

A long-exposure photograph of the Tacoma Narrows Bridge at dusk. The bridge's steel towers and suspension cables are silhouetted against a sky transitioning from orange to blue. Light trails from cars on the bridge create vibrant streaks of white, yellow, and red. In the background, a forested hill and a mountain peak are visible under the twilight sky.

# 2019

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Tacoma, Washington For the Fiscal Year Ended December 31, 2019



*Back of front Cover*

# **2019 Comprehensive Annual Financial Report**

of the City of Tacoma, Washington for  
the Year Ended December 31, 2019

Prepared by Department of Finance  
Andrew Cherullo, Finance Director



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



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# SECTION 1

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## INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS







## City of Tacoma Finance Department

August 31, 2020

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, 2019. The State Auditor has issued an unmodified opinion, or in layman's terms a "clean opinion" on the City of Tacoma's 2019 financial statements. The independent auditor's report can be found immediately after the Management's Discussion & Analysis section of the CAFR.

The 2019 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 2019 population estimate was 207,948 which is an increase of 4.1% 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. The area's major U.S. Military installations, Joint Base Lewis-McChord and Madigan Army Medical Center, heavily contribute to the region's 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 2019 top ten employers in Pierce County.



**TOP TEN EMPLOYERS FOR 2019 (PIERCE COUNTY)**

EMPLOYER NAME	EMPLOYEE COUNT	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
Joint Base Lewis McChord	54,000	6.1%	Military
MultiCare Health System	8,264	0.9%	Health Care
State of Washington	7,745	0.9%	Government
CHI Franciscan Health	5,682	0.6%	Health Care
City of Tacoma	3,653	0.4%	Government
Tacoma Public Schools	3,481	0.4%	Education
Puyallup Tribe & Emerald Queen Casino	3,422	0.4%	Gaming
Pierce County Government	3,118	0.3%	Government
Puyallup School District	2,690	0.3%	Education
Bethel School District	2,565	0.3%	Education
<b>Total</b>	<b>94,620</b>	<b>10.4%</b>	

2019 Pierce County Population      891,299

The average year-to-date unemployment rate for the Tacoma metropolitan area was 5.0% as of February 2020 compared to 6.0% and 6.1% for February 2019 and 2018, respectively. Tacoma's median household income for 2018 was \$52,114 compared to \$49,137 for 2017 and \$47,310 for 2016.

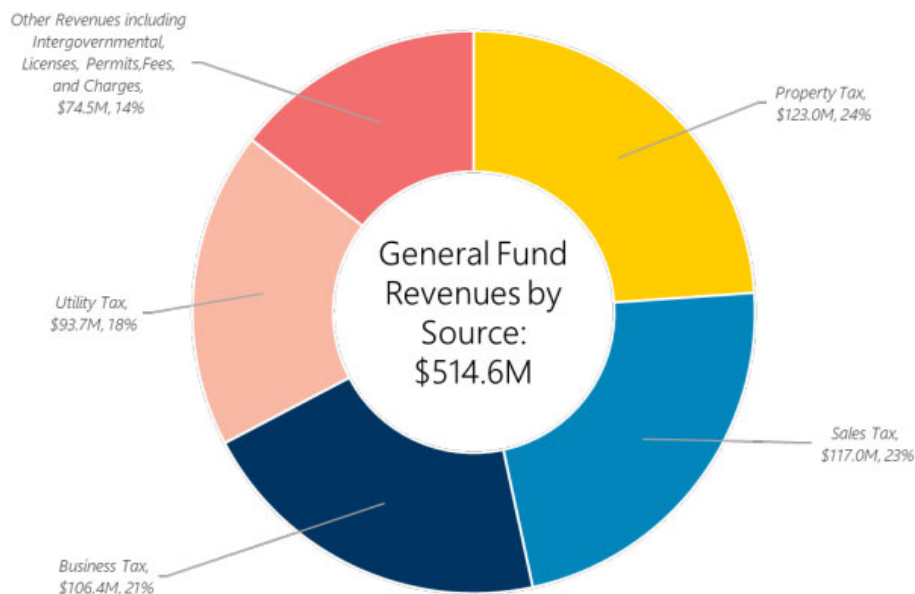
The City's budgeted major revenue sources for the General Fund include property tax, business & occupation (B&O) tax, sales tax and a gross earnings tax (GET) on utilities. Below are each major revenue source and their respective amount and percentage in the 2019-2020 biennial budget,

**Property Tax** –represents \$123 million or 24% of General Fund Revenues. Property tax revenues are limited by state law. The City's levy can only increase by 1% from year to year, as well as adding the value of new construction.

**B&O Tax** - represents \$106.4 million or 21% of General Fund Revenues. Business taxes are paid based on the total income of a business. The City offers exemptions from business taxes for businesses whose gross receipts are less than \$250,000 annually. These revenues are dependent on economic conditions.

**Sales Tax** – represents \$117 million or 23% of General Fund Revenues. Tacoma consumers pay a sales tax rate of 10.1% of which 1.0% is the City's General Fund portion and 0.1% each for the Transportation Benefit District and for Mental Health & Chemical Dependency Services. These revenues are highly variable depending on economic conditions.

**Gross Earning Tax (GET) on Utilities** – represents \$93.7 million or 18% of General Fund Revenues. 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 2019, the City levied at the statutory limitation of \$2.74 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 269-275 of the 2019-2020 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/2019-2020/2019-2020%20Adopted%20Budget%20Book.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:

### Tacoma Whole Child initiative

Tacoma Whole Child Initiative is a Tacoma Public School District program that transforms schools by creating safe, positive, engaging, equitable, and efficient learning environments to help all kids succeed. In 2019, the City granted \$455,000 to provide services to support mental health intervention, restorative justice, and advanced tier intervention. Program outcomes include:

- 308 individuals served received mental health and substance use disorder treatment
- 9,703 individuals (predominantly non-white and low-income) reported a positive change in equitable discipline practices.

### 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.

### **Lincoln District Streetscape/Festival Street**

The \$9 million project completed in September of 2019, provided infrastructure improvements for roadway, sidewalk, streetlights, pedestrian access, traffic calming, streetscape and public art. This project was constructed in the heart of the Lincoln Business District on South 38th Street and Yakima Avenue and was the first project with an actual public/storefront office which allowed businesses and community members to receive information on the project. The revitalization project achieved the Council goals of reaching out to stakeholders and fostering visions, celebrating cultural diversity, providing an inviting and accessible destination, and promoting a thriving Business District.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Awards**

We are pleased to announce that for the 34<sup>th</sup> 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 2018 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, Ghassan Diab, Van Chung, Polly Wainaina and Lisa Thornton for their work in bringing the final document together.

Respectfully,

DocuSigned by:

*Andy Cherullo*

1FAFA3DA59164E0...

Andy Cherullo  
Director of Finance

DocuSigned by:

*Susan Calderon*

1E7F48CBF27C40A...

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**

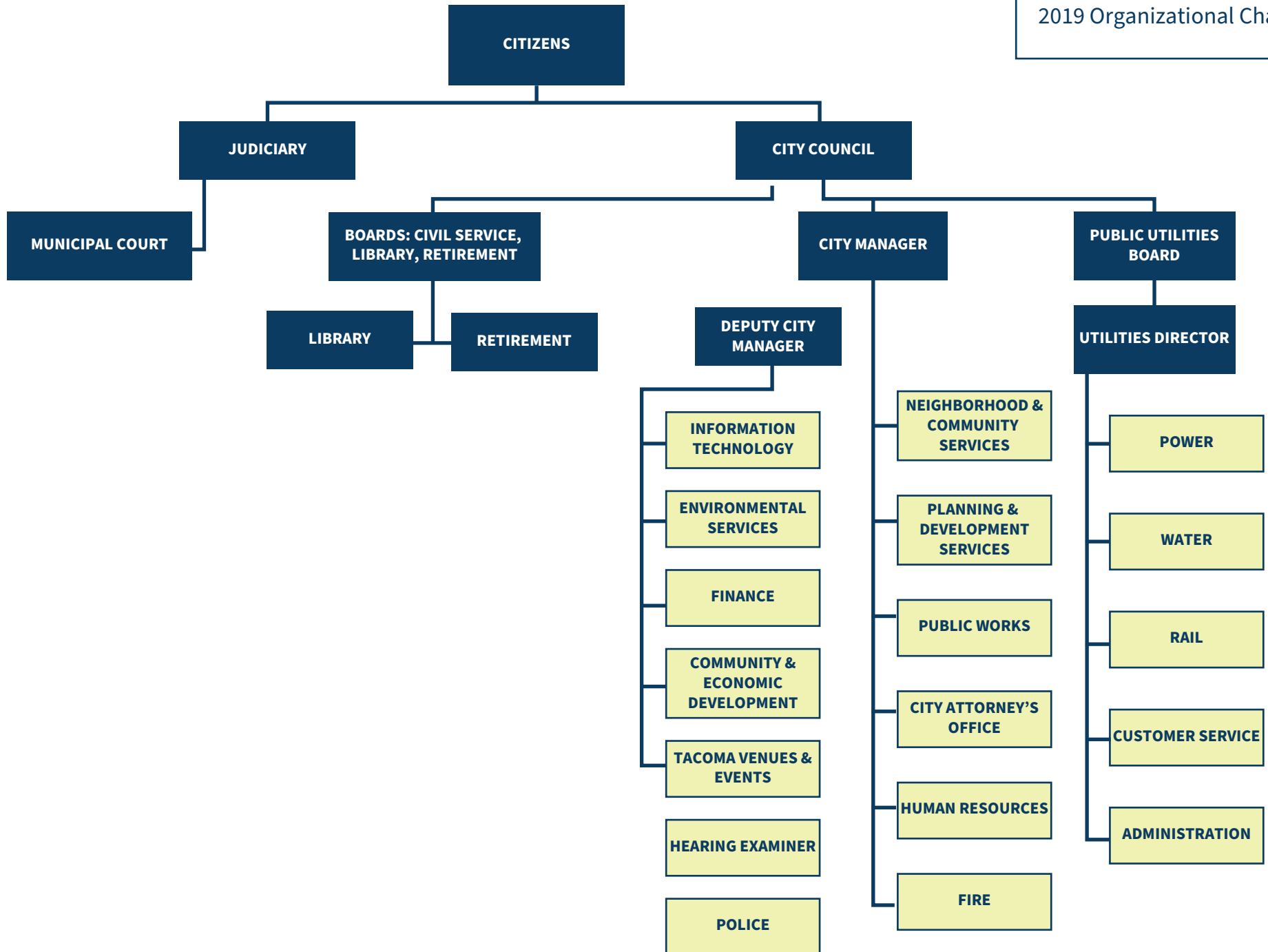
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrell*

Executive Director/CEO

2019 Organizational Chart





# TACOMA

## 2019 CITY COUNCIL



**Victoria Woodards**  
Mayor



**Conor McCarthy**  
Deputy Mayor



**John Hines**  
District 1



**Robert Thoms**  
District 2



**Keith Blocker**  
District 3



**Catherine Ushka**  
District 4



**Chris Beale**  
District 5



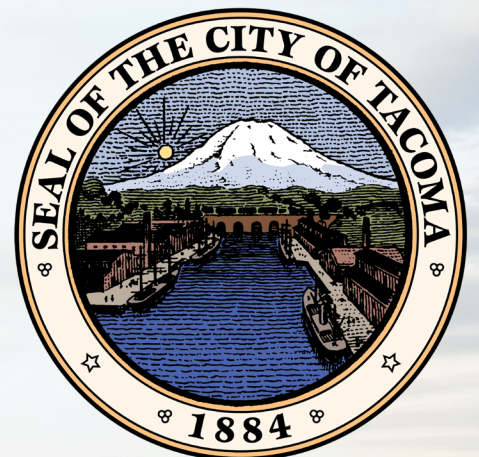
**Lillian Hunter**  
At-Large



**Kristina Walker**  
At-Large



**Elizabeth Pauli**  
City Manager



**City Officials as of December 31, 2019****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  
 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 Works  
 Tacoma Employees' Retirement System  
 Tacoma Venues and Events

Elizabeth Pauli  
 Tadd Wille  
 Bill Fosbre  
 Jeff Robinson  
 Mike Slevin  
 Andrew Cherullo  
 Toryono Green  
 Jeff Capell  
 Gary Buchanan  
 Daniel Key  
 Kate Larsen  
 Kathryn Johnston  
 Tanisha Jumper  
 Michelle Petrich  
 Linda Stewart  
 Peter Huffman  
 Don Ramsdell  
 Kurtis Kingsolver  
 Tim Allen  
 Kim Bedier

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

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





## Office of the Washington State Auditor Pat McCarthy

### INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

August 31, 2020

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, 2019, 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 92 percent, 90 percent, and 90 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 1 percent, 1 percent and 4 percent, respectively, of the assets, net position, and revenues of the business-types activities and 2 percent, 1 percent, and 5 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.

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tacoma, as of December 31, 2019, 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 2019, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As discussed in Note 10 to the financial statements, in March 2020, a state of emergency was declared that could have a negative financial effect on the City. 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 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 as a whole. The combining 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. In our opinion, 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 August 31, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and

compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy

State Auditor

Olympia, WA

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

### **For the Year Ended December 31, 2019**

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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, 2019. 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, \$235 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 \$38.4 million in 2019. Governmental activities increased the City's net position by \$5.9 million and business-type activities increased the net position by \$32.5 million.
- Tacoma Power's net Position for 2019 was \$832 million which was a decrease of \$31 million from 2018.
- Tacoma Water's net position for 2019 was \$603 million which was an increase of \$21 million from 2018.
- Tacoma Sewer's net position for 2019 was \$475 million which was an increase of \$16 million from 2018.

## **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, 2019**

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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, 2019

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### 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, Non-Major enterprise funds, and internal service funds can be found on pages 5-1 to 5-95 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, 2019

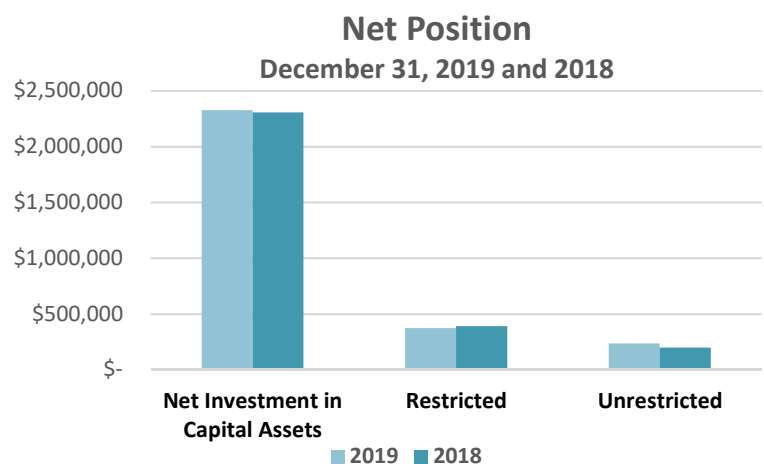
### Government-wide Financial Analysis

#### Statement of Net Position

The following table is a condensed Statement of Net Position for the City of Tacoma for December 31, 2019, which compares the current year to the prior year.

STATEMENT OF NET POSITION (in thousands \$)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 457,888	\$ 431,227	\$ 983,624	\$ 1,028,720	\$ 1,441,512	\$ 1,459,947
Capital assets, net of accumulated depreciation	793,885	818,614	2,890,999	2,871,352	3,684,884	3,689,966
<b>Total assets</b>	<b>1,251,773</b>	<b>1,249,841</b>	<b>3,874,623</b>	<b>3,900,072</b>	<b>5,126,396</b>	<b>5,149,913</b>
<b>Deferred Outflows of Resources</b>	<b>74,210</b>	<b>40,789</b>	<b>106,741</b>	<b>41,327</b>	<b>180,951</b>	<b>82,116</b>
Long-term liabilities	479,921	462,040	1,516,391	1,467,277	1,996,312	1,929,317
Other liabilities	56,556	48,081	126,017	130,457	182,573	178,538
<b>Total liabilities</b>	<b>536,477</b>	<b>510,121</b>	<b>1,642,408</b>	<b>1,597,734</b>	<b>2,178,885</b>	<b>2,107,855</b>
<b>Deferred Inflows of Resources</b>	<b>66,190</b>	<b>63,106</b>	<b>127,710</b>	<b>167,644</b>	<b>193,900</b>	<b>230,750</b>
<b>Net position</b>						
Net investment in capital assets	628,205	634,650	1,699,160	1,671,671	2,327,365	2,306,321
Restricted	194,244	179,780	177,563	211,427	371,807	391,207
Unrestricted	(99,133)	(97,027)	334,523	295,681	235,390	198,654
<b>Total net position</b>	<b>\$ 723,316</b>	<b>\$ 717,403</b>	<b>\$ 2,211,246</b>	<b>\$ 2,178,779</b>	<b>\$ 2,934,562</b>	<b>\$ 2,896,182</b>

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, 2019. 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 79.3% 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 8.0% 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 12.7% of net position is restricted for other purposes such as debt redemption and new capital





## Management's Discussion and Analysis

### For the Year Ended December 31, 2019

construction. Governmental activities represent 24.6% of total net position and business-type activities represent 75.4% 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 Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 49,946	\$ 46,788	\$ 844,654	\$ 823,360	\$ 894,600	\$ 870,148
Operating grants and contributions	55,031	44,865	-	-	55,031	44,865
Capital grants and contributions	4,122	18,304	50,369	52,194	54,491	70,498
General revenues						
Property taxes	77,970	74,918	-	-	77,970	74,918
Retail Sales & Use Tax	81,132	76,153	-	1,387	81,132	77,540
Business	53,563	53,249	-	-	53,563	53,249
Excise taxes	15,320	15,665	-	-	15,320	15,665
Investment earnings	9,473	5,028	24,682	10,848	34,155	15,876
Miscellaneous revenue	366	1,233	107	3,250	473	4,483
<b>Total revenues</b>	<b>346,923</b>	<b>336,203</b>	<b>919,812</b>	<b>891,039</b>	<b>1,266,735</b>	<b>1,227,242</b>
<b>Expenses:</b>						
General government	44,839	39,791	-	-	44,839	39,791
Public safety	188,233	154,794	-	-	188,233	154,794
Transportation	95,718	78,066	-	-	95,718	78,066
Nature and Economic Environment	25,435	25,864	-	-	25,435	25,864
Social Service	6,167	7,425	-	-	6,167	7,425
Culture and recreation	24,249	15,380	-	-	24,249	15,380
Interest on long-term debt	16,261	6,680	-	-	16,261	6,680
Solid Waste	-	-	61,512	55,544	61,512	55,544
Waste Water	-	-	104,543	91,802	104,543	91,802
Water	-	-	101,045	96,565	101,045	96,565
Power	-	-	481,894	406,741	481,894	406,741
Nonmajor Business-Type Activities	-	-	82,202	70,862	82,202	70,862
<b>Total expenses</b>	<b>400,902</b>	<b>328,000</b>	<b>831,196</b>	<b>721,514</b>	<b>1,232,098</b>	<b>1,049,514</b>
Change in net position before transfers	(53,979)	8,203	88,616	169,525	34,637	177,728
Transfers	52,627	49,459	(52,627)	(49,459)	-	-
<b>Change in net position</b>	<b>(1,352)</b>	<b>57,662</b>	<b>35,989</b>	<b>120,066</b>	<b>34,637</b>	<b>177,728</b>
Net Position, January 1, as Previously Reported	717,403	766,227	2,178,779	2,068,104	2,896,182	2,834,331
Prior Period Adjustment	7,265	(6,856)	(3,522)	442	3,743	(6,414)
Change in Accounting Principle	-	(99,630)	-	(9,833)	-	(109,463)
Net Position, January 1, as Restated	724,668	659,741	2,175,257	2,058,713	2,899,925	2,718,454
<b>Net position, December 31</b>	<b>\$ 723,316</b>	<b>\$ 717,403</b>	<b>\$2,211,246</b>	<b>\$2,178,779</b>	<b>\$2,934,562</b>	<b>\$2,896,182</b>

## Management's Discussion and Analysis

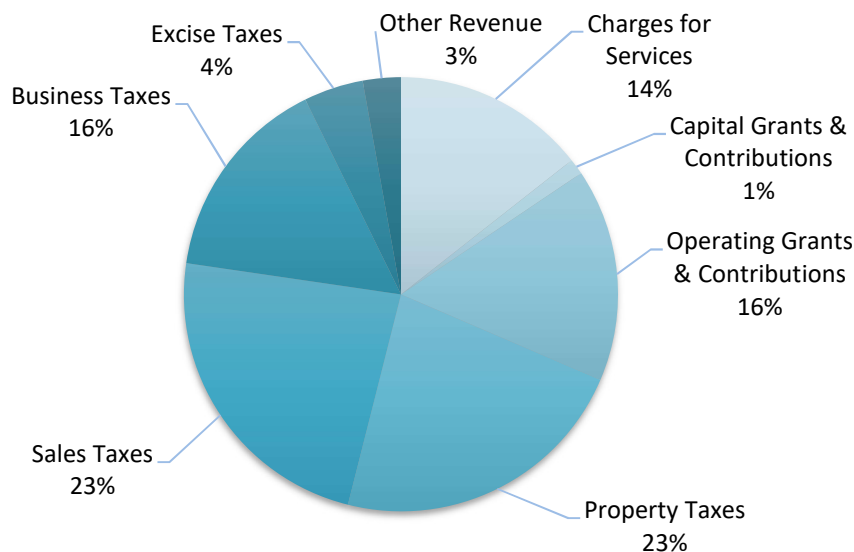
### For the Year Ended December 31, 2019

**Governmental Activities** net position increased by \$5.9 million which was a 0.8% increase from 2018. Some key revenue and expenditure highlights of governmental activities for 2019 are as follows:

- Operating grants and contributions increased by \$10.2 million, which was a 22.7% increase over 2018. The largest portion of this increase was due Ground Emergency Medical Transportation (GEMT). Approximately \$10 million was received for back payments from mid-2016 through June 2018, when the program was allowed by the legislature but the state Health Care Authority had not yet established a billing mechanism.
- Charges for services increased by \$3.1 million, which was a 6.7% increase over 2018. General government increased \$1.3 million, Public Safety increased \$3.0 million, and Culture and Recreation increased \$2.5 million. Natural and Economic Environment decreased by \$0.5 million and Transportation decreased \$3.2 million.
- Overall general tax revenues increased by \$8.0 million which is a 9.0% increase over 2018. All but the excise tax categories showed an increase over 2018, reflects stable growth in the 2019 economy.
  - Retail & use tax revenue increased by \$5.0 million or 6.5%
  - Property tax revenue increased \$3.0 million or 4.1%.
  - Excise taxes revenues decreased by \$0.3 million which or 2.2%.
  - Business tax revenues increased by \$0.3 million or 0.6%
- Governmental activities expenses increased by \$72.9 million which was a 22.2% increase. The most significant sources of the increase in expenses can be attributed to public safety activities increasing \$33.4 million (22%), transportation increasing \$17.7 million (23%), and general government by \$5.0 million (13%). Interest expense on long term debt increased by \$9.6 million (143%), culture and recreation increased \$8.9 million (58%), social service decreased by \$1.3 million (17%), nature and economic environment decreased by 0.4 million (2%)

There are two charts depicted below for governmental activities. The first chart provides 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.

