1,398,481 from reclassified depreciation
Fund #5800	Beginning net position decreased by \$661,275 from reclassified depreciation

#### 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:

<u>Activity</u>	<u>Amount</u>	<u>Description</u>
Governmental	\$ (2,760)	General Fund, Trans Capital and Engineering, Fire, Traffic Enforcement, and LTGO Capital
Business	(11,265)	Permit Services, Parking Garage, Solid Waste, Waste Water, Rail, Water, and Power
Total	<u>\$ (14,025)</u>	

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### D. Segment Information

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

*(Amounts expressed in thousands)*

CONDENSED STATEMENT OF NET POSITION	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Assets:			
Current assets	\$ 2,595	\$ 1,983	\$ -
Accounts receivable (net)	640	227	4,052
Prepayments	23	55	-
Restricted assets	3,495	2,012	1,997
Capital assets (net)	47,429	56,511	-
Other non-current assets	150	318	11,378
Total assets	54,332	61,106	17,427
Deferred outflow of resources	193	3,028	-
Liabilities:			
Current liabilities	2,139	4,552	4,287
Due to other funds	9	5	-
Net pension liabilities	-	-	-
Non-current liabilities	8,538	59,977	12,212
Total liabilities	10,686	64,534	16,499
Deferred inflow of resources	314	385	-
Net position			
Net investment in capital assets	37,241	(4,175)	-
Restricted	3,495	2,222	1,997
Unrestricted	2,789	1,168	(1,069)
Total Net Position	\$ 43,525	\$ (785)	\$ 928

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

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

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Operating revenues	\$ 7,519	\$ 3,272	\$ -
Depreciation expense	(1,363)	(4,869)	-
Other operating expenses	(3,702)	(1,927)	(4)
Operating income	2,454	(3,524)	(4)
Nonoperating revenues (expenses)			
Tax	-	10	-
Interest revenue	167	69	5
Interest expense	(280)	(2,363)	(1,214)
Other nonoperating revenues(expenses)	(434)	2,427	1,214
Capital contributions	-	1,521	-
Transfers	(1,530)	5,592	-
Change in net position	377	3,732	1
Beginning net position	44,036	(4,517)	927
Prior period adjustments	(888)	-	-
Ending net position	\$ 43,525	\$ (785)	\$ 928

#### CONDENSED STATEMENT OF CASH FLOW

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Net cash provided (used) by:			
Operating activities	\$ 1,877	\$ (1,191)	\$ 3,973
Noncapital financing activities	2	4,455	-
Capital and related financing activities	(4,602)	(1,194)	(3,974)
Investing activities	167	69	5
Net increase (decrease)	(2,556)	2,139	4
Beginning cash and cash equivalents	8,645	1,854	1,993
Ending cash and cash equivalents	\$ 6,089	\$ 3,993	\$ 1,997

- Parking Garage fund (#4140) accounts for the City's parking facilities.
- Convention Center fund (#4165) accounts for activities associated with operating the Convention Center.
- Union Station fund (#4450) accounts for the thirty-year lease with the Federal Government who uses Union Station as a Federal Courthouse.

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

#### E. Tax expense – Utility Funds

The taxes expense shown in the statements for Enterprise Funds consists primarily of an 8.0% tax upon gross earnings for Tacoma Water, Tacoma Rail, Surface Water, Waste Water, and Solid Waste and a 7.5% tax upon gross earnings for Tacoma Power which is paid to the General Fund. Non-governmental utilities also pay gross earnings tax at the following rates: Natural Gas, 7.5%; Cable TV, 8.0%; Electricity, 7.5%; Solid Waste Collection, 8% and Telephone, 7.5%.

#### F. Results of operations of joint ventures

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

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

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

Joint Venture (amounts expressed in thousands)		
	<u>SOUTH SOUND 911</u>	<u>HEALTH DEPARTMENT</u>
Balance Sheet Date	12/31/2017	12/31/2017
Total Assets	\$ 22,280	\$ 12,860
Capital Assets (net of accumulated depreciation)	7,023	698
Deferred Outflows	2,834	7,508
Total Liabilities	2,684	3,501
Non-current Liabilities	13,936	7,305
Deferred Inflows	2,426	1,584
Total Net Position	13,091	8,676
 Total Revenues	 39,323	 32,849
Total Expenditures/Expenses	39,800	33,529
Net Increase/(Decrease) in Net Assets	(477)	(680)
 City Contribution	 7,528	 1,161

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 8 – 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

the statements of the appropriate fund in the year when such a determination is made. See Note 7B for risk management information.

The City has entered into interlocal agreements with the Tacoma-Pierce County Health Department. If, in fact, this entity was 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.

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, 2018. The projects include street and capital project constructions for improvements of existing streets and bridges or new bridges. At year-end the City's major commitments with the contractors are as follows: (amounts expressed in thousands)

Project	Authorized	Spent-to-date	Remaining Commitment
2018 Pavement Preservation Project	-	706,638	(706,638)
Capital Sidewalk Program Package 2	223,523	159,409	64,114
Citywide Guardrail	227,722	-	227,722
Citywide LED Streetlight Installation	1,548,300	1,261,595	286,705
E. 25th Street Improvements	-	728,120	(728,120)
Homeless Encampment Civil Site Work	-	142,351	(142,351)
Historic Water Ditch Trail IV	2,100,000	1,842,668	257,332
N. 21st Street Pedestrian Crossing Improvements	781,010	243,207	537,803
On-Call Building Demolition	505,078	320,946	184,132
On-Call Nuisance Abatement Services	635,357	-	635,357
On-Call Securing Properties	424,155	-	424,155
Pedestrian Accessibility Improvements	646,659	585,696	60,963
Pipeline Trail Phase 2	2,726,445	2,157,639	568,806
Puyallup River Bridge F-16 A & B	30,650,000	25,282,934	5,367,066
South 38th Streetscapes (Lincoln Business District)	5,679,656	5,738,329	(58,673)
South Stevens/Tyler/66th Bike & Pedestrian Connector	1,407,434	1,173,487	233,947
Streets Initiative Package #3	2,783,718	2,301,947	481,771
Streets Initiative Package #5	4,281,190	3,771,302	509,888
Streets Initiative Package #6	4,092,639	1,860,466	2,232,173
Streets Initiative Package #8	1,079,109	873,665	205,444
Streets Initiative Package #9	1,275,599	1,154,265	121,334
Streets Initiative Package #11	2,344,276	1,755,339	588,937
Streets Initiative Package #12	1,658,661	1,181,313	477,348
Yakima Streetscape	2,436,459	1,970,013	466,446
	<u>\$ 67,506,990</u>	<u>\$55,211,329</u>	<u>\$ 12,295,661</u>



## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

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.

#### C. Tax Abatements

As of December 31, 2018, 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 2018 is .015762107 of assessed value. The City of Tacoma receives 21.012% 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 .015762107 of assessed value. The City of Tacoma receives 21.012% 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:

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

3. Manufacturing facilities in counties with high unemployment rates are allowed to defer sales and use tax. This program was established under the Washington State RCW Chapter 82.60, Tax Deferrals for Investment Projects in Rural Counties. The City of Tacoma's data is confidential and cannot be disclosed.
4. The Multi-Unit Urban Housing Exemption encourages increased residential opportunities, including affordable housing opportunities, in cities that are required to plan or choose to plan under the growth management act within urban centers where the governing authority of the affected city has found there is insufficient housing opportunities, including affordable housing opportunities. It also encourages the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers having insufficient housing opportunities that will increase and improve residential opportunities, including affordable housing opportunities within these urban centers. This program was established under the Washington State RCW 84.14, New and Rehabilitated Multiple-Unit Dwellings in Urban Centers.

Information relevant to the disclosure of those programs under contract with the City of Tacoma for the fiscal year ended December 31, 2018 is:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated in Thousands</u>
Multifamily Property Tax Exemption	\$ 1,132
Special Valuation Tax Exemption	\$ 176
Multi-Unit Urban Housing Exemption	\$ 510

#### **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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

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 \$15,724,975 as landfill post-closure care liability as of December 31, 2018 based on 100% use of the total capacity of the Tacoma Landfill. This compares to \$16,354,014 at December 31, 2017 based on 100% of capacity. Actual care costs may be higher or lower due to inflation, changes in technology, or changes in regulations. The City will be responsible for the costs of additional work if migration of pollutants from the site is not completely controlled by current remedial actions. To meet the previous requirements of State and Federal laws and regulations, contributions were made to a reserve for financing closure costs.

#### **E. Potential environmental contamination or utility claims or suits**

***Solid Waste (#4200) Landfill Clean Air Act Enforcement Action*** - Puget Soundkeeper Alliance v City of Tacoma, Clean Water Act Litigation; Federal District Court, Western District Wash., Case No. 3:16-cv-05195-RBL. On January 14, 2016, the City of Tacoma received a notice of Intent to Sue from Puget Soundkeeper Alliance ("Soundkeeper"). The Notice was filed pursuant to 33 U.S.C. Section 1365 of the Clean Water Act. This act allows third parties to bring claims against municipalities for violation of National Pollution Discharge Elimination System ("NPDES") Permits and order issued pursuant to the Clean Water Act. Plaintiffs filed suit against the City on March 15, 2016. A consent decree was filed February 9, 2017 settling all claims. The Consent Decree includes on-going obligations of the City to update its pretreatment program which the City has undertaken. The Consent Decree will terminate on May 11, 2019.

Because of the nature of its activities, the Division is subject to various pending and threatened legal actions, which arise in the ordinary course of business. The Division believes, based on the 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 Division, but could be material to results of operations or cash flows for a particular annual period. No assurance

#### **Note 9 – 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 (PCRCD) LLC to accept organic material collected by the City curbside or delivered to the City's

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

landfill for processing into compost. Under the agreement, which has two 5-year renewal options, PCRCD will charge a base rate per ton for the organic waste it receives from the City. This price may be adjusted beginning on the second anniversary of the agreement, and thereafter annually based on the Seattle-Tacoma-Bremerton CPI. The agreement also includes a revenue sharing component. 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 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 2018 and 2017 is liabilities of \$196,673. 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 2019.

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. Included in the financial statements for the years 2018 and 2017 are liabilities of \$1,050,662 and \$1,129,000 respectively.

**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 2018 and 2017 are liabilities of \$987,500 and \$400,000 respectively.

**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

## Notes to the Financial Statements

### For the Year Ended December 31, 2018

---

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 fully executed in 2018 and work has commenced.

**Tacoma Rail (#4500) Western Metal Industry Pension Fund (WMIPF) Withdrawal** - On December 11, 2018 the Tacoma City Council approved the collective bargaining agreements for the International Association of Machinists and Aerospace Workers District Lodge 160, Local Lodge 297 covering City of Tacoma Rail Mechanics and Track Workers. Contained in these agreements were a call for cessation of the participation in the Western Metal Industry Pension Fund (WMIPF). The contributions submitted for the December 31, 2018, payroll was the final contributions made on behalf of the employees in those two units.

WMIPF remains in "critical" status in the Plan Year ending December 31, 2017 after being certified as "critical" in the 2010 Plan Year. WMIPF provided the City of Tacoma with a Partial Withdrawal Liability Estimate for the Rail Mechanics and Track Workers. Because the withdrawal of these two bargaining units constitutes a partial withdrawal of the City of Tacoma controlled group a final partial withdrawal liability assessment cannot be completed until made available by WMIPF in 2020. The cause of the delay is due to the calculation requiring the use of contributory base unit data for the 2019 Plan Year.

In accordance with GASB 78 the Rail Division has recognized a liability in the amount of \$2,320,000 as the expected loss is both probable and reasonably estimated.

**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, 2018 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$9.1 million.

**Tacoma Water (#4600) Muckleshoot Indian Tribe Settlement** – A mutually beneficial settlement agreement was reached with the Muckleshoot Indian Tribe in 1995. The settlement package has a cost of approximately \$30 million and includes five basic elements: 1) building a fish restoration facility and annual operation and maintenance of that facility, or in the alternative, providing \$12 million (indexed at 1995 dollars) into a fish restoration fund; 2) providing for enhanced flows in the Green River; 3) transferring certain lands; 4) establishing a trust fund payable over 40 years which is intended to provide for the general welfare, 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 Water (#4600) General Legal Matters** - The Water Division has received several other miscellaneous claims or litigation that either do not allege material amounts or that the Legal Department has determined do not pose a risk of liability to the Utility.

#### 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 10 – SUBSEQUENT EVENTS

There are no subsequent events for 2018.

**NOTE 11**  
CHANGES IN LONG TERM DEBT  
(all dollar values in thousands)

NOTES TO THE FINANCIAL STATEMENTS  
FOR DECEMBER 31, 2018

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01/01/18	ISSUED 2018	REDEEMED 2018	AMOUNT O/S 12/31/18
<b>GENERAL OBLIGATION BONDS, LOANS, &amp; NOTES</b>									
Unlimited General Obligation Bonds									
Genl Obl Bonds 2010	Refunding 2002 Bonds	11/10/10	2011 - 2022	21,870	2.6323	12,015		2,190	9,825
Subtotal Unlimited (Voted)						<b>12,015</b>	<b>0</b>	<b>2,190</b>	<b>9,825</b>
Limited General Obligation Bonds									
Ltd. Genl Obl Bonds 1997 Ser B	Capital Improvements	08/05/97	2008 - 2018	16,100	5.4554	783		783	0
Ltd. Genl Obl Bonds 1997 Ser B Acreted Interest		08/06/97	2008 - 2019	16,100	5.4554	1,612	135	1,747	0
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011 - 2035	15,380	5.8600	14,235		285	13,950
Ltd. Genl Obl Bonds 2009B Dock & Salishan	Capital Improvements	12/17/09	2035	3,320	3.5400	3,320			3,320
Ltd. Genl Obl Bonds 2009C Cheney	Capital Improvements	12/17/09	2034	4,975	4.8800	4,975			4,975
Ltd. Genl Obl Bonds 2009E Multiple Projects	Capital Improvements	12/17/09	2026 - 2035	13,526	5.7500	13,526			13,526
Ltd. Genl Obl Bonds 2009E Acreted Interest		12/18/09	2026 - 2036	13,526	5.7500	7,620	1,222		8,842
Ltd. Genl Obl Bonds 2009F Cheney & Env Remε	Capital Improvements	12/17/09	2023 - 2026	6,681	7.2020	6,681			6,681
Ltd. Genl Obl Bonds 2009F Acreted Interest		12/18/09	2023 - 2027	6,681	7.2020	5,010	852		5,862
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 1997B, 2001, 2004,	11/10/10	2015 - 2022	7,355	2.7966	4,130		1,185	2,945
Ltd. Genl Obl Bonds 2010C Refunding Bonds	Refund 2001, 2007, 2009 L	11/10/10	2015 - 2022	7,355	3.8076	4,820		895	3,925
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015 - 2033	30,225	5.0399	26,440		1,310	25,130
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015 - 2040	9,130	5.7155	8,380		265	8,115
Ltd. Genl Obl Bonds 2013 Refunding Bonds	Refund 2001 & 2004	03/05/13	2015 - 2034	44,170	3.1768	39,810		1,610	38,200
Ltd. Genl Obl Bonds 2015A Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2036	12,735	3.2066	12,315		420	11,895
Ltd. Genl Obl Bonds 2015B Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2027	20,215	2.8933	19,685		705	18,980
Ltd. Genl Obl Bonds 2017 - Tacoma Dome	Capital Improvements	12/12/17	2018 - 2037	25,295	3.2114	25,295		955	24,340
Subtotal Limited (Councilmanic)						<b>198,637</b>	<b>2,209</b>	<b>10,160</b>	<b>190,686</b>
Washington State Public Works Trust Fund Loan									
CTED PWTF No. 98-791-065	Capital Improvements	08/17/98	1999 - 2018	9,000	1.0000	541		541	0
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004 - 2024	4,500	0.5000	3,993		570	3,423
Subtotal Washington State Loan (Councilmanic)						<b>4,534</b>	<b>0</b>	<b>1,111</b>	<b>3,423</b>
Total General Obligation Bonds, Loans, & Notes						<b>215,186</b>	<b>2,209</b>	<b>13,461</b>	<b>203,934</b>

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01/01/18	ISSUED 2018	REDEEMED 2018	AMOUNT O/S 12/31/18
ENTERPRISE REVENUE BONDS, LOANS, & NOTES									
Greater Tacoma Convention Center									
Tac CC & Parking Rev/Ref Bonds, Series 2010	Refunding 2004 Bonds	11/10/10	2015 - 2024	5,015	3.7656	3,765		465	3,300
Tac CC & Parking Rev/Ref Bonds, Series 2015	Refunding 2004 Bonds	08/14/15	2015 - 2024	20,453	2.3304	14,696		1,980	12,716
	Subtotal Convention Center					18,461	0	2,445	16,016
Wastewater Utility									
State Revolving Fund (SRF) Loan #40006A	Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	30,929		2,740	28,189
State Revolving Fund (SRF) Loan #40006B	Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	13,169		1,105	12,064
Sewer Rev & Ref Bonds 2006	Improvements/Refunding	06/29/06	2006 - 2036	55,000	4.8852	5		5	0
Sewer Rev & Ref Bonds 2011	Refunding	10/12/11	2022 - 2031	34,315	3.8768	34,315		34,315	0
Sewer Rev & Ref Bonds 2015	Refunding	03/18/15	2016 - 2045	109,300	3.5358	106,365		1,765	104,600
Sewer Rev & Ref Bonds 2016A	Refunding	06/15/16	2016 - 2038	31,855	2.8277	30,355		1,010	29,345
Sewer Rev & Ref Bonds 2016B	Refunding	06/15/16	2017 - 2020	11,865	1.3269	9,700		2,250	7,450
Sewer Revenue Bonds 2018 Waste I	Improvements	11/28/18	2019 - 2048	43,460	3.9387	43,460			43,460
Sewer Revenue Bonds 2018 Waste II	Improvements	11/28/18	2019 - 2031	6,115	3.0387	6,115			6,115
	Subtotal Sewer					224,838	49,575	43,190	231,223
Surface Water Utility									
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	345		23	322
Sewer Revenue Bonds 2018 Surface I	Improvements	11/28/18	2019 - 2048	26,930	3.9387	26,930			26,930
Sewer Revenue Bonds 2018 Surface II	Improvements	11/28/18	2019 - 2031	24,440	3.0387	24,440			24,440
	Subtotal Surface Water					345	51,370	23	51,692
Solid Waste Utility									
Solid Waste Revenue Bonds, 2015	Capital Improvements	03/18/15	2017 - 2025	21,095	2.1375	19,135		2,060	17,075
Solid Waste Rev/Ref Bonds, 2016A	Refunding	06/15/16	2031 - 2036	23,200	3.4260	23,200			23,200
Solid Waste Rev/Ref Bonds, 2016B	Refunding	06/15/16	2026 - 2031	15,025	2.9985	15,025			15,025
	Subtotal Refuse					57,360	0	2,060	55,300
Electric System									
Electric System 2010B Rev Bonds (BABS)	Capital Improvements	07/27/10	2031 - 2035	147,070	3.9071	147,070			147,070
Electric System 2010C Rev Bonds (CREBS)	Capital Improvements	07/27/10	2027	24,185	1.9235	24,185			24,185
Electric System 2013A Rev Ref Bonds	Refund & Capital Imp	06/13/13	2014 - 2042	181,610	3.3869	127,160		11,575	115,585
Electric System 2013B Rev Ref Bonds	Refunding	06/13/13	2014 - 2030	35,620	3.3427	35,620			35,620
Electric System 2017 Revenue Bonds	Capital Improvements	09/01/17	2022-2046	70,575		70,575			70,575
	Subtotal Electric System					404,610	0	11,575	393,035

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01/01/18	ISSUED 2018	REDEEMED 2018	AMOUNT O/S 12/31/18
Water System									
PW-DWSRF-00-65120-031	Construction	10/07/02	2003 - 2021	3,060	2.5000	644		161	483
PW -00-691-PRE-115	Construction	04/11/01	2003 - 2021	1,000	0.5000	211		53	158
PW-01-691-061	Construction	08/27/01	2003 - 2021	10,000	0.5000	2,133		533	1,600
PW -01-691-PRE-127	Construction	02/15/02	2003 - 2021	1,000	0.5000	217		54	163
PW-02-691-056	Construction	04/15/02	2004 - 2022	10,000	0.5000	2,656		531	2,125
PW-04-691-PRE-101	Construction	03/19/04	2006 - 2024	1,000	0.5000	374		54	320
Water Sys Ref & Rev Bonds 2005	Construction & Refinance	10/11/05	2006 - 2025	46,550	4.6390	5			5
PW-06-962-043	Construction	07/18/06	2008 - 2026	7,000	0.5000	3,335		370	2,965
Water Sys Rev Bonds 2009 (Taxable BABS)	Capital Improvements	11/04/09	2033 - 2039	76,775	3.7780	76,775			76,775
PC08-951-047	Construction	11/25/09	2010 - 2028	10,000	0.5000	6,005		546	5,459
DM07-952-015	Construction	03/31/10	2010 - 2028	4,040	1.5000	2,366		215	2,151
PW-DWSRF 09-952-074	Construction	04/09/10	2013 - 2032	6,579	1.0000	5,506		367	5,139
Water Sys Rev & Ref Bonds 2010A	Refunding	08/24/10	2012 - 2023	29,100	3.2789	25,825		3,935	21,890
Water Sys Rev Bonds 2010B (BABS)	Construction	08/24/10	2024 - 2040	74,985	5.5636	74,985			74,985
Water RWSS Revenue Bonds 2010A	Construction	08/24/10	2013 - 2024	3,595	3.2460	2,245		290	1,955
Water RWSS Revenue Bonds 2010B (BABS)	Construction	08/24/10	2025 - 2040	44,245	5.5636	44,245			44,245
PW-DWSRF 10-952-026	Construction	06/17/11	2015 - 2034	6,060	1.5000	4,545		303	4,242
PW-DWSRF 11-952-035	Construction	06/30/11	2016 - 2035	6,060	1.5000	1,944		121	1,823
PW-DWSRF 11-952-036	Construction	06/30/11	2016 - 2035	6,060	1.5000	5,454		303	5,151
PC 12-951-017	Construction	07/01/11	2011 - 2031	10,000	0.5000	7,778		556	7,222
PW-DWSRF 12-952-088	Construction	01/22/13	2017 - 2036	12,120	1.5000	10,908		606	10,302
Water Sys Rev Ref Bonds 2013 (RWSS)	Refinance	04/16/13	2013 - 2032	64,795	3.1477	60,165		765	59,400
Water Sys Rev Ref Bonds 2013	Refinance	05/07/13	2013 - 2043	78,305	3.8523	74,355			74,355
PW-DWSRF-13-952-133	Construction	10/07/13	2018 - 2037	12,120	1.5000	10,908		606	10,302
PW-DWSRF-10-952-031	Construction	03/26/14	2015 - 2034	6,060	1.5000	5,178		305	4,873
PW-DWSRF-13-952-167	Construction	11/06/14	2015 - 2037	12,120	1.5000	10,908		606	10,302
Water Sys Ref Bonds 2015A	Refinance	05/12/15	2017 - 2025	16,645	1.9926	13,800		1460	12,340
DM15-952-033	Construction	06/01/14	2016 - 2034	12,120	1.5000	11,482		638	10,844
Subtotal Water System						464,952	0	13,378	451,574

Tacoma Rail									
WA State Rail Loan RR00407 2009	Capital Improvements	08/04/09	2010 - 2024	26	0.0000	12		2	10
WA State Rail Loan RR00408 2009	Capital Improvements	08/04/09	2011 - 2025	249	0.0000	133		17	116
WA State Rail Loan RRB-1007	Capital Improvements	12/06/11	2013 - 2022	450	0.0000	225		45	180
WA State Rail Loan RRB-1010	Capital Improvements	03/28/12	2013 - 2022	612	0.0000	306		61	245
WA State Rail Loan RRB-1011	Capital Improvements	03/28/12	2013 - 2022	349	0.0000	174		35	139
WA State Rail Loan RRB-1026	Capital Improvements	09/06/12	2014 - 2023	347	0.0000	208		35	173
WA State Rail Loan RRB-1030	Capital Improvements	09/06/12	2014 - 2023	364	0.0000	218		36	182
WA State Rail Loan RRB-1045	Capital Improvements	08/01/13	2015 - 2024	823	0.0000	433		62	371
WA State Rail Loan RRB-1046	Capital Improvements	08/01/13	2015 - 2024	250	0.0000	175		25	150
WA State Rail Loan RRB-1052	Capital Improvements	10/24/13	2016 - 2025	366	0.0000	293		37	256
WA State Rail Loan RRB-1053	Capital Improvements	10/24/13	2016 - 2025	773	0.0000	618		77	541
WA State Rail Loan RRB-1054	Capital Improvements	10/24/13	2016 - 2025	1,015	0.0000	884		111	773
WA State Rail Loan RRB-1055	Capital Improvements	10/08/13	2016 - 2025	516	0.0000	413		52	361



NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01/01/18	ISSUED 2018	REDEEMED 2018	AMOUNT O/S 12/31/18
WA State Rail Loan RRB-1086	Capital Improvements	10/27/15	2016 - 2025	1,037	0.0000	728		91	637
WA State Rail Loan RRB-1108	Capital Improvements	07/03/17	2017 - 2026	311	0.0000	281		32	249
WA State Rail Loan RRB-1109	Capital Improvements	09/29/16	2017 - 2026	121	0.0000	109		12	97
WA State Rail Loan RRB-1110	Capital Improvements	09/08/16	2017 - 2026	406	0.0000	365		41	324
WA State Rail Loan RRB-1111	Capital Improvements	01/06/17	2017 - 2026	370	0.0000	333		37	296
WA State Rail Loan RRB-1112	Capital Improvements	12/06/16	2017 - 2026	150	0.0000	135		15	120
Subtotal Tacoma Rail						6,043	0	823	5,220
Lease Revenue									
Lease Revenue Bonds 1990	Construction	03/15/90	1992-2022	36,250	9.3476	13,055		2,455	10,600
Lease Revenue Bonds 1992	Construction	12/15/92	1993-2022	4,695	7.4769	1,580		305	1,275
Subtotal Lease Revenue						14,635	0	2,760	11,875
Total Revenue Bonds						\$1,191,244	\$100,945	\$76,254	\$1,215,935
Total General Obligation & Revenue Bonds						\$1,406,430	\$103,154	\$89,715	\$1,419,869
SPECIAL ASSESSMENT BONDS									
Local Improvement District Bonds									
District #63 Bonds	Construction	09/29/11	2023	1,557	4.1800	307		154	153
District #64 Bonds	Construction	04/05/16		2,341	3.2500	1,830		150	1,680
District #65 Bonds	Construction	04/29/13	2043	30,999	5.7500	24,120		3,015	21,105
Subtotal LID Bonds/Notes						26,257	0	3,319	22,938
Bond Anticipation Notes									
Revolving Line of Credit	LID Construction	07/01/16	At CLID Issue	\$15mm Max	Floating	8,572			8,572
Subtotal Bond Anticipation Notes						8,572	0	0	8,572
Total Special Assessment Bonds						\$34,829	\$0	\$3,319	\$31,510
Wells Fargo Revolving Line of Credit									
	Capital Improvements	05/15/15	5/1/2018	\$100mm Max	0.5000	\$250	\$75,000	\$20,000	55,250
Subtotal Wells Fargo Revolving Line of Credit						250	75,000	20,000	55,250
Total All Bonds						\$1,441,509	\$178,154	\$113,034	\$1,506,629

Notes related to debt increases:

1. Ltd. Genl Obl Bonds 1997 Ser B - Additions represent accreted interest capitalized to bond principal.
2. Ltd. Genl Obl Bonds 2009E Multiple Projects - Additions represent accreted interest capitalized to bond principal.
3. Ltd. Genl Obl Bonds 2009F Cheney & Env Remed - Additions represent accreted interest capitalized to bond principal.
4. PW-DWSRF & DM - Additions for each of these represent an additional draw from available funds.