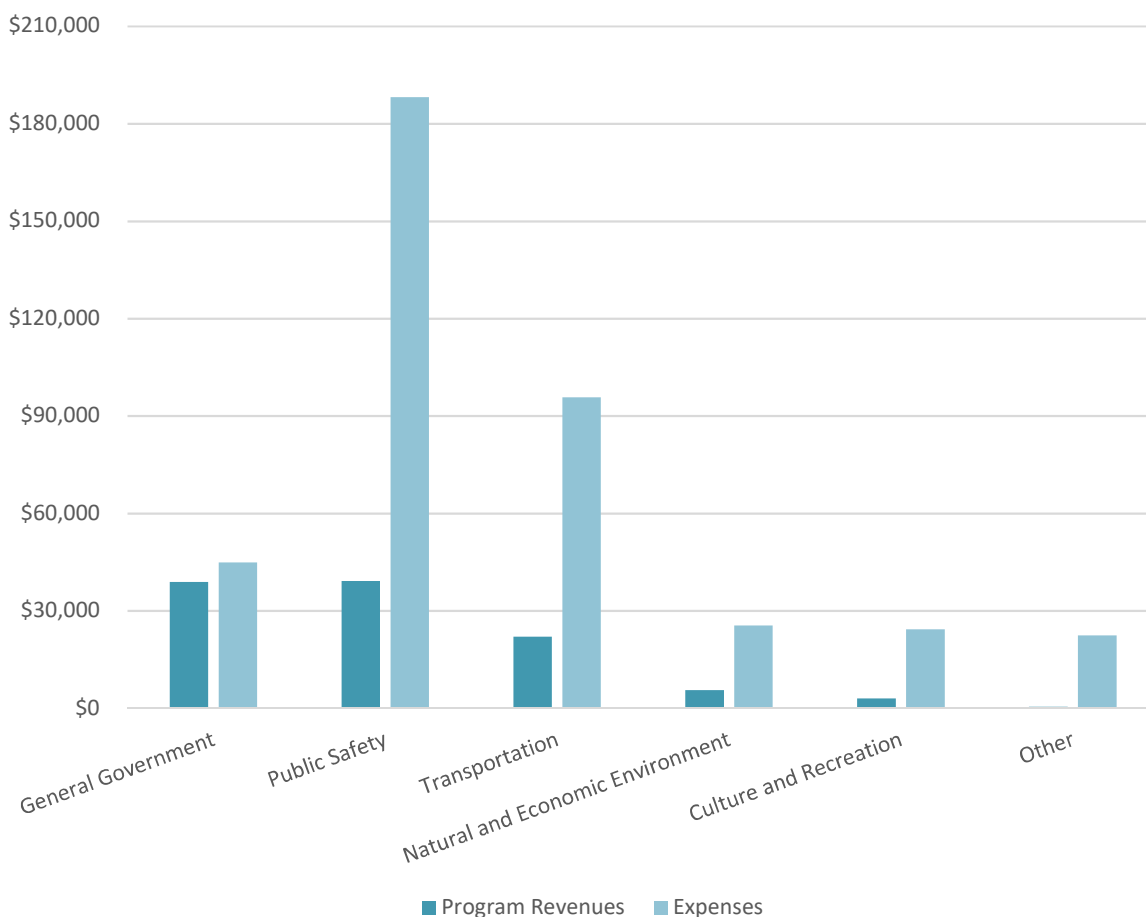
### Revenue by Source - Governmental Activities



## Management's Discussion and Analysis

### For the Year Ended December 31, 2019

#### Expenses and Program Revenues- Governmental Activities (dollars in thousands)



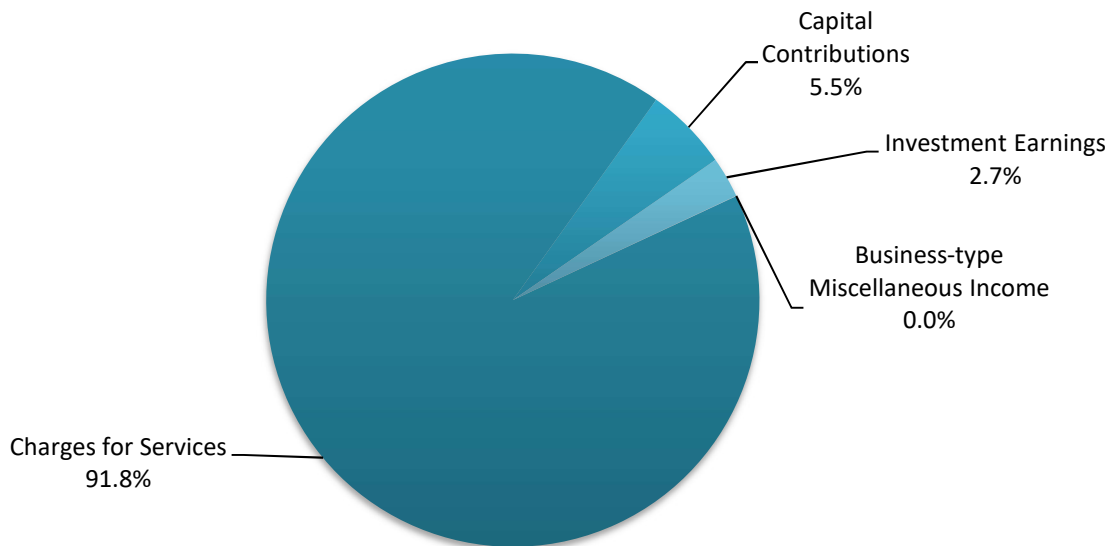
**Business-Type Activities** net position increased by \$32.5 million which was a 1.5% increase with an ending net position of \$2.2 billion. The major enterprise funds are the Solid Waste, Wastewater, Water and Power funds.

- Charges for Services increased by \$21.3 million or a 2.6% in 2019. The largest portion of this increase is attributable to non-major business-type activities accounting for \$11.9 million driven by an increase in revenue at the Tacoma Dome, permit services fund, and Tacoma Rail Belt Line Division. Solid waste revenues increased \$4.0 million driven by a service rate increase of 3.9%, Power increased \$3.7 million due to a 3.9% service rate increase, water increased \$1.0 million driven by a service rate increase of 2.5%, and waste water increased \$0.7 million.
- Investment Earnings saw a \$13.8 million increase to \$24.7 million in 2019, another sign of the improving economy as interest rates are still favorable.
- The business-type activities expenses overall increased by 15.2% in 2019 to \$831 million. Power expenses increased by \$75.2 million (18.5 %), waste water expenses increased by \$12.7 million (13.9%), and water expenses increased by \$4.5 million (4.6 %). Solid waste expenses increased in 2019 by \$6.0 million (10.7 %) from increased recycling costs on the international market. Non major business-types activities expenses increased \$11.3 million (16.0%).

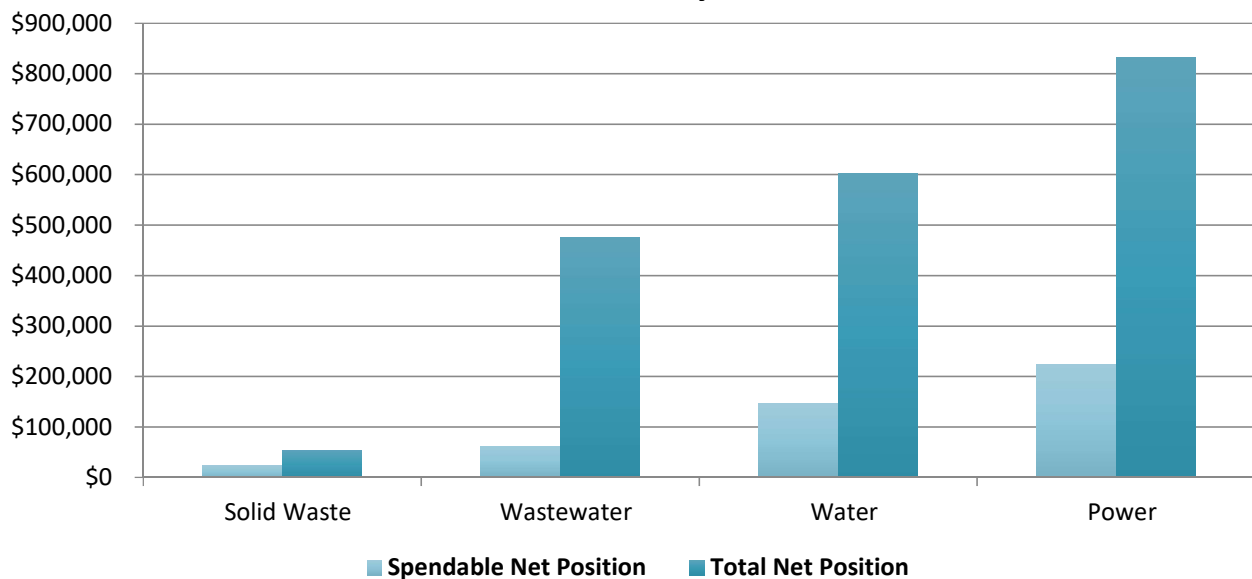
## Management's Discussion and Analysis For the Year Ended December 31, 2019

The following charts present the business-type activities. The first chart provides a summary of the business-type activities while the second chart 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. Therefore, these funds are not readily available for spending in support of ongoing expenses.

### Revenues by Source - Business-type Activities

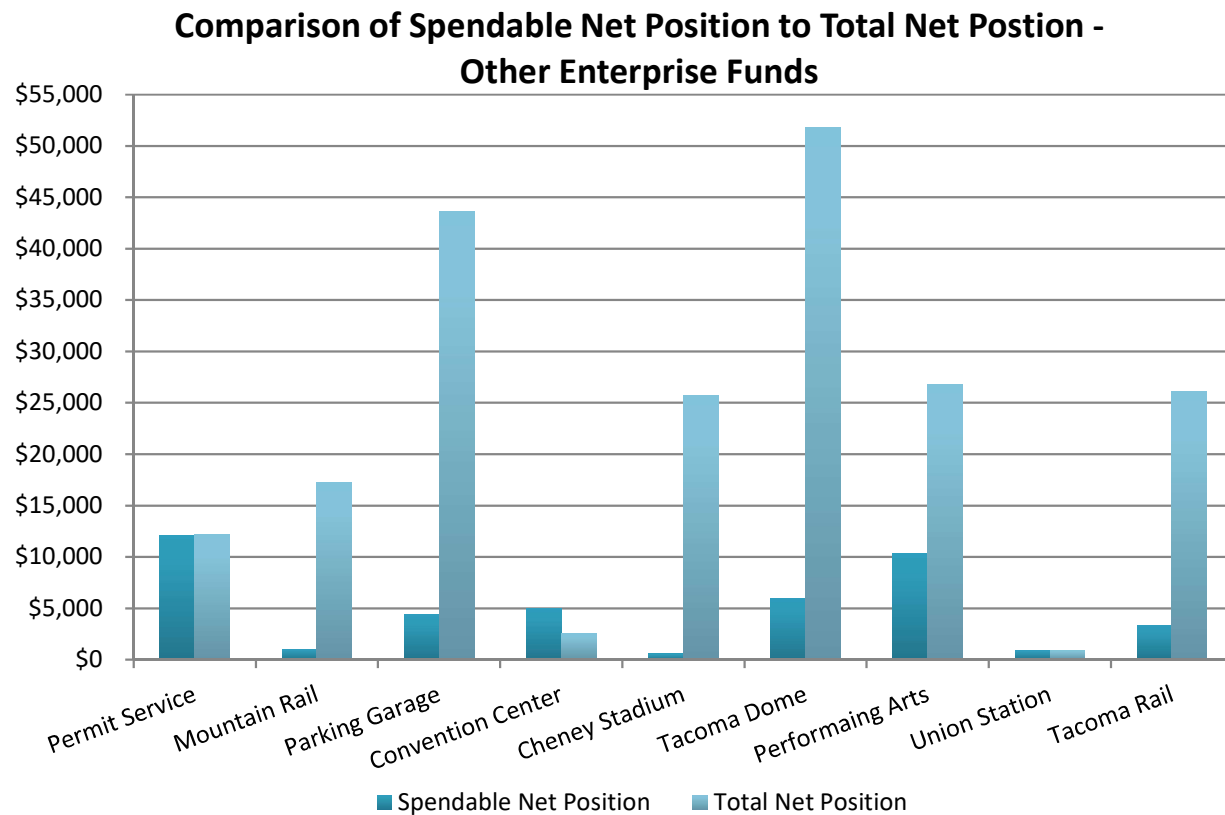


### Comparison of Spendable Net Position to Total Net Position - Utility Funds



## Management's Discussion and Analysis For the Year Ended December 31, 2019

The following table shows the remaining enterprise funds and their relationship between net positions that is spendable to the total net position. Similar to the major enterprise funds, a majority of the net position in each of these funds is related to capital infrastructure such as parking garages, buildings. 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 \$77.3 million, a decrease of \$15.1 million or 16.4% lower than 2018. Overall general fund revenues saw a 1.4% decrease in 2019, the largest contributor of this was the decrease in intergovernmental revenue of \$7.4 million. Fund balance for the Transportation Capital and Engineering fund is \$3.0 million which decreased by \$0.1 million (4.4 %) in 2019. Transportation revenues decreased by \$6.2 million mainly driven by decreased in intergovernmental revenues and overall expenditures decreased by \$3.8 million. Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, was \$150.9 million which increased \$30.6 million. Overall other governmental funds revenue increased by \$21.7 million, with intergovernmental revenues being the largest contributor, and expenditures decreased by 14.4 million.

## **Management's Discussion and Analysis For the Year Ended December 31, 2019**

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### **Fund Balances**

At December 31, 2019, the City's governmental funds reported combined ending fund balances of \$231.2 million. Of this amount, \$5.5 million is nonspendable, either due to its form or legal constraints. \$118.6 million is restricted for specific programs by external constraints. \$16.4 million is committed for specific purposes as approved by City Council. \$20.6 million is assigned to specific purposes by management and the remaining \$70.1 million is unassigned.

### **Proprietary Fund Statements**

Total net position for enterprise funds for 2019 was \$2.2 billion which increased by \$43 million in 2019. Power, Water, Solid Waste and Sewer utilities make up the majority of the proprietary funds and activity in these utilities contributed \$13 million for the change in the net position, and non-major enterprise funds contributed \$30 million.

The Power fund net position for 2019 was \$832 million this is a \$31.4 million decrease in net position (3.6% decrease) from 2018. Operating Revenues totaled \$461.4 million in 2019, an increase of \$6.1 million (1.3%), primarily due to an increase in revenues from residential, commercial, general, and industrial customers of 11.9 million (3.4%). Residential sales accounted for 44.5% of electric revenues, commercial and industrial revenues accounted for 44.1% and wholesale power revenues accounted for 11.4%. Total operating expenses increased \$70.3 million. Purchased power increased 26.5 million, prices have increased compared to 2018 and purchase volume was also up because stream flows were down. Generation expenses increased \$12.1 million.

The Water fund had a net position of \$602.8 million in 2019, this was a 3.6% increase of \$21 million over 2018. Operating revenues were \$102.5 million in 2019, an increase of 0.6 million (0.6%), which was primarily due to an average rate increase of 2.5% effective January 1, 2019. Operating expenses increased \$3.5 million (4.6%) compared to 2018.

The Sewer fund net position was \$474.8 million in 2019 which increased by \$15.9 million (3.5 %) from 2018. The Sewer funds net investments in capital assets is the largest portion of the net position which totaled \$412 million in 2018. Operating revenues increased by \$1.1 million in 2019 to \$116.9 million. This can be attributed to an approved average rate increases of 4.0% for Wastewater and 3.5% increase for Surface water that went into effect January 1<sup>st</sup> 2019. Operating expenses for Sewer were \$92.7 million, an increase \$8.9 million (10.6%).

The Solid Waste fund net position increased in 2019 by \$8.0 million to \$54.1 million, this was a 17.3% increase over 2018. Operating revenue increased \$4.4 million (6.0%). An average service rate increase of 3.9% went into effect at the beginning of the year, residential customer revenues increased by \$1.5 million, due to an increase in both the number of customer accounts during the year and a rate increase at beginning of the year. Commercial customers increased by \$2.6 million due to a strong economic growth in 2019. Disposal revenues had increased revenues of \$315,000, but due to the disruption in the international recycling market, the salvage revenues were down by \$87,000. Operating expenses increased in 2019 by \$5.9 million to \$59.6 million. Increases in employee salaries and benefit costs, fleet maintenance, and external contract services contributed to this increase. There was \$6.0 million that was transferred to the general fund for gross earnings tax. Another \$104,000 was paid to the City's Fleet Fund for purchases vehicle purchases.

### **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, with 2019 being the start of the 2019-2020 biennium budget. Budget revisions included a reappropriation of \$13.5 million in carryforward from 2017-2018 which was added to the General Fund budget.



## Management's Discussion and Analysis

### For the Year Ended December 31, 2019

## 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, 2019 is \$3.68 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		Business-Type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 35,843	\$ 35,828	\$ 165,485	\$ 165,055	\$ 201,328	\$ 200,883
Art	2,940	2,654	-	-	\$ 2,940	\$ 2,654
Construction in progress	16,896	56,277	77,971	74,656	94,867	130,933
Property, plant and equipment	289,355	289,905	4,660,986	4,551,188	4,950,341	4,841,093
Infrastructure	1,481,962	1,423,474	-	-	1,481,962	1,423,474
Less Accumulated depreciation	(1,033,111)	(989,524)	(2,013,443)	(1,919,547)	(3,046,554)	(2,909,071)
	<b>\$ 793,885</b>	<b>\$ 818,614</b>	<b>\$ 2,890,999</b>	<b>\$ 2,871,352</b>	<b>\$ 3,684,884</b>	<b>\$ 3,689,966</b>

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, 2019 was \$2.0 billion, an increase of \$17.9 million from governmental activities and an increase of \$49.1 million from business-type activities caused the \$67 million increase total primary government from 2018. 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.

In 2019, there was an issue of Consolidated Local Improvement District (CLID) Special Assessment Bonds in the amount \$4.0 million by Public Works. 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 it 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		Business-Type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Bonded debt and loans	\$ 167,113	\$ 183,973	\$ 1,362,389	\$ 1,394,085	\$ 1,529,502	\$ 1,578,058
Claims and judgments	39,533	33,763	-	-	39,533	33,763
Accrued landfill liability	-	-	23,083	17,960	23,083	17,960
Net OPEB Obligation	-	-	-	-	-	-
Total OPEB Liability	175,076	185,867	29,037	34,945	204,113	220,812
Net Pension Obligation	-	-	-	-	-	-
Total Pension Liability Police and Firefighters	40,527	38,296	-	-	40,527	38,296
Pension Liability	35,805	-	81,204	-	117,009	-
Compensated absences	21,867	20,145	20,678	20,289	42,545	40,434
	<b>\$ 479,921</b>	<b>\$ 462,044</b>	<b>\$ 1,516,391</b>	<b>\$ 1,467,279</b>	<b>\$ 1,996,312</b>	<b>\$ 1,929,323</b>

## Management's Discussion and Analysis For the Year Ended December 31, 2019

The City's debt rating for 2019 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

Over the past year the economy has continued to grow. Pierce County added about 6,225 jobs in 2019, with the most robust growth in the construction sector, which added 1,700 jobs. Uncertainty related to tariffs was a factor in the County's economy. Container shipments grew by 1.8% at the Port of Tacoma, which operates jointly with the Port of Seattle as part of the Seaport Alliance.

The Tacoma Streets Initiative had completed its fourth year in 2019. The initiative was made up of two voter passed propositions 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% gross 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. Including grant and partnership funding, the program raised \$35.6 million in 2019 that brought the total funds raised to \$149 million, of the end goal of \$325 million over 10 years. Maintenance performed from the initiative has improved or maintained 690 blocks in 2019 through the use of either overlays, surface treatments, or other preventative maintenance to bring the total up to 2,349 blocks out of the estimated 5,822.

Tacoma Creates, and arts access program based on a 0.1% Sales Tax levy approved by City voters in 2018, began to distribute some of its funds at the end of 2019. As of December 2019, the program had begun to distribute approximately \$630,000 in funds to arts organizations of various sizes throughout the City. These organizations were chosen through a competitive process.

The Tacoma City council unanimously approved an ordinance No. 28623 effective January 1, 2020 that allowed Solid Waste Management to collect an additional \$2.82 monthly surcharge to residential customers. The estimated revenue expected to be collected is \$1.8 million.

Tacoma's Public Utility Board and City Council approved \$2.4 Million funding for Tacoma Public Utilities' Emergency Assistance Program, a relief program established on March 17, 2020 in response to the COVID-19 State of Emergency.

While the 2019 year ended with expenses and revenues closely mirroring projections, early 2020 has brought on unexpected challenges for the City of Tacoma, the region, and the world as the coronavirus emergency brought economic activity to a standstill. The city could experience a significant short-term impact to operations.

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

### **For the Year Ended December 31, 2019**

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### **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, 2019  
(amounts expressed in thousands)  
Page 1 of 2

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 288,648	\$ 449,584	\$ 738,232
Investments	5,048	-	5,048
Accounts Receivables (Net)	51,438	101,032	152,470
Due From Other Governmental Units	23,896	1,184	25,080
Internal Balances	7,446	(7,446)	-
Inventory	3,720	12,554	16,274
Prepays	2,032	17,336	19,368
Restricted Cash			
Cash and Cash Equivalents	-	309,796	309,796
Interest Receivable	-	87	87
Notes and Contracts Receivable	-	2,236	2,236
Non Current Assets			
Cash and Cash Equivalents	-	28,899	28,899
Long-Term Contracts and Notes	-	18,677	18,677
Net Pension Asset	75,660	-	75,660
Other Non Current Assets	-	49,685	49,685
Capital Assets			
Depreciable Capital Assets (Net of Accumulated Depreciation)	738,206	2,647,543	3,385,749
Non-Depreciable Capital Assets	55,679	243,456	299,135
<b>Total Assets</b>	<b>1,251,773</b>	<b>3,874,623</b>	<b>5,126,396</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows related to Bond Refunding	3,669	7,209	10,878
Deferred Outflows related to Pensions	51,277	96,111	147,388
Deferred Outflows related to OPEB	19,264	3,421	22,685
<b>Total Deferred Outflows of Resources</b>	<b>74,210</b>	<b>106,741</b>	<b>180,951</b>
<b>LIABILITIES</b>			
Accounts Payable	23,732	44,524	68,256
Deposits Payable	895	3,228	4,123
Due to Other Governmental Units	91	720	811
Unearned Revenue	9,560	7,515	17,075
Other Liabilities Payable	22,278	68,520	90,798
Payable From Restricted Assets:			
Other Current Liabilities	-	1,510	1,510
Special Assessment Debt with Government Commitment	22,626	-	22,626
Bonds and Other Debt Payable:			
Due Within One Year	49,528	56,975	106,503
Due in More Than One Year	407,767	1,459,416	1,867,183
<b>Total Liabilities</b>	<b>536,477</b>	<b>1,642,408</b>	<b>2,178,885</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Advanced Payment of Special Assessments	23,898	4,339	28,237
Deferred Inflows - Rate Stabilization	-	105,575	105,575
Deferred Inflows related to Bond Refunding	-	419	419
Deferred Inflows related to Pensions	26,101	10,669	36,770
Deferred Inflows related to OPEB	16,191	6,708	22,899
<b>Total Deferred Inflows of Resources</b>	<b>66,190</b>	<b>127,710</b>	<b>193,900</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	628,205	1,699,160	2,327,365
Restricted:			
Capital Projects	5,020	31,810	36,830
Debt Service	11,010	22,928	33,938
Utility Donations & System Development	-	71,829	71,829
Culture and recreation	15,782	9,016	24,798
Self Insurance	-	5,099	5,099
Environmental Services and Programs	-	3,118	3,118
Inspection	-	397	397
Pension	76,047	-	76,047
Reserves	-	33,366	33,366
Public Safety	3,541	-	3,541
Transportation	73,238	-	73,238
Grants	288	-	288
Housing and Economic development	9,318	-	9,318
Unrestricted	(99,133)	334,523	235,390
<b>Total Net Position</b>	<b>\$ 723,316</b>	<b>\$ 2,211,246</b>	<b>\$ 2,934,562</b>

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

Page 2 of 2

Component Units		
TCRA	GTRCC PFD	FWDA
\$ 8,280	\$ 1,968	\$ 511
-	-	-
832	739	20
145	-	-
-	-	-
-	-	-
23	-	45
-	-	-
6	-	-
1,030	-	-
-	-	-
39,097	-	-
-	-	-
1,272	-	-
8,547	-	19,690
1,462	-	7,002
60,694	2,707	27,268
-	-	-
-	-	-
-	-	-
-	-	-
980	-	31
-	-	29
-	2,707	-
-	-	831
354	-	2,470
-	-	-
-	-	-
-	-	42
5,494	-	-
6,828	2,707	3,403
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
48,852	-	-
-	-	(371)
\$ 53,866	\$ -	\$ 23,865

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



**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2019  
(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	\$ 44,839	\$ 25,512	\$ 13,372	\$ -
Public Safety	188,233	17,729	21,182	284
Transportation	95,718	1,911	16,249	3,838
Natural and Economic Environment	25,435	1,906	3,686	-
Economic Development		-	427	-
Social Services	6,167	21	-	-
Culture and Recreation	24,249	2,867	115	-
Interest on Long-Term Debt	16,261	-	-	-
	<u>400,902</u>	<u>49,946</u>	<u>55,031</u>	<u>4,122</u>
Business-Type Activities				
Solid Waste	61,512	73,580	-	-
Waste Water	104,543	119,257	-	4,124
Water	101,045	104,365	-	16,385
Power	481,894	462,673	-	11,400
Nonmajor Business-Type Activities	82,202	84,779	-	18,460
	<u>831,196</u>	<u>844,654</u>	<u>-</u>	<u>50,369</u>
Total Primary Government	<u>\$ 1,232,098</u>	<u>\$ 894,600</u>	<u>\$ 55,031</u>	<u>\$ 54,491</u>
<b>Component Units</b>				
TCRA	2,299	744	1,268	-
GTRCC PFD	4,424	-	-	-
FWDA	1,691	347	-	408
Total Component Units	<u>\$ 8,414</u>	<u>\$ 1,091</u>	<u>\$ 1,268</u>	<u>\$ 408</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
\$ (5,955)	\$ -	\$ (5,955)	\$ -	\$ -	\$ -
(149,038)	-	(149,038)	-	-	-
(73,720)	-	(73,720)	-	-	-
(19,843)	-	(19,843)	-	-	-
427	-	427	-	-	-
(6,146)	-	(6,146)	-	-	-
(21,267)	-	(21,267)	-	-	-
(16,261)	-	(16,261)	-	-	-
(291,803)	-	(291,803)	-	-	-
-	12,068	12,068	-	-	-
-	18,838	18,838	-	-	-
-	19,705	19,705	-	-	-
-	(7,821)	(7,821)	-	-	-
-	21,037	21,037	-	-	-
-	63,827	63,827	-	-	-
<u>\$ (291,803)</u>	<u>\$ 63,827</u>	<u>\$ (227,976)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
			(287)	-	-
			-	(4,424)	-
			-	-	(936)
			<u>\$ (287)</u>	<u>\$ (4,424)</u>	<u>\$ (936)</u>
\$ 77,970	\$ -	\$ 77,970	\$ -	\$ -	\$ -
81,132	-	81,132	-	4,363	-
53,563	-	53,563	-	-	-
15,320	-	15,320	-	-	-
9,473	24,682	34,155	52	61	11
366	107	473	-	-	-
52,627	(52,627)	-	-	-	-
290,451	(27,838)	262,613	52	4,424	11
(1,352)	35,989	34,637	(235)	-	(925)
717,403	2,178,779	2,896,182	54,003	-	19,539
7,265	(3,522)	3,743	98	-	5,251
-	-	-	-	-	-
724,668	2,175,257	2,899,925	54,101	-	24,790
<u>\$ 723,316</u>	<u>\$ 2,211,246</u>	<u>\$ 2,934,562</u>	<u>\$ 53,866</u>	<u>\$ -</u>	<u>\$ 23,865</u>

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

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2019  
(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	\$ 64,688	\$ 2,966	\$ 131,901	\$ 199,555
Investments	-	-	5,048	5,048
Accounts Receivables (Net)	14,934	127	35,415	50,476
Due From Other Governmental Units	14,679	840	8,377	23,896
Inventory	1,586	-	1,406	2,992
Prepays	5	-	8	13
Advance to Other Funds	-	-	267	267
Total Assets	<u>95,892</u>	<u>3,933</u>	<u>182,422</u>	<u>282,247</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total Assets and Deferred Outflows	<u>95,892</u>	<u>3,933</u>	<u>182,422</u>	<u>282,247</u>
<b>LIABILITIES</b>				
Account Payable	5,457	868	3,856	10,181
Customer Deposits	-	-	895	895
Other Liabilities Payable	3,825	8	1,291	5,124
Due to Other Governmental Units	91	-	-	91
Advances from Other Funds	-	-	267	267
Unearned Revenue	-	-	188	188
Total Liabilities	<u>9,373</u>	<u>876</u>	<u>6,497</u>	<u>16,746</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	9,233	13	25,067	34,313
Total Deferred Inflow of Resources	<u>9,233</u>	<u>13</u>	<u>25,067</u>	<u>34,313</u>
<b>FUND BALANCE</b>				
Nonspendable	4,074	-	1,423	5,497
Restricted	395	1,405	116,757	118,557
Committed	710	-	15,651	16,361
Assigned	1,992	1,639	17,027	20,658
Unassigned	70,115	-	-	70,115
Total Fund Balance	<u>\$ 77,286</u>	<u>\$ 3,044</u>	<u>\$ 150,858</u>	<u>\$ 231,188</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 95,892</u>	<u>\$ 3,933</u>	<u>\$ 182,422</u>	<u>\$ 282,247</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, 2019

Total governmental fund balances as reported on this statement	\$ 231,188
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.	753,670
Other non-current assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Investment in Joint Ventures	
Prepays	
Interest receivable on investments	
Net pension asset	75,660
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	1,043
Unavailable revenue reported for special assessments	0
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.	73,780
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Bonds and loans payable	(166,924)
Premium on Bonds Payable	(190)
Deferred amount on bond refunding	3,669
Deferred amounts related to OPEB	3,073
Deferred amounts related to pensions	8,442
Interest payable	(7,904)
Net pension liability	(18,875)
Police and Fire liability	(40,527)
Total OPEB liability	(175,076)
Compensated absences payable	(17,713)
	(412,025)
Net position of government activities as reported on the statement of net position	<u>\$ 723,316</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, 2019  
(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 61,037	\$ -	\$ 17,971	\$ 79,008
Retail Sales & Use	58,312	-	22,820	81,132
Business	51,203	-	2,360	53,563
Excise	1,360	-	13,960	15,320
Licenses and Permits	7,271	-	3,754	11,025
Intergovernmental	13,682	14,751	27,539	55,972
Charges for Services	13,286	549	7,463	21,298
Fines and Forfeitures	1,375	2	5,491	6,868
Investment Earnings	3,062	66	3,613	6,741
Miscellaneous	145	10	10,600	10,755
Total Revenues	<u>210,733</u>	<u>15,378</u>	<u>115,571</u>	<u>341,682</u>
<b>EXPENDITURES</b>				
Current:				
General Government	35,390	-	4,633	40,023
Public Safety	156,716	-	26,896	183,612
Transportation	27	2,238	42,432	44,697
Natural and Economic Environment	19,480	-	5,356	24,836
Social Services	-	-	6,068	6,068
Culture and Recreation	14,816	-	6,501	21,317
Debt Service:				
Principal	-	-	22,629	22,629
Interest and Other Costs	-	421	8,385	8,806
Capital Outlay	1,412	19,470	3,507	24,389
Total Expenditures	<u>227,841</u>	<u>22,129</u>	<u>126,407</u>	<u>376,377</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(17,108)</u>	<u>(6,751)</u>	<u>(10,836)</u>	<u>(34,695)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	19	-	67	86
Insurance Recoveries	32	-	2	34
Issuance of Debt	-	-	6,219	6,219
Transfers In	47,661	6,886	79,030	133,577
Transfers Out	(45,645)	(252)	(43,774)	(89,671)
Total Other Financing Sources and Uses	<u>2,067</u>	<u>6,634</u>	<u>41,544</u>	<u>50,245</u>
Net Change in Fund Balance	<u>(15,041)</u>	<u>(117)</u>	<u>30,708</u>	<u>15,550</u>
Fund Balance - January 1, as Previously Reported	92,416	3,184	120,293	215,893
Prior Period Adjustment	(89)	(23)	(143)	(255)
Fund Balance - January 1, restated	92,327	3,161	120,150	215,638
Fund Balance - Ending	<u>\$ 77,286</u>	<u>\$ 3,044</u>	<u>\$ 150,858</u>	<u>\$ 231,188</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, 2019  
(amounts expressed in thousands)

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	15,550
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	24,389	
Depreciation Expense	<u>(47,099)</u>	(22,710)
The net effect of various miscellaneous transactions involving capital assets.		(11,198)
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		(6,219)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes	(1,038)	
Amortization of bond premium	<u>327</u>	(711)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on the net position.		22,751
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.		
		8,716
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	(7,904)	
Change in net pension obligation or asset	2,221	
Change in net other postemployment benefits	(134)	
Change in compensated absences payable	<u>(1,714)</u>	(7,531)
Change in net position on the Statement of Activities	\$	<u><u>(1,352)</u></u>

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2019  
(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	\$ 49,428	\$ 92,118	\$ 68,316	\$ 177,471
Accounts Receivables (Net)	6,717	15,257	11,367	56,824
Due From Other Governmental Units	-	652	301	231
Inventory	-	1,428	2,781	6,742
Prepaid Expenses	-	250	2,178	12,723
Restricted Cash:				
Debt Service	1,199	1,406	4,410	19,209
Construction	2,610	82,195	11,632	12,397
Other	49	-	116,843	32,059
Interest Receivable	-	151	-	533
Note, Contracts, Lease Receivable	-	151	-	533
Total Current Assets	60,003	193,457	217,828	318,189
Noncurrent Assets				
Restricted Cash, Bond Reserves	2,110	4,672	22,117	-
Long-Term Contracts and Notes	-	746	-	2,396
Other non-current assets	-	94	2,059	47,422
Capital Assets:				
Land	2,856	23,853	25,247	77,616
Water Rights				
Property, Plant, and Equipment	191,570	861,673	1,119,851	2,091,969
Construction in Progress	1,682	19,461	11,458	39,025
Less: Accumulated Depreciation	(115,037)	(299,767)	(281,403)	(1,138,697)
Total Capital Assets (Net of A/D)	81,071	605,220	875,153	1,069,913
Total Noncurrent Assets	83,181	610,732	899,329	1,119,731
Total Assets	143,184	804,189	1,117,157	1,437,920
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	3,629	989	-
Deferred Outflow related to Pensions	7,760	15,422	12,149	54,329
Deferred Outflow related to OPEB	206	1,053	471	952
Total Deferred Outflow of Resources	7,966	20,104	13,609	55,281

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2019  
(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	\$ 36,150	\$ 423,483	\$ 115,194
Accounts Receivables (Net)	10,666	100,831	1,163
Due From Other Governmental Units	-	1,184	-
Inventory	1,224	12,175	1,107
Prepaid Expenses	2,185	17,336	2,019
Restricted Cash:			
Debt Service	3,331	29,555	-
Construction	182	109,016	-
Other	22,274	171,225	-
Interest Receivable	87	87	-
Note, Contracts, Lease Receivable	1,552	2,236	-
Total Current Assets	<u>77,651</u>	<u>867,128</u>	<u>119,483</u>
Noncurrent Assets			
Restricted Cash, Bond Reserves	-	28,899	-
Long-Term Contracts and Notes	15,535	18,677	-
Other non-current assets	110	49,685	-
Capital Assets:			
Land	35,913	165,485	357
Water Rights			
Property, Plant, and Equipment	329,915	4,594,978	188,916
Construction in Progress	4,496	76,122	6,237
Less: Accumulated Depreciation	<u>(138,470)</u>	<u>(1,973,374)</u>	<u>(127,507)</u>
Total Capital Assets (Net of A/D)	<u>231,854</u>	<u>2,863,211</u>	<u>68,003</u>
Total Noncurrent Assets	<u>247,499</u>	<u>2,960,472</u>	<u>68,003</u>
Total Assets	<u>325,150</u>	<u>3,827,600</u>	<u>187,486</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflow from Bond Refunding	2,591	7,209	-
Deferred Outflow related to Pensions	5,237	94,897	20,039
Deferred Outflow related to OPEB	739	3,421	-
Total Deferred Outflow of Resources	<u>8,567</u>	<u>105,527</u>	<u>20,039</u>

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



**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2019  
(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	1,815	4,014	1,334	31,182
Due to Other Governmental Units	-	720	-	-
Customer Deposits	69	-	352	2,802
Interest Payable	-	167	1,766	9,844
Environment Liabilities - Current	859	1,766	-	5,258
Notes, Contract, Lease Payable - Current	-	4,011	173	-
Compensated Absences - Current	141	285	237	1,138
Bonds Payable - Current	2,081	6,375	14,878	9,365
Advance from Other Funds	-	-	-	-
Payable From Restricted Assets:				
Debt Principal Payable - Current	189	580	-	-
Interest Payable	204	826	-	-
Deposits and Other Payable	51	-	-	-
Unearned Revenue	261	457	-	2,518
Other Liabilities Payable	812	930	2,348	11,157
Total Current Liabilities	6,482	20,131	21,088	73,264
Noncurrent Liabilities				
Bonds Payable	57,496	245,297	359,502	395,175
Unearned Revenue	-	-	7,515	-
Compensated Absences	1,215	2,566	2,136	10,243
Environmental Liabilities	14,007	1,192	-	-
Other LT Liabilities Payable	437	3,280	8,402	5,158
Notes, Contracts, and Lease Payables	-	32,625	78,181	75,250
Total OPEB Liability	2,405	2,555	3,566	10,563
Net Pension Liability	6,556	13,030	10,265	45,903
Total Noncurrent Liabilities	82,116	300,545	469,567	542,292
Total Liabilities	88,598	320,676	490,655	615,556
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Inflow - Rate Stabilization	7,000	25,000	35,575	38,000
Deferred Inflow Related to Bond Refunding	289	36	-	-
Deferred Inflow related to Pensions	861	1,712	1,349	6,032
Deferred Inflow related to OPEB	279	2,106	371	1,586
Total Deferred Inflow of Resources	8,429	28,854	37,295	45,618
<b>NET POSITION</b>				
Net Investment in Capital Assets	31,007	412,291	457,157	607,518
Restricted for:				
Capital Purchase	-	-	-	-
Debt Service	2,916	4,672	2,644	9,365
Utility Donations & System Development	-	-	71,829	-
Culture and Recreation	-	-	-	-
Self Insurance	-	-	-	-
Environment Service & Program	-	-	-	-
Inspection	-	-	-	-
Reserves	-	-	-	27,061
Unrestricted	20,200	57,800	71,186	188,083
Total Net Position	\$ 54,123	\$ 474,763	\$ 602,816	\$ 832,027

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2019  
(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	4,654	42,999	9,952
Due to Other Governmental Units	-	720	-
Customer Deposits	5	3,228	-
Interest Payable	10,122	21,899	-
Environment Liabilities - Current	-	7,883	-
Notes, Contract, Lease Payable - Current	820	5,004	-
Compensated Absences - Current	248	2,049	440
Bonds Payable - Current	8,546	41,245	1,139
Advance from Other Funds	-	-	-
Payable From Restricted Assets:			
Debt Principal Payable - Current	-	769	-
Interest Payable	429	1,459	-
Deposits and Other Payable	-	51	-
Unearned Revenue	1,103	4,339	-
Other Liabilities Payable	1,165	16,412	46,704
Total Current Liabilities	27,092	148,057	58,235
Noncurrent Liabilities			
Bonds Payable	68,262	1,125,732	-
Unearned Revenue	-	7,515	-
Compensated Absences	2,218	18,378	3,965
Environmental Liabilities	-	15,199	-
Other LT Liabilities Payable	6,299	23,576	13,722
Notes, Contracts, and Lease Payables	3,583	189,639	-
Total OPEB Liability	9,948	29,037	-
Net Pension Liability	4,425	80,179	16,930
Total Noncurrent Liabilities	94,735	1,489,255	34,617
Total Liabilities	121,827	1,637,312	92,852
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow - Rate Stabilization	-	105,575	-
Deferred Inflow Related to Bond Refunding	94	419	-
Deferred Inflow related to Pensions	580	10,534	2,226
Deferred Inflow related to OPEB	2,366	6,708	-
Total Deferred Inflow of Resources	3,040	123,236	2,226
<b>NET POSITION</b>			
Net Investment in Capital Assets	163,399	1,671,372	68,003
Restricted for:			
Capital Purchase	5,534	5,534	26,276
Debt Service	3,331	22,928	-
Utility Donations & System Development	-	71,829	-
Culture and Recreation	9,016	9,016	-
Self Insurance	-	-	5,099
Environment Service & Program	3,118	3,118	-
Inspection	397	397	-
Reserves	6,305	33,366	-
Unrestricted	17,750	355,019	13,069
Total Net Position	\$ 208,850	\$ 2,172,579	\$ 112,447