**Required Supplementary Information****LEOFF 1****Proportionate Share of the Net Pension Liability  
Last 10 Years\***

	Fiscal Years Ended June 30				
	2018	2017	2016	2015	2014-2009
Employer's proportion of the net pension liability(asset) as a percentage	1.05%	1.07%	1.08%	1.09%	N/A
Employer's proportionate share of net pension liability(asset)	(19,103,856)	(16,163,187)	(11,098,437)	(13,178,851)	N/A
State's proportionate share of the net pension liability(asset) associated with the employer	(129,218,006)	(109,327,398)	(75,069,549)	(89,141,418)	N/A
Total	(148,321,862)	(125,490,585)	(86,167,986)	(102,320,269)	N/A
Covered payroll (1)	133,877	140,884	117,193	206,871	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-14269.71%	-11472.69%	-9470.22%	-6370.56%	N/A

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

	Fiscal Years Ended December 31				
	2018	2017	2016	2015	2014-2009
Contractually required employer contribution	\$0	\$0	\$0	\$0	N/A
Contributions in relation to the contractually required employer contribution	0	0	0	0	N/A
Employer contribution deficiency (excess)	\$0	\$0	\$0	\$0	N/A
Covered payroll	\$135,945	\$133,877	\$140,884	\$117,194	N/A
Employer contribution as a percentage of covered payroll	0.00%	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				
	2018	2017	2016	2015	2014-2009
Employer's proportion of the net pension liability(asset) as a percentage	2.47%	2.59%	2.48%	2.47%	N/A
Employer's proportionate share of net pension liability(asset)	(50,235,694)	(35,974,279)	(14,416,299)	(25,352,743)	N/A
State's proportionate share of the net pension liability (asset) associated with the employer	(32,526,664)	(23,335,843)	(9,398,378)	(16,763,253)	N/A
Total	(82,762,358)	(59,310,122)	(23,814,677)	(42,115,996)	N/A
Covered payroll	79,762,242	77,370,718	77,913,214	72,486,494	N/A

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

	Fiscal Year Ended December 31				
	2018	2017	2016	2015	2014-2009
Contractually required employer contribution	\$4,278,699	\$4,025,059	\$4,026,349	\$3,716,978	N/A
Contributions in relation to the contractually required employer contribution	(4,278,699)	(4,025,059)	(4,026,349)	(3,716,978)	N/A
Employer contribution deficiency (excess)	0	0	0	0	N/A
Covered payroll	\$71,393,403	\$79,762,242	\$77,370,718	\$77,913,215	N/A
Employer contribution as a percentage of covered payroll	5.99%	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				
	2018	2017	2016	2015	2014-2009
Employer's proportion of the net pension liability(asset) as a percentage	92.46%	92.48%	92.63%	92.67%	N/A
Employer's proportion share of net pension liability(asset)	(39,323,299)	92,880,524	86,584,348	(9,606,514)	N/A
Covered payroll (1)	223,371,667	218,669,028	210,616,602	205,085,611	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-17.60%	42.48%	41.11%	-4.68%	N/A
Plan fiduciary net position as a percentage the total pension liability	102.53%	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				
	2018	2017	2016	2015	2014-2009
Contractually required employer contribution	\$24,124,140	\$23,616,255	\$22,746,593	\$22,149,246	N/A
Contributions in relation to the contractually required employer contribution	(24,124,140)	(23,616,255)	(22,746,593)	(22,149,246)	N/A
Employer contribution deficiency (excess)	0	0	0	0	N/A
Covered payroll	\$223,371,667	\$218,669,028	\$210,616,602	\$205,085,611	N/A
Employer contribution as a percentage of covered payroll	10.80%	10.80%	10.80%	10.80%	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  
Last 10 Years\*  
(dollars expressed in thousands)

**Firefighters' Pension Fund**

	Fiscal Year Ended December 31		
	2018	2017	2016 - 2009*
<b>Total Pension Liability</b>			
Service cost	\$ -	\$ -	N/A
Interest on total pension liability	975	1,058	N/A
Effect of plan changes	-	-	N/A
Effect of economic/demographic gains or (losses)	(1,871)	-	N/A
Effect of assumption changes or inputs	(1,076)	622	N/A
Benefit payments	(1,952)	(2,100)	N/A
Net change in total pension liability	(3,924)	(420)	N/A
Total pension liability, beginning	28,828	29,248	N/A
Total pension liability, ending	24,904	28,828	N/A
Covered payroll	-	-	N/A
Total pension liability as a % of covered payroll	N/A	N/A	N/A

**Police Relief and Pension Fund**

	Fiscal Year Ended December 31		
	2018	2017	2016 - 2009*
<b>Total Pension Liability</b>			
Service cost	\$ -	\$ -	N/A
Interest on total pension liability	514	573	N/A
Effect of plan changes	-	-	N/A
Effect of economic/demographic gains or (losses)	(667)	-	N/A
Effect of assumption changes or inputs	(540)	311	N/A
Benefit payments	(1,406)	(1,341)	N/A
Net change in total pension liability	(2,098)	(456)	N/A
Total pension liability, beginning	15,490	15,946	N/A
Total pension liability, ending	13,391	15,490	N/A
Covered payroll	-	-	N/A
Total pension liability as a % of covered payroll	N/A	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 Changes in Total OPEB Liability and Related Ratios  
 Last 10 Years\*  
 (dollars expressed in thousands)

	Measurement Period Ended December 31	
	2017	2018 - 2010*
<b>Total Pension Liability</b>		
Service cost	\$ 3,010	N/A
Interest on total OPEB liability	7,866	N/A
Changes in benefit terms	-	N/A
Effect of economic/demographic gains or (losses)	-	N/A
Effect of assumption changes or inputs	9,060	N/A
Expected benefit payments	(8,352)	N/A
Net change in total OPEB liability	11,584	N/A
Total OPEB liability, beginning	209,227	N/A
Total OPEB liability, ending	220,811	N/A
 Covered payroll	 \$ 330,788	 N/A
Total OPEB liability as a % of covered payroll	66.75%	N/A

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

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

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

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

**B. Budget basis of accounting**

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

**C. The budget process**

The budget process begins with the City Council making appropriate revisions to the City's long-term strategic plan, identifying goals, and setting priorities. In early June, the initial revenue forecast is completed by the Office of Management, Budget and Analysis (OMBA) and City departments and agencies begin budget preparation. Budget requests are due to OMBA in late July. OMBA reviews and revises budget requests in August. The revenue forecast is refined in early September and a preliminary budget is presented to the Executive Forum in early October. The preliminary budget is further refined during the month of October.

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

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

**D. Funds presented**

Budgetary information is displayed for all funds that are subject to the City's biennial budget process. The General Fund's budgetary information is located in the Required Supplementary Information section on page 4-8. Non-major special revenue funds budgetary information are located in the Combining Statements Non-Major Funds



section on pages 5-17 to 5-38. Non-major debt service funds budgetary information are located in the Combining Statements Non-Major Funds section on pages 5-46 to 5-54.

## **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.

## **Note 4 Other Post-Employment Benefits (OPEB)**

Schedule of Changes in the Total OPEB Liability and Related Ratios are presented above. The schedule was provided by the actuary. It includes a 10-year schedule of changes in the total OPEB liability as well as the total OPEB liability, covered-employee payroll and the total OPEB liability as a percentage of covered-employee payroll.

There are no assets accumulated in a trust that meets the criteria set forth in paragraph 4 of GASB 75 to pay related benefits. There have been no significant changes between the valuation date and the fiscal year end. If there were significant changes, an additional analysis or valuation might be required. GASB 75 requires the discount rate used to measure the Total OPEB Liability to be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Compared to the prior measurement date, the discount rate changed from 3.78% to 3.44% at the December 31, 2017 measurement date.

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

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 115,955	\$ 116,579	\$ 116,578	\$ (1)
Retail Sales & Use	101,843	111,001	113,472	2,471
Business	93,312	95,102	98,608	3,506
Excise	1,826	1,958	2,177	219
Other	-	-	-	-
Licenses and Permits	12,149	13,292	14,517	1,225
Intergovernmental	20,997	22,099	31,631	9,532
Charges for Services	5,439	5,523	7,527	2,004
Fines and Forfeitures	2,996	3,037	2,928	(109)
Special Assessments	-	-	-	-
Investment Earnings	1,442	1,877	2,886	1,009
Miscellaneous	40	78	909	831
Total Revenues	<u>355,999</u>	<u>370,546</u>	<u>391,233</u>	<u>20,687</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	75,235	78,168	70,288	(7,880)
Public Safety	265,463	268,165	265,227	(2,938)
Transportation	758	782	743	(39)
Natural and Economic Environment	35,531	38,407	36,573	(1,834)
Culture and Recreation	28,585	29,557	25,850	(3,707)
Capital Outlay	-	-	2,493	2,493
Total Expenditures	<u>405,572</u>	<u>415,079</u>	<u>401,174</u>	<u>(13,905)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(49,573)</u>	<u>(44,533)</u>	<u>(9,941)</u>	<u>34,592</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	36	36	2	(34)
Insurance Recoveries	-	-	130	130
Transfers In	87,312	94,085	92,863	(1,222)
Transfers Out	(55,636)	(73,018)	(71,294)	1,724
Total Other Financing Sources and Uses	<u>31,712</u>	<u>21,103</u>	<u>21,701</u>	<u>598</u>
Net Change in Fund Balances	<u>(17,861)</u>	<u>(23,430)</u>	<u>11,760</u>	<u>35,190</u>
Fund Balances - January 1	17,861	23,430	79,297	55,867
Prior Period Adjustment	-	-	392	392
Fund Balance - January 1, Restated	17,861	23,430	79,689	56,259
Fund Balances -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,449</u>	<u>\$ 91,449</u>

**Perspective Difference Reconciliation**

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

91,449

The following fund were budgeted as general fund or trust  
fund but do not meet the definition of special revenue fund, or  
trust and therefore are accounted for within the general fund

Contingency Fund 588  
Police Pension Fund 151  
Firefighter Pension fund 228

TOTAL FUND BALANCE - GENERAL FUND  
BALANCE SHEET FOR GOVERNMENTAL FUNDS

\$ 92,416

**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**

December 31, 2018  
(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 64,944	\$ 4,957	\$ 31,414	\$ 101,315
Investments	5,180	-	-	5,180
Accounts Receivables (Net)	12,364	22,267	11	34,642
Due From Other Funds	2,138	-	1,581	3,719
Due From Other Governmental Units	6,662	75	1,958	8,695
Inventory	1,368	-	-	1,368
Advance to Other Funds	-	-	400	400
Total Assets	<u>92,656</u>	<u>27,299</u>	<u>35,364</u>	<u>155,319</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>92,656</u>	<u>27,299</u>	<u>35,364</u>	<u>155,319</u>
<b>LIABILITIES</b>				
Accounts Payable	6,837	-	1,120	7,957
Customer Deposit	898	-	-	898
Due to Other Funds	1,250	-	873	2,123
Advance from Other Funds	400	-	-	400
Total Liabilities	<u>9,385</u>	<u>-</u>	<u>1,993</u>	<u>11,378</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Unavailable Revenue	1,990	21,658	-	23,648
Total Deferred Inflow of Resources	<u>1,990</u>	<u>21,658</u>	<u>-</u>	<u>23,648</u>
<b>FUND BALANCE</b>				
Nonspendable	1,404	-	-	1,404
Restricted	65,884	5,644	25,478	97,006
Committed	85	-	7,595	7,680
Assigned	13,908	-	298	14,206
Unassigned	-	(3)	-	(3)
Total Fund Balance	<u>81,281</u>	<u>5,641</u>	<u>33,371</u>	<u>120,293</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 92,656</u>	<u>\$ 27,299</u>	<u>\$ 35,364</u>	<u>\$ 155,319</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENT FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Total Nonmajor Governmental
<b>REVENUES</b>				
Taxes:				
Property	\$ 14,697	\$ 2,791	\$ -	\$ 17,488
Retail Sales & Use	17,127	-	500	17,627
Business	2,783	-	-	2,783
Excise	3,244	-	11,298	14,542
Licenses and permits	4,200	-	-	4,200
Intergovernmental	18,073	-	1,236	19,309
Charges for Services	8,271	-	-	8,271
Fines and Penalties	2,654	1,375	-	4,029
Investment Earnings	1,045	108	729	1,882
Miscellaneous	451	3,281	41	3,773
Total Revenues	<u>72,545</u>	<u>7,555</u>	<u>13,804</u>	<u>93,904</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,938	10	11,527	15,475
Public Safety	23,133	-	-	23,133
Transportation	42,177	-	2,072	44,249
Natural and Economic Environment	6,217	-	-	6,217
Social Services	7,693	-	3	7,696
Culture and Recreation	183	-	529	712
Debt Service:				
Principal	-	13,988	-	13,988
Interest	7	8,841	26	8,874
Capital Outlay	2,606	-	17,864	20,470
Total Expenditures	<u>85,954</u>	<u>22,839</u>	<u>32,021</u>	<u>140,814</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(13,409)</u>	<u>(15,284)</u>	<u>(18,217)</u>	<u>(46,910)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	2,209	-	2,209
Sale of Capital Assets	986	-	-	986
Transfers In	40,856	13,075	28,967	82,898
Transfers Out	(21,735)	(8)	(35,423)	(57,166)
Total Other Financing Sources (Uses)	<u>20,107</u>	<u>15,276</u>	<u>(6,456)</u>	<u>28,927</u>
Net Change in Fund Balance	<u>6,698</u>	<u>(8)</u>	<u>(24,673)</u>	<u>(17,983)</u>
Fund Balance - Beginning	74,514	5,649	58,042	138,205
Prior Period Adjustment	69	-	2	71
Fund Balance - Beginning, Restated	<u>74,583</u>	<u>5,649</u>	<u>58,044</u>	<u>138,276</u>
Fund Balance - Ending	<u>\$ 81,281</u>	<u>\$ 5,641</u>	<u>\$ 33,371</u>	<u>\$ 120,293</u>

**Non-Major 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.

**Transportation Revenue Fund (#1050)****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.

**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.

**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 1 of 6

	Courts Special Revenue # 1020	Transportation Revenue # 1050	Public Works Street # 1065	Transportation Benefit District # 1070
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 140	\$ 3,124	\$ 2,262	\$ 2,585
Investments	-	-	-	-
Accounts Receivables (Net)	-	-	863	716
Due From Other Funds	-	42	819	-
Due From Other Governmental Units	-	649	-	1,113
Inventory	-	-	1,368	-
Total Assets	140	3,815	5,312	4,414
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	140	3,815	5,312	4,414
<b>LIABILITIES</b>				
Accounts Payable	1	-	633	-
Customer Deposit	-	-	-	-
Due to Other Funds	-	138	65	-
Advance from Other Funds	-	-	-	-
Total Liabilities	1	138	698	-
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	1,368	-
Restricted	139	3,677	-	4,414
Committed	-	-	-	-
Assigned	-	-	3,246	-
Unassigned	-	-	-	-
Total Fund Balance	139	3,677	4,614	4,414
Total Liabilities, Deferred Inflows and Fund Balance	\$ 140	\$ 3,815	\$ 5,312	\$ 4,414

**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 2 of 6

	Streets Initiative # 1085	Fire Department # 1090	Property Management Street Vacation # 1100	Local Improvement Guarantee # 1110
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 14,585	\$ 859	\$ 3,838	\$ 11
Investments	-	-	-	5,180
Accounts Receivables (Net)	592	140	5	-
Due From Other Funds	633	262	-	-
Due From Other Governmental Units	105	165	-	-
Inventory	-	-	-	-
Total Assets	<u>15,915</u>	<u>1,426</u>	<u>3,843</u>	<u>5,191</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>15,915</u>	<u>1,426</u>	<u>3,843</u>	<u>5,191</u>
<b>LIABILITIES</b>				
Accounts Payable	2,044	27	2	-
Customer Deposit	-	-	28	-
Due to Other Funds	712	-	-	-
Advance from Other Funds	-	400	-	-
Total Liabilities	<u>2,756</u>	<u>427</u>	<u>30</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	<u>271</u>	<u>26</u>	<u>282</u>	<u>892</u>
Total Deferred Inflow of Resources	<u>271</u>	<u>26</u>	<u>282</u>	<u>892</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	12,888	955	266	4,299
Committed	-	-	-	-
Assigned	-	18	3,265	-
Unassigned	-	-	-	-
Total Fund Balance	<u>12,888</u>	<u>973</u>	<u>3,531</u>	<u>4,299</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 15,915</u>	<u>\$ 1,426</u>	<u>\$ 3,843</u>	<u>\$ 5,191</u>



**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 3 of 6

	Public Works Paths & Trails # 1140	Building & Land Use Services # 1145	Fire Department EMS # 1155	Tourism # 1180
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 82	\$ 1,338	\$ 2,346	\$ 5,425
Investments	-	-	-	-
Accounts Receivables (Net)	-	1,298	4,004	-
Due From Other Funds	206	-	51	-
Due From Other Governmental Units	701	-	285	637
Inventory	-	-	-	-
Total Assets	<u>989</u>	<u>2,636</u>	<u>6,686</u>	<u>6,062</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>989</u>	<u>2,636</u>	<u>6,686</u>	<u>6,062</u>
<b>LIABILITIES</b>				
Accounts Payable	517	83	286	-
Customer Deposit	-	-	-	-
Due to Other Funds	-	1	75	-
Advance from Other Funds	-	-	-	-
Total Liabilities	<u>517</u>	<u>84</u>	<u>361</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	440	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>440</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	149	-	5,885	6,062
Committed	-	-	-	-
Assigned	323	2,552	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>472</u>	<u>2,552</u>	<u>5,885</u>	<u>6,062</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 989</u>	<u>\$ 2,636</u>	<u>\$ 6,686</u>	<u>\$ 6,062</u>

**COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 4 of 6

	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200	Historically Underutilized Business # 1236
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 9,123	\$ 4,987	\$ 6,586	\$ 96
Investments	-	-	-	-
Accounts Receivables (Net)	34	4,678	-	-
Due From Other Funds	40	28	2	13
Due From Other Governmental Units	1,252	1,538	-	-
Inventory	-	-	-	-
Total Assets	<u>10,449</u>	<u>11,231</u>	<u>6,588</u>	<u>109</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>10,449</u>	<u>11,231</u>	<u>6,588</u>	<u>109</u>
<b>LIABILITIES</b>				
Accounts Payable	2,396	718	-	2
Customer Deposit	-	800	-	-
Due to Other Funds	90	-	-	-
Advance from Other Funds	-	-	-	-
Total Liabilities	<u>2,486</u>	<u>1,518</u>	<u>-</u>	<u>2</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	79	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>79</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	36	-
Restricted	7,555	8,723	4,633	-
Committed	85	-	-	-
Assigned	323	911	1,919	107
Unassigned	-	-	-	-
Total Fund Balance	<u>7,963</u>	<u>9,634</u>	<u>6,588</u>	<u>107</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 10,449</u>	<u>\$ 11,231</u>	<u>\$ 6,588</u>	<u>\$ 109</u>

**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	Human Resources Special Rev # 1500	Traffic Enforce Engineering & Education # 1650
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,300	\$ 4,853	\$ 210	\$ 194
Investments	-	-	-	-
Accounts Receivables (Net)	18	16	-	-
Due From Other Funds	24	1	17	-
Due From Other Governmental Units	192	-	25	-
Inventory	-	-	-	-
Total Assets	<u>2,534</u>	<u>4,870</u>	<u>252</u>	<u>194</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	-	-	-	-
Total Assets and Deferred Outflows	<u>2,534</u>	<u>4,870</u>	<u>252</u>	<u>194</u>
<b>LIABILITIES</b>				
Accounts Payable	12	71	4	41
Customer Deposit	70	-	-	-
Due to Other Funds	167	-	1	1
Advance from Other Funds	-	-	-	-
Total Liabilities	<u>249</u>	<u>71</u>	<u>5</u>	<u>42</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	1,868	4,346	25	-
Committed	-	-	-	-
Assigned	417	453	222	152
Unassigned	-	-	-	-
Total Fund Balance	<u>2,285</u>	<u>4,799</u>	<u>247</u>	<u>152</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 2,534</u>	<u>\$ 4,870</u>	<u>\$ 252</u>	<u>\$ 194</u>

**COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 6 of 6

	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 64,944
Investments	5,180
Accounts Receivables (Net)	12,364
Due From Other Funds	2,138
Due From Other Governmental Units	6,662
Inventory	1,368
Total Assets	<u>92,656</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
	-
Total Assets and Deferred Outflows	<u><u>92,656</u></u>
<b>LIABILITIES</b>	
Accounts Payable	6,837
Customer Deposit	898
Due to Other Funds	1,250
Advance from Other Funds	400
Total Liabilities	<u>9,385</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Unavailable Revenue	1,990
Total Deferred Inflow of Resources	<u>1,990</u>
<b>FUND BALANCE</b>	
Nonspendable	1,404
Restricted	65,884
Committed	85
Assigned	13,908
Unassigned	-
Total Fund Balance	<u>81,281</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u><u>\$ 92,656</u></u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 1 of 6