*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, 2019  
(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 2,172,579
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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.	38,667
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NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 2,211,246</u>
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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, 2019

(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	\$ 72,909	\$ 114,346	\$ 90,308	\$ 442,565
Interfund Insurance Premiums	-	-	-	-
Other Operating Revenue	641	2,573	12,237	18,802
Total Operating Revenue	<u>73,550</u>	<u>116,919</u>	<u>102,545</u>	<u>461,367</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	23,650	38,586	29,069	129,543
Supplies	1,015	4,457	2,934	166,621
Services	28,303	29,980	18,336	92,563
Taxes	1,090	1,869	5,189	22,140
Depreciation	5,579	17,842	25,295	48,700
Other Operating Expenses	-	-	-	-
Total Operating Expenses	<u>59,637</u>	<u>92,734</u>	<u>80,823</u>	<u>459,567</u>
Operating Income (Loss)	<u>13,913</u>	<u>24,185</u>	<u>21,722</u>	<u>1,800</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	1,150	3,890	4,839	4,940
Operating Contributions	-	598	-	(502)
Other Non-Operating Revenues	30	1,740	1,820	1,808
Gain (Loss) on Sale of Capital Assets	41	(104)	-	1
Unrealized Net Gain(Loss) on Fair Value Investment	608	2,084	2,531	2,667
Interest Expense	(1,693)	(10,216)	(18,182)	(19,523)
Other Non-Operating Expenses	-	-	(17)	(11)
External Contributions	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>136</u>	<u>(2,008)</u>	<u>(9,009)</u>	<u>(10,620)</u>
Income (Loss) Before Contributions & Transfers	<u>14,049</u>	<u>22,177</u>	<u>12,713</u>	<u>(8,820)</u>
Capital Contributions	-	4,124	16,385	11,400
Transfers In	-	671	-	-
Transfers Out	<u>(6,076)</u>	<u>(11,048)</u>	<u>(8,020)</u>	<u>(33,985)</u>
Change in Net Position	<u>7,973</u>	<u>15,924</u>	<u>21,078</u>	<u>(31,405)</u>
Net Position, January 1	46,150	458,839	581,738	863,432
Prior Period Adjustment	-	-	-	-
Change in Accounting Principle	-	-	-	-
Net Position, January 1 restated	<u>46,150</u>	<u>458,839</u>	<u>581,738</u>	<u>863,432</u>
Net Position, December 31	<u>\$ 54,123</u>	<u>\$ 474,763</u>	<u>\$ 602,816</u>	<u>\$ 832,027</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, 2019

(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	\$ 77,574	\$ 797,702	\$ 88,182
Interfund Insurance Premiums	-	-	89,852
Other Operating Revenue	1	34,254	7
Total Operating Revenue	<u>77,575</u>	<u>831,956</u>	<u>178,041</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	35,756	256,604	59,522
Supplies	2,066	177,093	4,088
Services	29,551	198,733	118,790
Taxes	967	31,255	-
Depreciation	9,090	106,506	10,113
Other Operating Expenses	-	-	-
Total Operating Expenses	<u>77,430</u>	<u>770,191</u>	<u>192,513</u>
Operating Income (Loss)	<u>145</u>	<u>61,765</u>	<u>(14,472)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest Revenue	1,356	16,175	2,062
Operating Contributions	1,203	1,299	-
Other Non-Operating Revenues	6,001	11,399	43
Gain (Loss) on Sale of Capital Assets	169	107	313
Unrealized Net Gain(Loss) on Fair Value Investment	617	8,507	1,221
Interest Expense	(3,444)	(53,058)	-
Other Non-Operating Expenses	(547)	(575)	(4)
External Contributions	(80)	(80)	-
Total Non-Operating Revenues (Expenses)	<u>5,275</u>	<u>(16,226)</u>	<u>3,635</u>
Income (Loss) Before Contributions & Transfers	<u>5,420</u>	<u>45,539</u>	<u>(10,837)</u>
Capital Contributions	18,460	50,369	-
Transfers In	12,100	12,771	9,386
Transfers Out	<u>(6,269)</u>	<u>(65,398)</u>	<u>(665)</u>
Change in Net Position	<u>29,711</u>	<u>43,281</u>	<u>(2,116)</u>
Net Position, January 1	179,121	2,129,280	114,563
Prior Period Adjustment	18	18	-
Change in Accounting Principle	-	-	-
Net Position, January 1 restated	<u>179,139</u>	<u>2,129,298</u>	<u>114,563</u>
Net Position, December 31	<u>\$ 208,850</u>	<u>\$ 2,172,579</u>	<u>\$ 112,447</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, 2019  
(amounts expressed in thousands)

NET CHANGE IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 43,281
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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.	(7,292)
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NET POSITION OF BUSINESS ACTIVITIES	<u>\$ 35,989</u>
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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, 2019  
(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	\$ 72,997	\$ 116,583	\$ 101,966	\$ 458,060
Receipts from interfund services provided	-	-	-	-
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	(29,797)	(32,115)	(27,068)	(245,374)
Payments to employees	(22,135)	(37,201)	(23,692)	(123,866)
Payments for taxes	(995)	(1,870)	(5,333)	(22,399)
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues	-	-	-	237
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	20,070	45,397	45,873	66,658
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	-
Grants and contributions received	-	16	-	-
Payments paid on noncapital debts	(332)	(1,054)	-	-
Transfer to other funds	(6,525)	(11,768)	(8,020)	(33,985)
Contributions made	-	-	-	(500)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(6,857)	(12,806)	(8,020)	(34,485)
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	671	-	-
Proceeds received from capital debts	-	-	-	20,000
Proceeds from sales of capital assets	47	5	-	-
Contributions and donations	-	3,390	10,557	11,043
Acquisitions and constructions of capital assets	(6,889)	(27,013)	(23,152)	(49,347)
Principals paid on capital debts	(2,160)	(9,945)	(14,715)	(10,095)
Interest and issuance costs paid on capital debts	(2,221)	(12,349)	(19,445)	(21,294)
Transfers to other funds	-	-	-	-
Other Long-Term Liabilities	-	-	778	(871)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(11,223)	(45,241)	(45,977)	(50,564)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	1,776	5,972	7,370	7,608
Change in fair value of investment	-	-	-	-
Other Non-Operating Revenues	30	1,722	1,803	1,796
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,806	7,694	9,173	9,404
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,796	(4,956)	1,049	(8,987)
CASH AND CASH EQUIVALENTS, JANUARY 1	51,600	185,347	222,269	250,123
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 55,396	\$ 180,391	\$ 223,318	\$ 241,136

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, 2019  
(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	\$ 80,985	\$ 830,591	\$ 24,317
Receipts from interfund services provided	-	-	64,247
Contribution received - employee/employer	-	-	87,361
Payments to suppliers	(39,035)	(373,389)	(103,131)
Payments to employees	(34,723)	(241,617)	(55,348)
Payments for taxes	(943)	(31,540)	(1,537)
Payments for interfund services used	(5,552)	(5,552)	(4,205)
Other operating or non-operating revenues	5,424	5,661	45
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	6,156	184,154	11,749
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	7,185	7,185	9,386
Grants and contributions received	(8,524)	(8,508)	-
Payments paid on noncapital debts	-	(1,386)	-
Transfer to other funds	(3,043)	(63,341)	(665)
Contributions made	(79)	(579)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(4,461)	(66,629)	8,721
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	4,915	5,586	-
Proceeds received from capital debts	-	20,000	-
Proceeds from sales of capital assets	271	323	-
Contributions and donations	18,459	43,449	-
Acquisitions and constructions of capital assets	(11,055)	(117,456)	(12,233)
Principals paid on capital debts	(8,940)	(45,855)	-
Interest and issuance costs paid on capital debts	(3,636)	(58,945)	-
Transfers to other funds	(3,226)	(3,226)	-
Other Long-Term Liabilities	-	(93)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(3,212)	(156,217)	(12,233)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	1,331	24,057	2,053
Change in fair value of investment	638	638	1,227
Other Non-Operating Revenues	-	5,351	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,969	30,046	3,280
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	452	(8,646)	11,517
CASH AND CASH EQUIVALENTS, JANUARY 1	61,485	770,824	103,677
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 61,937	\$ 762,178	\$ 115,194

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, 2019  
(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
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**RECONCILIATION OF OPERATING INCOME (LOSS) TO  
NET CASH PROVIDED (USED) BY OPERATING  
ACTIVITIES**

Operating income (loss)	\$ 13,913	\$ 24,185	\$ 21,722	\$ 1,800
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation and amortization expenses	5,579	17,842	25,295	48,700
(Increase) decrease in accounts receivable	4	243	241	-
(Increase) decrease in intergovernmental receivables	-	-	(1)	237
(Increase) decrease in due from other funds	71	98	757	1,846
(Increase) decrease in inventories	-	(329)	(311)	-
(Increase) decrease in prepaid items	-	71	(116)	(2,232)
(Increase) decrease in other assets	(2,660)	(85)	(5,304)	9,205
Increase (decrease) in deposit payable	41	(9)	9	94
Increase (decrease) in accounts payable	296	(1,626)	(619)	-
Increase (decrease) in accrued wages payable	3,698	(62)	110	572
Increase (decrease) in compensated absences	16	(192)	(61)	421
Increase (decrease) in intergovernmental payable	-	121	-	-
Increase (decrease) in due to other funds	(466)	(556)	(1,566)	(207)
Increase (decrease) in deferred revenues	-	-	-	-
Increase (decrease) in other current liabilities	(88)	544	-	-
Increase (decrease) long term liabilities	(334)	5,152	5,717	6,222
Miscellaneous non-operating revenues (expenses)	-	-	-	-
Prior Period Adjustment	-	-	-	-
Total adjustments	6,157	21,212	24,151	64,858
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 20,070</b>	<b>\$ 45,397</b>	<b>\$ 45,873</b>	<b>\$ 66,658</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
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, 2019  
(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)	\$ 145	\$ 61,765	\$ (14,472)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation and amortization expenses	9,089	106,505	10,113
(Increase) decrease in accounts receivable	2,566	3,054	(422)
(Increase) decrease in intergovernmental receivables	-	236	8
(Increase) decrease in due from other funds	845	3,617	1,069
(Increase) decrease in inventories	(11)	(651)	(45)
(Increase) decrease in prepaid items	(667)	(2,944)	623
(Increase) decrease in other assets	(1,856)	(700)	(7,248)
Increase (decrease) in deposit payable	(12,078)	(11,943)	-
Increase (decrease) in accounts payable	1,017	(932)	(90)
Increase (decrease) in accrued wages payable	2,608	6,926	9,772
Increase (decrease) in compensated absences	163	347	34
Increase (decrease) in intergovernmental payable	(2)	119	11
Increase (decrease) in due to other funds	(449)	(3,244)	(86)
Increase (decrease) in deferred revenues	59	59	(1)
Increase (decrease) in other current liabilities	(28)	428	5,923
Increase (decrease) long term liabilities	(685)	16,072	6,521
Miscellaneous non-operating revenues (expenses)	5,422	5,422	39
Prior Period Adjustment	18	18	-
Total adjustments	6,011	122,389	26,221
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 6,156</b>	<b>\$ 184,154</b>	<b>\$ 11,749</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	8,367	-

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

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2019  
(amounts expressed in thousands)

	Deferred Compensation Fund #6050	Pension (and OPEB) Trust Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4	\$ 1,898
Investments	-	10,165
Equities	-	964,057
Fixed income	-	639,305
Real estate	-	81,146
Venture capital and partnerships	-	183,495
Securities lending collateral	-	52,385
Receivables - net uncollectible accounts	42	-
Due From Other Governments	-	1,570
Interest and Dividends	-	2,836
Investment Sales	-	4,704
Capital Assets, net of accumulated depreciation	-	8
Total Assets	<u>46</u>	<u>1,941,569</u>
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	-	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	1	1,287
Accrued Wages and Benefits Payable	2	61
Compensated Absences - Current	-	13
Investments Purchase Payable	-	63,995
Other Current Liabilities	-	5
Total Current Liabilities	<u>3</u>	<u>65,361</u>
Noncurrent Liabilities		
Accrued Employee Leave Benefits	-	114
Total Noncurrent Liabilities	<u>-</u>	<u>114</u>
Total Liabilities	<u>3</u>	<u>65,475</u>
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	-	-
<b>NET POSITION</b>		
Net position restricted for pensions and other purposes	<u>\$ 43</u>	<u>\$ 1,876,094</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, 2019  
(amounts expressed in thousands)

	Deferred Compensation Fund #6050	Pension (and OPEB) Trust Fund
<b>ADDITIONS</b>		
Employer Contributions	\$ -	\$ 30,239
Member Contributions	-	26,303
Other Contributions	208	-
Total Contributions	<u>208</u>	<u>56,542</u>
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	-	245,757
Interest and Dividends	-	37,858
Total Investment Income	<u>-</u>	<u>283,615</u>
Less Investment Expenses:		
Investment Management Fees	-	(7,053)
Securities Lending - Agent Fees	-	(66)
Securities Lending - Broker Rebates	-	(1,082)
Total Investment Expense	<u>-</u>	<u>(8,201)</u>
Net Investment Income	<u>-</u>	<u>275,414</u>
Total Additions	<u>208</u>	<u>331,956</u>
<b>DEDUCTIONS</b>		
Wages and Benefits Payable	115	896
Healthcare Benefit Payments	-	86,488
Refunds of Contributions	-	2,604
Administrative Expense	88	894
Total Deductions	<u>203</u>	<u>90,882</u>
Net Increase (Decrease)	5	241,074
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>		
Net position - beginning	38	1,635,020
Net position - ending	<u>\$ 43</u>	<u>\$ 1,876,094</u>

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

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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#### 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 2019, the City considered the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 83 - *Certain Asset Retirement Obligations*. The object of this statement is to address accounting and financial reporting for asset retirements that carry legally enforceable remediation obligations. It establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources. This statement will enhance comparability of financial statements among governments by establishing uniform criteria to recognize and measure decision-usefulness of the information provided to financial statement users by requiring disclosure related to those assets.

GASB Statement No. 84 - *Fiduciary Activities*. The object of this statement is to improve the identification of fiduciary activities and how they should be reported. It establishes criteria for identifying activities related to control of those assets. Control is defined as holding the assets or the ability to use, exchange, or employ the assets in a manner that provides benefits to the intended recipients. Where applicable the City has made the required adjustments as prescribed by GASB Statement No. 84.

GASB Statement No. 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The object of this statement is to improve the information that is disclosed in the notes related to debt, clarifying which liabilities should be included when disclosing that information. Debt is defined as a fixed liability that arises from a contractual obligation to pay cash or other assets as established at the contract date. This Statement requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt.

GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*. The object of this statement now requires that interest cost incurred before the end of the construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will no longer be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Where applicable the City has made the required adjustments as prescribed by GASB Statement No. 89.

GASB Statement No. 90 - *Majority Equity Interests (an Amendment of GASB Statements No. 14 & 61)*. The object of this statement is to clarify the reporting of the City's majority equity interest in a legally separate organization and the component units of 100% equity acquisition. Equity is defined as a financial interest evidenced through an explicit, measurable right to net resources of an organization that is usually based on an investment of financial or capital resources by a government.

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:

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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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.

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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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#### *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 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,



## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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Public Safety Answering Points (PSAP's) managed by the City of Tacoma, City of Fife and West Pierce Fire and Rescue will transition to South Sound 911.

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

Members of the Policy Board include:

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

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

On July 9, 2019, in consideration of all interests, the parties to the original interlocal agreement voted to be reorganized as a public development authority, established under the provisions of chapter 35.21 RCW and chartered by the City of Tacoma. The newly established South Sound 911 Public Authority officially assumed the rights and responsibilities of the original Interlocal Agency, dissolving the original agreement and transitioning all operations, employees and services on December 23, 2019. South Sound 911 Public Authority is considered a separate entity and not subject to any future reporting requirements.

#### **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

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes, charges between the City's utilities and various other functions of the government, and some indirect cost allocations between the general fund and other funds of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which the direct expenses of a given governmental function or business segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a given function or segment. Taxes, transfers between funds, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **C. Measurement focus, basis of accounting and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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

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

The City reports the following major governmental funds:

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

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

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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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.

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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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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, 2019

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#### 9. Fund equity

##### *Fund balance*

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

1. **Nonspendable:** Includes amounts that are not in a spendable form, such as inventories, prepaid items, long-term interfund receivables, and amounts that are legally or contractually required to be maintained intact or required to be retained in perpetuity, such as the principal of an endowment fund.
2. **Restricted:** Includes amounts that can be spent only for the specific purposes stipulated by external resource providers. Amounts should be reported as restricted when constraints placed on use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
3. **Committed:** Fund Balance can only be used for specific purposes as determined by formal action by the City Council. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation. The amount committed in the General Fund is accounted for under Fund 1030 Contingency Fund.
4. **Assigned:** Includes amounts that have been allocated by the General Fund through the encumbrance process, previously classified as unassigned. The authority to assign funds is delegated to City Management through the adoption of the biennium budget by the City Council. Fund balances of special revenue funds, debt service funds, capital project funds, that are not classified as nonspendable, restricted, or committed will be classified as assigned for the purpose of the fund. The authority to create funds is determined by formal action by the City Council, by adoption of an ordinance, or by state statute.
5. **Unassigned:** Includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category as a positive fund balance. In other governmental funds, if the expenditures incurred for specific purposes exceeds the amounts, restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

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

Use of resources will be spent in the following hierarchy:

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

For detailed information on fund balances of governmental funds, please refer to Note 3 Section J.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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#### *Net position*

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

#### **Note 2 – 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 \$1,259,438 for 2019.

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

The following governmental and proprietary funds had deficit net position.

The Third Party Liability Claims Fund has a net position deficit of \$28.1 million, a decrease of \$2.9 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)

<u>FUND</u>	<u>AMOUNT</u>
Third Party Liability Claims (#5550)	\$ (28,070)

##### **C. Legal and contractual compliance**

The City has complied, to the best of its knowledge, with all material finance related legal and contractual provisions.

#### **Note 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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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 \$71,910,976.

**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 City sustained no investment losses during 2019, 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. 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.
2. 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.
3. Supranational Agency Bonds: U.S. dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment: (1) the Supranational is rated within one of the two highest rating categories of a NRSRO; and the institution has the United States government as its largest shareholder. No more than 10% of the Portfolio may be invested in Supranational Agency obligations with no more than 5% being invested in obligations of a single Supranational Agency.
4. Bankers Acceptances: City investment policy allows for purchases of bankers acceptances from the top 50 world banks as published by American Banker. A maximum of 20% of the total portfolio may be invested in bankers acceptances with no more than 5% of the total portfolio in any one bank.
5. 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.
6. 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, 2019

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7. Reverse Repurchase Agreements: The City did not participate in any reverse repurchase agreements in 2019.
8. Municipal Bonds: A maximum of 30% of the portfolio 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.
9. 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.
10. Corporate Notes: Unsecured debt obligations purchased on the secondary market, provided that such investments are made in accordance with the investment policies and procedures adopted by the State Investment Board. No more than 10% of the portfolio may be invested in corporate notes and no more than 2% with any one issuer.
11. Money Market Funds: Money Market Funds meeting the requirements outlined in the City's Investment Policy are permissible investments exclusively for bond proceeds invested in accordance with Section 1.148 of the U.S. Internal Revenue Code, related to arbitrage rebate. A maximum of 25% of such bond proceeds may be invested in Money Market Funds.
12. 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, 2019

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, 2019

At December 31, 2019, the City's total deposits and investments consisted of the following:

#### Schedule of Deposits and Investments December 31, 2019 (amounts expressed in thousands)

##### Reconciliation of Cash and Investments:

Investments (less Component Units)	\$ 2,942,520
Certificates of Deposit	3,171
Treasurer's Cash, net	68,463
Petty Cash Funds	277
Sub-total	<u>3,014,431</u>
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	1,643
TCRA - External Cash	6,637
Foss Waterway Development Authority (FWDA)	248
FWDA - External Cash	263
Public Facilities District (PFD)	1,968
Sub-total (Component Units)	<u>10,759</u>
Total	<u>\$ 3,025,190</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	\$ 738,232
Investments at fair value	5,048
Restricted cash and cash equivalents	<u>338,696</u>
Total Primary Government	1,081,976
Component Units	
TCRA	8,280
GTRCC PFD	1,968
FWDA	<u>511</u>
Total Component Units	10,759
Fiduciary Funds	
Cash and cash equivalents	1,902
Investments at fair value	10,165
Pension Trust	<u>1,920,388</u>
Total Fiduciary Funds	1,932,455
Total cash and investments	<u>\$ 3,025,190</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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

Investments:	Fair Value at 12/31/19
Financial Institutions	
WA State Local Government Investment Pool	\$ 70,752
Government Agencies (various)	945,073
Equity in Pool Transferred to Component Units	(5,760)
Total Investments with Financial Institutions	1,010,065
Pension Trust	
Equities	964,057
Fixed Income	639,305
Real Estate	81,146
Venture Capital & Partnerships	183,495
Short Term Bill & Notes	805
Cash and Cash Equivalents	11,262
Securities Lending Collateral	52,385
Total Other Investments - Pension Trust	1,932,455
Total	\$ 2,942,520

### 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 \$64,548,222 with the State Treasurer's Local Government Investment Pool, \$8,331,446 in an interest bearing certificate of deposit with a commercial bank and \$67,503,723 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	\$ 67,503,723	\$ 67,503,723	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	73,922,906	73,922,906	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	17,764,606	13,269,760	4,494,846	-	-	-
Fixed Rate Non-Callable Agency Securities	440,003,454	183,941,104	132,734,079	25,562,255	43,069,620	54,696,397
Fixed Rate Callable Agency Securities	9,499,126	9,499,126	-	-	-	-
Totals	\$ 608,693,815	\$ 348,136,619	\$ 137,228,925	\$ 25,562,255	\$ 43,069,620	\$ 54,696,397
Percent of Total		57.19%	22.54%	4.20%	7.08%	8.99%

### 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 2019 for each type of investment. AAA is the highest rating for bonds. The Bank Certificates of Deposit and Demand Deposit Accounts are protected

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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	\$ 141,426,629	FDIC & PDPC	\$ 141,426,629	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	17,764,606	A	-	11,054,627	6,709,979	-
Fixed Rate Non-Callable Agency Securities	440,003,454	AAA	-	440,003,454	-	-
Fixed Rate Callable Agency Securities	9,499,126	AAA	-	9,499,126	-	-
Total	\$ 608,693,815		\$ 141,426,629	\$ 460,557,207	\$ 6,709,979	\$ -

#### 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	58,029,157	6.1%
Federal Home Loan Bank	Agency Securities	221,893,447	23.5%
Federal Home Mortgage Corporation	Agency Securities	66,959,321	7.1%
Federal National Mortgage Association	Agency Securities	87,561,330	9.3%
Total		\$ 434,443,255	

#### 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.
- 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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			
	12/31/2019	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 394,034,439	\$ -	\$ 394,034,439	\$ -
Supranational Securities	20,035,790	-	20,035,790	-
Municipal Bonds	17,764,606	-	17,764,606	-
Agency Securities	449,502,580	-	449,502,580	-
Corporate Securities	63,736,264	-	63,736,264	-
Total	\$ 945,073,679	\$ -	\$ 945,073,679	\$ -

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

#### B. Receivables

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

(amounts expressed in thousands)						
Accounts Receivable (amounts expressed in thousands)	Trans Capital		Non-Major			
	General Fund	& Engineering Fund	Governmental Funds	Solid Waste Fund	Waste Water Fund	
Accounts Receivable (net short-term)	\$ 14,934	\$ 127	\$ 35,415	\$ 6,717	\$ 15,257	
Due from other Funds	-	-	-	-	-	
Advances to other Funds	-	-	267	-	-	
Due from Other Governments	14,679	840	8,377	-	652	
Interest Receivable (net short-term)	-	-	-	-	-	
Notes and Contracts Receivable (net short-term)	-	-	-	-	151	
Notes and Contracts Receivable (net long-term)	-	-	-	-	746	
<b>TOTAL</b>	<b>\$ 29,613</b>	<b>\$ 967</b>	<b>\$ 44,059</b>	<b>\$ 6,717</b>	<b>\$ 16,806</b>	

Accounts Receivable (amounts expressed in thousands)	Non-Major		Internal			
	Water Fund	Power Fund	Enterprise Funds	Service Funds	Fiduciary Funds	Total
Accounts Receivable (net short-term)	\$ 11,367	\$ 56,824	\$ 10,666	\$ 1,163	\$ 42	\$ 152,512
Due from other Funds	-	-	-	-	-	-
Advances to other Funds	-	-	-	-	-	267
Due from Other Governments	301	231	-	-	1,570	26,650
Interest Receivable (net short-term)	-	-	87	-	2,836	2,923
Notes and Contracts Receivable (net short-term)	-	533	1,552	-	4,704	6,940
Notes and Contracts Receivable (net long-term)	-	2,396	15,535	-	-	18,677
<b>TOTAL</b>	<b>\$ 11,668</b>	<b>\$ 59,984</b>	<b>\$ 27,840</b>	<b>\$ 1,163</b>	<b>\$ 9,152</b>	<b>\$ 207,969</b>

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

#### C. Capital assets

Capital asset activity for the year-ended December 31, 2019 was as follows:

(amounts expressed in thousands)

Governmental activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 35,828	\$ 15	\$ -	\$ 35,843
Art	2,654	286	-	2,940
Construction Work in progress	56,277	9,657	(49,038)	16,896
Total Capital assets, not being depreciated	94,759	9,958	(49,038)	55,679
Capital assets, being depreciated				
Property, plant, and equipment	289,905	6,605	(7,155)	289,355
Infrastructure	1,423,474	58,488	-	1,481,962
Total capital assets, being depreciated	1,713,379	65,093	(7,155)	1,771,317
Less Accumulated depreciation:				
Property, plant, and equipment	(168,940)	(16,923)	6,723	(179,140)
Infrastructure	(820,584)	(38,844)	5,457	(853,971)
Total accumulated depreciation	(989,524)	(55,767)	12,180	(1,033,111)
Governmental activities, capital assets (net of accumulated depreciation)	\$ 818,614	\$ 19,284	\$ (44,013)	\$ 793,885

Business Type Activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 165,055	\$ 701	\$ (271)	\$ 165,485
Construction Work in progress	74,656	116,171	(112,856)	77,971
Total Capital assets, not being depreciated	239,711	116,872	(113,127)	243,456
Capital assets, being depreciated				
Property, plant, and equipment	4,551,188	133,822	(24,024)	4,660,986
Total capital assets, being depreciated	4,551,188	133,822	(24,024)	4,660,986
Less Accumulated depreciation:				
Property, plant, and equipment	(1,919,547)	(110,301)	16,405	(2,013,443)
Total accumulated depreciation	(1,919,547)	(110,301)	16,405	(2,013,443)
Business Type Activities, capital assets (net of accumulated depreciation)	\$ 2,871,352	\$ 140,393	\$ (120,746)	\$ 2,890,999

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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

**Governmental Activities:**

General Government	\$ 1,031
Public Safety	3,529
Transportation	39,982
Economic Environment	122
Social Services	3
Culture and Recreation	2,432
Capital Assets held by Internal Services funds which are charged to various functions based on their usage of the assets	8,668
Total depreciation expense - governmental activities	<u>55,767</u>
Prior period adjustment	<u>0</u>
Total depreciation increase	<u>\$ 55,767</u>

**Business-type activities:**

Permit	\$ 20
Mountain Rail	775
Parking Garage	1,375
Convention Center	1,926
Baseball Park	1,475
Tacoma Dome	930
Performing Arts	748
TPU Fleet *	3,795
Solid Waste	5,579
Waste Water	17,842
Tacoma Rail	1,841
Water	25,295
Power	<u>48,700</u>
Total depreciation expense - business-type activities	<u>110,301</u>
Prior period adjustment	<u>0</u>
Total depreciation increase	<u>\$ 110,301</u>

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



## Notes to the Financial Statements

### For the Year Ended December 31, 2019

#### D. Leases

Amounts expressed in thousands, Tacoma Power lease agreement with Mason County Public Utility District No. 3 (PUD 3), Telecommunication Networks, \$599. This capital lease is for the use of multiple segments on PUD 3's internal network is a 20 year lease. The value for this lease is \$812. There is no interest on the lease.

(amounts expressed in thousands)

Year Ending December 31	Amount
2020	\$32
2021	32
2022	32
2023	32
2024	32
2025 - 2039	439
	<u>\$599</u>

#### E. Short-term debt

Governmental activities: No short-term debt was issued or outstanding in 2019.

Business-type activities: No short-term debt was issued or outstanding in 2019.

#### F. Long-term debt

##### **General obligation bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities.

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of December 31, 2019 are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
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	8,201	4,726	2,505	1,797
2024	8,076	4,849	2,625	1,672
2025-2029	39,523	23,756	15,200	6,304
2030-2034	38,871	22,546	18,975	2,687
2035-2039	12,890	3,999	1,785	93
2040-2044	505	90	-	-
Total	\$ 140,605	\$ 72,493	\$ 49,390	\$ 18,697

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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, 2019
Governmental activities	2.6323 - 7.2020%	\$ 140,605
Business-type activities	2.7966 - 3.20667%	\$ 49,390

#### ***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, 2019, the amount of LID Special Assessment delinquency equals \$1,202,916. The bond interest rates range from 3.125 to 5.75% and are payable over the next twenty-eight years.

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

Governmental activities Special Assessment Bonds (amounts expressed in thousands)			
	Principal	Interest	Total
2020	-	1,151	1,151
2021	-	1,157	1,157
2022	-	1,157	1,157
2023	-	1,157	1,157
2024	-	1,157	1,157
2025-2029	-	5,787	5,787
2030-2034	-	5,787	5,787
2035-2039	1,530	5,638	7,168
2040-2044	17,085	4,556	21,641
2045-2048	4,011	376	4,387
Total	22,626	27,926	50,552

#### ***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 2019, new debt issues amounted to \$20 million for capital improvements in the Tacoma Power fund.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

Business-type activities Revenue Bonds and Loans (amounts expressed in thousands)			
	Principal	Interest	Total
2020	44,169	52,606	96,774
2021	43,494	50,903	94,397
2022	40,017	49,273	89,290
2023	38,200	47,864	86,064
2024	39,536	46,477	86,013
2025-2029	207,717	208,009	415,726
2030-2034	286,651	154,496	441,147
2035-2039	245,599	79,950	325,549
2040-2044	191,975	26,570	218,545
2045-2048	34,880	2,695	37,575
Total	\$ 1,172,237	\$ 718,843	\$ 1,891,080

Changes in long-term liabilities for the year ended December 31, 2019 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	\$ 148,524	\$ 2,208	\$ (10,128)	140,604	\$ 10,467	\$ 140,604
Add: Unamortized premium	565	-	(332)	233	-	-
Less: Unamortized discount	(48)	-	5	(43)	-	-
Public works trust fund loans	3,422	-	(570)	2,852	570	2,852
Bond anticipation notes	8,572	-	(7,731)	841	841	841
Special assessment debt	22,938	4,011	(4,323)	22,626	-	22,626
Claims and judgments	33,763	7,659	(1,889)	39,533	32,332	-
Total OPEB Liabilities	185,867	20,878	(31,667)	175,076	-	-
Total pension liability-Police and Firefighters'	38,296	2,231	-	40,527	3,131	-
Net pension liability	-	35,805	-	35,805	-	-
Compensated absences	20,145	28,580	(26,858)	21,867	2,187	-
Total governmental activities - long-term liabilities	\$ 462,044	\$ 101,372	\$ (83,493)	\$ 479,921	\$ 49,528	\$ 166,923

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$4.2 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 \$2,208 listed above represents the Governmental Funds issuance of long-term debt (\$2,208) reported in the government wide financial statements.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

#### Business-Type activities

Long-term liabilities (amounts expressed in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Revenue Bonds, Drinking Water State Revolving loans, WA					
DOT Rail loans	\$ 1,215,938	\$ -	\$ (43,701)	\$ 1,172,237	\$ 44,169
Muckleshoot liability	6,763	-	(177)	6,586	173
General obligation bonds	51,987	-	(2,597)	49,390	2,677
Add: Unamortized premium	64,163	9	(5,234)	58,938	-
Less: Unamortized discount	(16)	-	3	(13)	-
Revolving line of credit	55,250	20,000	-	75,250	-
Environmental liability	2,235	6,460	(478)	8,217	7,024
Landfill postclosure care cost liability	15,725	-	(859)	14,866	859
Total OPEB liabilities	34,945	3,931	(9,840)	29,037	-
Compensated absences	20,289	17,750	(17,362)	20,678	2,074
Net pension liability	-	81,204	-	81,204	-
Total business-type activities - long-term liabilities	<u>\$ 1,467,279</u>	<u>\$ 129,354</u>	<u>\$ (80,245)</u>	<u>\$ 1,516,391</u>	<u>\$ 56,975</u>

Note 11 summarizes changes in long-term debt.

#### ***Debt issued in 2019***

#### Governmental activities

In 2019, there was an issue of Consolidated Local Improvement District (CLID) Special Assessment Bonds in the amount \$4.0M by Public Works.

#### Business-type activities:

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 80% of the London Interbank Offered Rate (LIBOR) of 1.7625% at December 31, 2019. Each advance is secured by Revenues as set forth in the Note Ordinance. The balance outstanding is \$75.3 million as of December 31, 2019.

#### **Bond Defeasance**

As of December 31, 2019, the following outstanding bonds were considered defeased in substance:

<u>Issue</u>	<u>Amount</u>
2013 Electric System Revenue Refunding Bonds, Series A	24,741,029
	<u>\$ 24,741,029</u>

These refunded bonds constitute a contingent liability of Tacoma Power 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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

<u>Issue</u>	<u>Amount</u>
Sewer Revenue Refunding bonds, 2006 and 2011	\$ 34,320,000
Sewer Revenue Refunding Bonds, Series 2016 A (TES Properties Lease Revenue Bonds 2009)	31,055,000
	<u>\$ 65,375,000</u>

These refunded bonds constitute a contingent liability of the Wastewater and Surface Water Fund 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, 2019, has no outstanding arbitrage liability.

#### G. Restricted assets

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

Cash for debt service	\$ 29,555
Cash for bond reserve	27,115
Cash for construction	109,016
Cash for other special purposes	144,110
	<u>\$ 309,796</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 several organizations, Workforce Central, Pierce Transit and South Sound 911. 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.

As of December 23, 2019 South Sound 911 Public Authority officially assumed the rights and responsibilities of the original Interlocal Agency, dissolving the original agreement and transitioning all operations, employees and services. There are no material or financial transactions between the City and this organization and therefore are not included in the reporting entity.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

#### 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.

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

\* 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.

	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	1,587	-	1,406	-	-	2,993
Prepays	5	-	-	-	-	5
Trust	-	-	17	-	-	17
Total nonspendable	<u>4,074</u>	<u>-</u>	<u>1,423</u>	<u>-</u>	<u>-</u>	<u>5,497</u>
Restricted:						
Business & Training Assistance	-	-	66	-	-	66
Crime Prevention & Safety	-	-	3,541	-	-	3,541
Debt service	-	-	4,468	5,291	1,252	11,011
Economic development programs	-	-	8,988	-	-	8,988
Grants	-	-	288	-	-	288
Library, Culture & Arts & Preservation	-	-	15,305	-	478	15,783
Neighborhoods	-	-	263	-	-	263
Other capital & purchase	-	-	4,994	-	530	5,524
Paths & Trails	-	-	171	-	-	171
Pensions	387	-	-	-	-	387
Public services	9	-	24,649	-	-	24,658
Public Works projects	-	-	7,541	-	10,849	18,390
Sidewalk & Street projects	-	1,405	16,268	-	11,814	29,487
Total restricted	<u>396</u>	<u>1,405</u>	<u>86,542</u>	<u>5,291</u>	<u>24,923</u>	<u>118,557</u>
Committed:						
Council contingency*	710	-	-	-	-	710
Neighborhoods	-	-	97	-	-	97
Public services	-	-	-	-	826	826
Other Capital	-	-	-	-	574	574
Public Works projects	-	-	-	-	14,154	14,154
Total committed	<u>710</u>	<u>-</u>	<u>97</u>	<u>-</u>	<u>15,554</u>	<u>16,361</u>
Assigned:						
Business & Training Assistance	-	-	228	-	-	228
Demolitions	-	-	2,717	-	-	2,717
Library	-	-	2,484	-	-	2,484
Municipal TV	-	-	1,139	-	-	1,139
Neighborhoods	-	-	3,738	-	-	3,738
Open Space Properties	-	-	465	-	-	465
Police activities	-	-	931	-	-	931
Local Improvement District	-	7	-	-	-	7
Public Works projects	-	-	4,388	-	-	4,388
Public services	-	1,632	639	-	269	2,540
Other purposes	1,992	-	-	-	29	2,021
Total assigned	<u>1,992</u>	<u>1,639</u>	<u>16,729</u>	<u>-</u>	<u>298</u>	<u>20,658</u>
Unassigned:	<u>70,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,115</u>
Total fund balances:	<u>\$ 77,287</u>	<u>\$ 3,044</u>	<u>\$ 104,791</u>	<u>\$ 5,291</u>	<u>\$ 40,775</u>	<u>\$ 231,188</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

#### 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	\$ 4,994
Debt Service	11,011
Culture and recreation	15,782
Public safety	3,541
Transportation	73,236
Grants	288
Housing and economic development	9,318
Pension	387
	<u>\$ 118,557</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 2019:

Aggregate Pension Amounts – All Plans	
Pension liabilities	(\$117,009,191)
Pension assets	\$75,660,594
Deferred outflows of resources	\$147,387,716
Deferred inflows of resources	(\$36,769,693)
Pension expense/expenditures	\$45,412,510

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

At December 31, 2019, 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	(\$16,348,311)	\$7,629,482
Changes of assumptions	(\$6,215,371)	\$17,212,697
Net difference between projected and actual earnings	(\$13,442,120)	\$89,758,820
Contributions made subsequent to the measurement date	n/a	\$30,454,361
Changes in employer proportion	(\$763,891)	\$2,332,355
Total	(\$36,769,693)	\$147,387,716

#### 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, 2019 is as follows:



## Notes to the Financial Statements

### For the Year Ended December 31, 2019

Retirees and beneficiaries currently receiving benefits	2,474
Terminated vested and other terminated participants	747
Active members:	
City of Tacoma	2,706
South Sound 911	2
Pierce Transit	7
Tacoma-Pierce County Health Department	274
Total active members	2,989
Total membership	6,210

**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 18.53%. The difference of 2.47% 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.

TERS		
Actual Contribution Rates	Employer	Employee*
January – December 2019		
TERS	11.34%	9.66%
TERS UAAL	2.47%	
Administrative Fee	0.80%	
<b>Total</b>	<b>14.61%</b>	<b>9.66%</b>

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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

Measurement Date	December 31, 2018
Valuation Date	January 1, 2019
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, 2019

**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, 2018 and January 1, 2019 assumptions were not changed.

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

Valuations as of January 1

2019 No change

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.

**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, 2019. The target asset allocation is based on TERS Investment Policy Statement dated March 2019.

Asset Class	Target Allocation	Arithmetic Real Rate of Return
Investment Grade Fixed Income	19.5%	1.46%
US bank/leveraged loans	3.0	2.69
US long government bonds	3.0	1.69
High Yield Bonds	6.0	3.08
Emerging Market Debt	5.0	3.31
Global Equity	34.5	5.07
Private Real Estate	10.0	3.84
Private Equity	10.0	9.47
Master Limited Partnerships	4.0	3.98
Timber	1.5	4.00
Infrastructure	2.0	4.79
Agriculture	1.5	4.49
Assumed Inflation - Mean		2.75
Assumed Inflation - Standard Deviation		1.65
Portfolio Arithmetic Real Mean Return		4.23
Portfolio Median Nominal Geometric Return		6.54
Portfolio Standard Deviation		9.81
Long-Term Expected Rate of Return, net of investment expenses		7.00

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

**8. Sensitivity Analysis:** The following presents the employer's proportionate share of the collective net pension liability as of the December 31, 2018 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employers proportionate share of the net pension liability	\$324,650,261	\$117,009,191	(\$56,523,556)

**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, 2019, the employer recognizes the following amounts:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	(\$15,355,093)	\$3,655,045
Changes of assumptions	-	17,121,707
Net difference between projected and actual earnings	-	89,758,820
Contributions made subsequent to the measurement date	n/a	27,942,195
Changes in employer proportion	(19,818)	10,455
Total	(15,374,911)	138,488,222

**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 the subsequent fiscal period.

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	
2019	\$33,084,473
2020	\$13,298,103
2021	\$15,695,280
2022	\$32,616,781
2023	\$476,479
Thereafter	-

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

**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	2018 Employer Contributions	Rounded Percentage of Total Contributions	Beginning Net Pension Liability *	Ending Net Pension Liability **
City of Tacoma	\$26,414,402	92.39702%	(\$39,323,299)	\$117,009,191
South Sound 911	24,685	0.08635%	(37,414)	109,348
Pierce Transit	66,435	0.23239%	(119,702)	294,290
Health Department	2,082,415	7.28424%	(3,049,483)	9,224,577
Grand Total	28,587,937	100.00000%	(42,529,898)	126,637,406

\* Based on unrounded contributions from 2017.

\*\* Based on unrounded contributions from 2018.

#### 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, 2019

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 2019. 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.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.44% as of July 1, 2019.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
January – June 2019		
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.43%</b>	<b>8.75%</b>
Ports and Universities	8.75%	8.75%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.93%</b>	<b>8.75%</b>
July – December 2019		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>
Ports and Universities	8.59%	
Administrative Fee	0.18%	
<b>Total</b>	<b>8.77%</b>	<b>8.59%</b>

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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The City of Tacoma's actual contributions to the plan were \$4,857,590 for the year ended December 31, 2019.

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, 2019, the state contributed \$72,959,897 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$4,395,589.

#### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. 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 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, 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.