	Courts Special Revenue # 1020	Transportation Revenue # 1050	Public Works Street # 1065	Transportation Benefit District # 1070
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	6,024
Business	-	-	914	-
Excise	-	-	-	3,244
License and Permits	-	106	191	-
Intergovernmental	70	4,053	-	-
Charges for Services	-	1,521	1,007	-
Fines and penalties	3	-	-	-
Investment Earnings	-	52	46	11
Miscellaneous	-	-	152	-
<b>Total Revenues</b>	<u>73</u>	<u>5,732</u>	<u>2,310</u>	<u>9,279</u>
<b>EXPENDITURES</b>				
Current:				
General Government	51	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	23,174	7
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest	-	-	-	-
Capital Outlay	-	-	56	-
<b>Total Expenditures</b>	<u>51</u>	<u>-</u>	<u>23,230</u>	<u>7</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>22</u>	<u>5,732</u>	<u>(20,920)</u>	<u>9,272</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Transfers In	-	12	22,420	-
Transfers Out	-	(5,456)	(1,430)	(8,004)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(5,444)</u>	<u>20,990</u>	<u>(8,004)</u>
Net Change in Fund Balance	<u>22</u>	<u>288</u>	<u>70</u>	<u>1,268</u>
Fund Balance - Beginning	117	3,389	4,544	3,146
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>117</u>	<u>3,389</u>	<u>4,544</u>	<u>3,146</u>
Fund Balance - Ending	<u>\$ 139</u>	<u>\$ 3,677</u>	<u>\$ 4,614</u>	<u>\$ 4,414</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 2 of 6

	Streets Initiative # 1085	Fire Department # 1090	Property Management Street Vacation # 1100	Local Improvement Guarantee # 1110
<b>REVENUES</b>				
Taxes:				
Property	\$ 3,999	\$ -	\$ -	\$ -
Retail Sales & Use	197	-	-	-
Business	1,869	-	-	-
Excise	-	-	-	-
License and Permits	-	-	627	-
Intergovernmental	-	2,056	-	-
Charges for Services	-	-	-	-
Fines and penalties	-	-	-	-
Investment Earnings	231	21	70	12
Miscellaneous	-	10	101	-
<b>Total Revenues</b>	<u>6,296</u>	<u>2,087</u>	<u>798</u>	<u>12</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	305	29
Public Safety	-	1,763	-	-
Transportation	18,972	-	-	-
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest	-	7	-	-
Capital Outlay	-	205	-	-
<b>Total Expenditures</b>	<u>18,972</u>	<u>1,975</u>	<u>305</u>	<u>29</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,676)</u>	<u>112</u>	<u>493</u>	<u>(17)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	136	-
Transfers In	14,929	284	-	8
Transfers Out	(2,069)	(246)	(361)	-
<b>Total Other Financing Sources (Uses)</b>	<u>12,860</u>	<u>38</u>	<u>(225)</u>	<u>8</u>
Net Change in Fund Balance	<u>184</u>	<u>150</u>	<u>268</u>	<u>(9)</u>
Fund Balance - Beginning	12,704	824	3,263	4,308
Prior period adjustment	-	(1)	-	-
Fund Balance - Beginning, Restated	<u>12,704</u>	<u>823</u>	<u>3,263</u>	<u>4,308</u>
Fund Balance - Ending	<u>\$ 12,888</u>	<u>\$ 973</u>	<u>\$ 3,531</u>	<u>\$ 4,299</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 3 of 6

	Public Works Paths & Trails # 1140	Building & Land Use Services # 1145	Fire Department EMS # 1155	Tourism # 1180
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ 10,698	\$ -
Retail Sales & Use	-	-	-	4,873
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	-	-	-
Intergovernmental	1,449	-	4,552	-
Charges for Services	-	192	2,990	-
Fines and penalties	-	309	-	-
Investment Earnings	6	34	28	68
Miscellaneous	-	-	8	-
<b>Total Revenues</b>	<u>1,455</u>	<u>535</u>	<u>18,276</u>	<u>4,941</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	15,141	-
Transportation	24	-	-	-
Natural and Economic Environment	-	600	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest	-	-	-	-
Capital Outlay	1,990	-	-	-
<b>Total Expenditures</b>	<u>2,014</u>	<u>600</u>	<u>15,141</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(559)</u>	<u>(65)</u>	<u>3,135</u>	<u>4,941</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Transfers In	801	-	150	-
Transfers Out	(135)	-	(157)	(3,502)
<b>Total Other Financing Sources (Uses)</b>	<u>666</u>	<u>-</u>	<u>(7)</u>	<u>(3,502)</u>
Net Change in Fund Balance	<u>107</u>	<u>(65)</u>	<u>3,128</u>	<u>1,439</u>
Fund Balance - Beginning	365	2,617	2,757	4,623
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>365</u>	<u>2,617</u>	<u>2,757</u>	<u>4,623</u>
Fund Balance - Ending	<u>\$ 472</u>	<u>\$ 2,552</u>	<u>\$ 5,885</u>	<u>\$ 6,062</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 4 of 6

	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200
<b>REVENUES</b>			
Taxes:			
Property	\$ -	\$ -	\$ -
Retail Sales & Use	6,033	-	-
Business	-	-	-
Excise	-	-	-
License and Permits	-	-	-
Intergovernmental	724	4,653	-
Charges for Services	-	1,276	126
Fines and penalties	-	-	-
Investment Earnings	151	89	109
Miscellaneous	116	-	35
<b>Total Revenues</b>	<u>7,024</u>	<u>6,018</u>	<u>270</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	2	-
Public Safety	593	1,197	-
Transportation	-	-	-
Natural and Economic Environment	1,200	4,186	-
Social Services	7,693	-	-
Culture and Recreation	-	173	10
Debt Service:			
Interest	-	-	-
Capital Outlay	-	305	10
<b>Total Expenditures</b>	<u>9,486</u>	<u>5,863</u>	<u>20</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,462)</u>	<u>155</u>	<u>250</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sales of Capital Assets	850	-	-
Transfers In	761	162	-
Transfers Out	(187)	(91)	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,424</u>	<u>71</u>	<u>-</u>
 Net Change in Fund Balance	<u>(1,038)</u>	<u>226</u>	<u>250</u>
Fund Balance - Beginning	9,001	9,408	6,338
Prior period adjustment	-	-	-
Fund Balance - Beginning, Restated	<u>9,001</u>	<u>9,408</u>	<u>6,338</u>
Fund Balance - Ending	<u>\$ 7,963</u>	<u>\$ 9,634</u>	<u>\$ 6,588</u>



**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 5 of 6

	Historically Underutilized Business # 1236	Police Special Revenue # 1267	Municipal Cable # 1431	Human Resources Special Rev # 1500
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	-
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	-	3,276	-
Intergovernmental	-	479	-	37
Charges for Services	413	324	238	184
Fines and penalties	-	480	-	-
Investment Earnings	-	29	78	5
Miscellaneous	-	19	10	-
<b>Total Revenues</b>	<u>413</u>	<u>1,331</u>	<u>3,602</u>	<u>226</u>
<b>EXPENDITURES</b>				
Current:				
General Government	418	-	3,133	-
Public Safety	-	1,241	-	-
Transportation	-	-	-	-
Natural and Economic Environment	-	-	-	231
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest	-	-	-	-
Capital Outlay	-	-	40	-
<b>Total Expenditures</b>	<u>418</u>	<u>1,241</u>	<u>3,173</u>	<u>231</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(5)</u>	<u>90</u>	<u>429</u>	<u>(5)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Transfers In	-	98	-	-
Transfers Out	-	-	(97)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>98</u>	<u>(97)</u>	<u>-</u>
Net Change in Fund Balance	<u>(5)</u>	<u>188</u>	<u>332</u>	<u>(5)</u>
Fund Balance - Beginning	112	2,097	4,467	252
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>112</u>	<u>2,097</u>	<u>4,467</u>	<u>252</u>
Fund Balance - Ending	<u>\$ 107</u>	<u>\$ 2,285</u>	<u>\$ 4,799</u>	<u>\$ 247</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 6 of 6

	Traffic Enforce Engineering & Education # 1650	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>		
Taxes:		
Property	\$ -	\$ 14,697
Retail Sales & Use	-	17,127
Business	-	2,783
Excise	-	3,244
License and Permits	-	4,200
Intergovernmental	-	18,073
Charges for Services	-	8,271
Fines and penalties	1,862	2,654
Investment Earnings	5	1,045
Miscellaneous	-	451
<b>Total Revenues</b>	<u>1,867</u>	<u>72,545</u>
<b>EXPENDITURES</b>		
Current:		
General Government	-	3,938
Public Safety	3,198	23,133
Transportation	-	42,177
Natural and Economic Environment	-	6,217
Social Services	-	7,693
Culture and Recreation	-	183
Debt Service:		
Interest	-	7
Capital Outlay	-	2,606
<b>Total Expenditures</b>	<u>3,198</u>	<u>85,954</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>(1,331)</u>	<u>(13,409)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Sales of Capital Assets	-	986
Transfers In	1,231	40,856
Transfers Out	-	(21,735)
<b>Total Other Financing Sources (Uses)</b>	<u>1,231</u>	<u>20,107</u>
Net Change in Fund Balance	<u>(100)</u>	<u>6,698</u>
Fund Balance - Beginning	182	74,514
Prior period adjustment	70	69
Fund Balance - Beginning, Restated	<u>252</u>	<u>74,583</u>
Fund Balance - Ending	<u>\$ 152</u>	<u>\$ 81,281</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COURTS SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium	Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 143	\$ 143	\$ 136	\$ (7)
Fines and Penalties	8	8	8	-
Total Revenues	<u>151</u>	<u>151</u>	<u>144</u>	<u>(7)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	160	160	127	(33)
Total Expenditures	<u>160</u>	<u>160</u>	<u>127</u>	<u>(33)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(9)</u>	<u>(9)</u>	<u>17</u>	<u>26</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(9)</u>	<u>(9)</u>	<u>17</u>	<u>26</u>
Fund Balance - January 1	9	9	122	113
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 139</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNCIL CONTINGENCY FUND**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Investment Earnings	\$ -	\$ -	\$ 20	\$ 20
Miscellaneous	-	-	8	8
Total Revenues	-	-	28	28
<b>EXPENDITURES:</b>				
Current:				
General Government	500	850	524	(326)
Total Expenditures	500	850	524	(326)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(500)	(850)	(496)	354
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	500	500	500	-
Total Other Financing Sources (Uses)	500	500	500	-
Net Change in Fund Balances	-	(350)	4	354
Fund Balance - January 1	-	350	584	234
Fund Balance -December 31	\$ -	\$ -	\$ 588	\$ 588

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Licenses and Permits	\$ 300	\$ 300	\$ 215	\$ (85)
Intergovernmental	9,240	9,240	10,178	938
Charges for Services	-	764	1,534	770
Investment Earnings	-	-	54	54
Total Revenues	<u>9,540</u>	<u>10,304</u>	<u>11,981</u>	<u>1,677</u>
<b>EXPENDITURES:</b>				
Capital Outlay	<u>1,182</u>	<u>1,077</u>	<u>-</u>	<u>(1,077)</u>
Total Expenditures	<u>1,182</u>	<u>1,077</u>	<u>-</u>	<u>(1,077)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>8,358</u>	<u>9,227</u>	<u>11,981</u>	<u>2,754</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	1,627	1,636	9
Transfers Out	<u>(8,358)</u>	<u>(10,854)</u>	<u>(9,940)</u>	<u>914</u>
Total Other Financing sources and Uses	<u>(8,358)</u>	<u>(9,227)</u>	<u>(8,304)</u>	<u>923</u>
Net Change in fund Balances	<u>-</u>	<u>-</u>	<u>3,677</u>	<u>3,677</u>
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,677</u>	<u>\$ 3,677</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC WORKS STREET SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Taxes:				
Business	\$ 1,449	\$ 1,594	\$ 1,821	\$ 227
Licenses and Permits	-	427	426	(1)
Intergovernmental	-	-	145	145
Charges for Services	750	1,299	1,653	354
Fines and Penalties	-	-	1	1
Investment Earnings	-	-	46	46
Miscellaneous	-	160	197	37
Total Revenues	<u>2,199</u>	<u>3,480</u>	<u>4,289</u>	<u>809</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	43,043	45,644	43,842	(1,802)
Capital Outlay	-	-	63	63
Total Expenditures	<u>43,043</u>	<u>45,644</u>	<u>43,905</u>	<u>(1,739)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(40,844)</u>	<u>(42,164)</u>	<u>(39,616)</u>	<u>2,548</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets		8	24	16
Insurance Recoveries		-	1	1
Transfers In	41,439	43,404	44,082	678
Transfers Out	(595)	(1,535)	(2,064)	(529)
Total Other Financing Sources (Uses)	<u>40,844</u>	<u>41,877</u>	<u>42,043</u>	<u>166</u>
Net Change in Fund Balances	<u>-</u>	<u>(287)</u>	<u>2,427</u>	<u>2,714</u>
Fund Balance - January 1	<u>-</u>	<u>287</u>	<u>2,187</u>	<u>1,900</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,614</u>	<u>\$ 4,614</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
TRANSPORTATION BENEFIT DISTRICT SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 15,846	\$ 10,478	\$ 11,681	\$ 1,203
Excise	-	5,368	6,189	821
Investment Earnings	-	-	14	14
Total Revenues	<u>15,846</u>	<u>15,846</u>	<u>17,884</u>	<u>2,038</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	-	8	7	(1)
Total Expenditures	<u>-</u>	<u>8</u>	<u>7</u>	<u>(1)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>15,846</u>	<u>15,838</u>	<u>17,877</u>	<u>2,039</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(15,846)	(15,846)	(15,846)	-
Total Other Financing Sources (Uses)	<u>(15,846)</u>	<u>(15,846)</u>	<u>(15,846)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(8)</u>	<u>2,031</u>	<u>2,039</u>
Fund Balance - January 1	<u>-</u>	<u>8</u>	<u>2,383</u>	<u>2,375</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,414</u>	<u>\$ 4,414</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**2% GROSS EARNINGS TAX SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Investment Earnings	\$ -	\$ -	\$ 1	\$ 1
Total Revenues	-	-	1	1
<b>EXPENDITURES:</b>				
Total Expenditures	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	1	1
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	(812)	(812)	-
Total Other Financing Sources (Uses)	-	(812)	(812)	-
Net Change in Fund Balances	-	(812)	(811)	1
Fund Balance - January 1	-	812	811	(1)
Fund Balance -December 31	\$ -	\$ -	\$ -	\$ -



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STREET INITIATIVE SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium	Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ 7,697	\$ 7,697	\$ 7,866	\$ 169
Retail Sales & Use	385	385	414	29.00
Business	3,350	3,350	3,866	516
Intergovernmental	-	-	94	94
Charges for Services	-	-	57	57
Investment Earnings	-	-	270	270
Miscellaneous	-	-	4	4
Total Revenues	11,432	11,432	12,571	1,139
<b>EXPENDITURES:</b>				
Current:				
Transportation	35,608	35,879	29,088	(6,791)
Total Expenditures	35,608	35,879	29,088	(6,791)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(24,176)	(24,447)	(16,517)	7,930
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	28,516	28,787	29,502	715
Transfers Out	(4,340)	(4,340)	(4,850)	(510)
Total Other Financing Sources (Uses)	24,176	24,447	24,652	205
Net Change in Fund Balances	-	-	8,135	8,135
Fund Balances - January 1	-	-	5,197	5,197
Prior Period Adjustment			(444)	(444)
Fund Balance - January 1, Restated	-	-	4,753	4,753
Fund Balance -December 31	\$ -	\$ -	\$ 12,888	\$ 12,888

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FIRE SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ 910	\$ 3,276	\$ 3,552	\$ 276
Investment Earnings	29	29	33	4
Miscellaneous	-	-	17	17
Total Revenues	<u>939</u>	<u>3,305</u>	<u>3,602</u>	<u>297</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	855	3,926	3,053	(873)
Debt Service				
Principal	267	267	-	(267)
Interest and Other Costs	30	30	14	(16)
Capital Outlay	-	-	278	278
Total Expenditures	<u>1,152</u>	<u>4,223</u>	<u>3,345</u>	<u>(878)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(213)</u>	<u>(918)</u>	<u>257</u>	<u>1,175</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets			6	6
Transfers In	-	271	284	13
Transfers Out	(700)	(850)	(946)	(96)
Total Other Financing Sources (Uses)	<u>(700)</u>	<u>(579)</u>	<u>(656)</u>	<u>(77)</u>
Net Change in Fund Balances	<u>(913)</u>	<u>(1,497)</u>	<u>(399)</u>	<u>1,098</u>
Fund Balance - January 1	913	1,497	1,373	(124)
Prior Period Adjustment			(1)	(1)
Fund Balance - January 1, Restated	<u>913</u>	<u>1,497</u>	<u>1,372</u>	<u>(125)</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 973</u>	<u>\$ 973</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PROP MANAGEMENT STREET VACATOIN SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium	Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Licenses and Permits	\$ 610	\$ 610	\$ 1,035	\$ 425
Investment Earnings	58	58	93	35
Miscellaneous	218	218	206	(12)
Total Revenues	<u>886</u>	<u>886</u>	<u>1,334</u>	<u>448</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	<u>1,428</u>	<u>1,479</u>	<u>492</u>	<u>(987)</u>
Total Expenditures	<u>1,428</u>	<u>1,479</u>	<u>492</u>	<u>(987)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(542)</u>	<u>(593)</u>	<u>842</u>	<u>1,435</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	500	500	756	256
Transfers Out	<u>-</u>	<u>(362)</u>	<u>(362)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>500</u>	<u>138</u>	<u>394</u>	<u>256</u>
Net Change in Fund Balances	<u>(42)</u>	<u>(455)</u>	<u>1,236</u>	<u>1,691</u>
Fund Balances - 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 -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,531</u>	<u>\$ 3,531</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL IMP GUARANTEE SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Miscellaneous	\$ -	\$ -	\$ 69	\$ 69
Total Revenues	-	-	69	69
<b>EXPENDITURES:</b>				
Current:				
General Government	58	58	58	-
Total Expenditures	58	58	58	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(58)	(58)	11	69
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	8	8
Total Other Financing Sources (Uses)	-	-	8	8
Net Change in Fund Balances	(58)	(58)	19	77
Fund Balance - January 1	58	58	4,280	4,222
Fund Balance -December 31	\$ -	\$ -	\$ 4,299	\$ 4,299

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PATHS & TRAILS SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,043	\$ 4,652	\$ 3,052	\$ (1,600)
Investment Earnings	-	-	6	6
Miscellaneous	-	60	-	(60)
Total Revenues	<u>2,043</u>	<u>4,712</u>	<u>3,058</u>	<u>(1,654)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	3,747	7,996	28	(7,968)
Debt Service				
Interest and Other Costs	-	-	1	1
Capital Outlay	-	-	4,973	4,973
Total Expenditures	<u>3,747</u>	<u>7,996</u>	<u>5,002</u>	<u>(2,994)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,704)</u>	<u>(3,284)</u>	<u>(1,944)</u>	<u>1,340</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,704	2,910	2,073	(837)
Transfers Out	-	-	(135)	(135)
Total Other Financing Sources (Uses)	<u>1,704</u>	<u>2,910</u>	<u>1,938</u>	<u>(972)</u>
Net Change in Fund Balances	<u>-</u>	<u>(374)</u>	<u>(6)</u>	<u>368</u>
Fund Balance - January 1	-	374	514	140
Prior Period Adjustment	-	-	(36)	(36)
Fund Balance - January 1, Restated	<u>-</u>	<u>374</u>	<u>478</u>	<u>104</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472</u>	<u>\$ 472</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BUILDING & LAND USE SERVICES SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Charges for Services	\$ 407	\$ 407	\$ 580	\$ 173
Fines and Penalties	502	502	620	118
Investment Earnings	-	-	68	68
Total Revenues	<u>909</u>	<u>909</u>	<u>1,268</u>	<u>359</u>
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	<u>1,487</u>	<u>1,987</u>	<u>1,210</u>	<u>(777)</u>
Total Expenditures	<u>1,487</u>	<u>1,987</u>	<u>1,210</u>	<u>(777)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(578)</u>	<u>(1,078)</u>	<u>58</u>	<u>1,136</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(578)</u>	<u>(1,078)</u>	<u>58</u>	<u>1,136</u>
Fund Balance - January 1	<u>578</u>	<u>1,078</u>	<u>2,494</u>	<u>1,416</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,552</u>	<u>\$ 2,552</u>

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

**FIRE EMS SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 21,005	\$ 21,005	\$ 21,045	\$ 40
Intergovernmental	-	-	4,552	4,552
Charges for Services	5,992	5,992	6,147	155
Investment Earnings	24	24	45	21
Miscellaneous	24	24	21	(3)
Total Revenues	<u>27,045</u>	<u>27,045</u>	<u>31,810</u>	<u>4,765</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	<u>29,564</u>	<u>29,589</u>	<u>29,361</u>	<u>(228)</u>
Total Expenditures	<u>29,564</u>	<u>29,589</u>	<u>29,361</u>	<u>(228)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,519)</u>	<u>(2,544)</u>	<u>2,449</u>	<u>4,993</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	3	3
Transfers In	300	300	300	-
Transfers Out	<u>(315)</u>	<u>(385)</u>	<u>(314)</u>	<u>71</u>
Total Other Financing Sources (Uses)	<u>(15)</u>	<u>(85)</u>	<u>(11)</u>	<u>74</u>
Net Change in Fund Balances	<u>(2,534)</u>	<u>(2,629)</u>	<u>2,438</u>	<u>5,067</u>
Fund Balance - January 1	<u>2,534</u>	<u>2,629</u>	<u>3,447</u>	<u>818</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,885</u>	<u>\$ 5,885</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TOURISM SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 7,026	\$ 8,726	\$ 9,446	\$ 720
Investment Earnings	-	-	88	88
Total Revenues	<u>7,026</u>	<u>8,726</u>	<u>9,534</u>	<u>808</u>
<b>EXPENDITURES:</b>				
Current:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>7,026</u>	<u>8,726</u>	<u>9,534</u>	<u>808</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(7,026)	(8,726)	(7,026)	1,700
Total Other Financing Sources (Uses)	<u>(7,026)</u>	<u>(8,726)</u>	<u>(7,026)</u>	<u>1,700</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>2,508</u>	<u>2,508</u>
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>3,554</u>	<u>3,554</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,062</u>	<u>\$ 6,062</u>