- For all active members in TRS, OSA increased the assumed salary growth for 2018 from 3.5 percent to 8.0 percent. This was done to reflect recent increases in state funding for
- OSA updated modeling to reflect providing benefit payments to the date of initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updated Cost-of-Living Adjustment (COLA) programming to reflect legislation signed during the 2018 Legislative Session (C151 L18). This law provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5 percent increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

#### 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, 2019

#### 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, 2019, 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%	2.20%
Tangible Assets	7%	5.10%
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 (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
LEOFF 1	(\$16,711,659)	(\$20,428,571)	(\$23,637,770)
LEOFF 2	(\$10,269,964)	(\$55,232,023)	(\$91,931,354)

#### 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, 2019, the City of Tacoma reported a total LEOFF pension asset of \$75,660,594 for its proportionate share of the net pension liabilities as follows:



## Notes to the Financial Statements

### For the Year Ended December 31, 2019

	Liability (or Asset)
LEOFF 1	(\$20,428,571)
LEOFF 2	(\$55,232,023)

The amount of the liability/ (asset) reported above for LEOFF Plan 1 and 2 reflects a reduction for State pension support provided to the City of Tacoma. The amount recognized by the City of Tacoma as its proportionate share of the net pension liability/(asset), the related State support, and the total portion of the net pension liability/(asset) that was associated with the City of Tacoma were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	(\$20,428,571)	(\$55,232,023)
State's proportionate share of the net pension liability/(asset) associated with the employer	(\$138,178,348)	(\$36,169,575)
TOTAL	(\$158,606,919)	(\$91,401,597)

At June 30, 2019, the City of Tacoma's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/18	Proportionate Share 6/30/19	Change in Proportion
LEOFF 1	1.05%	1.03%	(.02%)
LEOFF 2	2.47%	2.38%	(.09%)

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2019 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 2019. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2019, 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 2019, the state of Washington contributed 39.57 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.42 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2019, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2018, with update procedures used to roll forward the total pension liability to the measurement date.

#### Pension Expense

For the year ended December 31, 2019, the City of Tacoma recognized pension expense as follows:

	Pension Expense
LEOFF 1	(\$757,841)
LEOFF 2	1,517,306
TOTAL	759,465

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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

At December 31, 2019, 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	(\$2,117,829)
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>(\$2,117,829)</b>

<b>LEOFF 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$3,974,437	(\$993,218)
Net difference between projected and actual investment earnings on pension plan investments	\$0	(\$11,324,291)
Changes of assumptions	\$90,990	(\$6,215,371)
Changes in proportion and differences between contributions and proportionate share of contributions	\$2,321,900	(\$744,073)
Contributions subsequent to the measurement date	\$2,512,166	\$0
<b>TOTAL</b>	<b>\$ 8,899,494</b>	<b>(\$19,276,953)</b>

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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
2020	(491,911)
2021	(1,084,222)
2022	(393,433)
2023	(148,263)
2024	
Thereafter	

Year ended December 31:	LEOFF 2
2020	(2,758,165)
2021	(5,543,574)
2022	(2,429,152)
2023	(1,228,204)
2024	(320,830)
Thereafter	(609,700)

#### 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 2019:

Aggregate Pension Amounts		
	Firefighters' Pension Fund	Police Pension Fund
Total pension liability	\$26,517,271	\$14,009,753

##### 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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December 31, 2019. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 113 for the PRP and 154 for the FRP as of December 31, 2019. There are no terminated employees under either plan who are entitled to benefits but not receiving them.

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

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

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

## 2. Benefit Provisions

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

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

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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

The General Fund is responsible for the costs of administering the plans and ensuring that the fund has adequate cash to pay its obligations each year. The total General Fund contributions to the PRD and FRP were \$4.2 million and \$5.1 million for 2019.

The state contributes 25% of taxes on fire insurance premiums to the FRP and the amount contributed in 2019 was \$388,000.

#### 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.

	<b>Firefighter Relief and Pension</b>	<b>Police Relief and Pension</b>
Discount Rate		
Municipal bond rate	2.75%	2.75%
Actuarial Assumptions:		
Valuation Date	January 1, 2018	January 1, 2018
Measurement Date	December 31, 2019	December 31, 2019
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, 2019

#### 4. 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, 2018</b>	<b>\$ 24,903,710</b>	<b>\$ 13,391,119</b>
<b>Changes for the year:</b>		
Service cost	-	-
Interest	957,185	511,952
Effect of plan changes	-	-
Effect of economic/demographic gains or losses	-	-
Effect of assumptions changes or inputs	2,623,818	1,303,013
Benefit payments*	(1,967,442)	(1,196,331)
<b>Net changes</b>	<b>1,613,561</b>	<b>618,634</b>
<b>Balance as of December 31, 2019</b>	<b>26,517,271</b>	<b>14,009,753</b>

\*Benefit payments are estimated based on expected payouts.

#### 5. Sensitivity of the Total Pension Liability

The following presents the net pension liability of the City, calculated using the discount rate of 2.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate.

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total pension liability - Fire	\$28,987,179	\$26,517,271	\$24,381,881
Total pension liability - Police	\$15,227,828	\$14,009,753	\$12,950,054

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

Pension expense of \$3,193,003 and \$1,814,695 were recognized in 2019 for the FRP and PRP. As of December 31, 2019, 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 (\$2,623,818) and (\$1,303,013) 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, 2019

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#### 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 2019:

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	(\$204,113,449)
OPEB assets	-
Deferred outflows of resources	22,685,091
Deferred inflows of resources	(22,899,340)
OPEB expense/expenditures	9,252,035

##### 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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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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, 2019 for non-LEOFF 1 members and January 1, 2018 for LEOFF 1 members. This is the date as of which the census data is gathered and the actuarial valuation is performed. The Measurement Date is December 31, 2018. This is the date as of which the total OPEB liability is determined. Note that GASB 75 allows a lag of up to one year between the measurement date and the reporting date. No adjustment is required between the measurement date and the reporting date. The Reporting Date is December 31, 2019. This is the employer'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, 2019

	Non-LEOFF 1	LEOFF 1																		
Valuation Date	January 1, 2019	January 1, 2018																		
Measurement Date	December 31, 2018	December 31, 2019																		
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	4.10%	2.75%																		
Funding Plan	Pay-as-you-go	Pay-as-you-go																		
Medical Cost Trends	2019 9.1% 2020 6.0% 2021 5.5% 2030 5.0% 2040 5.1% 2050 5.1% 2060 5.0% Grading down to an ultimate rate of 4.4% in 2074. 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>2020-2021</td><td>6.10%</td><td>5.5%</td></tr> <tr> <td>2021-2022</td><td>5.50%</td><td>5.2%</td></tr> <tr> <td>2022-2023</td><td>4.9%</td><td>4.8%</td></tr> <tr> <td>2023-2024</td><td>4.8%</td><td>4.8%</td></tr> <tr> <td>2024-2025</td><td>4.7%</td><td>4.7%</td></tr> </table> Grading down to an ultimate rate of 3.7% in 2080. The trends above do not reflect increases in costs due to excise tax.		Pre-65	Post-65	2020-2021	6.10%	5.5%	2021-2022	5.50%	5.2%	2022-2023	4.9%	4.8%	2023-2024	4.8%	4.8%	2024-2025	4.7%	4.7%
	Pre-65	Post-65																		
2020-2021	6.10%	5.5%																		
2021-2022	5.50%	5.2%																		
2022-2023	4.9%	4.8%																		
2023-2024	4.8%	4.8%																		
2024-2025	4.7%	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, RCW 41.20.060). For non-duty disability, employee eligible after 90-day waiting period (RCW 41.18.080 RCW 41.20.065).																		

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

	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>	<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.</p>
<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, 2019

#### 3. Sensitivity Analysis:

The following presents 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.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$180,092,433	\$204,113,449	\$232,705,456

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.10%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.10%) or one percentage point higher (5.10%) than the current rate.

	1% Decrease 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB Liability	\$230,382,321	\$204,113,449	\$182,158,953

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

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

	<b>Increase (Decrease) Total OPEB Liability</b>
Total OPEB Liability at beginning of period	\$220,811,987
Changes for the year:	
Service cost	3,302,063
Interest on total OPEB liability	7,561,650
Effect of plan changes	-
Effect of economic/demographic gains or losses	53,750
Effect of assumptions changes or inputs	(18,945,406)
Expected benefit payments	(8,670,595)
Total OPEB Liability at end of period	204,113,449

There was a change in assumption as the discount rate was updated to 3.50% to 4.10%.

The total OPEB liability of \$204,113,449 was determined by an actuarial valuation as of the valuation dates of January 1, 2018 and 2019, calculated based on the discount rate of 4.10%, and then projected to the measurement date of December 31, 2018. The City recognized an OPEB expense of \$9,252,035. The OPEB expense for December 31, 2019 financial reporting period is as follows:

	<b>OPEB Expense</b>
Service cost	\$3,302,063
Interest on total OPEB liability	7,561,650
Effect of plan changes	-
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	8,811
Recognition of assumptions changes or inputs	(1,620,489)
OPEB Expense	9,252,035

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

At December 31, 2019, 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	\$44,939	\$-
Changes of assumptions	6,089,791	(15,839,602)
Changes in proportionate share	5,749,149	(5,749,149)
Difference in contributions	1,310,589	(1,310,589)
Contributions made subsequent to the measurement date	9,490,623	-
<b>TOTAL</b>	<b>22,685,091</b>	<b>(22,899,340)</b>

Deferred outflows of resources of \$9,490,623 resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020. Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense below. Note that additional future deferred inflows and outflows of resources may impact these numbers.

Year ended December 31:	
2019	\$(1,611,678)
2020	(1,611,678)
2021	(1,611,678)
2022	(1,611,678)
2023	(2,948,462)
Thereafter	\$ (309,698)

#### 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, 2019

#### Note 5 – DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan through a third party created in accordance with Internal Revenue Code Section 457. The plan, available to all City permanent full-time and part-time employees, permits 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 2019 contribution limits are \$19,000 for regular deferral, \$38,000 for pre-retirement and \$25,000 for age 50 provision deferrals. The City has agreed through contract negotiation with the Police union and the Fire union to match contributions made by all Police Officers and Fire Officers up to a maximum of \$192 per pay period.

Benefit Plan	Third Party Administrator	Pre-Tax Employer Contributions	Pre-Tax Employee Contributions	After-Tax Employee Contributions	Total by Plan
457 deferred compensation	ICMA	2,113,201	14,569,853	1,493,242	18,176,296
457 deferred compensation	Nationwide	1,412,085	2,618,283	103,103	4,133,471
Total		<u>\$ 3,525,286</u>	<u>\$ 17,188,136</u>	<u>\$ 1,596,345</u>	<u>\$ 22,309,767</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.

The composition of interfund advances to and from other funds balances at December 31, 2019 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	\$267	\$0	\$267
Total	<u>\$267</u>	<u>\$0</u>	<u>\$267</u>

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

\$266,658 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, 2019 is as follows:

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

#### 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	\$ 300	\$ 300	\$ 34,241	\$ -	\$ -	\$ -	\$ 3,176	\$ 7,629	\$ 45,646	
Trans Capital & Engineering	-	-	-	39	-	-	214	-	253	
Non-Major Governmental Funds	99	6,336	27,654	632	-	-	7,445	1,609	43,775	
Solid Waste	4,479	-	1,494	-	-	-	-	103	6,076	
Wastewater & Surface Water	7,335	-	2,447	-	-	-	1,267	-	11,049	
Tacoma Water	6,012	-	2,007	-	-	-	-	-	8,019	
Tacoma Power	27,154	-	6,831	-	-	-	-	-	33,985	
Non-Major Enterprise Funds	2,282	250	3,737	-	-	-	-	-	6,269	
Internal Service Funds	-	-	620	-	-	-	-	45	665	
Transfer In Total	\$ 47,661	\$ 6,886	\$ 79,031	\$ 671	\$ -	\$ -	\$ 12,102	\$ 9,386	\$ 155,737	

The information below provides detail of the interfund transfer transactions:

\$300,000 was transferred from the General Fund to General Fund for Contingency

\$300,000 was transferred from the General Fund to Trans Capital & Engineering Fund for capital projects

\$7,628,860 was transferred from the General Fund to Internal Service Funds for services and projects

\$34,240,822 was transferred from the General Fund to Non-Major Governmental Funds for grant matches, debt service, capital projects, non-capital projects and regular operations

\$3,175,772 was transferred from the General Fund to Non-Major Enterprise Funds for contributions to support debt services payments, capital projects and regular operations

\$38,608 was transferred from the General Fund to General Fund for Contingency

\$213,800 was transferred from the Trans Capital & Engineering Fund to Non-Major Enterprise Funds for capital projects

\$4,478,961 was transferred from the Solid Waste Fund to General Fund for Gross Earnings Tax

\$103,000 was transferred from the Solid Waste to Internal Service Funds to purchase Fleet's vehicle

\$1,493,987 was transferred from the Solid Waste Fund to Non-Major Governmental Funds for Gross Earnings Tax

\$7,334,724 was transferred from the Waste Water Fund to General Fund for Gross Earnings Tax

\$2,446,908 was transferred from the Waste Water Fund to Non-Major Governmental Funds for Gross Earnings Tax

\$1,266,500 was transferred from the Waste Water Fund to Non-Major Enterprise Fund for operations of PDS Development Service

\$6,012,493 was transferred from the Water Fund to General Fund for Gross Earnings Tax

\$2,007,145 was transferred from the Water Fund to the Non-Major Governmental Funds for Gross Earnings Tax

\$27,153,773 was transferred from the Power Fund to the General Fund for Gross Earnings Tax

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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\$6,831,380 was transferred from the Power Fund to Non-Major Governmental Funds for Gross Earning Tax

\$45,000 was transferred from the Internal Service Funds to Internal Service Fund for Fire vehicle operations

\$620,020 was transferred from the Internal Service Funds to Non-Governmental Funds for purchasing and operating vehicles

\$99,016 was transferred from the Non-Major Governmental Funds to General Fund to fund Schuster Pkwy Advisory Group

\$6,335,743 was transferred from the Non-Major Governmental funds to Trans Capital & Engineering Fund for capital projects

\$632,204 was transferred from the Non-Major Governmental Funds to Waste Water Fund for Water Quality Street Initiatives and GSI Project

\$1,609,377 was transferred from the Non-Major Governmental Funds to Internal Services Funds for purchasing capital assets

\$27,653,562 was transferred from the Non-Major Governmental funds to Non-Major Governmental Funds for various capital projects and debt service payments

\$7,444,735 was transferred from the Non-Major Governmental funds to Non-Major Enterprise funds for capital projects and debt service payments

\$2,282,235 was transferred from the Non-Major Enterprise Funds to General Fund for Gross Earnings Tax

\$250,000 was transferred from the Non-Major Enterprise Funds to the Trans Capital & Engineering Fund for capital projects

\$3,737,191 was transferred from the Non-Major Enterprise Funds to Non-Major Governmental Funds for Gross Earnings Tax and debt service payments

#### Note 7 – OTHER INFORMATION

##### A. Accounting changes

Effective for the fiscal year 2019, the City implemented the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 84 – *Fiduciary Activities*. The object of this statement is to improve the identification of fiduciary activities and how they should be reported. It establishes criteria for identifying activities related to control of those assets. Control is defined as holding the assets or the ability to use, exchange, or employ the assets in a manner that provides benefits to the intended recipients. Where applicable the City has made the required adjustments as prescribed by GASB Statement No. 84.

##### B. Risk management

The City is self-insured for tort liability, medical benefits, unemployment and worker's compensation and records its claims and liabilities in the accrual basis of accounting. Liabilities include an estimate for Incurred but Not Reported (IBNR) claims. The estimate for reported claims is based on Risk Management and Legal Departments'

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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 \$5 million self-insured retention for law enforcement, and a \$3 million self-insured retention for General Government, renewable 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 1st of each year.

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

The TPU Self-Insurance Claim Fund was established in 1979 to cover general liability claims of the Light and Water divisions. The Belt Line Railroad became a participant in 1985. Total assets in this fund are \$9.1M. Settlement payments were within amounts available for coverage for the last three years—2019, 2018, and 2017.

Changes in estimated claims settlements liability for the past two years were as follows:

	(Amounts expressed in thousands)								
	Self Insurance Fund			Worker Compensation Fund			TPU Self Insurance Fund		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Balance 01/01	\$ 28,714	\$ 28,700	\$ 21,502	\$ 5,049	\$ 5,084	\$ 5,681	\$ 5,172	\$ 5,878	4827
New Claims	449	875	1,191	1,869	1,791	2,320	536	1,254	969
Adjustments to Claims	8,657	3,419	10,380	473	3,435	1,419	(1,075)	(2,131)	1499
Claims Payment	(2,157)	(4,280)	(4,373)	(3,521)	(5,261)	(4,336)	(599)	171	(1,417)
Balance 12/31	\$ 35,663	\$ 28,714	\$ 28,700	\$ 3,870	\$ 5,049	\$ 5,084	\$ 4,034	\$ 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, 2019 financial statements, prior period adjustments were made.



## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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#### Governmental Funds:

Fund Name	Description
General Fund # 0010	Beginning net position decreased by \$89,115 from prior year revenue correction and grant expenditures
Transportation Capital and Engin #1060	Beginning net position decreased by \$23,175 from duplicate revenue posting
Special Funds # 1070, #1085, #1155 and #1267	Beginning net position decreased by \$143,317 from prior year revenue correction and accrual corrections
Debt Service Fund # 7999	Beginning net position increased by \$3,535 from correction of debt

#### Enterprises Funds

Fund Name	Description
Fund #4190	Beginning net position increased by \$17,879 from prior year interest receivable correction

#### Government-wide Statements (amounts expressed in thousands)

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

Activity	Amount	Description
Governmental	\$ (252,072)	General Fund, Trans Capital and Engineering, Street Initiative, Fire EMS, Police, and Debt Service
Business	17,879	Performing Art
Total	<u>\$ (234,193)</u>	

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

#### 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	\$ 2,082	\$ 4,002	\$ -
Accounts receivable (net)	935	344	4,051
Prepayments	27	62	-
Restricted assets	3,610	2,394	2,340
Capital assets (net)	46,070	54,585	-
Other non-current assets	-	110	7,327
Total assets	52,724	61,497	13,718
Deferred outflow of resources	533	3,352	-
Liabilities:			
Current liabilities	2,184	5,486	4,536
Due to other funds	-	-	-
Net pension liabilities	-	-	-
Non-current liabilities	7,332	56,717	8,253
Total liabilities	9,516	62,203	12,789
Deferred inflow of resources	126	111	-
Net position			
Net investment in capital assets	39,222	(2,423)	-
Restricted	3,610	2,394	2,340
Unrestricted	783	2,564	(1,411)
Total Net Position	\$ 43,615	\$ 2,535	\$ 929

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Operating revenues	\$ 7,357	\$ 2,870	\$ -
Depreciation expense	(1,375)	(1,926)	-
Other operating expenses	(4,674)	(5,562)	(5)
Operating income	1,308	(4,618)	(5)
Nonoperating revenues (expenses)			
Tax	-	-	-
Interest revenue	209	141	7
Interest expense	(285)	(2,149)	(947)
Other nonoperating revenues (expenses)	64	62	946
Capital contributions	-	4,521	-
Transfers	(1,206)	5,363	-
Change in net position	90	3,320	1
Beginning net position	43,525	(785)	928
Prior period adjustments	-	-	-
Ending net position	\$ 43,615	\$ 2,535	\$ 929

#### CONDENSED STATEMENT OF CASH FLOW

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Net cash provided (used) by:			
Operating activities	\$ 2,516	\$ (1,795)	\$ 4,304
Noncapital financing activities	-	500	-
Capital and related financing activities	(3,122)	3,496	(3,967)
Investing activities	209	202	6
Net increase (decrease)	(397)	2,403	343
Beginning cash and cash equivalents	6,089	3,993	1,997
Ending cash and cash equivalents	\$ 5,692	\$ 6,396	\$ 2,340

- 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, 2019

#### 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)		
	<b>SOUTH SOUND 911</b>	<b>HEALTH DEPARTMENT</b>
Balance Sheet Date	12/31/2018	12/31/2018
Total Assets	\$ 25,833	\$ 16,336
Capital Assets (net of accumulated depreciation)	7,388	721
Deferred Outflows	2,405	3,978
Total Liabilities	3,143	3,809
Non-current Liabilities	10,172	157
Deferred Inflows	4,510	5,218
Total Net Position	17,801	11,851
 Total Revenues	 40,921	 34,124
Total Expenditures/Expenses	36,211	30,949
Net Increase/(Decrease) in Net Assets	4,710	3,175
 City Contribution	 7,327	 571

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 the

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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, 2019. 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
2019 Striping Contract	541,097	529,828	11,269
Beautification of S. Tax Way and Pac Ave	175,000	167,366	7,634
E. 25th Street Improvements	-	765,625	(765,625)
First Creek & Lister Safe Routes to School	455,105	447,433	7,672
On-Call Building Demolition	505,078	427,520	77,558
On-Call Nuisance Abatement Services	730,357	724,565	5,792
Pipeline Trail Phase 2	2,726,445	2,683,820	42,625
Pipeline Trail Phase 3	1,902,188	1,309,532	592,656
Puyallup River Bridge F-16 A & B	30,650,000	25,282,934	5,367,066
Streets Initiative Package #10	1,528,216	1,475,688	52,528
Streets Initiative Package #13	2,789,820	1,581,996	1,207,824
Streets Initiative Package #17	2,188,800	467,991	1,720,809
Streets Initiative Package #19	837,060	704,037	133,023
Streets Initiative Package #16			-
Superstructure Demo: Muni Dock Sites 10&12	588,444	500,559	87,885
Yakima Streetscape	2,436,459	2,143,598	292,861
	<u>\$ 48,054,069</u>	<u>\$39,212,492</u>	<u>\$ 8,841,577</u>

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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

#### C. Tax Abatements

As of December 31, 2019, 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 2019 is .012964032 of assessed value. The City of Tacoma receives 23.001% 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 2019 is .012964032 of assessed value. The City of Tacoma receives 23.001% of that tax.