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
NEIGHBORHOOD & COMMUNITY SERVICES SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 10,165	\$ 11,211	\$ 11,708	\$ 497
Intergovernmental	1,797	2,114	1,394	(720)
Charges for Services	3	3	82	79
Investment Earnings	-	-	217	217
Miscellaneous	424	272	156	(116)
Total Revenues	<u>12,389</u>	<u>13,600</u>	<u>13,557</u>	<u>(43)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	1,605	1,605	1,027	(578)
Natural and Economic Environment	2,711	2,917	2,343	(574)
Social Service	14,036	16,402	12,373	(4,029)
Capital Outlay	-	-	850	850
Total Expenditures	<u>18,352</u>	<u>20,924</u>	<u>16,593</u>	<u>(4,331)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(5,963)</u>	<u>(7,324)</u>	<u>(3,036)</u>	<u>4,288</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	850	850
Transfers In	1,629	1,914	1,599	(315)
Transfers Out	-	(32)	(352)	(320)
Total Other Financing Sources (Uses)	<u>1,629</u>	<u>1,882</u>	<u>2,097</u>	<u>215</u>
Net Change in Fund Balances	<u>(4,334)</u>	<u>(5,442)</u>	<u>(939)</u>	<u>4,503</u>
Fund Balance - January 1	<u>4,334</u>	<u>5,442</u>	<u>8,902</u>	<u>3,460</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,963</u>	<u>\$ 7,963</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY & ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ 10,612	\$ 14,226	\$ 8,068	\$ (6,158)
Charges for Services	1,969	2,228	2,451	223
Investment Earnings	200	200	133	(67)
Total Revenues	<u>12,781</u>	<u>16,654</u>	<u>10,652</u>	<u>(6,002)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	444	444	42	(402)
Public Safety	3,379	3,379	2,235	(1,144)
Transportation	323	323	23	(300)
Natural and Economic Environment	11,333	16,820	9,005	(7,815)
Social Service	34	34	21	(13)
Culture and Recreation	944	1,055	369	(686)
Capital Outlay	-	-	1,253	1,253
Total Expenditures	<u>16,457</u>	<u>22,055</u>	<u>12,948</u>	<u>(9,107)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,676)</u>	<u>(5,401)</u>	<u>(2,296)</u>	<u>3,105</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	150	746	596
Transfers In	-	103	265	162
Transfers Out	(176)	(526)	(91)	435
Total Other Financing Sources (Uses)	<u>(176)</u>	<u>(273)</u>	<u>920</u>	<u>1,193</u>
Net Change in Fund Balances	<u>(3,852)</u>	<u>(5,674)</u>	<u>(1,376)</u>	<u>4,298</u>
Fund Balance - January 1	3,852	5,674	11,012	5,338
Prior Period Adjustment	-	-	(2)	(2)
Fund Balance - January 1, Restated	<u>3,852</u>	<u>5,674</u>	<u>11,010</u>	<u>5,336</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,634</u>	<u>\$ 9,634</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LIBRARY SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Charges for Services	\$ 185	\$ 185	\$ 252	\$ 67
Investment Earnings	127	127	159	32
Miscellaneous	70	70	70	-
Total Revenues	<u>382</u>	<u>382</u>	<u>481</u>	<u>99</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and Recreation	799	799	193	(606)
Capital Outlay	-	-	28	28
Total Expenditures	<u>799</u>	<u>799</u>	<u>221</u>	<u>(578)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(417)</u>	<u>(417)</u>	<u>260</u>	<u>677</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(417)</u>	<u>(417)</u>	<u>260</u>	<u>677</u>
Fund Balance - January 1	<u>417</u>	<u>417</u>	<u>6,328</u>	<u>5,911</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,588</u>	<u>\$ 6,588</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HISTORICALLY UNDERUTILIZED BUS SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium	Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Charges for Services	\$ 1,015	\$ 1,015	\$ 816	\$ (199)
Total Revenues	<u>1,015</u>	<u>1,015</u>	<u>816</u>	<u>(199)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	1,015	1,040	836	(204)
Total Expenditures	<u>1,015</u>	<u>1,040</u>	<u>836</u>	<u>(204)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(25)</u>	<u>(20)</u>	<u>5</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(25)</u>	<u>(20)</u>	<u>5</u>
Fund Balance - January 1	<u>-</u>	<u>25</u>	<u>127</u>	<u>102</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 107</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**POLICE SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,213	\$ 1,628	\$ 1,622	\$ (6)
Charges for Services	500	580	700	120
Fines and Penalties	557	607	805	198
Investment Earnings	-	-	42	42
Miscellaneous	33	33	69	36
Total Revenues	<u>2,303</u>	<u>2,848</u>	<u>3,238</u>	<u>390</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	2,862	3,422	2,946	(476)
Total Expenditures	<u>2,862</u>	<u>3,422</u>	<u>2,946</u>	<u>(476)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(559)</u>	<u>(574)</u>	<u>292</u>	<u>866</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	4	4
Transfers In	16	16	121	105
Total Other Financing Sources (Uses)	<u>16</u>	<u>16</u>	<u>125</u>	<u>109</u>
Net Change in Fund Balances	<u>(543)</u>	<u>(558)</u>	<u>417</u>	<u>975</u>
Fund Balance - January 1	543	558	1,910	1,352
Prior Period Adjustment			(42)	(42)
Fund Balance - January 1, Restated	543	558	1,868	1,310
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,285</u>	<u>\$ 2,285</u>

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

**MUNI TV SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts			
	Original	Final	Actual	Variance with
	(GAAP Basis)	(GAAP Basis)	Results	Final Budget
	2017-2018	2017-2018	2017-2018	Positive
	Biennium	Biennium	Biennium	(Negative)
<b>REVENUES:</b>				
Licenses and Permits	\$ 7,085	\$ 7,085	\$ 6,534	\$ (551)
Charges for Services	450	450	473	23
Investment Earnings	-	-	111	111
Miscellaneous	72	72	25	(47)
Total Revenues	<u>7,607</u>	<u>7,607</u>	<u>7,143</u>	<u>(464)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	7,358	7,433	6,135	(1,298)
Capital Outlay	-	-	735	735
Total Expenditures	<u>7,358</u>	<u>7,433</u>	<u>6,870</u>	<u>(563)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>249</u>	<u>174</u>	<u>273</u>	<u>99</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(305)	(305)	(101)	204
Total Other Financing Sources (Uses)	<u>(305)</u>	<u>(305)</u>	<u>(101)</u>	<u>204</u>
Net Change in Fund Balances	<u>(56)</u>	<u>(131)</u>	<u>172</u>	<u>303</u>
Fund Balances - 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 -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,799</u>	<u>\$ 4,799</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HUMAN RESOURCES SPECIAL REVENUE FUND**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ 219	\$ 219	\$ 139	\$ (80)
Charges for Services	661	686	362	(324)
Fines and Penalties	18	18	-	(18)
Investment Earnings	-	-	8	8
Total Revenues	<u>898</u>	<u>923</u>	<u>509</u>	<u>(414)</u>
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	915	940	529	(411)
Total Expenditures	<u>915</u>	<u>940</u>	<u>529</u>	<u>(411)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(17)</u>	<u>(17)</u>	<u>(20)</u>	<u>(3)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(17)</u>	<u>(17)</u>	<u>(20)</u>	<u>(3)</u>
Fund Balance - January 1	17	17	267	250
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247</u>	<u>\$ 247</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRAFFIC ENFORCEMENT SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Fines and Penalties	\$ 5,445	\$ 5,445	\$ 5,276	\$ (169)
Investment Earnings	-	-	8	8
Total Revenues	<u>5,445</u>	<u>5,445</u>	<u>5,284</u>	<u>(161)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	<u>6,797</u>	<u>6,797</u>	<u>6,585</u>	<u>(212)</u>
Total Expenditures	<u>6,797</u>	<u>6,797</u>	<u>6,585</u>	<u>(212)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,352)</u>	<u>(1,352)</u>	<u>(1,301)</u>	<u>51</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>1,352</u>	<u>1,352</u>	<u>1,231</u>	<u>(121)</u>
Total Other Financing Sources (Uses)	<u>1,352</u>	<u>1,352</u>	<u>1,231</u>	<u>(121)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(70)</u>	<u>(70)</u>
Fund Balance - January 1	-	-	192	192
Prior Period Adjustment	-	-	30	30
Fund Balance - January 1, Restated	-	-	222	222
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152</u>	<u>\$ 152</u>



***Non-Major 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.

**COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 1 of 3

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038	2001 LTGO Refunding #2039
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,256	\$ 288	\$ -	\$ -
Accounts Receivables (Net)	-	-	-	-
Due From Other Governmental Units	75	-	-	-
Total Assets	<u>1,331</u>	<u>288</u>	<u>-</u>	<u>-</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>1,331</u>	<u>288</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	58	-	-	-
Total Deferred Inflow of Resources	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Restricted	1,273	288	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>1,273</u>	<u>288</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,331</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ -</u>

**COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 2 of 3

	2009 LTGO Bonds #2040	2010 LTGO Bonds #2041	2013 LTGO Bonds #2042	2017 LTGO Bonds #2043
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7	\$ 23	\$ -	\$ 69
Accounts Receivables (Net)	-	-	-	-
Due From Other Governmental Units	-	-	-	-
Total Assets	<u>7</u>	<u>23</u>	<u>-</u>	<u>69</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	-	-	-	-
Total Assets and Deferred Outflows	<u>7</u>	<u>23</u>	<u>-</u>	<u>69</u>
<b>LIABILITIES</b>				
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Restricted	7	23	-	69
Unassigned	-	-	-	-
Total Fund Balance	<u>7</u>	<u>23</u>	<u>-</u>	<u>69</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 7</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 69</u>

**COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 3 of 3

	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,314	\$ 4,957
Accounts Receivables (Net)	22,267	22,267
Due From Other Governmental Units	-	75
Total Assets	<u>25,581</u>	<u>27,299</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
	-	-
Total Assets and Deferred Outflows	<u>25,581</u>	<u>27,299</u>
<b>LIABILITIES</b>		
Total Liabilities	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Unavailable Revenue	21,600	21,658
Total Deferred Inflow of Resources	<u>21,600</u>	<u>21,658</u>
<b>FUND BALANCE</b>		
Restricted	3,984	5,644
Unassigned	(3)	(3)
Total Fund Balance	<u>3,981</u>	<u>5,641</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 25,581</u>	<u>\$ 27,299</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****NON-MAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 1 of 3

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038	2001 LTGO Refunding #2039
<b>REVENUES</b>				
Property Taxes	\$ 2,791	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>2,791</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Debt Service:				
Principal	2,190	2,664	1,111	-
Interest	524	469	25	-
Total Expenditures	<u>2,714</u>	<u>3,133</u>	<u>1,136</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>77</u>	<u>(3,133)</u>	<u>(1,136)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	135	-	-
Transfers In	-	2,998	1,136	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,133</u>	<u>1,136</u>	<u>-</u>
Net Change in Fund Balance	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>1,196</u>	<u>288</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,273</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ -</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****NON-MAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 2 of 3

	2009 LTGO Bonds #2040	2010 LTGO Bonds #2041	2013 LTGO Bonds #2042	2017 LTGO Bonds #2043
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	-
Investment Earnings	-	-	-	68
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	68
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Debt Service:				
Principal	285	3,464	-	955
Interest	3,345	2,238	-	779
Total Expenditures	3,630	5,702	-	1,734
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,630)	(5,702)	-	(1,666)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	2,074	-	-	-
Transfers In	1,556	5,702	-	1,683
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	3,630	5,702	-	1,683
Net Change in Fund Balance	-	-	-	17
Fund Balance - Beginning	7	23	-	52
Fund Balance - Ending	\$ 7	\$ 23	\$ -	\$ 69

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****NON-MAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 3 of 3

	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
<b>REVENUES</b>		
Property Taxes	\$ -	\$ 2,791
Fines and Penalties	1,375	1,375
Investment Earnings	40	108
Miscellaneous	3,281	3,281
Total Revenues	<u>4,696</u>	<u>7,555</u>
<b>EXPENDITURES</b>		
General Government	10	10
Debt Service:		
Principal	3,319	13,988
Interest	1,461	8,841
Total Expenditures	<u>4,790</u>	<u>22,839</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>(94)</u>	<u>(15,284)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of Debt	-	2,209
Transfers In	-	13,075
Transfers Out	(8)	(8)
Total Other Financing Sources (Uses)	<u>(8)</u>	<u>15,276</u>
Net Change in Fund Balance	<u>(102)</u>	<u>(8)</u>
Fund Balance - Beginning	4,083	5,649
Fund Balance - Ending	<u>\$ 3,981</u>	<u>\$ 5,641</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**VOTED DEBT SERVICE FUND**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 5,423	\$ 5,423	\$ 5,492	\$ 69
Total Revenues	<u>5,423</u>	<u>5,423</u>	<u>5,492</u>	<u>69</u>
<b>EXPENDITURES:</b>				
Debt Service				
Principal	4,295	4,295	4,295	-
Interest and Other Costs	<u>1,128</u>	<u>1,128</u>	<u>1,127</u>	<u>(1)</u>
Total Expenditures	<u>5,423</u>	<u>5,423</u>	<u>5,422</u>	<u>(1)</u>
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>70</u>	<u>70</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>70</u>	<u>70</u>
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>1,203</u>	<u>1,203</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ 1,273</u>



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON VOTED DEBT SERVICE FUND**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Debt Service				
Principal	5,390	5,390	5,389	(1)
Interest and Other Costs	669	669	1,071	402
Total Expenditures	6,059	6,059	6,460	401
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(6,059)	(6,059)	(6,460)	(401)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	402	402
Transfers In	6,059	6,059	6,058	(1)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	6,059	6,059	6,460	401
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	288	288
Fund Balance - December 31	\$ -	\$ -	\$ 288	\$ 288

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC WORKS TRUST FUND LOANS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Debt Service				
Principal	2,222	2,222	2,222	-
Interest and Other Costs	59	59	59	-
Total Expenditures	2,281	2,281	2,281	-
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(2,281)	(2,281)	(2,281)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	2,281	2,281	2,281	-
Total Other Financing Sources and Uses	2,281	2,281	2,281	-
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**2001 LTGO REFUND BOND DEBT SERVICE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Taxes:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Total Expenditures	-	-	-	-
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**2009 LTGO REFUNDING (SERIES A-F) DEBT SERVICE FUND**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Debt Service				
Principal	535	535	535	-
Interest and Other Costs	2,552	2,552	6,577	4,025
Total Expenditures	3,087	3,087	7,112	4,025
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(3,087)	(3,087)	(7,112)	(4,025)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	4,024	4,024
Transfers In	3,087	3,087	3,088	1
Total Other Financing Sources and Uses	3,087	3,087	7,112	4,025
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	7	7
Fund Balance - December 31	\$ -	\$ -	\$ 7	\$ 7

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

**2010 LTGO BONDS DEBT SERVICE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Debt Service				
Principal	8,260	8,260	6,802	(1,458)
Interest and Other Costs	4,827	4,827	4,599	(228)
Total Expenditures	13,087	13,087	11,401	(1,686)
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(13,087)	(13,087)	(11,401)	1,686
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	13,087	13,087	11,401	(1,686)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	13,087	13,087	11,401	(1,686)
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	23	23
Fund Balance - December 31	\$ -	\$ -	\$ 23	\$ 23

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

**2013 LTGO BOND DEBT SERVICE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Debt Service				
Principal	3,165	3,165	-	(3,165)
Interest and Other Costs	3,626	3,626	-	(3,626)
Total Expenditures	6,791	6,791	-	(6,791)
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(6,791)	(6,791)	-	6,791
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	6,791	6,791	-	(6,791)
Total Other Financing Sources and Uses	6,791	6,791	-	(6,791)
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ -

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

**2013 LTGO BOND DEBT SERVICE FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Investment Earnings	\$ -	\$ -	\$ 68	\$ 68
Total Revenues	-	-	68	68
<b>EXPENDITURES:</b>				
Debt Service				
Principal	-	955	955	-
Interest and Other Costs	-	1,016	1,015	(1)
Total Expenditures	-	1,971	1,970	(1)
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	-	(1,971)	(1,902)	69
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	25,295	288	(25,007)
Transfers In	-	1,683	1,683	-
Transfers Out	-	(25,007)	-	25,007
Total Other Financing Sources and Uses	-	1,971	1,971	-
Net Change in Fund Balances	-	-	69	69
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ 69	\$ 69

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CONSOLIDATED LID BOND REDEMPTION FUND**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2017-2018 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2017-2018 Biennium	Final Adopted (GAAP Basis) 2017-2018 Biennium		
<b>REVENUES:</b>				
Fines and Penalties	\$ -	\$ -	\$ 2,900	\$ 2,900
Investment Earnings	-	-	68	68
Miscellaneous	-	-	6,752	6,752
Total Revenues	-	-	9,720	9,720
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	11	11
Debt Service				
Principal	-	-	7,595	7,595
Interest and Other Costs	-	-	3,107	3,107
Total Expenditures	-	-	10,713	10,713
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	-	-	(993)	(993)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	-	-	(8)	(8)
Total Other Financing Sources and Uses	-	-	(8)	(8)
Net Change in Fund Balances	-	-	(1,001)	(1,001)
Fund Balance - January 1	-	-	4,982	4,982
Fund Balance - December 31	\$ -	\$ -	\$ 3,981	\$ 3,981



***Non-Major Capital Projects Funds***

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

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

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

**Capital Revenue Fund (#3210)**

The Capital Revenue fund accounts for revenue to be used for capital projects.

**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  
CAPITAL PROJECT FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 1 of 2

	1997 LTGO Capital Projects #3209	Capital Revenue #3210	Capital Projects #3211	2002 Police Facility #3216
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 25,671	\$ 3,169	\$ 2
Accounts Receivables (Net)	-	-	11	-
Due From Other Funds	-	1,545	36	-
Due From Other Governmental Units	-	1,879	79	-
Advance to Other Funds	-	-	400	-
Total Assets	-	29,095	3,695	2
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	-	29,095	3,695	2
<b>LIABILITIES</b>				
Accounts Payable	-	-	1,117	-
Due to Other Funds	-	867	5	-
Total Liabilities	-	867	1,122	-
<b>DEFERRED INFLOW OF RESOURCES</b>				
Total Deferred Inflows of Resources	-	-	-	-
<b>FUND BALANCE</b>				
Restricted	-	20,797	2,113	-
Committed	-	7,431	164	-
Assigned	-	-	296	2
Total Fund Balance	-	28,228	2,573	2
Total Liabilities, Deferred Inflows and Fund Balance	\$ -	\$ 29,095	\$ 3,695	\$ 2

**COMBINING BALANCE SHEET  
CAPITAL PROJECT FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 2 of 2

	2009 LTGO Capital Projects #3218	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 87	\$ 1,238	\$ 1,247	\$ 31,414
Accounts Receivables (Net)	-	-	-	11
Due From Other Funds	-	-	-	1,581
Due From Other Governmental Units	-	-	-	1,958
Advance to Other Funds	-	-	-	400
Total Assets	<u>87</u>	<u>1,238</u>	<u>1,247</u>	<u>35,364</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>87</u>	<u>1,238</u>	<u>1,247</u>	<u>35,364</u>
<b>LIABILITIES</b>				
Accounts Payable	-	3	-	1,120
Due to Other Funds	-	1	-	873
Total Liabilities	<u>-</u>	<u>4</u>	<u>-</u>	<u>1,993</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Restricted	87	1,234	1,247	25,478
Committed	-	-	-	7,595
Assigned	-	-	-	298
Total Fund Balance	<u>87</u>	<u>1,234</u>	<u>1,247</u>	<u>33,371</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 87</u>	<u>\$ 1,238</u>	<u>\$ 1,247</u>	<u>\$ 35,364</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**CAPITAL PROJECT FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 1 of 2

	1997 LTGO Capital Projects #3209	Capital Revenue #3210	Capital Projects #3211	2002 Police Facility #3216
<b>REVENUES</b>				
Taxes:				
Retail Sales & Use	\$ -	\$ 500	\$ -	\$ -
Excise	-	11,298	-	-
Intergovernmental	-	-	1,236	-
Investment Earnings	-	621	50	28
Miscellaneous	-	-	41	-
Total Revenues	<u>-</u>	<u>12,419</u>	<u>1,327</u>	<u>28</u>
<b>EXPENDITURES</b>				
General Government	-	-	11,527	-
Transportation	-	1,500	572	-
Social Services	-	-	3	-
Culture and Recreation	-	-	401	-
Debt Service:				
Interest	-	-	-	26
Capital Outlay	-	-	17,864	-
Total Expenditures	<u>-</u>	<u>1,500</u>	<u>30,367</u>	<u>26</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>-</u>	<u>10,919</u>	<u>(29,040)</u>	<u>2</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	2,802	26,165	-
Transfers Out	-	(34,017)	(347)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(31,215)</u>	<u>25,818</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>(20,296)</u>	<u>(3,222)</u>	<u>2</u>
Fund Balance - Beginning	-	48,524	5,795	-
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>-</u>	<u>48,524</u>	<u>5,795</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 28,228</u>	<u>\$ 2,573</u>	<u>\$ 2</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**CAPITAL PROJECT FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 2 of 2

	2009 LTGO Capital Projects #3218	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>				
Taxes:				
Retail Sales & Use	\$ -	\$ -	\$ -	\$ 500
Excise	-	-	-	11,298
Intergovernmental	-	-	-	1,236
Investment Earnings	1	29	-	729
Miscellaneous	-	-	-	41
Total Revenues	<u>1</u>	<u>29</u>	<u>-</u>	<u>13,804</u>
<b>EXPENDITURES</b>				
General Government	-	-	-	11,527
Transportation	-	-	-	2,072
Social Services	-	-	-	3
Culture and Recreation	-	128	-	529
Debt Service:				
Interest	-	-	-	26
Capital Outlay	-	-	-	17,864
Total Expenditures	<u>-</u>	<u>128</u>	<u>-</u>	<u>32,021</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>1</u>	<u>(99)</u>	<u>-</u>	<u>(18,217)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	28,967
Transfers Out	-	(463)	(596)	(35,423)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(463)</u>	<u>(596)</u>	<u>(6,456)</u>
Net Change in Fund Balance	<u>1</u>	<u>(562)</u>	<u>(596)</u>	<u>(24,673)</u>
Fund Balance - Beginning	84	1,796	1,843	58,042
Prior Period Adjustment	2	-	-	2
Fund Balance - Beginning, Restated	<u>86</u>	<u>1,796</u>	<u>1,843</u>	<u>58,044</u>
Fund Balance - Ending	<u>\$ 87</u>	<u>\$ 1,234</u>	<u>\$ 1,247</u>	<u>\$ 33,371</u>

**Non-Major 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, 2018  
(amounts expressed in thousands)  
Page 1 of 6

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 3,145	\$ 294	\$ 2,594	\$ 1,981
Accounts Receivables (Net)	68	246	640	227
Due from Other Funds	89	-	1	2
Inventory	-	-	-	-
Prepaid Expenses	-	51	23	55
Restricted Cash:				
Debt Service	-	-	-	661
Others	7,102	-	3,495	1,351
Total Current Assets	<u>10,404</u>	<u>591</u>	<u>6,753</u>	<u>4,277</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	-	-
Net Pension Asset	751	-	150	208
Other non-current assets	-	-	-	110
Capital Assets:				
Land	-	1,110	11,176	15,086
Buildings and Equipment	268	26,436	51,737	69,235
Construction in Progress	-	67	2,050	-
Less: Accumulated Depreciation	<u>(140)</u>	<u>(10,508)</u>	<u>(17,534)</u>	<u>(27,810)</u>
Total Capital Assets (Net of A/D)	<u>128</u>	<u>17,105</u>	<u>47,429</u>	<u>56,511</u>
Total Noncurrent Assets	<u>879</u>	<u>17,105</u>	<u>47,579</u>	<u>56,829</u>
Total Assets	<u>11,283</u>	<u>17,696</u>	<u>54,332</u>	<u>61,106</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	-	-	2,762
Deferred Outflow Related to Pensions	963	-	193	266
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>963</u>	<u>-</u>	<u>193</u>	<u>3,028</u>

**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 2 of 6

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 52	\$ 2,032	\$ 735	\$ -
Accounts Receivables (Net)	19	454	-	4,052
Due from Other Funds	1	3	732	-
Inventory	-	-	-	-
Prepaid Expenses	20	44	21	-
Restricted Cash:				
Debt Service	184	-	-	1,997
Others	88	21,222	6	-
Total Current Assets	<u>364</u>	<u>23,755</u>	<u>1,494</u>	<u>6,049</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	-	11,378
Net Pension Asset	-	300	-	-
Other non-current assets	-	-	-	-
Capital Assets:				
Land	224	6,161	2,087	-
Buildings and Equipment	39,869	59,064	30,327	-
Construction in Progress	-	14	-	-
Less: Accumulated Depreciation	<u>(13,510)</u>	<u>(32,365)</u>	<u>(9,167)</u>	<u>-</u>
Total Capital Assets (Net of A/D)	<u>26,583</u>	<u>32,874</u>	<u>23,247</u>	<u>-</u>
Total Noncurrent Assets	<u>26,583</u>	<u>33,174</u>	<u>23,247</u>	<u>11,378</u>
Total Assets	<u>26,947</u>	<u>56,929</u>	<u>24,741</u>	<u>17,427</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	-	-	-
Deferred Outflow Related to Pensions	-	385	-	-
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>-</u>	<u>385</u>	<u>-</u>	<u>-</u>



**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 3 of 6

	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 12,686	\$ 1,860	\$ 25,379
Accounts Receivables (Net)	3,472	-	9,178
Due from Other Funds	17	-	845
Inventory	1,213	-	1,213
Prepaid Expenses	1,306	-	1,520
Restricted Cash:			
Debt Service	-	-	2,842
Others	-	-	33,264
Total Current Assets	<u>18,694</u>	<u>1,860</u>	<u>74,241</u>
Noncurrent Assets:			
Long-Term Contracts and Notes	-	-	11,378
Net Pension Asset	-	-	1,409
Other non-current assets	-	-	110
Capital Assets:			
Land	160	-	36,004
Buildings and Equipment	47,014	-	323,950
Construction in Progress	735	-	2,866
Less: Accumulated Depreciation	<u>(21,796)</u>	<u>-</u>	<u>(132,830)</u>
Total Capital Assets (Net of A/D)	<u>26,113</u>	<u>-</u>	<u>229,990</u>
Total Noncurrent Assets	<u>26,113</u>	<u>-</u>	<u>242,887</u>
Total Assets	<u>44,807</u>	<u>1,860</u>	<u>317,128</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow from Bond Refunding	-	-	2,762
Deferred Outflow Related to Pensions	-	-	1,807
Deferred Outflow Related to OPEB	<u>994</u>	<u>-</u>	<u>994</u>
Total Deferred Outflow of Resources	<u>994</u>	<u>-</u>	<u>5,563</u>

**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 4 of 6

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	12	177	415	351
Due to Other Funds	45	20	9	5
Customer Deposits	125	185	-	563
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	62	-	10	12
Bonds Payable - Current	-	-	1,627	3,473
Unearned Revenues	-	-	-	-
Other Current Liabilities	136	4	87	153
Total Current Liabilities	<u>380</u>	<u>386</u>	<u>2,148</u>	<u>4,557</u>
Noncurrent Liabilities:				
Compensated Absences	559	-	93	112
Other non-current liabilities	-	-	-	-
Loans Payable	-	-	-	-
Bonds Payable	-	-	8,445	59,865
Total OPEB Liability	-	-	-	-
Total Noncurrent Liabilities	<u>559</u>	<u>-</u>	<u>8,538</u>	<u>59,977</u>
Total Liabilities	<u>939</u>	<u>386</u>	<u>10,686</u>	<u>64,534</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Bond Refunding			58	31
Deferred Inflow Related to Pensions	1,278	-	256	354
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflows of Resources	<u>1,278</u>	<u>-</u>	<u>314</u>	<u>385</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	128	17,104	37,241	(4,175)
Restricted				
Capital Purchase	-	-	3,495	1,351
Debt Service	-	-	-	663
Culture and Recreation	-	-	-	-
Environment Service & Program	2,367	-	-	-
Inspections	666	-	-	-
Pension	-	-	-	208
Reserves	4,077	-	-	-
Unrestricted	<u>2,791</u>	<u>206</u>	<u>2,789</u>	<u>1,168</u>
Total Net Position	<u>\$ 10,029</u>	<u>\$ 17,310</u>	<u>\$ 43,525</u>	<u>\$ (785)</u>

**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 5 of 6

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	-	242	1,018	320
Due to Other Funds	-	43	-	-
Customer Deposits	-	21,328	-	-
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	-	27	-	-
Bonds Payable - Current	-	-	-	3,020
Unearned Revenues	-	97	-	947
Other Current Liabilities	-	53	-	-
Total Current Liabilities	-	21,790	1,018	4,287
Noncurrent Liabilities:				
Compensated Absences	-	243	-	-
Other non-current liabilities	-	-	-	3,357
Loans Payable	-	-	-	-
Bonds Payable	-	-	-	8,855
Total OPEB Liability	-	-	-	-
Total Noncurrent Liabilities	-	243	-	12,212
Total Liabilities	-	22,033	1,018	16,499
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Bond Refunding				
Deferred Inflow Related to Pensions	-	511	-	-
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflows of Resources	-	511	-	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	26,583	32,874	23,247	-
Restricted				
Capital Purchase	88	-	-	-
Debt Service	204	-	-	1,997
Culture and Recreation	-	21,222	-	-
Environment Service & Program	-	-	-	-
Inspections	-	-	-	-
Pension	-	300	-	-
Reserves	-	-	-	-
Unrestricted	72	(19,626)	476	(1,069)
Total Net Position	\$ 26,947	\$ 34,770	\$ 23,723	\$ 928

**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 6 of 6

	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,566	-	4,101
Due to Other Funds	327	-	449
Customer Deposits	-	-	22,201
Loans Payable - Current	820	-	820
Compensated Absences - Current	118	-	229
Bonds Payable - Current	-	-	8,120
Unearned Revenues	-	-	1,044
Other Current Liabilities	590	-	1,023
Total Current Liabilities	<u>3,421</u>	<u>-</u>	<u>37,987</u>
Noncurrent Liabilities:			
Compensated Absences	1,065	-	2,072
Other non-current liabilities	3,628	-	6,985
Loans Payable	4,403	-	4,403
Bonds Payable	-	-	77,165
Total OPEB Liability	<u>12,180</u>	<u>-</u>	<u>12,180</u>
Total Noncurrent Liabilities	<u>21,276</u>	<u>-</u>	<u>102,805</u>
Total Liabilities	<u>24,697</u>	<u>-</u>	<u>140,792</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Bond Refunding			89
Deferred Inflow Related to Pensions	-	-	2,399
Deferred Inflow Related to OPEB	290	-	290
Deferred Inflows of Resources	<u>290</u>	<u>-</u>	<u>2,778</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,890	-	153,892
Restricted			
Capital Purchase	-	-	4,934
Debt Service	-	-	2,864
Culture and Recreation	-	-	21,222
Environment Service & Program	-	-	2,367
Inspections	-	-	666
Pension	-	-	508
Reserves	-	1,860	5,937
Unrestricted	<u>(76)</u>	<u>-</u>	<u>(13,269)</u>
Total Net Position	<u>\$ 20,814</u>	<u>\$ 1,860</u>	<u>\$ 179,121</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 1 of 3

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 12,912	\$ 1,462	\$ 7,519	\$ 3,272
Other Operating Revenue	5	-	-	-
Total Operating Revenues	<u>12,917</u>	<u>1,462</u>	<u>7,519</u>	<u>3,272</u>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	5,308	404	943	1,347
Personnel Benefits	1,190	275	321	394
Supplies	109	88	34	157
Service	2,192	1,838	2,313	2,898
Taxes	7	28	91	73
Depreciation	19	824	1,363	1,927
Total Operating Expenses	<u>8,825</u>	<u>3,457</u>	<u>5,065</u>	<u>6,796</u>
Operating Income (Loss)	<u>4,092</u>	<u>(1,995)</u>	<u>2,454</u>	<u>(3,524)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest Revenue	131	8	144	79
Tax Revenues	-	-	-	10
Other Non-Operating Revenues	-	492	66	2,427
Unrealized net gain(loss) in fair value investment	(12)	6	23	(10)
Interest Expense	-	-	(280)	(2,363)
Other Non-Operating Expenses	(1)	-	(500)	-
Total Non-Operating Revenue (Expense)	<u>118</u>	<u>506</u>	<u>(547)</u>	<u>143</u>
Income (Loss) Before Contributions & Transfers	<u>4,210</u>	<u>(1,489)</u>	<u>1,907</u>	<u>(3,381)</u>
Capital Contributions	-	-	-	1,521
Transfers In	773	200	27	5,592
Transfers Out	(327)	-	(1,557)	-
Total Contributions and Transfers	<u>446</u>	<u>200</u>	<u>(1,530)</u>	<u>7,113</u>
Change in Net Position	4,656	(1,289)	377	3,732
Net Position, January 1	5,496	18,599	44,036	(4,517)
Prior Period Adjustment	(123)	-	(888)	-
Change in Accounting Principle	-	-	-	-
Net Position, January 1 restated	5,373	18,599	43,148	(4,517)
Net Position, December 31	<u>\$ 10,029</u>	<u>\$ 17,310</u>	<u>\$ 43,525</u>	<u>\$ (785)</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 2 of 3

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 326	\$ 7,037	\$ -	\$ -
Other Operating Revenue	-	-	-	-
Total Operating Revenues	<u>326</u>	<u>7,037</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	1	2,299	-	-
Personnel Benefits	-	650	-	-
Supplies	4	367	31	-
Service	69	5,042	974	4
Taxes	52	109	-	-
Depreciation	1,535	537	732	-
Total Operating Expenses	<u>1,661</u>	<u>9,004</u>	<u>1,737</u>	<u>4</u>
Operating Income (Loss)	<u>(1,335)</u>	<u>(1,967)</u>	<u>(1,737)</u>	<u>(4)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest Revenue	5	177	7	5
Tax Revenues	334	1,043	-	-
Other Non-Operating Revenues	376	1,073	-	1,214
Unrealized net gain(loss) in fair value investment	(2)	(67)	-	-
Interest Expense	-	(4)	-	(1,214)
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenue (Expense)	<u>713</u>	<u>2,222</u>	<u>7</u>	<u>5</u>
Income (Loss) Before Contributions & Transfers	<u>(622)</u>	<u>255</u>	<u>(1,730)</u>	<u>1</u>
Capital Contributions	-	10,993	970	-
Transfers In	577	-	5,884	-
Transfers Out	(1,343)	-	-	-
Total Contributions and Transfers	<u>(766)</u>	<u>10,993</u>	<u>6,854</u>	<u>-</u>
Change in Net Position	<u>(1,388)</u>	<u>11,248</u>	<u>5,124</u>	<u>1</u>
Net Position, January 1	28,649	23,579	18,648	927
Prior Period Adjustment	(314)	(57)	(49)	-
Change in Accounting Principle	-	-	-	-
Net Position, January 1 restated	<u>28,335</u>	<u>23,522</u>	<u>18,599</u>	<u>927</u>
Net Position, December 31	<u>\$ 26,947</u>	<u>\$ 34,770</u>	<u>\$ 23,723</u>	<u>\$ 928</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 3 of 3

	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 33,165	\$ -	\$ 65,693
Other Operating Revenue	-	-	5
Total Operating Revenues	<u>33,165</u>	<u>-</u>	<u>65,698</u>
<b>OPERATING EXPENSES:</b>			
Salaries and wages	10,840	-	21,142
Personnel Benefits	7,448	-	10,278
Supplies	1,465	-	2,255
Service	7,829	-	23,159
Taxes	466	-	826
Depreciation	1,738	-	8,675
Total Operating Expenses	<u>29,786</u>	<u>-</u>	<u>66,335</u>
Operating Income (Loss)	<u>3,379</u>	<u>-</u>	<u>(637)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>			
Interest Revenue	158	32	746
Tax Revenues	-	-	1,387
Other Non-Operating Revenues	1,063	120	6,831
Unrealized net gain(loss) in fair value investment	(6)	-	(68)
Interest Expense	-	-	(3,861)
Other Non-Operating Expenses	-	(165)	(666)
Total Non-Operating Revenue (Expense)	<u>1,215</u>	<u>(13)</u>	<u>4,369</u>
Income (Loss) Before Contributions & Transfers	<u>4,594</u>	<u>(13)</u>	<u>3,732</u>
Capital Contributions	112	-	13,596
Transfers In	-	-	13,053
Transfers Out	(2,751)	-	(5,978)
Total Contributions and Transfers	<u>(2,639)</u>	<u>-</u>	<u>20,671</u>
Change in Net Position	1,955	(13)	24,403
Net Position, January 1	28,167	-	163,584
Prior Period Adjustment	-	1,873	442
Change in Accounting Principle	(9,308)	-	(9,308)
Net Position, January 1 restated	18,859	1,873	154,718
Net Position, December 31	<u>\$ 20,814</u>	<u>\$ 1,860</u>	<u>\$ 179,121</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 1 of 8

	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 12,704	\$ 1,476	\$ 6,997
Payments to suppliers	(1,132)	(2,008)	(2,738)
Payments to employees	(7,089)	(679)	(1,379)
Payments for taxes	(6)	(34)	(90)
Payments for interfund services used	(1,246)	(298)	(479)
Other operating or non-operating revenues	5	493	(434)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,236</u>	<u>(1,050)</u>	<u>1,877</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	773	200	27
Grants and contributions received	-	-	-
Transfer to other funds	(327)	-	(25)
Advance from other funds	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>446</u>	<u>200</u>	<u>2</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	-
Contributions and donations	-	(1)	-
Acquisitions and constructions of capital assets	-	-	(1,194)
Principal paid on capital debts	-	(4)	(1,589)
Interest and issuance costs paid on capital debts	-	-	(286)
Transfers to other funds	-	-	(1,532)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(5)</u>	<u>(4,601)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	130	8	144
Change in fair value of investment	(11)	6	23
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>119</u>	<u>14</u>	<u>167</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,801</u>	<u>(841)</u>	<u>(2,555)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	6,446	1,135	8,645
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 10,247</u>	<u>\$ 294</u>	<u>\$ 6,090</u>



**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 2 of 8

	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 3,362	\$ 690	\$ 41,639
Payments to suppliers	(2,115)	(49)	(21,864)
Payments to employees	(1,905)	(1)	(3,210)
Payments for taxes	(73)	(51)	(108)
Payments for interfund services used	(522)	(25)	(483)
Other operating or non-operating revenues	62	334	1,073
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,191)</u>	<u>898</u>	<u>17,047</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	2,090	577	-
Grants and contributions received	2,365	-	-
Transfer to other funds	-	-	-
Advance from other funds	-	-	(431)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>4,455</u>	<u>577</u>	<u>(431)</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	3,502	-	-
Contributions and donations	1,521	-	-
Acquisitions and constructions of capital assets	-	314	84
Principal paid on capital debts	(3,647)	-	-
Interest and issuance costs paid on capital debts	(2,570)	-	(4)
Transfers to other funds	-	(1,344)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(1,194)</u>	<u>(1,030)</u>	<u>80</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	79	3	177
Change in fair value of investment	(10)	(2)	(67)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>69</u>	<u>1</u>	<u>110</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,139</u>	<u>446</u>	<u>16,806</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	1,854	191	6,448
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,993</u>	<u>\$ 637</u>	<u>\$ 23,254</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 3 of 8

	Performing Arts #4190	Union Stations #4450	Tacoma Rail Belt Line Div #4500
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ (384)	\$ -	\$ 33,056
Payments to suppliers	(291)	(1,293)	(6,281)
Payments to employees	-	-	(17,636)
Payments for taxes	-	-	(463)
Payments for interfund services used	(96)	-	(1,369)
Other operating or non-operating revenues	-	5,266	1,063
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(771)	3,973	8,370
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	5,884	-	-
Grants and contributions received	-	-	-
Transfer to other funds	-	-	(2,711)
Advance from other funds	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	5,884	-	(2,711)
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	-
Contributions and donations	970	-	112
Acquisitions and constructions of capital assets	(5,814)	-	(1,145)
Principal paid on capital debts	-	(2,760)	(820)
Interest and issuance costs paid on capital debts	-	(1,214)	-
Transfers to other funds	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(4,844)	(3,974)	(1,853)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	7	5	158
Change in fair value of investment	-	-	(6)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	7	5	152
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	276	4	3,958
CASH AND CASH EQUIVALENTS, JANUARY 1	466	1,993	8,729
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 742	\$ 1,997	\$ 12,687

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 4 of 8

	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipt from customers and users	\$ (1)	\$ 99,539
Payments to suppliers	(1,874)	(39,645)
Payments to employees	-	(31,899)
Payments for taxes	-	(825)
Payments for interfund services used	-	(4,518)
Other operating or non-operating revenues	(45)	7,817
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,920)</u>	<u>30,469</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer from other funds	-	9,551
Grants and contributions received	1,873	4,238
Transfer to other funds	-	(3,063)
Advance from other funds	-	(431)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,873</u>	<u>10,295</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	-	3,502
Contributions and donations	-	2,602
Acquisitions and constructions of capital assets	-	(7,755)
Principal paid on capital debts	-	(8,820)
Interest and issuance costs paid on capital debts	-	(4,074)
Transfers to other funds	-	(2,876)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(17,421)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interests and dividends received	31	742
Change in fair value of investment	2	(65)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>33</u>	<u>677</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(14)</u>	<u>24,020</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	1,873	37,780
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,859</u>	<u>\$ 61,800</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 5 of 8

	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 4,092	\$ (1,995)	\$ 2,454
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	19	824	1,363
(Increase) decrease in accounts receivable	5	14	(640)
(Increase) decrease in due from other funds	(89)	-	(1)
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	(6)
(Increase) decrease in other assets	244	-	(35)
(Increase) decrease in deposits payable	-	(9)	-
Increase (decrease) in accounts payable	(26)	(232)	142
Increase (decrease) in accrued wages payable	(992)	-	(94)
Increase (decrease) in compensated absences	158	-	15
Increase (decrease) in intergovernmental payable	(4)	-	-
Increase (decrease) in due to other funds	(54)	(145)	1
Increase (decrease) in deferred revenues	-	-	-
Increase (decrease) in other current liabilities	7	-	-
Increase (decrease) long term liabilities	-	-	-
Miscellaneous non-operating revenues (expenses)	(1)	493	(434)
Prior Period Adjustment	(123)	-	(888)
Total adjustments	(856)	945	(577)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 3,236</b>	<b>\$ (1,050)</b>	<b>\$ 1,877</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 6 of 8

	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (3,524)	\$ (1,335)	\$ (1,967)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1,927	1,535	537
(Increase) decrease in accounts receivable	92	(20)	(411)
(Increase) decrease in due from other funds	(2)	7	(3)
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	(4)	(2)	(4)
(Increase) decrease in other assets	(208)	-	(300)
(Increase) decrease in deposits payable	54	-	16,831
Increase (decrease) in accounts payable	(43)	-	159
Increase (decrease) in accrued wages payable	(233)	-	(337)
Increase (decrease) in compensated absences	17	-	20
Increase (decrease) in intergovernmental payable	300	-	-
Increase (decrease) in due to other funds	2	-	40
Increase (decrease) in deferred revenues	-	-	67
Increase (decrease) in other current liabilities	110	-	-
Increase (decrease) long term liabilities	259	-	356
Miscellaneous non-operating revenues (expenses)	62	713	2,116
Prior Period Adjustment	-	-	(57)
Total adjustments	2,333	2,233	19,014
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,191)</b>	<b>\$ 898</b>	<b>\$ 17,047</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	10,993

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 7 of 8

	Performing Arts #4190	Union Stations #4450	Tacoma Rail Belt Line Div #4500
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (1,737)	\$ (4)	\$ 3,379
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	732	-	1,738
(Increase) decrease in accounts receivable	-	-	(250)
(Increase) decrease in due from other funds	(384)	-	141
(Increase) decrease in inventories	-	-	(46)
(Increase) decrease in prepaid items	(2)	-	(617)
(Increase) decrease in other assets	-	-	(994)
(Increase) decrease in deposits payable	1	-	-
Increase (decrease) in accounts payable	668	(74)	817
Increase (decrease) in accrued wages payable	-	-	10,896
Increase (decrease) in compensated absences	-	-	59
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in due to other funds	-	-	266
Increase (decrease) in deferred revenues	-	(268)	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) long term liabilities	-	(947)	1,226
Miscellaneous non-operating revenues (expenses)	-	5,266	1,063
Prior Period Adjustment	(49)	-	(9,308)
Total adjustments	966	3,977	4,991
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (771)</b>	<b>\$ 3,973</b>	<b>\$ 8,370</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2018  
(amounts expressed in thousands)  
Page 8 of 8

	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ -	\$ (637)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:		
Operating Activities:		
Depreciation expenses	-	8,675
(Increase) decrease in accounts receivable	(1)	(1,211)
(Increase) decrease in due from other funds	-	(331)
(Increase) decrease in inventories	-	(46)
(Increase) decrease in prepaid items	-	(635)
(Increase) decrease in other assets	-	(1,293)
(Increase) decrease in deposits payable	-	16,877
Increase (decrease) in accounts payable	-	1,411
Increase (decrease) in accrued wages payable	-	9,240
Increase (decrease) in compensated absences	-	269
Increase (decrease) in intergovernmental payable	-	296
Increase (decrease) in due to other funds	-	110
Increase (decrease) in deferred revenues	-	(201)
Increase (decrease) in other current liabilities	(1,874)	(1,757)
Increase (decrease) long term liabilities	-	894
Miscellaneous non-operating revenues (expenses)	(45)	9,233
Prior Period Adjustment	-	(10,425)
Total adjustments	(1,920)	31,106
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,920)</b>	<b>\$ 30,469</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Contribution of capital assets	-	10,993

**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.

**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 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.



**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 1 of 8

	Finance Department #5007	BSIP Project #5027	Graphic Services #5042	TPU Fleet Services #5050
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1	\$ 143	\$ -	\$ 16,085
Accounts Receivables (Net)	21	-	-	184
Due From Other Funds	-	-	-	382
Due From Other Governmental Units	-	-	-	-
Inventories	-	-	-	358
Prepaid Expenses	-	-	-	-
Total Current Assets	<u>22</u>	<u>143</u>	<u>-</u>	<u>17,009</u>
Noncurrent Assets:				
Net Pension Assets	-	-	-	368
Capital Assets:				
Land	-	-	-	-
Property, Plant and Equipment	-	-	-	65,520
Construction in Progress	-	-	-	2
Less: Accumulated Depreciation	-	-	-	(38,554)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,968</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,336</u>
Total Assets	<u>22</u>	<u>143</u>	<u>-</u>	<u>44,345</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	<u>-</u>	<u>-</u>	<u>-</u>	<u>472</u>

**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 2 of 8

	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 143	\$ 10,141	\$ 178	\$ 5,831
Accounts Receivables (Net)	-	45	-	440
Due From Other Funds	106	164	236	-
Due From Other Governmental Units	-	-	-	-
Inventories	-	526	169	-
Prepaid Expenses	-	24	-	-
Total Current Assets	<u>249</u>	<u>10,900</u>	<u>583</u>	<u>6,271</u>
Noncurrent Assets:				
Net Pension Assets	-	488	25	89
Capital Assets:				
Land	-	-	11	-
Property, Plant and Equipment	-	60,327	980	5,764
Construction in Progress	-	353	-	25
Less: Accumulated Depreciation	-	(37,740)	(467)	(3,855)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>22,940</u>	<u>524</u>	<u>1,934</u>
Total Noncurrent Assets	<u>-</u>	<u>23,428</u>	<u>549</u>	<u>2,023</u>
Total Assets	<u>249</u>	<u>34,328</u>	<u>1,132</u>	<u>8,294</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	<u>-</u>	<u>625</u>	<u>32</u>	<u>114</u>

**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

December 31, 2018  
(amounts expressed in thousands)  
Page 3 of 8

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 3,556	\$ 815	\$ 6,393	\$ 2,518
Accounts Receivables (Net)	-	-	-	-
Due From Other Funds	-	-	-	1
Due From Other Governmental Units	-	-	-	-
Inventories	-	-	-	-
Prepaid Expenses	-	-	-	34
Total Current Assets	<u>3,556</u>	<u>815</u>	<u>6,393</u>	<u>2,553</u>
Noncurrent Assets:				
Net Pension Assets	7	-	126	210
Capital Assets:				
Land	-	-	-	346
Property, Plant and Equipment	-	-	-	22,332
Construction in Progress	-	-	-	-
Less: Accumulated Depreciation	-	-	-	(16,571)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,107</u>
Total Noncurrent Assets	<u>7</u>	<u>-</u>	<u>126</u>	<u>6,317</u>
Total Assets	<u>3,563</u>	<u>815</u>	<u>6,519</u>	<u>8,870</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	<u>9</u>	<u>-</u>	<u>162</u>	<u>270</u>

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 4 of 8

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 15,684	\$ 34,321	\$ 7,868	\$ 103,677
Accounts Receivables (Net)	51	-	-	741
Due From Other Funds	181	-	-	1,070
Due From Other Governmental Units	19	-	-	19
Inventories	9	-	-	1,062
Prepaid Expenses	2,582	-	-	2,640
Total Current Assets	<u>18,526</u>	<u>34,321</u>	<u>7,868</u>	<u>109,209</u>
Noncurrent Assets:				
Net Pension Assets	4,311	-	-	5,624
Capital Assets:				
Land	-	-	-	357
Property, Plant and Equipment	31,519	12	-	186,454
Construction in Progress	317	-	-	697
Less: Accumulated Depreciation	<u>(24,796)</u>	<u>(1)</u>	<u>-</u>	<u>(121,984)</u>
Total Capital Assets (Net of A/D)	<u>7,040</u>	<u>11</u>	<u>-</u>	<u>65,524</u>
Total Noncurrent Assets	<u>11,351</u>	<u>11</u>	<u>-</u>	<u>71,148</u>
Total Assets	<u>29,877</u>	<u>34,332</u>	<u>7,868</u>	<u>180,357</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	<u>5,529</u>	<u>-</u>	<u>-</u>	<u>7,213</u>

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 5 of 8

	Finance Department #5007	BSIP Project #5027	Graphic Services #5042	TPU Fleet Services #5050
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	-	-	-	698
Due to Other Funds	-	-	-	-
Compensated Absences - Current	-	-	-	23
Other Liabilities Payable	-	-	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>721</u>
Noncurrent Liabilities				
Compensated Absences	-	-	-	207
Other LT Liabilities Payable	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>207</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>928</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	<u>-</u>	<u>-</u>	<u>-</u>	<u>626</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	26,967
Restricted For:				
Capital Purchases	-	-	-	26,277
Self Insurance	-	-	-	-
Pensions	-	-	-	368
Unrestricted	<u>22</u>	<u>143</u>	<u>-</u>	<u>(10,349)</u>
Total Net Position	<u>\$ 22</u>	<u>\$ 143</u>	<u>\$ -</u>	<u>\$ 43,263</u>

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 6 of 8

	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	109	277	125	16
Due to Other Funds	-	7	2	-
Compensated Absences - Current	-	26	2	26
Other Liabilities Payable	-	-	-	-
Total Current Liabilities	<u>109</u>	<u>310</u>	<u>129</u>	<u>42</u>
Noncurrent Liabilities				
Compensated Absences	-	235	13	237
Other LT Liabilities Payable	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>235</u>	<u>13</u>	<u>237</u>
Total Liabilities	<u>109</u>	<u>545</u>	<u>142</u>	<u>279</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	<u>-</u>	<u>830</u>	<u>43</u>	<u>151</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	23,427	524	1,934
Restricted For:				
Capital Purchases	-	-	-	-
Self Insurance	-	-	-	-
Pensions	-	-	-	-
Unrestricted	<u>140</u>	<u>10,151</u>	<u>455</u>	<u>6,044</u>
Total Net Position	<u>\$ 140</u>	<u>\$ 33,578</u>	<u>\$ 979</u>	<u>\$ 7,978</u>

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 7 of 8

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	30	89	655	582
Due to Other Funds	-	-	3	6
Compensated Absences - Current	-	-	-	9
Other Liabilities Payable	21,513	-	5,050	-
Total Current Liabilities	21,543	89	5,708	597
Noncurrent Liabilities				
Compensated Absences	-	-	-	84
Other LT Liabilities Payable	7,200	-	-	-
Total Noncurrent Liabilities	7,200	-	-	84
Total Liabilities	28,743	89	5,708	681
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	13	-	215	358
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	6,317
Restricted For:				
Capital Purchases	-	-	-	-
Self Insurance	-	-	-	-
Pensions	-	-	-	-
Unrestricted	(25,184)	726	758	1,784
Total Net Position	\$ (25,184)	\$ 726	\$ 758	\$ 8,101

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

December 31, 2018

(amounts expressed in thousands)

Page 8 of 8

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	3,985	4,439	2	11,007
Due to Other Funds	23	35	11	87
Compensated Absences - Current	351	-	-	437
Other Liabilities Payable	-	9,044	5,159	40,766
Total Current Liabilities	<u>4,359</u>	<u>13,518</u>	<u>5,172</u>	<u>52,297</u>
Noncurrent Liabilities				
Compensated Absences	3,159	-	-	3,935
Other LT Liabilities Payable	-	-	-	7,200
Total Noncurrent Liabilities	<u>3,159</u>	<u>-</u>	<u>-</u>	<u>11,135</u>
Total Liabilities	<u>7,518</u>	<u>13,518</u>	<u>5,172</u>	<u>63,432</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	<u>7,339</u>	<u>-</u>	<u>-</u>	<u>9,575</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	7,079	11	-	66,259
Restricted For:				
Capital Purchases	-	-	-	26,277
Self Insurance	-	-	2,696	2,696
Pensions	-	-	-	368
Unrestricted	<u>13,470</u>	<u>20,803</u>	<u>-</u>	<u>18,963</u>
Total Net Position	<u>\$ 20,549</u>	<u>\$ 20,814</u>	<u>\$ 2,696</u>	<u>\$ 114,563</u>



**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 1 of 4

	Finance Department #5007	BSIP Project #5027	Graphic Services #5042	TPU Fleet Services #5050
<b>OPERATING REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 6,494
Interfund Insurance Premiums	-	-	-	-
Other Operating Revenue	-	-	-	-
Total Operating Revenues	-	-	-	6,494
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	-	-	-	2,713
Supplies	-	-	-	73
Service	-	-	-	1,434
Depreciation	-	-	-	3,590
Total Operating Expenses	-	-	-	7,810
Operating Income (Loss)	-	-	-	(1,316)
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	-	-	-	75
Other Non-Operating Revenues	-	-	-	18
Gain (Loss) on Sale of Capital Assets	-	-	-	383
Unrealized Gain(loss) on FMV of Investments	-	-	-	36
Total Non-Operating Revenues (Expenses)	-	-	-	512
Income (Loss) Before Contributions	-	-	-	(804)
Transfers In	-	-	-	-
Transfers Out	-	-	(102)	-
Change in Net Position	-	-	(102)	(804)
Net Position, January 1	22	143	102	44,067
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	22	143	102	44,067
Total Net Position - Ending	\$ 22	\$ 143	\$ -	\$ 43,263

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 2 of 4

	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 335	\$ 8,285	\$ 2,394	\$ 2,947
Interfund Insurance Premiums	-	-	-	-
Other Operating Revenue	-	1	-	-
Total Operating Revenues	<u>335</u>	<u>8,286</u>	<u>2,394</u>	<u>2,947</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	-	4,085	189	761
Supplies	-	54	1,661	186
Service	337	1,644	540	1,254
Depreciation	-	3,620	-	450
Total Operating Expenses	<u>337</u>	<u>9,403</u>	<u>2,390</u>	<u>2,651</u>
Operating Income (Loss)	<u>(2)</u>	<u>(1,117)</u>	<u>4</u>	<u>296</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	2	137	6	92
Other Non-Operating Revenues	-	7	-	-
Gain (Loss) on Sale of Capital Assets	-	174	-	-
Unrealized Gain(loss) on FMV of Investments	-	-	-	5
Total Non-Operating Revenues (Expenses)	<u>2</u>	<u>318</u>	<u>6</u>	<u>97</u>
Income (Loss) Before Contributions	-	(799)	10	393
Transfers In	-	5,882	230	37
Transfers Out	-	-	(29)	-
Change in Net Position	-	5,083	211	430
Net Position, January 1	<u>140</u>	<u>28,495</u>	<u>768</u>	<u>7,839</u>
Prior Period Adjustment	-	-	-	(291)
Net Position, January 1 restated	<u>140</u>	<u>28,495</u>	<u>768</u>	<u>7,548</u>
Total Net Position - Ending	<u>\$ 140</u>	<u>\$ 33,578</u>	<u>\$ 979</u>	<u>\$ 7,978</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2018  
(amounts expressed in thousands)

Page 3 of 4

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>OPERATING REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 4,570
Interfund Insurance Premiums	4,538	538	9,090	-
Other Operating Revenue	-	-	-	-
Total Operating Revenues	<u>4,538</u>	<u>538</u>	<u>9,090</u>	<u>4,570</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	52	-	951	1,680
Supplies	1	-	7	430
Service	5,731	376	7,223	2,569
Depreciation	-	-	-	603
Total Operating Expenses	<u>5,784</u>	<u>376</u>	<u>8,181</u>	<u>5,282</u>
Operating Income (Loss)	<u>(1,246)</u>	<u>162</u>	<u>909</u>	<u>(712)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	61	11	78	45
Other Non-Operating Revenues	-	-	-	4
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized Gain(loss) on FMV of Investments	12	-	1	13
Total Non-Operating Revenues (Expenses)	<u>73</u>	<u>11</u>	<u>79</u>	<u>62</u>
Income (Loss) Before Contributions	<u>(1,173)</u>	<u>173</u>	<u>988</u>	<u>(650)</u>
Transfers In	-	-	-	100
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15)</u>
Change in Net Position	<u>(1,173)</u>	<u>173</u>	<u>988</u>	<u>(565)</u>
Net Position, January 1	<u>(24,011)</u>	<u>553</u>	<u>(230)</u>	<u>10,064</u>
Prior Period Adjustment	-	-	-	(1,398)
Net Position, January 1 restated	<u>(24,011)</u>	<u>553</u>	<u>(230)</u>	<u>8,666</u>
Total Net Position - Ending	<u>\$ (25,184)</u>	<u>\$ 726</u>	<u>\$ 758</u>	<u>\$ 8,101</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2018

(amounts expressed in thousands)

Page 4 of 4

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 56,063	\$ -	\$ -	\$ 81,088
Interfund Insurance Premiums	-	77,975	3,240	95,381
Other Operating Revenue	-	-	-	1
Total Operating Revenues	<u>56,063</u>	<u>77,975</u>	<u>3,240</u>	<u>176,470</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	33,902	872	8	45,213
Supplies	1,246	32	1	3,691
Service	14,374	73,225	1,803	110,510
Depreciation	2,126	1	-	10,390
Total Operating Expenses	<u>51,648</u>	<u>74,130</u>	<u>1,812</u>	<u>169,804</u>
Operating Income (Loss)	<u>4,415</u>	<u>3,845</u>	<u>1,428</u>	<u>6,666</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	246	513	113	1,379
Other Non-Operating Revenues	83	-	-	112
Gain (Loss) on Sale of Capital Assets	-	-	-	557
Unrealized Gain(loss) on FMV of Investments	(9)	26	5	89
Total Non-Operating Revenues (Expenses)	<u>320</u>	<u>539</u>	<u>118</u>	<u>2,137</u>
Income (Loss) Before Contributions	4,735	4,384	1,546	8,803
Transfers In	202	-	-	6,451
Transfers Out	<u>(689)</u>	<u>-</u>	<u>-</u>	<u>(835)</u>
Change in Net Position	4,248	4,384	1,546	14,419
Net Position, January 1	16,962	16,430	1,150	102,494
Prior Period Adjustment	(661)	-	-	(2,350)
Net Position, January 1 restated	16,301	16,430	1,150	100,144
Total Net Position - Ending	<u>\$ 20,549</u>	<u>\$ 20,814</u>	<u>\$ 2,696</u>	<u>\$ 114,563</u>

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2018

(amounts expressed in thousands)

Page 1 of 8

	Finance Department #5007	BSIP Project #5027	Graphic Services #5042	TPU Fleet Service #5050
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ -	\$ -	\$ -	\$ 3,898
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	-	-	-	(624)
Payments to employees	-	-	-	(1,067)
Payments for taxes	-	-	-	(2)
Payments for interfund services used	-	-	(3)	(708)
Other operating or non-operating revenues	-	-	-	18
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	(3)	1,515
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	-
Grants and contributions received	-	-	-	-
Transfer to other funds	-	-	(101)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	(101)	-
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Acquisitions and constructions of capital assets	-	-	-	(4,193)
Transfers to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	-	-	(4,193)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	-	-	-	75
Change in fair value of investment	-	-	-	36
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-	111
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	(104)	(2,567)
CASH AND CASH EQUIVALENTS, JANUARY 1	1	143	104	18,652
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1	\$ 143	\$ -	\$ 16,085

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2018

(amounts expressed in thousands)

Page 2 of 8

	Tacoma Training & Employment Program #5086	Public Work Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 294	\$ 8,117	\$ 2,166	\$ 2,617
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	(281)	(719)	(1,557)	(1,207)
Payments to employees	-	(4,538)	(209)	(710)
Payments for taxes	-	(3)	(231)	(1)
Payments for interfund services used	(10)	(993)	(117)	(250)
Other operating or non-operating revenues	-	8	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3</u>	<u>1,872</u>	<u>52</u>	<u>449</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	5,188	-	37
Grants and contributions received	-	-	-	-
Transfer to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>5,188</u>	<u>-</u>	<u>37</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	694	230	-
Acquisitions and constructions of capital assets	-	(5,376)	(514)	(134)
Transfers to other funds	-	-	(29)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>(4,682)</u>	<u>(313)</u>	<u>(134)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	2	138	8	92
Change in fair value of investment	-	-	-	5
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2</u>	<u>138</u>	<u>8</u>	<u>97</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>5</u>	<u>2,516</u>	<u>(253)</u>	<u>449</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	138	7,625	431	5,382
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 143</u>	<u>\$ 10,141</u>	<u>\$ 178</u>	<u>\$ 5,831</u>

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2018

(amounts expressed in thousands)

Page 3 of 8

	Third Party Liabilities Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 294	\$ -	\$ -	\$ 4,573
Contribution received - employee/employer	4,538	538	9,090	-
Payments to suppliers	(4,917)	(326)	(5,571)	(2,580)
Payments to employees	(58)	-	(1,066)	(1,858)
Payments for taxes	-	-	(1,236)	(25)
Payments for interfund services used	(838)	(15)	(173)	(993)
Other operating or non-operating revenues	-	-	-	4
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(981)	197	1,044	(879)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	100
Grants and contributions received	-	-	-	-
Transfer to other funds	-	-	-	(15)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	-	85
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Acquisitions and constructions of capital assets	-	-	-	(761)
Transfers to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	-	-	(761)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	61	12	78	46
Change in fair value of investment	12	-	1	13
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	73	12	79	59
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(908)	209	1,123	(1,496)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	4,464	606	5,270	4,014
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 3,556</u>	<u>\$ 815</u>	<u>\$ 6,393</u>	<u>\$ 2,518</u>

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2018

(amounts expressed in thousands)

Page 4 of 8

	GG Internal Services #5800	Health Benefits #64XX	Self Insurance Claims #4800	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 55,061	\$ 1,932	\$ 3,240	\$ 82,192
Contribution received - employee/employer	-	76,581	-	90,747
Payments to suppliers	(14,203)	(72,910)	(2,370)	(107,265)
Payments to employees	(36,482)	(871)	(8)	(46,867)
Payments for taxes	(5)	-	-	(1,503)
Payments for interfund services used	228	(125)	(140)	(4,137)
Other operating or non-operating revenues	54	-	-	84
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,653	4,607	722	13,251
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	201	-	-	5,526
Grants and contributions received	30	-	-	30
Transfer to other funds	(690)	-	-	(806)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(459)	-	-	4,750
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	924
Acquisitions and constructions of capital assets	(710)	-	-	(11,688)
Transfers to other funds	-	-	-	(29)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(710)	-	-	(10,793)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	246	513	113	1,384
Change in fair value of investment	(9)	26	4	88
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	237	539	117	1,472
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,721	5,146	839	8,680
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	11,963	29,175	7,029	94,997
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 15,684	\$ 34,321	\$ 7,868	\$ 103,677



**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2018

(amounts expressed in thousands)

Page 5 of 8

	Finance Department #5007	BSIP Project #5027	Graphic Services #5042	TPU Fleet Service #5050
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ -	\$ -	\$ -	\$ (1,316)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	-	3,590
(Increase) decrease in accounts receivable	-	-	-	(85)
(Increase) decrease in due from other funds	-	-	-	(377)
(Increase) decrease in inventories	-	-	-	(48)
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other assets	-	-	-	76
Increase (decrease) in accounts payable	-	-	-	95
(Increase) decrease in prepaid items	-	-	-	(422)
Increase (decrease) in compensated absences	-	-	-	(3)
Increase (decrease) in intergovernmental payable	-	-	-	-
Increase (decrease) in due to other funds	-	-	(3)	(13)
Increase (decrease) in deferred revenues	-	-	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) long term liabilities	-	-	-	-
Miscellaneous non-operating revenues (expenses)	-	-	-	18
Total adjustments	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>2,831</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ 1,515</u>

**COMBINING STATEMENT OF CASH FLOW  
INTERNAL SERVICE FUNDS**

For year ended December 31, 2018

(amounts expressed in thousands)

Page 6 of 8

	Tacoma Training & Employment Program #5086	Public Work Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (2)	\$ (1,117)	\$ 4	\$ 296
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	3,620	-	450
(Increase) decrease in accounts receivable	-	(40)	-	(329)
(Increase) decrease in due from other funds	(42)	(127)	(227)	-
(Increase) decrease in inventories	-	(5)	203	-
(Increase) decrease in prepaid items	-	(2)	-	63
(Increase) decrease in other assets	-	62	1	15
Increase (decrease) in accounts payable	47	(7)	98	(19)
(Increase) decrease in prepaid items	-	(513)	(24)	(100)
Increase (decrease) in compensated absences	-	(2)	2	135
Increase (decrease) in intergovernmental payable	-	-	-	-
Increase (decrease) in due to other funds	-	(4)	(5)	-
Increase (decrease) in deferred revenues	-	-	-	(62)
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) long term liabilities	-	-	-	-
Miscellaneous non-operating revenues (expenses)	-	7	-	-
Total adjustments	5	2,989	48	153
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 3</b>	<b>\$ 1,872</b>	<b>\$ 52</b>	<b>\$ 449</b>

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2018

(amounts expressed in thousands)

Page 7 of 8

	Third Party Liabilities Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (1,246)	\$ 162	\$ 909	\$ (712)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	-	603
(Increase) decrease in accounts receivable	-	-	-	3
(Increase) decrease in due from other funds	294	-	-	(1)
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	-	-	-	(3)
(Increase) decrease in other assets	(4)	-	13	18
Increase (decrease) in accounts payable	527	35	285	29
(Increase) decrease in prepaid items	(2)	-	(128)	(213)
Increase (decrease) in compensated absences	-	-	-	18
Increase (decrease) in intergovernmental payable	-	-	-	-
Increase (decrease) in due to other funds	-	-	(1)	(626)
Increase (decrease) in deferred revenues	-	-	-	1
Increase (decrease) in other current liabilities	-	-	(34)	-
Increase (decrease) long term liabilities	(550)	-	-	-
Miscellaneous non-operating revenues (expenses)	-	-	-	4
Total adjustments	265	35	135	(167)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (981)</b>	<b>\$ 197</b>	<b>\$ 1,044</b>	<b>\$ (879)</b>

**COMBINING STATEMENT OF CASH FLOW**  
**INTERNAL SERVICE FUNDS**

For year ended December 31, 2018

(amounts expressed in thousands)

Page 8 of 8

	GG Internal Services #5800	Health Benefits #64XX	Self Insurance Claims #4800	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 4,415	\$ 3,845	\$ 1,428	\$ 6,666
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	2,126	1	-	10,390
(Increase) decrease in accounts receivable	(28)	4	-	(475)
(Increase) decrease in due from other funds	(174)	535	-	(119)
(Increase) decrease in inventories	10	-	-	160
(Increase) decrease in prepaid items	778	-	-	836
(Increase) decrease in other assets	(5,580)	-	-	(5,399)
Increase (decrease) in accounts payable	334	58	(10)	1,472
(Increase) decrease in prepaid items	2,568	1	-	1,167
Increase (decrease) in compensated absences	339	-	-	489
Increase (decrease) in intergovernmental payable	(3)	-	-	(3)
Increase (decrease) in due to other funds	(184)	35	2	(799)
Increase (decrease) in deferred revenues	(1)	(1)	-	(63)
Increase (decrease) in other current liabilities	-	129	-	95
Increase (decrease) long term liabilities	-	-	(698)	(1,248)
Miscellaneous non-operating revenues (expenses)	53	-	-	82
Total adjustments	238	762	(706)	6,585
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 4,653</b>	<b>\$ 4,607</b>	<b>\$ 722</b>	<b>\$ 13,251</b>

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

<b>Fiscal Year Ending 31-Dec</b>	<b>Assessments Levied</b>	<b>Assessments Collected</b>	<b>Total Assessments Outstanding</b>
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
2018	-	3,296,349	21,361,216

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



# SECTION 3

---

## STATISTICAL SECTION

### FINANCIAL TRENDS

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

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

### REVENUE CAPACITY

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

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

### DEBT CAPACITY

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

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

### DEMOGRAPHIC AND ECONOMIC INFORMATION

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

16. DEMOGRAPHIC AND ECONOMIC STATISTICS
17. PRINCIPAL EMPLOYERS

### OPERATING INFORMATION

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

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

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

	2009	2010	2011	2012	2013
<b>Governmental activities</b>					
Net investment in capital assets	\$697,653 (1)	\$729,601 (3)	\$732,174	\$699,307	\$681,794 (6)
Restricted	48,852 (2)	36,943	84,842	82,405	74,670
Unrestricted	32,193	44,682 (5)	(87,658)	(64,890)	(25,296)
<b>Total governmental activities net position</b>	<b>778,698</b>	<b>811,226</b>	<b>729,358</b>	<b>716,822</b>	<b>731,168</b>
<b>Business-type activities</b>					
Net investment in capital assets	1,286,616	1,355,118 (4)	1,365,324	1,401,679	1,508,950 (6)
Restricted	94,139	93,429	126,952	103,350	112,925
Unrestricted	276,939	246,032	282,088	318,920	256,481
<b>Total business-type activities net position</b>	<b>1,657,694</b>	<b>1,694,579</b>	<b>1,774,364</b>	<b>1,823,949</b>	<b>1,878,356</b>
<b>Primary government</b>					
Net investment in capital assets	1,984,269	2,084,719	2,097,498	2,100,986	2,190,744
Restricted	142,991	130,372	211,794	185,755	187,595
Unrestricted	309,132	290,714	194,430	254,030	231,185
<b>Total primary government net position</b>	<b>\$2,436,392</b>	<b>\$2,505,805</b>	<b>\$2,503,722</b>	<b>\$2,540,771</b>	<b>\$2,609,524</b>

(1) 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.

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

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

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

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

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



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

	2014	2015	2016	2017	2018
<b>Governmental activities</b>					
Net investment in capital assets	\$669,951	\$678,872	\$673,093	\$666,530	\$634,650
Restricted	79,630	110,825	113,897	168,280	179,780
Unrestricted	(20,567)	(17,920)	(35,177)	(68,583)	(97,026)
<b>Total governmental activities net position</b>	<b>729,014</b>	<b>771,777</b>	<b>751,813</b>	<b>766,227</b>	<b>717,404</b>
<b>Business-type activities</b>					
Net investment in capital assets	1,515,858	1,620,194	1,613,805	1,636,652	1,671,671
Restricted	121,369	127,008	124,289	129,836	211,427
Unrestricted	307,104	258,962	287,195	301,616	295,681
<b>Total business-type activities net position</b>	<b>1,944,331</b>	<b>2,006,164</b>	<b>2,025,289</b>	<b>2,068,104</b>	<b>2,178,779</b>
<b>Primary government</b>					
Net investment in capital assets	2,185,809	2,299,066	2,286,898	2,303,182	2,306,321
Restricted	200,999	237,833	238,186	298,116	391,207
Unrestricted	286,537	241,042	252,018	233,033	198,655
<b>Total primary government net position</b>	<b>\$2,673,345</b>	<b>\$2,777,941</b>	<b>\$2,777,102</b>	<b>\$2,834,331</b>	<b>\$2,896,183</b>

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

	2009	2010	2011	2012	2013
<b>Expenses</b>					
Governmental activities:					
General government	\$ 27,788	\$ 28,806	\$ 34,732	\$ 52,038	\$ 49,781
Public Safety	168,059	157,488	163,575	150,575	138,368
Utilities	-	-	102	2	2,477
Transportation	37,608	19,609	75,692	52,424	58,288
Social Services	2,369	2,513	3,129	757	1,953
Natural & Econ Environment	30,332	28,602	24,023	23,510	21,255
Culture and Recreation	30,052	21,777	43,460	10,690	18,832
Interest on long-term debt	3,777	8,186	6,121	6,351	14,401
<b>Total governmental activities expense</b>	<b>299,985</b>	<b>266,981</b>	<b>350,834</b>	<b>296,347</b>	<b>305,355</b>
Business-type activities:					
Public Assembly Facilities	19,051	18,764	23,797	24,062	16,832
Rail	16,986	19,162	22,089	24,753	29,024
Solid Waste	51,563	47,746	54,518	59,391	67,591
Sewer	61,681	75,758	79,390	83,294	81,286
Water	61,769	73,866	76,161	76,755	79,773
Power	317,481	383,424	371,829	395,954	432,321
Other business-type funds	3,017	9,691	7,335	9,147	14,979
<b>Total business-type activities</b>	<b>531,548</b>	<b>628,411</b>	<b>635,119</b>	<b>673,356</b>	<b>721,806</b>
<b>Total primary government expenses</b>	<b>\$ 831,533</b>	<b>\$ 895,392</b>	<b>\$ 985,953</b>	<b>\$ 969,703</b>	<b>\$ 1,027,161</b>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services:					
General government	\$ 11,747	\$ 13,861	\$ 8,780	\$ 6,607	\$ 23,726
Public Safety	12,409	9,201	8,133	20,306	8,153
Utilities	-	-	82	93	287
Transportation	7,820	7,968	8,959	9,434	1,168
Social Services	815	235	761	421	207
Natural & Econ Environment	5,372	4,477	1,111	2,380	3,396
Culture and Recreation	411	390	415	1,180	417
Interest on long-term debt	-	-	1,010	2,658	-
Operating grants and contributions:	24,245	22,276	13,138	14,974	33,925
Capital grants and contributions	5,058	13,996	38,445	37,338	19,813
<b>Total governmental activities program revenues</b>	<b>67,877</b>	<b>72,404</b>	<b>80,834</b>	<b>95,391</b>	<b>91,092</b>
Business-type activities:					
Charges for services:					
Public Assembly Facilities	9,864	9,966	15,274	14,863	10,766
Rail	17,579	18,940	23,164	25,969	29,926
Solid Waste	55,928	56,812	57,781	57,541	62,026
Sewer	75,098	77,988	78,318	81,582	85,493
Water	65,622	66,247	70,235	81,508	96,365
Power	361,699	375,688	373,962	395,105	438,444
Other business-type funds	3,509	6,764	4,376	6,044	16,679
Operating grants and contributions:	3,821	2,007	601	180	7,438
Capital grants and contributions	43,784	32,102	61,585	31,222	25,150
<b>Total business-type activities program revenues</b>	<b>636,904</b>	<b>646,514</b>	<b>685,296</b>	<b>694,014</b>	<b>772,287</b>
<b>Total primary government program revenues</b>	<b>\$ 704,781</b>	<b>\$ 718,918</b>	<b>\$ 766,130</b>	<b>\$ 789,405</b>	<b>\$ 863,379</b>
Net (expense)/revenue					
Governmental activities	\$ (232,108)	\$ (194,577)	\$ (270,000)	\$ (200,956)	\$ (214,263)
Business-type activities	105,356	18,103	50,177	20,658	50,481
<b>Total primary government net expense</b>	<b>\$ (126,752)</b>	<b>\$ (176,474)</b>	<b>\$ (219,823)</b>	<b>\$ (180,298)</b>	<b>\$ (163,782)</b>

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

	2014	2015	2016	2017	2018
<b>Expenses</b>					
Governmental activities:					
General government	\$ 56,887	\$ 51,578	\$ 74,293	\$ 24,436	\$ 39,791
Public Safety	142,097	144,312	175,131	162,416	154,794
Utilities	2,580	2,864	1		
Transportation	61,524	57,885	60,881	69,741	78,066
Social Services	2,649	3,551	4,983	4,908	7,425
Natural & Econ Environment	22,856	20,887	36,759	25,102	25,864
Culture and Recreation	14,823	18,448	15,258	11,187	15,380
Interest on long-term debt	13,001	13,643	8,670	8,837	6,680
<b>Total governmental activities expense</b>	<b>316,417</b>	<b>313,168</b>	<b>375,976</b>	<b>306,627</b>	<b>328,000</b>
Public Assembly Facilities	19,801	17,801	20,986	23,243	
Rail	30,095	28,579	31,571	33,579	
Solid Waste	61,040	54,867	66,661	52,938	55,544
Sewer	80,343	84,984	92,958	95,960	91,802
Water	72,324	82,604	95,869	97,540	96,565
Power	422,265	425,044	404,566	420,368	406,741
Other business-type funds	16,005	16,594	16,721	16,326	70,862
<b>Total business-type activities</b>	<b>701,873</b>	<b>710,473</b>	<b>729,332</b>	<b>739,954</b>	<b>721,514</b>
<b>Total primary government expenses</b>	<b>\$ 1,018,290</b>	<b>\$ 1,023,641</b>	<b>\$ 1,105,308</b>	<b>\$ 1,046,581</b>	<b>\$ 1,049,514</b>
<b>Program Revenues</b>					
Charges for services:					
General government	\$ 31,568	\$ 27,729	\$ 39,227	\$ 23,007	\$ 24,223
Public Safety	6,439	7,353	15,625	20,221	14,734
Utilities	353	297	-	-	-
Transportation	1,097	2,661	5,749	1,994	5,087
Social Services	-	-	-	-	9
Natural & Econ Environment	2,096	2,024	2,116	3,145	2,410
Culture and Recreation	75	86	65	195	325
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:	30,378	30,420	33,903	31,791	44,865
Capital grants and contributions	15,882	23,996	7,392	11,549	18,304
<b>Total governmental activities program revenues</b>	<b>87,888</b>	<b>94,566</b>	<b>104,077</b>	<b>91,902</b>	<b>109,957</b>
Business-type activities:					
Charges for services:					
Tacoma Venues and Events	10,933	14,823	15,871	16,270	*
Rail	32,937	32,673	33,864	33,246	*
Solid Waste	64,642	66,843	71,809	67,964	69,541
Sewer	90,648	97,583	106,601	111,787	118,606
Water	99,426	100,305	94,433	95,085	103,364
Power	468,988	437,491	420,332	446,343	458,960
Other business-type funds	17,928	17,459	18,372	20,847	72,889
Operating grants and contributions:	7,968	8,138	8,392	208	-
Capital grants and contributions	19,587	21,582	21,413	30,528	52,194
<b>Total business-type activities program revenues</b>	<b>813,057</b>	<b>796,897</b>	<b>791,087</b>	<b>822,278</b>	<b>875,554</b>
<b>Total primary government program revenues</b>	<b>\$ 900,945</b>	<b>\$ 891,463</b>	<b>\$ 895,164</b>	<b>\$ 914,180</b>	<b>\$ 985,511</b>
Net (expense)/revenue					
Governmental activities	\$ (228,529)	\$ (218,602)	\$ (271,899)	\$ (214,725)	\$ (218,043)
Business-type activities	111,184	86,424	61,755	82,324	154,040
<b>Total primary government net expense</b>	<b>\$ (117,345)</b>	<b>\$ (132,178)</b>	<b>\$ (210,144)</b>	<b>\$ (132,401)</b>	<b>\$ (64,003)</b>

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

Page 3 of 4

	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 62,564	\$ 61,900	\$ 60,733	\$ 64,900	\$ 62,487
Excise taxes	-	-	-	-	-
Sales taxes	42,256	41,942	42,643	46,738	45,743
Business taxes	43,052	84,094 (3)	87,029	90,710	103,631
Unrestricted investment earnings	5,699	3,907	6,133	856	297
Gain on sale of capital assets	344	(1,648)	(184)	1,684	136
Transfers	34,383	(6,021)	(6,320)	(10,186)	(2,153)
<b>Total governmental activities</b>	<b>188,298</b>	<b>184,174</b>	<b>190,034</b>	<b>194,702</b>	<b>210,141</b>
Business-type activities:					
Taxes	-	-	-	-	-
Unrestricted investment earnings	18,427	15,059	23,408	18,947	3,063
Gain on sale of capital assets	133	(1,222)	(84)	341	(184)
Transfers	(34,383)	6,021	6,320	10,186	2,153
<b>Total business-type activities</b>	<b>(15,823)</b>	<b>19,858</b>	<b>29,644</b>	<b>29,474</b>	<b>5,032</b>
<b>Total primary government</b>	<b>\$ 172,475</b>	<b>\$ 204,032</b>	<b>\$ 219,678</b>	<b>\$ 224,176</b>	<b>\$ 215,173</b>
<b>Change in Net Position</b>					
Governmental activities	\$ (43,810)	\$ (10,403)	\$ (79,966)	\$ (6,254)	\$ (4,122)
Business-type activities	89,533	37,961	79,821	50,132	55,513
<b>Total primary government</b>	<b>\$ 45,723</b>	<b>\$ 27,558</b>	<b>\$ (145)</b>	<b>\$ 43,878</b>	<b>\$ 51,391</b>

(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 Improvement and Community and Economic Development 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

	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 64,204	\$ 67,313	\$ 78,886	\$ 74,479	\$ 74,918
Excise taxes	5,359 (4)	12,096	13,900	12,881	15,665
Sales taxes	47,976	81,772	58,970	71,634	76,153
Business taxes	63,969	36,325	49,440	51,043	53,249
Unrestricted investment earnings	2,044	2,000	2,141	2,134	5,028
Gain on sale of capital assets	46	(103)	175	293	1,233
Transfers	44,853	43,572	48,973	51,452	49,459
<b>Total governmental activities</b>	<b>228,451</b>	<b>242,975</b>	<b>252,485</b>	<b>263,916</b>	<b>275,705</b>
Business-type activities:					
Taxes	-	-	-	1,702	1,387
Unrestricted investment earnings	1,130	3,965	6,223	5,591	10,848
Gain on sale of capital assets	644	4,679	782	4,650	3,250
Transfers	(44,853)	(43,572)	(48,973)	(51,452)	(49,459)
<b>Total business-type activities</b>	<b>(43,079)</b>	<b>(34,928)</b>	<b>(41,968)</b>	<b>(39,509)</b>	<b>(33,974)</b>
<b>Total primary government</b>	<b>\$ 185,372</b>	<b>\$ 208,047</b>	<b>\$ 210,517</b>	<b>\$ 224,407</b>	<b>\$ 241,731</b>
<b>Change in Net Position</b>					
Governmental activities	\$ (78)	\$ 24,373	\$ (19,414)	\$ 49,191	\$ 57,662
Business-type activities	68,105	51,496	19,787	42,815	120,066
<b>Total primary government</b>	<b>\$ 68,027</b>	<b>\$ 75,869</b>	<b>\$ 373</b>	<b>\$ 92,006</b>	<b>\$ 177,728</b>

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

ments.

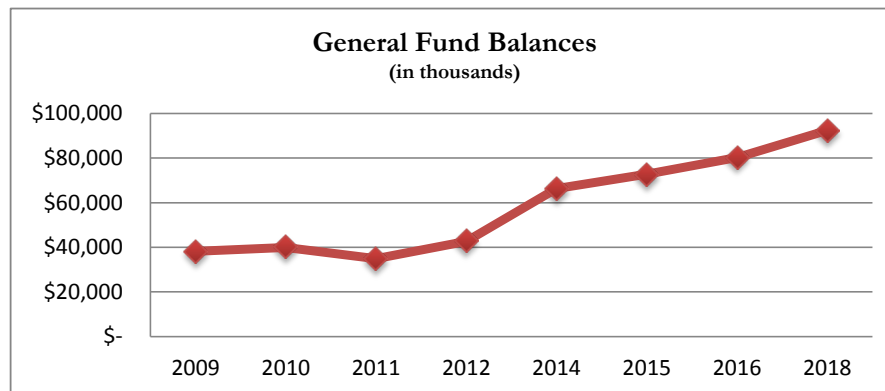
\*Amounts included with Other business-type funds.

**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Table 3**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 1 of 2**

	2009	2010	2011 (2)	2012	2013
<b>General Fund</b>					
Reserved	\$ 24,517 (1)	\$ 20,947	\$ -	\$ -	\$ -
Unreserved	13,744	19,048	-	-	-
Nonspendable	-	-	17,361	16,719	15,961
Restricted	-	-	2	-	9
Committed	-	-	-	-	-
Committed - Council Contingencies	-	-	1,117	1,130	982
Assigned	-	-	2,133	1,274	6,364
Unassigned	-	-	14,239	23,573	43,178
<b>Total General Fund</b>	<b>\$ 38,261</b>	<b>\$ 39,995</b>	<b>\$ 34,852</b>	<b>\$ 42,696</b>	<b>\$ 66,494</b>
<b>All other governmental funds</b>					
Reserved	\$ 50,960	\$ 48,665	\$ -	\$ -	\$ -
Nonspendable	-	-	1,920	1,913	1,833
Restricted	-	-	85,191	78,341	74,797
Committed	-	-	18,928	20,669	21,728
Assigned	-	-	36,261	6,863	4,722
Unassigned	-	-	(43,860)	(5,079)	(8,530)
<b>Total all other governmental funds</b>	<b>\$ 50,960</b>	<b>\$ 48,665</b>	<b>\$ 98,440</b>	<b>\$ 102,707</b>	<b>\$ 94,550</b>

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

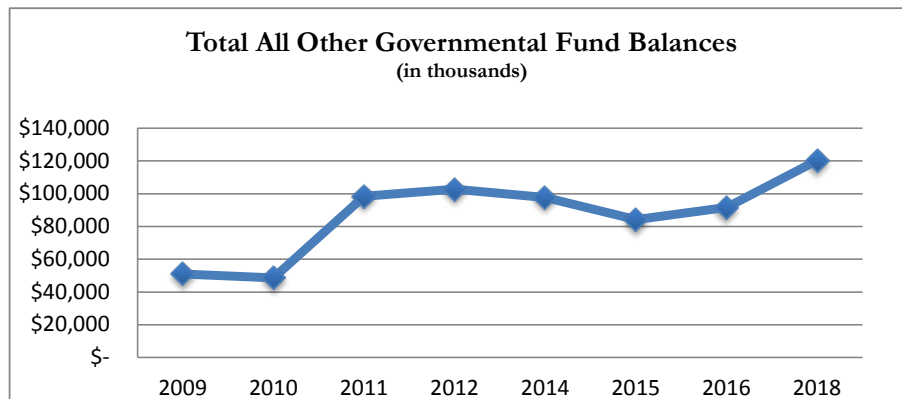
(2) In 2011 the City implemented GASB 54.



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

	2014	2015	2016	2017	2018
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	15,026	9,933	7,774	3,630	3,915
Restricted	9	9	476	352	388
	-	-	-	52 (3)	588
Committed					
Committed - Council Contingencies	973	732	584	647	
Assigned	1,949	5,580	2,592	7,974	3,148
Unassigned	48,343	56,517	68,922	67,559	84,377
<b>Total General Fund</b>	<b>\$ 66,300</b>	<b>\$ 72,771</b>	<b>\$ 80,348</b>	<b>\$ 80,214</b>	<b>\$ 92,416</b>
<b>All other governmental funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	1,824	1,887	1,887	1,685	1,404
Restricted	79,622	69,493	78,204	115,791	97,006
Committed	237	370	1,047	8,211	7,680
Assigned	21,743	17,048	14,941	16,177	14,206
Unassigned	(5,709)	(4,512)	(4,429)	134	(3)
<b>Total all other governmental funds</b>	<b>\$ 97,717</b>	<b>\$ 84,286</b>	<b>\$ 91,650</b>	<b>\$ 141,998</b>	<b>\$ 120,293</b>

(3) 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**

	2009	2010	2011	2012	2013
<b>Revenues</b>					
Taxes	\$ 145,101 (1)	\$ 187,904 (2)	\$ 190,362	\$ 203,028	\$ 212,066
Licenses and permits	5,382	3,823	3,539	3,043	3,235
Intergovernmental revenue	40,991	48,259	61,376	52,295	53,466
Charges for goods and services	10,836	9,473	9,512	24,115	23,323
Fines and forfeitures	4,617	6,080	3,612	3,772	6,395
Interest	4,131	2,982	4,657	2,658	994
Miscellaneous revenues	2,606	4,642	4,382	6,441	2,791
<b>Total revenues</b>	<b>213,664</b>	<b>263,163</b>	<b>277,440</b>	<b>295,352</b>	<b>302,270</b>
<b>Expenditures</b>					
General government	37,148	25,553	25,116	49,208	47,041
Security of persons & property	135,269	139,371	144,949	138,406	132,783
Physical environment	(2)	-	-	-	2,477
Transportation	24,066	26,220	33,525	21,379	21,597
Economic environment	28,682	25,972	21,892	19,633	21,123
Mental and physical health	2,256	2,093	2,109	684	1,953
Culture and recreation	13,185	13,339	13,266	14,133	10,688
Capital outlay	40,172	49,514	71,860	55,395	36,317
<b>Debt Service:</b>					
Principal retirement	4,949	5,490	5,924	3,991 (3)	34,263 (3)
Interest and fiscal charges	3,777	7,635	6,499	6,117	11,072
<b>Total Expenditures</b>	<b>289,502</b>	<b>295,187</b>	<b>325,140</b>	<b>308,946</b>	<b>319,314</b>
Excess of revenues over (under) expenditures	(75,838)	(32,024)	(47,700)	(13,594)	(17,044)
<b>Other financing sources (uses)</b>					
Sale of capital asset	170	19	(91)	1,684	492
Transfers in	56,635	6,407 (2)	24,526	28,755	28,588
Transfers (out)	(16,612)	(13,330)	(32,419)	(33,023)	(32,145)
Insurance recoveries	-	-	-	43	58
Proceeds from bonds issues	56,335	43,305	-	30,235	37,769
Issuance of debt refunding bonds	-	29,671	16,539	-	-
Payment to escrow - refunded bonds	-	(29,152)	-	-	(1,105)
Premium on issuance of debt	226	2,618	-	-	68
Discount on issuance of debt	(154)	(59)	-	(3)	-
<b>Total other financing sources and (uses)</b>	<b>96,600</b>	<b>39,479</b>	<b>8,555</b>	<b>27,691</b>	<b>33,725</b>
<b>Net change in fund balances</b>	<b>\$ 20,762</b>	<b>\$ 7,455</b>	<b>\$ (39,145)</b>	<b>\$ 14,097</b>	<b>\$ 16,681</b>
Debt service as a percentage of noncapital expenditures	3.5%	5.3%	4.9%	4.0%	16.0%

(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

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

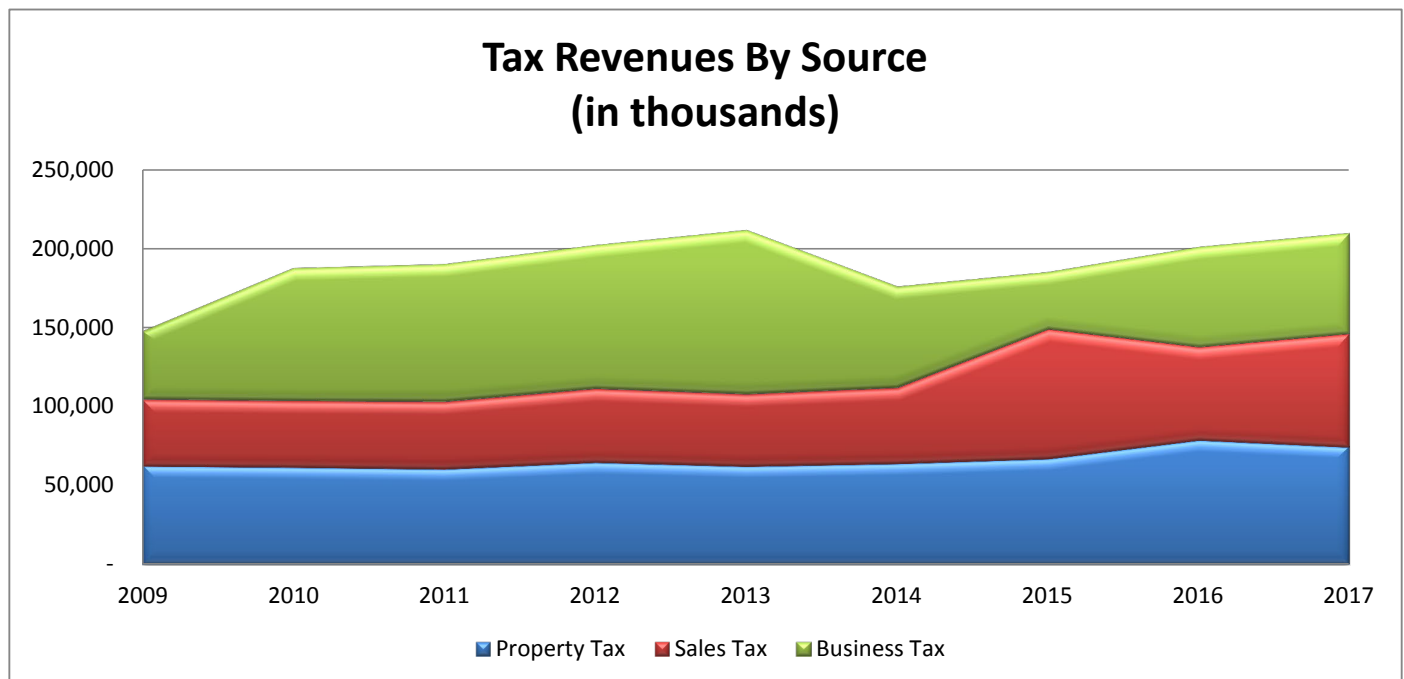


**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Table 4**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

	2014	2015	2016	2017	2018
<b>Revenues</b>					
Taxes	\$ 176,615	\$ 184,836	\$ 197,531	\$ 209,970	\$ 221,697
Licenses and permits	3,652	4,743	9,335	11,207	11,520
Intergovernmental revenue	46,260	52,026	38,097	40,624	60,399
Charges for goods and services	25,840	26,614	39,544	20,623	22,131
Fines and forfeitures	7,761	6,842	7,182	6,931	5,616
Interest	1,626	1,758	1,702	1,677	3,789
Miscellaneous revenues	2,777	1,327	3,433	4,882	4,120
<b>Total revenues</b>	<b>264,531</b>	<b>278,146</b>	<b>296,824</b>	<b>295,914</b>	<b>329,272</b>
<b>Expenditures</b>					
General government	54,671	53,917	58,488	37,959	52,092
Security of persons & property	140,578	144,331	155,393	161,404	168,146
Physical environment	2,571	2,704	-	-	-
Transportation	21,997	26,362	24,219	40,182	47,614
Economic environment	20,846	19,560	31,853	24,132	25,528
Mental and physical health	2,640	3,387	4,360	4,712	7,696
Culture and recreation	12,198	12,379	11,781	13,459	13,701
Capital outlay	25,969	45,573	22,869	22,509	44,654
Debt Service:					
Principal retirement	15,652	12,305	16,074	13,805	13,988
Interest and fiscal charges	12,977	13,617	8,670	8,837	8,874
<b>Total Expenditures</b>	<b>310,099</b>	<b>334,135</b>	<b>333,707</b>	<b>326,999</b>	<b>382,293</b>
Excess of revenues over (under) expenditures	(45,568)	(55,989)	(36,883)	(31,085)	(53,021)
<b>Other financing sources (uses)</b>					
Sale of capital asset	1,477	91	526	4,852	988
Transfers in	95,060	87,312	98,474	134,993	134,776
Transfers (out)	(50,705)	(41,500)	(51,163)	(87,303)	(90,933)
Insurance recoveries	121	148	55	60	71
Proceeds from bonds issues	2,203	22,444	4,563	-	-
Issuance of debt refunding bonds	-	-	-	27,512	2,209
Payment to escrow - refunded bonds	-	(20,033)	-	-	-
Premium on issuance of debt	-	-	-	-	-
Discount on issuance of debt	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tacoma Venues and Events</b>	<b>48,156</b>	<b>48,462</b>	<b>52,455</b>	<b>80,114</b>	<b>47,111</b>
<b>Net change in fund balances</b>	<b>\$ 2,588</b>	<b>\$ (7,527)</b>	<b>\$ 15,572</b>	<b>\$ 49,029</b>	<b>\$ (5,910)</b>
Debt service as a percentage of noncapital expenditures	10.1%	9.0%	8.0%	7.4%	6.8%

**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>
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
2018	74,918	76,153	53,249	204,320



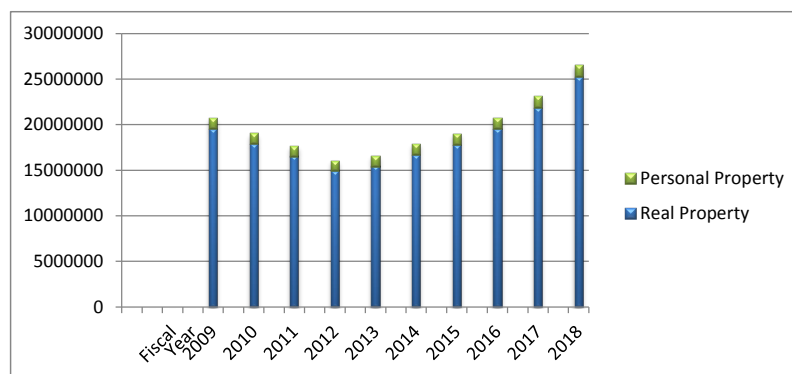
(1) Beginning in 2010 gross earnings taxes are classified as Business Taxes, where in previous years they were classified as Transfers In.

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

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

**Table 6**

<b>Fiscal Year</b>	<b>Real Property Assessed Value/ Estimated Actual Value (\$ in Thousands)</b>	<b>Personal Property Assessed Value/ Estimated Actual Value (\$ in Thousands)</b>	<b>Total Assessed Value/ Estimated Actual Value (\$ in Thousands)</b>	<b>Total Direct Tax Rate</b>	<b>Growth Increase (Decrease) Dollars (\$ in Thousands)</b>	<b>Percent Increase (Decrease)</b>	<b>Assessed Value Per Capita</b>
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
2018	25,193,756	1,357,368	26,551,125	2.98	3,372,035	14.55%	127,650



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

Fiscal Year Ended December 31	City of Tacoma	Tacoma School District #10	Pierce County	Port of Tacoma	Metro Park District	Washington State	Total
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
2018	2.98	4.41	1.09	0.18	1.36	2.62	12.64

## "CITY" TAX RATE BREAKDOWN:

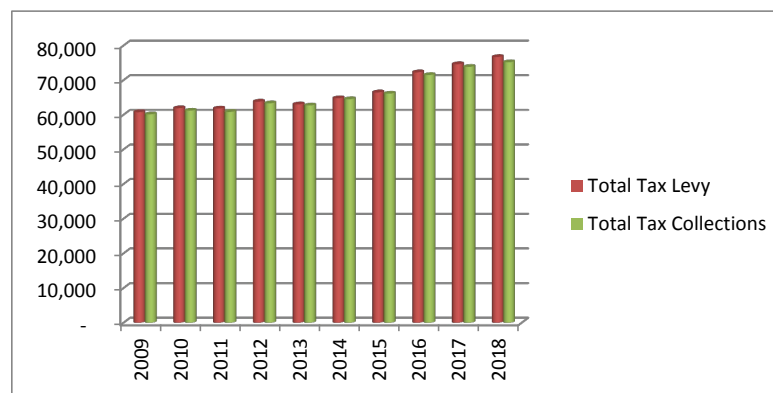
	2017	2018
General Fund	\$2.61	\$2.35
Councilmanic Nonvoted Bonds	0.12	0.11
EMS Levy	0.46	0.42
G.O. Bonds	0.12	0.11
TOTAL CITY	\$3.31	\$2.99

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

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

Fiscal Year ended December 31	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Tax Levy Adjustment	Total Tax Collections	Total Tax Collected as a Percentage of Total Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Total Levy
2009	60,752	57,981	95.44%	2,171	(599)	60,152	99.01%	2	0.00%
2010	61,918	59,115	95.47%	2,103	(691)	61,218	98.87%	10	0.02%
2011	61,823	58,881	95.24%	1,972	(961)	60,853	98.43%	12	0.02%
2012	63,821	61,484	96.34%	1,862	(469)	63,346	99.26%	11	0.02%
2013	63,031	60,795	96.45%	1,914	(312)	62,709	99.49%	17	0.03%
2014	64,789	62,855	97.01%	1,675	(250)	64,530	99.60%	27	0.04%
2015	66,494	64,839	97.51%	1,291	(331)	66,130	99.45%	217	0.33%
2016	72,290	70,280	97.22%	1,227	(547)	71,507	98.92%	488	0.68%
2017	74,638	72,855	97.61%	1,004	(252)	73,859	98.96%	1,531	2.05%
2018	76,710	75,191	98.02%	-	(178)	75,191	98.02%	1,341	1.75%

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 2018**

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	23	0.2%	Wireless Telecommunications
Comcast Cable Communication	13	0.1%	Cable Telecommunications
Live Nation	0	0.0%	Event Promoter
Multicare Health System	5,200	50.5%	Healthcare Services
Puget Sound Energy Inc.	213	2.1%	Natural Gas
Qwest Corporation	0	0.0%	Telecommunications
St. Joseph Hospital	4,628	45.0%	Healthcare Services
T Mobile West LLC	10	0.1%	Wireless Telecommunications
US Oil & Refining Company	202	2.0%	Petroleum Refinery
Verizon Wireless	2	0.0%	Wireless Telecommunications
Total	10,291	100.0%	

Total 2018 Aggregate B & O Tax  
Collections of the Top Ten Taxpayers     \$18,144

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2009**

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	0	N/A	Cellular
Comcast of Tacoma, Inc.	0	N/A	Telecommunications
Live Nation Worldwide, Inc.	0	N/A	Event Promotions
Puget Sound Energy, Inc.	217	N/A	Natural Gas
Qwest Corporation	0	N/A	Telecommunications
Sprint PCS	0	N/A	Cellular
T Mobile West Corporation	0	N/A	Cellular
US Oil Trading LLC	10	N/A	Petroleum Refinery
Verizon Wireless	24	N/A	Cellular
West Coast Grocery Div	686	N/A	Grocery
Total	937	0.0%	

Total 2009 Aggregate B & O Tax  
Collections of the Top Ten Taxpayers     \$15,664  
- 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 2018**

<u>TAXPAYERS</u>	<u>RANK</u>	<u>2017 ASSESSED VALUE</u>	<u>PERCENTAGE TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$282,717	24.2%
Rocktenn CP LLC	2	205,591	17.6%
Puget Sound Energy/Gas	3	114,980	9.8%
US Oil & Refining Co	4	101,624	8.7%
Targa Sound Terminal LLC	5	90,828	7.8%
IPT Tacoma Logistics Center LLC	6	80,797	6.9%
Prologis Targeted US Logistics Fund LP	7	79,100	6.8%
Westridges Apartment Property Owner LLC	8	77,515	6.6%
Point Ruston Baker Building LLC	9	67,200	5.8%
CSC of Tacoma LLC	10	67,113	5.7%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$1,167,466</u>	<u>100%</u>

**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2009**

<u>TAXPAYERS</u>	<u>RANK</u>	<u>2009 ASSESSED VALUE</u>	<u>PERCENTAGE TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$208,473	24.0%
Simpson Kraft Company	2	128,187	14.8%
CSC of Tacoma LLC	3	79,333	9.1%
US Oil and Refining Co	4	72,788	8.4%
Simpson Lumber Company LLC	5	70,746	8.1%
AT&T Mobility LLC	6	69,508	8.0%
Qwest Corporation	7	68,839	7.9%
Puget Sound Energy/Gas	8	63,343	7.3%
NGP Centennial Tacoma LLC	9	55,488	6.4%
Fred Meyer Stores Inc.	10	52,058	6.0%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$868,763</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	Unamortized Premium/ Discounts	Public Works Trust Fund Loan	Bond Anticipation Notes	Special Assessment Bonds	Capital Leases
2009	113,413 (4)	-31	12,843	9,883	260	2,501
2010	155,415	2,530	11,771	11,649	205	1,876
2011	152,309	2,404	11,199	24,014	1,702	1,251
2012	173,979	2,278	10,087	36,252	1,647	626
2013	151,443	2,152	8,977	10,975	32,106 (5)	-
2014	148,226	1,825	7,865	10,975	31,773	-
2015	142,833	1,498	6,755	10,975	28,758	-
2016	136,781	1,171	5,645	8,572	29,937	-
2017	155,874	844	4,534	8,572	26,257	-
2018	148,524	517	3,422	8,572	22,938	-

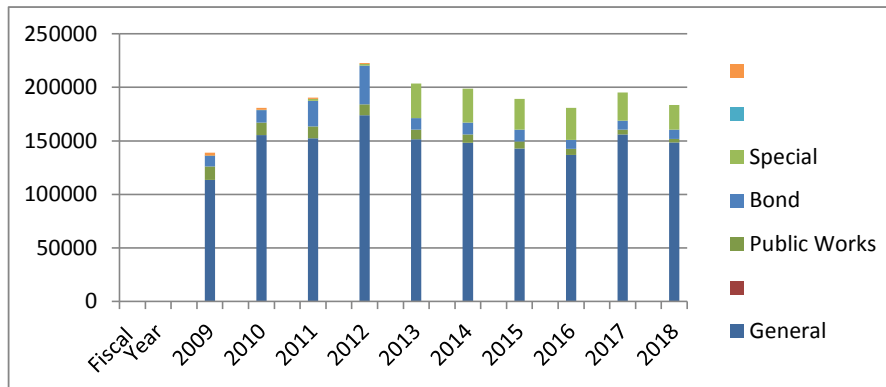
(1) U.S. Department of Commerce, Bureau of Economic Analysis (currently updated through 2009).

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

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

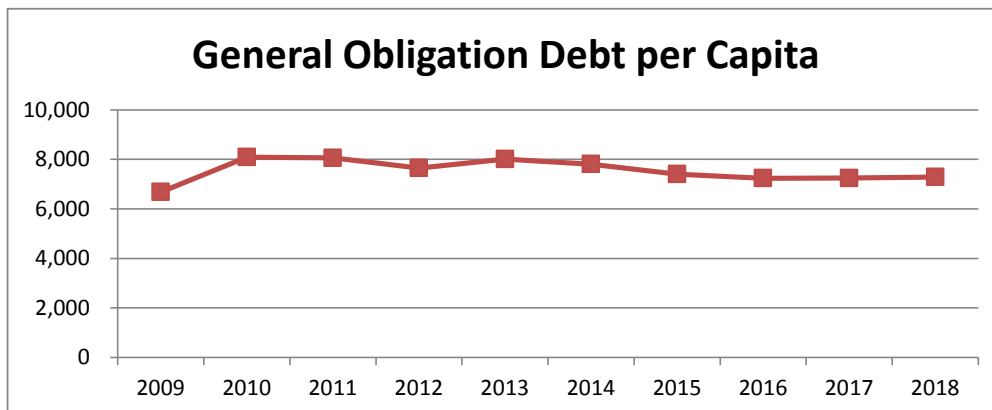




**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Table 10**  
**(amounts expressed in thousands, except per capita amount)**  
**Page 2 of 2**

Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Revenue Bonds & Loans (3)	General Obligation Bonds	Unamortized Premium/ Discounts	Capital Leases			
2009	1,108,113	63,765	14,621	180	1,325,548	4.10%	6,681
2010	1,345,099	59,390	17,059	142	1,605,136	4.98%	8,091
2011	1,332,753	59,390	18,320	98	1,603,440	4.84%	8,062
2012	1,226,401	64,115	15,042	50	1,530,477	4.34%	7,652
2013	1,284,168	62,330 (6)	49,091	-	1,601,242	4.44%	8,006
2014	1,274,365	61,940	48,239	-	1,585,208	4.37%	7,809
2015	1,194,317	60,066	57,598	-	1,502,800	3.99%	7,403
2016	1,189,198	57,435	62,250	-	1,490,989	3.71%	7,238
2017	1,191,244	54,778	64,559	-	1,506,662	3.49%	7,244
2018	1,215,938	51,987	64,147	-	1,516,045	3.51%	7,289

(6) 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>
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
2018	200,511	1,660	198,851	0.75%	932

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

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

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

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

**Computation of Direct and Overlapping Debt**  
**As of December 31**  
**Table 12**  
**(dollar amounts expressed in thousands)**

	Net Bonded Debt Outstanding (1)	Percentage Applicable To City (2)	City Residents Share of Debt
City of Tacoma	\$203,934	100.000%	\$203,934
<b><u>OVERLAPPING DEBT</u></b>			
Tacoma School District #10	492,430	92.554%	455,765
Metropolitan Park District	170,165	96.085%	163,504
Port of Tacoma	175,947	23.257%	40,920
Pierce County	111,615	23.257%	25,958
Franklin Pierce School District	138,105	5.261%	7,266
Fife School District	73,162	6.871%	5,027
Clover Park School District	126,295	1.927%	2,434
University Place School District	49,993	3.345%	1,672
<b>TOTAL OVERLAPPING DEBT</b>	<b>1,337,712</b>		<b>702,546</b>
<b>GRAND TOTAL</b>	<b><u>\$ 1,541.646</u></b>		<b><u>\$ 906.480</u></b>
Population			213,418
Direct and Overlapping Debt per Capita			4.25

(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

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

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

Assessed Value

Debt Limit (7.5% of assessed value)

Debt Applicable to Limit:

General Obligation bonds and loans

Capital leases

Less: Assets available from Debt Svc Fund

Total Net Debt Applicable to Limit

Legal Debt Margin

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

	2014	2015	2016	2017	2018
Assessed Value of Property	\$17,887,171	\$19,015,503	\$20,766,300	\$23,179,090	\$26,551,125
Debt Limit, 7.5% of Assessed Value	1,341,538	1,426,163	1,557,473	1,738,432	1,991,334
Total Net Debt Applicable to Limit	217,009	209,654	198,678	214,008	205,189
Legal Debt Margin	<u>\$1,124,529</u>	<u>\$1,216,509</u>	<u>\$1,358,795</u>	<u>\$1,524,424</u>	<u>\$1,786,145</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.2%	14.7%	12.8%	12.3%	10.3%

**Computation of Constitutional Limit of Indebtedness**  
**As of December 31, 2018**  
**Table 14**

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

Total Taxable Property Value (Assessed at 100%, for taxes payable in 2019) (PV)		\$	26,551,124,530
<b>GENERAL PURPOSE INDEBTEDNESS</b>			
Non-Voted General Purpose Indebtedness and Capital Leases			
	Legal Limit 1.5% of Total Taxable Property Value		398,266,868
Indebtedness (Liabilities)			
Non-Voted General Obligation Bonds	222,662,655		
Capital Leases Payable	-		
Less Assets Available	-		
	Indebtedness Incurred - Non-Voted General Purposes		222,662,655
	Remaining Legally Available Non-Voted Debt Capacity - General Purposes		175,604,213
	Less Required Reserve (10% of Non-Voted Debt Capacity)		(39,826,687)
	Available Non-Voted Debt Capacity - net of Required Reserve	\$	135,777,526
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)			
	Legal Limit 2.5% of Total Taxable Property Value		663,778,113
Less:	Indebtedness Incurred - Non-Voted General Purposes		(222,662,655)
		\$	441,115,458
Indebtedness (Liabilities)			
Voted General Obligation Bonds	9,825,000		
Less Assets Available	(1,255,940)		
	Indebtedness Incurred - Voted General Purposes		8,569,060
	Total Remaining Debt Capacity - General Purposes	\$	432,546,398
<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	\$	663,778,113
	Remaining Debt Capacity - Utility Purposes	\$	663,778,113
<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	\$	663,778,113
	Remaining Debt Capacity - Open Spaces and Parks Facilities	\$	663,778,113
<b>SUMMARY</b>			
Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value		1,991,334,340
Less: Indebtedness Incurred - General Purposes	0.8709%		231,231,715
Less: Indebtedness Incurred - Utility Purposes			-
Less: Indebtedness Incurred - Open Space And Parks Facilities			-
	Remaining Debt Capacity	6.6291%	\$ 1,760,102,625



**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>
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
2018	115,817	62,052	53,765	5,025	7,538	4.28

<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>
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
2018	464,467	335,372	129,095	10,095	20,143	4.27

<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>
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
2018	69,111	48,743	20,368	2,060	2,662	4.53

<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>
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
2018	113,090	52,489	60,601	5,414	13,291	3.24

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**

<b>Fiscal Year</b>	<b>Rail Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
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	31,175	27,884	3,291	N/A	N/A	N/A
2018	34,379	28,048	6,331	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**

<b>Fiscal Year</b>	<b>Net Parking Revenues</b>	<b>District Contribution</b>	<b>Total Pledged Revenues</b>	<b>Total Bond Debt Service</b>	<b>Coverage</b>
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
2015	4,591	3,310	7,901	3,129	2.53
2016	4,740	3,524	8,264	2,922	2.83
2017	5,201	3,818	9,019	2,925	3.08
2018	4,531	4,162	8,693	2,925	2.97

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**

<b>Fiscal Year</b>	<b>Net Parking Revenues</b>	<b>District Contribution</b>	<b>Coverage</b>
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
2018	4,531	323	14.01

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

## Demographic and Economic Statistics

## Last Ten Fiscal Years

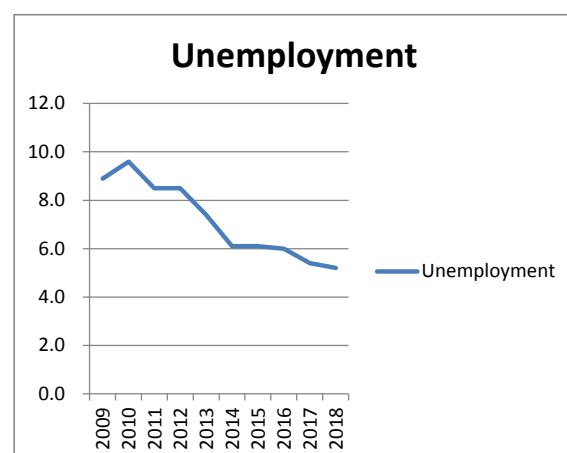
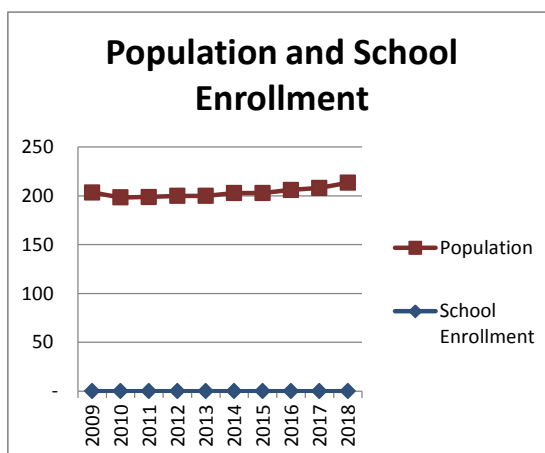
Table 16

Fiscal Year Ended December 31	Population (1) (Thousands)	Personal Income (2) (Thousands)	Per Capita Personal Income (2)	School Enrollment (3) (Thousands)	Unemployment % Rate (4)
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	43,148,793	49,214	29	5.4
2018	213	N/A	N/A	29	5.2

## 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 2017).  
 (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 Ten Years Ago**  
**Table 17**

**TOP TEN EMPLOYERS FOR 2018 (PIERCE COUNTY)**

	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
Joint Base Lewis McChord	53,000	5.9%	Military
MultiCare Health System	7,705	0.9%	Health Care
State of Washington	7,621	0.9%	Government
CHI Franciscan Health	6,786	0.8%	Health Care
City of Tacoma	3,591	0.4%	Government
Tacoma Public Schools	3,333	0.4%	Education
Puyallup Tribe & Emerald Queen Casino	3,312	0.4%	Gaming
Pierce County Government	3,089	0.3%	Government
Puyallup School District	2,190	0.2%	Education
Bethel School District	2,028	0.2%	Education
Total	92,655	10.4%	

2018 Pierce County Population 891,299

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

EMPLOYEERS	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY 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**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General government</b>	300	257	287	260	265	268	285	286	286	290
<b>Public Safety</b>										
Police	429	418	415	389	370	361	370	369	376	383
Fire	426	414	431	401	376	389	406	401	398	396
Law Enforcement Support Agency	160	151	159	160	N/A	N/A	(3)	N/A	N/A	N/A
<b>Economic Environment</b>										
Community & Economic Development	42	92	89	77	26	26	(2)	26	27	30
Planning and Development Services	N/A	N/A	N/A	N/A	51	59	60	29	59	62
Hearing Examiner	3	3	4	3	3	3	3	3	3	3
Human Rights Human Services	38	37	33	31	54	48	41	41	37	31
<b>Culture and Recreation</b>	202	213	202	179	159	158	171	171	166	178
<b>Transportation</b>										
Public Works	800	744	743	(1)	691	707	713	718	732	735
<b>Information Systems</b>	139	136	136	112	109	109	116	111	117	121
<b>Retirement</b>	9	9	9	10	10	10	10	9	9	9
<b>Tacoma Public Utilities</b>										
Administration	9	9	11	10	10	10	11	12	12	13
Customer Service	157	153	153	153	140	143	148	150	158	146
Geographic Info System	12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rail	99	95	91	99	107	115	116	113	115	118
Power	872	874	829	805	839	839	851	860	837	838
Water	267	259	248	240	240	239	236	237	237	247
<b>Total</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>	<b>3,622</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.



**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**Table 19**  
**Page 1 of 2**

	2009	2010	2011	2012	2013
<b>Function</b>					
Public Safety					
Police					
Violent Crimes	1,883	1,703	4,756	4,623	4,379
Property Crimes	13,337	12,405	20,102	21,961	21,534
Fire					
Incidents	38,534	38,232	38,239	39,810	39,244
Utilities					
Power customers	168,207	169,413	169,112	169,112	171,506
Power service units - MWH	6,618,995	6,781,964	7,237,792	7,885,213	7,050,749
Water customers	96,983	97,137	96,734	96,333	97,854
Water service units	24,720,956	23,229,748	23,074,632	23,201,613	23,886,864
Wastewater customers	60,651	60,705	60,673	60,591	60,758
Surface Water customers	70,422	70,204	70,544	70,479	70,459
Solid Waste customers	58,549	58,637	58,451	58,517	58,265
Rail					
Miles of track	38	38	57.5	57.5	57.5
Number of cars switched	60,924	73,175	68,953	92,117	138,410
Parking Garages					
Number of parking stalls - garages	2,384	2,384	2,384	2,362	2,362
Number of parking stalls - surface	73	73	102	108	108
Number of on-street metered spaces				1,403	1,403

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

	2014	2015	2016	2017	2018
<b>Function</b>					
Public Safety					
<i>Police</i>					
Violent Crimes	4,319	4,376	4,443	4,569	4,345
Property Crimes	20,573	20,531	21,229	22,881	19,976
<i>Fire</i>					
Incidents	41,094	45,266	46,783	47,510	48,263
<i>Utilities</i>					
Power customers	172,531	174,562	176,784	177,153	177,723
Power service units - MWH	7,602,630	6,510,290	7,302,235	7,588,005	6,774,459
Water customers	98,608	99,943	100,731	101,871	103,116
Water service units	24,553,529	26,087,248	24,610,996	24,097,864	24,764,924
Wastewater customers	61,348	75,732 (1)	76,268	76,859	76,790
Surface Water customers	70,512	70,611	70,703	70,834	71,057
Solid Waste customers	59,308	60,262	60,646	60,971	61,242
<i>Rail</i>					
Miles of track	57.5	57.5	48.5	48.5	48.5
Number of cars switched	108,137	102,173	124,467	107,130	108,719
<i>Parking Garages</i>					
Number of parking stalls - garages	2,362	2,282	2,282	2,122	2,122
Number of parking stalls - surface	98	98	98	98	98
Number of on-street metered spaces	1,800	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**

	2009	2010	2011	2012	2013
<b>Function</b>					
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	245	247	256	269	290
Unmarked Cars-(includes seized vehic	113	123	119	101	125
Motorcycles	22	22	22	16	16
Fire					
Number of Stations	16	16	16	15	15
Pumpers	16	16	16	13	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	1	1	2	2
Squad Vehicles	N/A	N/A	N/A	1.5	1.5
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
Transportation					
Streets					
Miles of Paved Streets	642.52	642.52	642.52	642.52	642.52
Miles of Unpaved Streets	208.10	208.10	208.10	208.10	208.10
Total	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

	2014	2015	2016	2017	2018
<b>Function</b>					
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	282	265	265	267	260
Unmarked Cars-(includes seized vehi	106	110	112	115	112
Motorcycles	16	15	10	14	14
Fire					
Number of Stations	15	15	15	16	16
Pumpers	13	13	13	15.5	15.5
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	2	3	3	3	3
Squad Vehicles	1.5	1.5	1.5	1.5	0
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
Transportation					
Streets					
Miles of Paved Streets	642.52	642.52 (1)	746.6	746.6	746.1
Miles of Unpaved Streets	208.10	208.10 (1)	10.80	10.8	11.3
Total	850.62	850.62	757.4	757.4	757.4

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

The following individuals contributed to the successful completion of the City of Tacoma's 2018 Comprehensive Annual Financial Report:

**COORDINATING AND SUPERVISORY STAFF**

Andrew Cherullo, Finance Director  
Susan Calderon, CPA, Assistant Finance Director  
Teresa L. Sedmak, City Treasurer  
Paula Barry, CPA, Senior Financial Manager  
Leda Voight, CPA, Senior Financial Manager  
Michael San Soucie, CPA, Financial Manager  
Lisa Thornton, Financial Manager  
Polly Wainaina, CPA, Financial Manager  
Su Yi, Financial Manager  
Min Soo Chun, Senior Accountant  
Joel Sipes, Accountant

**STATISTICAL SECTION**

Ben Hu, Financial Assistant

**DESIGN, LAYOUT and PRINTING**

Print NW

**IMAGES**

Cover photograph courtesy of City of Tacoma, Media & Communications

**GENERAL LEDGER**

Kathy Anderson  
Rene Bourne  
Beth Brown  
Susan Calhoun  
Min Soo Chun  
Jackis Coulibaly  
Ghassan Diab  
Trina Ealey, MBA  
Eun Joo Ebenhoh, CPA  
Diana Kerin-Tate  
Mylene Malabanan  
Mary Mansperger  
Imelda Marquez  
Catherine Marx  
Linh Nguyen  
Louis Nguyen, MBA  
Lori Noel  
Thu Pham  
Christopher Piercey  
Dorothy Russ  
Elizabeth San Juan  
Emilee Sibbett  
Joel Sipes  
Christine Tudor  
Michele Tuong  
Jayson Yucker