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

##### 3. 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.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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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, 2019 is:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated in Thousands</u>
Multifamily Property Tax Exemption	\$ 1,023
Special Valuation Tax Exemption	\$ 142
Future Nonprofit Low-Income Housing	\$ 1,298

#### **Solid waste utility—landfill closure and post closure liabilities**

The Division operates a 235-acre landfill site, which became part of the South Tacoma Channel Superfund Site in 1983. In 1991, the City entered a Consent Decree settlement with the United States Environmental Protection Agency (EPA) and the Washington State Department of Ecology (DOE), titled United States et al v. City of Tacoma US District Court Case No. C-89C583T, to “clean-up” the release of hazardous substances at the Landfill. The City completed the majority of the remediation work required by the Consent Decree several years ago. The remaining work mostly involves monitoring the remediation work completed by the City in the 1990s to assure that it continues to protect human health and the environment. The Consent Decree settlement was entered pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. §9601 et seq., and the state Model Toxics Control Act (MTCA), Chapter 70.105D RCW.

The City’s remediation work has included: (1) covering the landfill with a double flexible membrane cap that is impermeable to water; (2) capturing methane gas within and at the landfill perimeter to prevent off-site migration; (3) pumping and treating ground water to remove contamination at the point of compliance and beyond property boundaries; and (4) closing the landfill in accordance with the above-referenced Consent Decree. The City has an obligation under the Consent Decree to monitor the remediation work over the next 20 years, or more years to make sure it continues to be effective at protecting human health and the environment.

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

In 2014, following closure of the portions of the Tacoma Landfill as required by the Consent Decree, the remaining recovery and transfer facilities continued to be permitted by the Tacoma Pierce County Health Department (TPCHD) through the same permitting process. All closed portions of the Landfill will also be covered by a TPCHD closure permit, which may be incorporated into the overall facility permit. The closure permit will mirror the requirements implemented as a result of the Landfill remedial action. The Tacoma-Pierce County Health Department has determined that the Tacoma Landfill is exempt under RCW 70.105D and WAC 173-351-700(4)(c) from TPCHD closure permit requirements. However, the City and the TPCHD are working cooperatively on an agreement pursuant to which the City will voluntarily comply with the TPCHD closure permit requirements.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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Long-term plans for the closed capped areas of the Tacoma Landfill include recreational facilities, such as trails and playfields, as well as other govern mental 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 Division reported \$14,865,976 as landfill post-closure care liability as of December 31, 2019 based on 100% use of the total capacity of the Tacoma Landfill. This compares to \$15,724,975 at December 31, 2018 based on 100% of capacity. Actual care costs may be higher or lower due to inflation, changes in technology, or changes in regulations. The Division 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. The City continues the work to update its pretreatment program.

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 can be given, however, as to the ultimate outcome with respect to any particular claim.

#### 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 (PCRCDD) LLC to accept organic material collected by the City curbside or delivered to the City's landfill for processing into compost. Under the agreement, which has two 5-year renewal options, PCRCDD will charge a base rate per ton for the organic waste it receives from the City. This price may be adjusted beginning on the second anniversary of the agreement, and thereafter annually based on the Seattle-Tacoma-Bremerton CPI. The



## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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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. On January 11, 2017, following completion of this monitoring, the City again provided notification to the Trustees that the obligations of the NRDA Consent Decree were fulfilled. On May 28, 2019, the City received notification that the Trustees had executed a Resolution agreeing that the City had completed their obligations under the Consent Decree.

Although the City resolved its NRDA liability, it remains a property owner of the restoration sites. The City expects that any financial obligation it may have related to these parcels in the future will be de minimus and similar to the liability related to ownership of other properties within the City.

**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 and a cap material replenishment project was required. A report of these findings was submitted to EPA in early 2017 along with a Contingency Planning Proposal, and upon approval, the City began implementation of this proposal. The project is currently in design and construction is planned for the summer of 2020. Long-term monitoring will be required following construction. Included in the financial statements for the years 2019 and 2018 are liabilities of \$2,046,057 and \$1,050,662 respectively.

**Wastewater and Surface Water (#4300-01) Foss Consent Decree** - Following the first ten years of monitoring, the City worked with the Environmental Protection Agency to develop the Long Term Monitoring Plan for the Thea Foss Waterway. Under this Long-term Monitoring Plan developed in accordance with the Foss Consent Decree, the City has an obligation for continued monitoring through at least 2028. The results of this monitoring may result in additional limited cleanup efforts in the future. It is expected that another Long-term Monitoring Plan will be developed following completion of monitoring under the current plan. Included in the financial statements for the years 2019 and 2018 are liabilities of \$912,000 and \$987,500 respectively.

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) 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

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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the other PLPs contacted the City of Tacoma regarding monitoring of the wells on the site, which they subsequently did on several occasions with Ecology authorization.

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

***Tacoma Water (#4600) Capital Improvements*** – The financial requirement for Tacoma Water's 2019-2020 biennial Capital Improvement program is approximately \$61.4 million and Tacoma Water has substantial contractual commitments relating to the program. At December 31, 2019 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$42.9 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) Willa Taulolo v. City of Tacoma, et al.*** – On April 25, 2019, Willa Taulolo, was involved in a motor vehicle accident with Kyle Wicks in Tacoma, Washington. Mr. Wicks was driving a City of Tacoma Water truck. Both drivers claimed that they had the green traffic control signal for their direction of travel and there are no independent witnesses. On July 1, 2019, Ms. Taulolo filed a claim for damages with the City of Tacoma. On January 24, 2020, the City was served with a Summons, Complaint and Interrogatories. The Summons and Complaint were filed in Pierce County Superior Court on February 11, 2020. A Notice of Appearance was served on Plaintiff's counsel advising them of our representation of the City of Tacoma and Mr. Wicks. An Answer and Counterclaim were filed and served on Plaintiff's counsel on February 11, 2020.

***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.

***Tacoma Power (#4700) Capital Improvements*** – The financial requirement for Tacoma Power's 2019/2020 biennial Capital Improvement Program is approximately \$149.7 million. As of December 31, 2019, the remaining financial requirement for the 2019/2020 biennial Capital budget was approximately \$110.2 million.

***Tacoma Power (#4700) Kosmos Mill Oil Seep*** - On November 21, 2019, an emergency action was approved by the Director to begin work to install a containment cap on oil seepage near Riffe Lake on the Cowlitz River. A sawmill was historically located at this site near the town of Kosmos before the area was inundated by Riffe Lake. The Division has recognized a liability in the amount of \$5.3 million as the cost to repair the oil seepage and address the environmental impacts are both probable and reasonably estimated.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

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**Western Metal Industry Pension Fund** - The City of Tacoma had approximately 113 employees who participated in the Western Metal Industry Pension Fund (Plan). The Plan is a cost-sharing, defined benefit, multiple-employer pension plan and is administered by the Board of Trustees. The Trustees and other Plan fiduciaries have discretionary authority to interpret the Plan and determine entitlement to Plan benefits.

Information was unavailable to determine if an actuarial liability exists for the City in 2019, however, the Plan was in “critical” status in the Plan Year beginning January 1, 2019. The Plan fell into critical status following the 2009 Plan Year and was certified as “critical” in 2010. In an effort to improve the Plan’s funding situation, the Trustees adopted a Rehabilitation Plan on May 28, 2010 and subsequently updated it on July 24, 2012 and December 9, 2016.

The Rehabilitation Plan consists of reductions in adjustable benefits including early retirement benefits and retirement payment options, and contribution increases of 16% per year for up to 11 years over the current contribution level. These contribution increases do not translate into additional benefit accruals but instead are directed solely toward improving the Plan’s funded status. The Trustees have adopted the “free look” rule set forth in subsection 4210(a) of ERISA related to withdrawal liabilities.

Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or, a copy of the Plan's annual report may be obtained by making a written request to the Plan administrator.

The employer is required to make contributions to the Plan absent terms of a Collective Bargaining Agreement.

On December 11, 2018 the Tacoma City Council approved the collective bargaining agreement 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.

On December 3, 2019 the Tacoma City Council approved the collective bargaining agreements for the following groups; the International Association of Machinists and Aerospace Workers District Lodge 160, Local Lodge 297 covering City of Tacoma Rail Yard Clerks and the General Unit, and District Lodge 160, local lodge 282 covering Wastewater Treatment Plant Maintenance Supervisors’ Unit. Contained in this agreement was a call for cessation of the participation in the Western Metal Industry Pension Fund (WMIPF). The contributions submitted for the December 31, 2019, payroll was the final contributions made on behalf of the employees in this unit. As of January 1, 2020, no employees were participating in the plan.

Those employees who vested would be eligible for benefits based on their date of withdrawal.

## Notes to the Financial Statements

### For the Year Ended December 31, 2019

The contribution rates for 2018 and 2019 by classification were as follows:

Classification	January 1, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019
Equipment Mechanic, Heavy	5.91% of gross pay	6.47% of gross pay
Fabrication Welder	5.98% of gross pay	6.21% of gross pay
Fire & Marine Diesel Mechanic	5.50% of gross pay	6.05% of gross pay
Fire & Marine Shop Supervisor	5.24% of gross pay	5.73% of gross pay
Machinist	5.80% of gross pay	6.36% of gross pay
Solid Waste Mechanic	6.45% of gross pay	7.06% of gross pay
Vehicle & Equip Shop Attendant	4.88% of gross pay	5.34% of gross pay
Vehicle & Equipment Shop Supervisor	5.08% of gross pay	5.57% of gross pay
WWTP Assistant	4.95% of gross pay	5.43% of gross pay
WWTP Maintenance Machinist	5.76% of gross pay	6.31% of gross pay
WWTP Maintenance Machinist, Senior	5.67% of gross pay	6.22% of gross pay
WWTP Maintenance Supervisor	3.66% of gross pay	4.03% of gross pay

	July 1, 2018 - December 31, 2018
	<u>\$274.40 every two</u>
Mechanics	weeks

	\$213.64 per pay period
Track Workers	

	July 1, 2018 - June 30, 2019	July 1, 2019 - December 31, 2019
	<u>\$1.48 per</u>	<u>\$1.60 per</u>
Yard Clerks	compensable hour	compensable hour

In 2018 and 2019 the City contributed \$143,604 and \$20,421, respectively.

There is currently no schedule to amortize the unfunded liability for the employees who are remaining within the Plan and the system is currently functioning on a pay-as-you-go basis. The City's obligation is to pay, in full, the payroll withholdings to the system.

At this time, WMIPF has not provided a withdrawal liability estimate. The City utilized employee data from 2017, the last year in which all units were actively contributing to WMIPF to estimate the City's withdrawal liability. The City has recognized a liability in the amount of \$14,056,280 and \$2,320,000 as of December 31, 2019 and December 31, 2018, respectively.

#### 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.

## **Notes to the Financial Statements**

### **For the Year Ended December 31, 2019**

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#### **Note 10 – SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population. Given the dynamic nature of these circumstances and potential business disruption, the City could experience a significant short-term impact to operations. Management will continue to monitor the situation closely, but given the uncertainty about the situation, it is unable to estimate the impact to the financial statements.

The City selected Rainier Connect North, LLC (“Rainier Connect”) to conduct in-depth negotiations for the continued operation of the Click! commercial network. On November 5, 2019 the policymakers approved the Click! Business Transaction Agreement with Rainier Connect which put into motion a transfer of operational control over approximately a 120-day transition period. As expected, on April 1, 2020, Rainier Connect entered into an Indefeasible Right of Use Agreement and took operational control of the commercial network. The change of control took place as anticipated.

On May 14, 2020, Tacoma Water, issued the Water System Subordinate Revenue Refunding Bond, Series 2020 Direct Purchase Option with Key Government Finance, Inc. in an amount of \$18.3 million in order to refund the 2010 Series A Water System Revenue Refunding Bonds.



**CITY OF TACOMA, WASHINGTON**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR DECEMBER 31, 2019

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

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-19	ISSUED 2019	REDEEMED 2019	AMOUNT O/S 12/31/19
<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	9,825		2,275	7,550
	Subtotal Unlimited (Voted)					<b>9,825</b>	<b>0</b>	<b>2,275</b>	<b>7,550</b>
Limited General Obligation Bonds									
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011 - 2035	15,380	5.8600	13,950		325	13,625
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	Capital Improvements	12/18/09	2026 - 2036	13,526	5.7500	8,842	1,293		10,135
Ltd. Genl Obl Bonds 2009F Cheney & Env Rem	Capital Improvements	12/17/09	2023 - 2026	6,681	7.2020	6,681			6,681
Ltd. Genl Obl Bonds 2009F Acreted Interest	Capital Improvements	12/18/09	2023 - 2027	6,681	7.2020	5,862	915		6,777
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 1997B, 2001, 2004,	11/10/10	2015 - 2022	7,355	2.7966	2,945		750	2,195
Ltd. Genl Obl Bonds 2010C Refunding Bonds	Refund 2001, 2007, 2009 L	11/10/10	2015 - 2022	7,355	3.8076	3,925		925	3,000
Ltd. Genl Obl Bonds 2010D Refunding Bonds	Capital Improvements	11/10/10	2015 - 2033	30,225	5.0399	25,130		1,340	23,790
Ltd. Genl Obl Bonds 2010E Bonds	Capital Improvements	11/10/10	2015 - 2040	9,130	5.7155	8,115		270	7,845
Ltd. Genl Obl Bonds 2013 Refunding Bonds	Refund 2001 & 2004	03/05/13	2015 - 2034	44,170	3.1768	38,200		1,680	36,520
Ltd. Genl Obl Bonds 2015A Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2036	12,735	3.2066	11,895		435	11,460
Ltd. Genl Obl Bonds 2015B Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2027	20,215	2.8933	18,980		3,725	15,255
Ltd. Genl Obl Bonds 2017 - Tacoma Dome	Capital Improvements	12/12/17	2019 - 2037	25,295	3.2114	24,340		1,000	23,340
	Subtotal Limited (Councilmanic)					<b>190,686</b>	<b>2,208</b>	<b>10,450</b>	<b>182,444</b>
Washington State Public Works Trust Fund Loan									
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004 - 2024	4,500	0.5000	3,423		570	2,853
	Subtotal Washington State Loan (Councilmanic)					<b>3,423</b>	<b>0</b>	<b>570</b>	<b>2,853</b>
<b>Total General Obligation Bonds, Loans, &amp; Notes</b>									
						<b>203,934</b>	<b>2,208</b>	<b>13,295</b>	<b>192,847</b>

**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	3,300		490	2,810
Tac CC & Parking Rev/Ref Bonds, Series 2015	Refunding 2004 Bonds	08/14/15	2015 - 2024	20,453	2.3304	12,716		2,014	10,702
	Subtotal Convention Center					<b>16,016</b>	<b>0</b>	<b>2,504</b>	<b>13,512</b>
Wastewater Utility									
State Revolving Fund (SRF) Loan #40006A	Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	28,189		2,782	25,407
State Revolving Fund (SRF) Loan #40006B	Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	12,064		1,134	10,930
Sewer Rev & Ref Bonds 2015	Refunding	03/18/15	2016 - 2045	109,300	3.5358	104,600		1,845	102,755

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-19	ISSUED 2019	REDEEMED 2019	AMOUNT O/S 12/31/19
Sewer Rev & Ref Bonds 2016A	Refunding	06/15/16	2016 - 2038	31,855	2.8277	29,345		1,045	28,300
Sewer Rev & Ref Bonds 2016B	Refunding	06/15/16	2017 - 2020	11,865	1.3269	7,450		2,360	5,090
Sewer Revenue Bonds 2019 Waste I	Improvements	11/28/19	2019 - 2048	43,460	3.9387	43,460		830	42,630
Sewer Revenue Bonds 2019 Waste II	Improvements	11/28/19	2019 - 2031	6,115	3.0387	6,115		5	6,110
<b>Subtotal Sewer</b>						<b>231,223</b>	<b>0</b>	<b>10,001</b>	<b>221,222</b>
<b>Surface Water Utility</b>									
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	322		23	299
Sewer Revenue Bonds 2019 Surface I	Improvements	11/28/19	2019 - 2048	26,930	3.9387	26,930		515	26,415
Sewer Revenue Bonds 2019 Surface II	Improvements	11/28/19	2019 - 2031	24,440	3.0387	24,440		25	24,415
<b>Subtotal Surface Water</b>						<b>51,692</b>	<b>0</b>	<b>563</b>	<b>51,129</b>
<b>Solid Waste Utility</b>									
Solid Waste Revenue Bonds, 2015	Capital Improvements	03/18/15	2017 - 2025	21,095	2.1375	17,075		2,160	14,915
Solid Waste Rev/Ref Bonds, 2016A	Refunding	06/15/16	2031 - 2036	23,200	3.4260	23,200			23,200
Solid Waste Rev/Ref Bonds, 2016B	Refunding	06/15/16	2026 - 2031	15,025	2.9985	15,025			15,025
<b>Subtotal Refuse</b>						<b>55,300</b>	<b>0</b>	<b>2,160</b>	<b>53,140</b>
<b>Electric System</b>									
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	115,585		10,095	105,490
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
<b>Subtotal Electric System</b>						<b>393,035</b>	<b>0</b>	<b>10,095</b>	<b>382,940</b>
<b>Water System</b>									
PW-DWSRF-00-65120-031	Construction	10/07/02	2003 - 2021	3,060	2.5000	483		161	322
PW-00-691-PRE-115	Construction	04/11/01	2003 - 2021	1,000	0.5000	158		53	105
PW-01-691-061	Construction	08/27/01	2003 - 2021	10,000	0.5000	1,600		533	1,067
PW-01-691-PRE-127	Construction	02/15/02	2003 - 2021	1,000	0.5000	163		54	109
PW-02-691-056	Construction	04/15/02	2004 - 2022	10,000	0.5000	2,125		531	1,594
PW-04-691-PRE-101	Construction	03/19/04	2006 - 2024	1,000	0.5000	320		53	267
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	2,965		371	2,594
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	5,459		546	4,913
DM07-952-015	Construction	03/31/10	2010 - 2028	4,040	1.5000	2,151		215	1,936
PW-DWSRF 09-952-074	Construction	04/09/10	2013 - 2032	6,579	1.0000	5,139		367	4,772
Water Sys Rev & Ref Bonds 2010A	Refunding	08/24/10	2012 - 2023	29,100	3.2789	21,890		4,100	17,790
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	1,955		300	1,655
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	4,242		303	3,939
PW-DWSRF 11-952-035	Construction	06/30/11	2016 - 2035	6,060	1.5000	1,823		121	1,702
PW-DWSRF 11-952-036	Construction	06/30/11	2016 - 2035	6,060	1.5000	5,151		303	4,848
PC 12-951-017	Construction	07/01/11	2011 - 2031	10,000	0.5000	7,222		556	6,666
PW-DWSRF 12-952-088	Construction	01/22/13	2017 - 2036	12,120	1.5000	10,302		606	9,696
Water Sys Rev Ref Bonds 2013 (RWSS)	Refinance	04/16/13	2013 - 2032	64,795	3.1477	59,400		1690	57,710



NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-19	ISSUED 2019	REDEEMED 2019	AMOUNT O/S 12/31/19
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	2019 - 2037	12,120	1.5000	10,302		606	9,696
PW-DWSRF-10-952-031	Construction	03/26/14	2015 - 2034	6,060	1.5000	4,873		305	4,568
PW-DWSRF-13-952-167	Construction	11/06/14	2015 - 2037	12,120	1.5000	10,302		606	9,696
Water Sys Ref Bonds 2015A	Refinance	05/12/15	2017 - 2025	16,645	1.9926	12,340		1520	10,820
DM15-952-033	Construction	06/01/14	2016 - 2034	12,120	1.5000	10,844		638	10,206
Subtotal Water System									
Tacoma Rail						451,574	0	14,538	437,036
WA State Rail Loan RR00407 2009	Capital Improvements	08/04/09	2010 - 2024	26	0.0000	10		2	8
WA State Rail Loan RR00408 2009	Capital Improvements	08/04/09	2011 - 2025	249	0.0000	116		16	100
WA State Rail Loan RRB-1007	Capital Improvements	12/06/11	2013 - 2022	450	0.0000	180		45	135
WA State Rail Loan RRB-1010	Capital Improvements	03/28/12	2013 - 2022	612	0.0000	245		61	184
WA State Rail Loan RRB-1011	Capital Improvements	03/28/12	2013 - 2022	349	0.0000	139		35	104
WA State Rail Loan RRB-1026	Capital Improvements	09/06/12	2014 - 2023	347	0.0000	173		35	138
WA State Rail Loan RRB-1030	Capital Improvements	09/06/12	2014 - 2023	364	0.0000	182		36	146
WA State Rail Loan RRB-1045	Capital Improvements	08/01/13	2015 - 2024	823	0.0000	371		62	309
WA State Rail Loan RRB-1046	Capital Improvements	08/01/13	2015 - 2024	250	0.0000	150		25	125
WA State Rail Loan RRB-1052	Capital Improvements	10/24/13	2016 - 2025	366	0.0000	256		37	219
WA State Rail Loan RRB-1053	Capital Improvements	10/24/13	2016 - 2025	773	0.0000	541		77	464
WA State Rail Loan RRB-1054	Capital Improvements	10/24/13	2016 - 2025	1,015	0.0000	773		110	663
WA State Rail Loan RRB-1055	Capital Improvements	10/08/13	2016 - 2025	516	0.0000	361		52	309
WA State Rail Loan RRB-1086	Capital Improvements	10/27/15	2016 - 2025	1,037	0.0000	637		91	546
WA State Rail Loan RRB-1108	Capital Improvements	07/03/17	2017 - 2026	311	0.0000	249		31	218
WA State Rail Loan RRB-1109	Capital Improvements	09/29/16	2017 - 2026	121	0.0000	97		12	85
WA State Rail Loan RRB-1110	Capital Improvements	09/08/16	2017 - 2026	406	0.0000	324		41	283
WA State Rail Loan RRB-1111	Capital Improvements	01/06/17	2017 - 2026	370	0.0000	296		37	259
WA State Rail Loan RRB-1112	Capital Improvements	12/06/16	2017 - 2026	150	0.0000	120		15	105
Subtotal Tacoma Rail						5,220	0	820	4,400
Lease Revenue									
Lease Revenue Bonds 1990	Construction	03/15/90	1992-2022	36,250	9.3476	10,600		2,690	7,910
Lease Revenue Bonds 1992	Construction	12/15/92	1993-2022	4,695	7.4769	1,275		330	945
Subtotal Lease Revenue						11,875	0	3,020	8,855
Total Revenue Bonds						\$1,215,935	\$0	\$43,701	\$1,172,234
Total General Obligation & Revenue Bonds						\$1,419,869	\$2,208	\$56,996	\$1,365,081
SPECIAL ASSESSMENT BONDS									
Local Improvement District Bonds									
District #63 Bonds	Construction	09/29/11	2023	1,557	4.1800	153		153	0
District #64 Bonds	Construction	04/05/16		2,341	3.2500	1,680		150	1,530
District #65 Bonds	Construction	04/29/13	2043	30,999	5.7500	21,105		4,020	17,085
District #66 Bonds	Construction	12/19/19	2047	4,011	3.1250	0	4,011	0	4,011
Subtotal LID Bonds/Notes						22,938	4,011	4,323	22,626

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-19	ISSUED 2019	REDEEMED 2019	AMOUNT O/S 12/31/19
Bond Anticipation Notes									
Revolving Line of Credit	LID Construction	07/01/16	At CLID Issue	\$15mm Max	Floating	8,572		7,731	841
Subtotal Bond Anticipation Notes						<b>8,572</b>	<b>0</b>	<b>7,731</b>	<b>841</b>
Total Special Assessment Bonds						<b>\$31,510</b>	<b>\$4,011</b>	<b>\$12,054</b>	<b>\$23,467</b>
Wells Fargo Revolving Line of Credit	Capital Improvements	05/15/15	5/11/2019	\$100mm Max	0.5000	\$55,250	\$20,000		75,250
Subtotal Wells Fargo Revolving Line of Credit						<b>55,250</b>	<b>20,000</b>	<b>0</b>	<b>75,250</b>
Total All Bonds						<b>\$1,506,629</b>	<b>\$26,219</b>	<b>\$69,050</b>	<b>\$1,463,798</b>
									<b>\$1,463,798</b>

Notes related to debt increases:

1. Ltd. Genl Obl Bonds 2009E Multiple Projects - Additions represent accreted interest capitalized to bond principal.
2. Ltd. Genl Obl Bonds 2009F Cheney & Env Remed - Additions represent accreted interest capitalized to bond principal.
3. 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					
	2019	2018	2017	2016	2015	2014-2010
Employer's proportion of the net pension liability(asset) as a percentage	1.03%	1.05%	1.07%	1.08%	1.09%	N/A
Employer's proportionate share of net pension liability(asset)	(20,428,571)	(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	(138,178,348)	(129,218,006)	(109,327,398)	(75,069,549)	(89,141,418)	N/A
Total	(158,606,919)	(148,321,862)	(125,490,585)	(86,167,986)	(102,320,269)	N/A
Covered payroll	-	-	-	-	-	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	148.78%	144.42%	135.96%	123.74%	127.36%	N/A

\*Until a full 10-year trend is compiled, only information for those years available is presented.

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

	Fiscal Years Ended June 30					
	2019	2018	2017	2016	2015	2014-2010
Employer's proportion of the net pension liability(asset) as a percentage	2.38%	2.47%	2.59%	2.48%	2.47%	N/A
Employer's proportionate share of net pension liability(asset)	(55,232,023)	(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	(36,169,575)	(32,526,664)	(23,335,843)	(9,398,378)	(16,763,253)	N/A
Total	(91,401,598)	(82,762,358)	(59,310,122)	(23,814,677)	(42,115,996)	N/A
Covered payroll	71,393,403	79,762,242	77,370,718	77,913,215	72,486,494	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-77.36%	-62.98%	-46.50%	-18.50%	-34.98%	N/A
Plan fiduciary net position as a percentage the total pension liability	119.43%	118.50%	113.36%	106.04%	111.67%	N/A

\*Until a full 10-year trend is compiled, only information for those years available is presented.

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

	Fiscal Year Ended December 31					
	2019	2018	2017	2016	2015	2014-2010
Contractually required employer contribution	\$4,687,724	\$4,448,565	\$4,025,059	\$4,026,349	\$3,716,978	N/A
Contributions in relation to the contractually required employer contribution	(4,687,724)	(4,448,565)	(4,025,059)	(4,026,349)	(3,716,978)	N/A
Employer contribution deficiency (excess)	0	0	0	0	0	N/A
Covered payroll	\$90,117,849	\$84,770,897	\$78,198,160	\$79,849,106	\$73,603,497	N/A
Employer contribution as a percentage of covered payroll	5.20%	5.25%	5.15%	5.04%	5.05%	N/A

\*Until a full 10-year trend is compiled, only information for those years available is presented.

**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	2013-2009
Employer's proportion of the net pension liability(asset) as a percentage	92.39%	92.46%	92.48%	92.63%	92.67%	N/A
Employer's proportion share of net pension liability(asset)	117,009,191	(39,323,299)	92,880,524	86,584,348	(9,606,514)	N/A
Covered payroll (1)	233,555,537	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	50.10%	-17.60%	42.48%	41.11%	-4.68%	N/A
Plan fiduciary net position as a percentage the total pension liability	92.81%	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.*

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

	Fiscal Year Ended December 31						
	2019	2018	2017	2016	2015	2014	2013-2010
Contractually required employer contribution	\$27,942,195	\$26,414,402	\$24,124,140	\$23,616,255	\$22,746,593	\$22,149,246	N/A
Contributions in relation to the contractually required employer contribution	(27,942,195)	(26,414,402)	(24,124,140)	(23,616,255)	(22,746,593)	(22,149,246)	N/A
Employer contribution deficiency (excess)	0	0	0	0	0	0	N/A
Covered payroll	\$246,403,836	\$233,555,537	\$223,371,667	\$218,669,028	\$210,616,602	\$205,085,611	N/A
Employer contribution as a percentage of covered payroll	11.34%	11.31%	10.80%	10.80%	10.80%	10.80%	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.*

**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

	2019	2018	2017	2016 - 2010*
<b>Total Pension Liability</b>				
Service cost	\$ -	\$ -	-	N/A
Interest on total pension liability	957	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	2,624	(1,076)	622	N/A
Benefit payments	(1,968)	(1,952)	(2,100)	N/A
Net change in total pension liability	1,613	(3,924)	(420)	N/A
Total pension liability, beginning	24,904	28,828	29,248	N/A
Total pension liability, ending	26,517	24,904	28,828	N/A
Covered payroll	-	-	-	N/A
Total pension liability as a % of covered payroll	N/A	N/A	N/A	N/A

**Police Relief and Pension Fund**

Fiscal Year Ended December 31

	2019	2018	2017	2016 - 2010*
<b>Total Pension Liability</b>				
Service cost	\$ -	\$ -	-	N/A
Interest on total pension liability	512	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	1,303	(540)	311	N/A
Benefit payments	(1,196)	(1,406)	(1,341)	N/A
Net change in total pension liability	619	(2,098)	(456)	N/A
Total pension liability, beginning	13,391	15,490	15,946	N/A
Total pension liability, ending	14,009	13,391	15,490	N/A
Covered payroll	-	-	N/A	N/A
Total pension liability as a % of covered payroll	N/A	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		
	2018	2017	2016-2009*
<b>Total OPEB Liability</b>			
Service cost	\$ 3,302	\$ 3,010	N/A
Interest on total OPEB liability	7,562	7,866	N/A
Changes in benefit terms	-	-	N/A
Effect of economic/demographic gains or (losses)	54	-	N/A
Effect of assumption changes or inputs	(18,945)	9,060	N/A
Expected benefit payments	(8,671)	(8,352)	N/A
Net change in total OPEB liability	(16,698)	11,584	N/A
Total OPEB liability, beginning	220,811	209,227	N/A
Total OPEB liability, ending	204,113	220,811	N/A
 Covered-employee payroll	 \$ 350,507	 \$ 330,788	 N/A
Total OPEB liability as a % of covered-employee payroll	58.23%	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 3.44% to 4.10% at the December 31, 2018 measurement date.

GENERAL FUND				
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL				
For the Year Ended December 31, 2019				
(amounts expressed in thousands)				
	APPROVED ORIGINAL BUDGET 2019-2020 BIENNIUM	APPROVED REVISED BUDGET 2019-2020 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2019	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
Revenues				
Taxes				
Property	\$ 122,993	\$ 122,976	\$ 61,037	\$ (61,939)
Sales	120,167	121,983	58,312	
Business	104,608	105,058	51,203	(53,855)
Excise	2,089	2,089	1,360	(729)
Other	-	-	-	-
Licenses and permits	14,104	14,251	7,271	(6,980)
Intergovernmental revenue	22,575	24,860	13,294	(11,566)
Charges for goods and services	7,409	8,335	4,051	(4,284)
Fines and forfeitures	3,444	3,301	1,375	(1,926)
Interest income	1,775	3,675	3,026	(649)
Other revenues	748	40	127	87
Total Revenues	<u>399,912</u>	<u>406,568</u>	<u>201,056</u>	<u>(141,841)</u>
Current:				
General government	76,756	81,935	35,197	(46,738)
Public Safety	291,947	296,853	147,087	(149,766)
Transportation	-	-	-	-
Natural and economic environment	-	-	19,480	19,480
Social services	41,079	42,715	-	(42,715)
Culture and recreation	-	-	14,816	
Capital outlay	32,986	33,977	1,412	(32,565)
Principal retirement	-	-	-	-
Interest and fiscal charges	<u>442,768</u>	<u>455,480</u>	<u>217,992</u>	<u>(252,304)</u>
Excess (Deficiency) of revenues over expenditures	<u>(42,856)</u>	<u>(48,912)</u>	<u>(16,936)</u>	<u>110,463</u>
Other Financing Sources (Uses)				
Sales of capital assets	184	-	19	19
Insurance Recoveries	-	-	31	31
Proceed of long-term debt	-	-	-	-
Premium on bonds sold	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-
Issuance discount on long-term debt	-	-	-	-
Payments to escrow agent - refunded bond	-	34	-	(34)
Transfer in	93,741	93,994	47,361	(46,633)
Transfer out	<u>(71,854)</u>	<u>(84,916)</u>	<u>(45,645)</u>	<u>39,271</u>
Total Other Finance Sources (Uses)	<u>22,071</u>	<u>9,112</u>	<u>1,766</u>	<u>(7,346)</u>
Net Change in Fund Balance	<u>(20,785)</u>	<u>(39,800)</u>	<u>(15,170)</u>	<u>24,630</u>
Fund Balance - January 1	20,784	39,800	91,449	51,649
Prior period adjustment	-	-	(89)	(89)
Change in accounting principle	-	-	-	-
Fund Balance - January 1, Restated	<u>-</u>	<u>39,800</u>	<u>91,360</u>	<u>51,560</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 76,190</u>	<u>\$ 76,189</u>
Perspective Difference Reconciliation:				
ACTUAL FUND BALANCE - GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE			\$ 76,190	
The following funds were budgeted as special revenue funds or trust funds but do not meet the definition of a special revenue fund or trust fund and therefore are accounted for within the General Fund:				
Contingency Fund #1030			710	
Police Pension Fund #6120			147	
Firefighters Pension Fund #6150			<u>240</u>	
TOTAL FUND BALANCE - GENERAL FUND BALANCE SHEET FOR GOVERNMENTAL FUNDS			<u>\$ 77,997</u>	

**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
December 31, 2019  
(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	\$ 88,994	\$ 4,212	\$ 38,695	\$ 131,901
Investments	5,048	-	-	5,048
Accounts Receivables (Net)	11,362	24,045	8	35,415
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	6,317	76	1,984	8,377
Inventory	1,406	-	-	1,406
Prepaid Expenses	8	-	-	8
Advance to Other Funds	-	-	267	267
Total Assets	<u>113,135</u>	<u>28,333</u>	<u>40,954</u>	<u>182,422</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>113,135</u>	<u>28,333</u>	<u>40,954</u>	<u>182,422</u>
<b>LIABILITIES</b>				
Accounts Payable	3,680	-	176	3,856
Customer Deposit	895	-	-	895
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Other Liabilities Payable	1,290	-	1	1,291
Advance from Other Funds	267	-	-	267
Unearned Revenue	188	-	-	188
Total Liabilities	<u>6,320</u>	<u>-</u>	<u>177</u>	<u>6,497</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Unavailable Revenue	2,020	23,043	4	25,067
Total Deferred Inflow of Resources	<u>2,020</u>	<u>23,043</u>	<u>4</u>	<u>25,067</u>
<b>FUND BALANCE</b>				
Nonspendable	1,423	-	-	1,423
Restricted	86,546	5,290	24,921	116,757
Committed	97	-	15,554	15,651
Assigned	16,729	-	298	17,027
Unassigned	-	-	-	-
Total Fund Balance	<u>104,795</u>	<u>5,290</u>	<u>40,773</u>	<u>150,858</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 113,135</u>	<u>\$ 28,333</u>	<u>\$ 40,954</u>	<u>\$ 182,422</u>

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

For the Year Ended December 31, 2019

(amounts expressed in thousands)

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Total Nonmajor Governmental
<b>REVENUES</b>				
Taxes:				
Property	\$ 15,181	\$ 2,790	\$ -	\$ 17,971
Retail Sales & Use	22,320	-	500	22,820
Business	2,360	-	-	2,360
Excise	3,010	-	10,950	13,960
Other	-	-	-	-
Licenses and permits	3,754	-	-	3,754
Intergovernmental	27,424	-	115	27,539
Charges for Services	7,459	-	4	7,463
Fines and Penalties	4,253	1,238	-	5,491
Investment Earnings	2,447	68	1,098	3,613
Miscellaneous	383	2,969	7,248	10,600
Total Revenues	<u>88,591</u>	<u>7,065</u>	<u>19,915</u>	<u>115,571</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,679	-	1,954	4,633
Public Safety	26,871	-	25	26,896
Transportation	39,733	-	2,699	42,432
Natural and Economic Environment	5,356	-	-	5,356
Social Services	6,068	-	-	6,068
Culture and Recreation	1,033	-	5,468	6,501
Debt Service:				
Principal	-	18,069	4,560	22,629
Interest	7	8,378	-	8,385
Capital Outlay	1,499	-	2,008	3,507
Total Expenditures	<u>83,246</u>	<u>26,447</u>	<u>16,714</u>	<u>126,407</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,345</u>	<u>(19,382)</u>	<u>3,201</u>	<u>(10,836)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	6,219	-	6,219
Sale of Capital Assets	67	-	-	67
Insurance Recoveries	2	-	-	2
Transfers In	44,159	12,878	21,993	79,030
Transfers Out	(25,916)	(66)	(17,792)	(43,774)
Total Other Financing Sources (Uses)	<u>18,312</u>	<u>19,031</u>	<u>4,201</u>	<u>41,544</u>
Net Change in Fund Balance	<u>23,657</u>	<u>(351)</u>	<u>7,402</u>	<u>30,708</u>
Fund Balance - Beginning	81,281	5,641	33,371	120,293
Prior Period Adjustment	(143)	-	-	(143)
Fund Balance - Beginning, Restated	<u>81,138</u>	<u>5,641</u>	<u>33,371</u>	<u>120,150</u>
Fund Balance - Ending	<u>\$ 104,795</u>	<u>\$ 5,290</u>	<u>\$ 40,773</u>	<u>\$ 150,858</u>

### ***Non-Major Special Revenue Funds***

Special Revenue funds accounts for specific revenue sources that are restricted for expenditures for a specific purpose. The City of Tacoma has 20 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.

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

#### **Public Works Street Fund (#1065)**

#### **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.

#### **Finance 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, 2019  
(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	\$ 136	\$ 3,269	\$ 4,447	\$ 2,106
Investments	-	-	-	-
Accounts Receivables (Net)	-	-	683	512
Due From Other Governmental Units	-	674	50	978
Inventory	-	-	1,406	-
Prepaid Expenses	-	-	8	-
Total Assets	<u>136</u>	<u>3,943</u>	<u>6,594</u>	<u>3,596</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>136</u>	<u>3,943</u>	<u>6,594</u>	<u>3,596</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	428	-
Customer Deposit	-	-	-	-
Other Liabilities Payable	1	-	369	-
Advance from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>1</u>	<u>-</u>	<u>797</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>				
Nonspendable	-	-	1,406	-
Restricted	135	3,943	2	3,596
Committed	-	-	-	-
Assigned	-	-	4,389	-
Unassigned	-	-	-	-
Total Fund Balance	<u>135</u>	<u>3,943</u>	<u>5,797</u>	<u>3,596</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 136</u>	<u>\$ 3,943</u>	<u>\$ 6,594</u>	<u>\$ 3,596</u>
	-	-	-	-

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

December 31, 2019  
(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	\$ 16,531	\$ 1,244	\$ 4,212	\$ 313
Investments	-	-	-	5,048
Accounts Receivables (Net)	594	515	-	-
Due From Other Governmental Units	112	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>17,237</u>	<u>1,759</u>	<u>4,212</u>	<u>5,361</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>17,237</u>	<u>1,759</u>	<u>4,212</u>	<u>5,361</u>
<b>LIABILITIES</b>				
Accounts Payable	646	137	-	-
Customer Deposit	-	-	25	-
Other Liabilities Payable	49	36	1	-
Advance from Other Funds	-	267	-	-
Unearned Revenue	-	-	188	-
Total Liabilities	<u>695</u>	<u>440</u>	<u>214</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	273	-	-	892
Total Deferred Inflow of Resources	<u>273</u>	<u>-</u>	<u>-</u>	<u>892</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	16,269	1,088	260	4,469
Committed	-	-	-	-
Assigned	-	231	3,738	-
Unassigned	-	-	-	-
Total Fund Balance	<u>16,269</u>	<u>1,319</u>	<u>3,998</u>	<u>4,469</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 17,237</u>	<u>\$ 1,759</u>	<u>\$ 4,212</u>	<u>\$ 5,361</u>
	-	-	-	-



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

December 31, 2019  
(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	\$ 50	\$ 1,291	\$ 16,177	\$ 5,842
Investments	-	-	-	-
Accounts Receivables (Net)	-	1,538	1,392	-
Due From Other Governmental Units	121	-	301	654
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>171</u>	<u>2,829</u>	<u>17,870</u>	<u>6,496</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>171</u>	<u>2,829</u>	<u>17,870</u>	<u>6,496</u>
<b>LIABILITIES</b>				
Accounts Payable	-	111	234	-
Customer Deposit	-	-	-	-
Other Liabilities Payable	-	1	714	-
Advance from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>112</u>	<u>948</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	444	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>444</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	171	-	16,478	6,496
Committed	-	-	-	-
Assigned	-	2,717	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>171</u>	<u>2,717</u>	<u>16,478</u>	<u>6,496</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 171</u>	<u>\$ 2,829</u>	<u>\$ 17,870</u>	<u>\$ 6,496</u>
	-	-	-	-

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

December 31, 2019  
(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	\$ 8,059	\$ 8,748	\$ 6,868	\$ 110
Investments	-	-	-	-
Accounts Receivables (Net)	35	6,074	-	-
Due From Other Governmental Units	1,109	2,231	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>9,203</u>	<u>17,053</u>	<u>6,868</u>	<u>110</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>9,203</u>	<u>17,053</u>	<u>6,868</u>	<u>110</u>
<b>LIABILITIES</b>				
Accounts Payable	1,125	791	-	1
Customer Deposit	-	800	-	-
Other Liabilities Payable	16	6	-	2
Advance from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>1,141</u>	<u>1,597</u>	<u>-</u>	<u>3</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	411	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>411</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	17	-
Restricted	7,616	14,158	4,789	-
Committed	97	-	-	-
Assigned	349	887	2,062	107
Unassigned	-	-	-	-
Total Fund Balance	<u>8,062</u>	<u>15,045</u>	<u>6,868</u>	<u>107</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 9,203</u>	<u>\$ 17,053</u>	<u>\$ 6,868</u>	<u>\$ 110</u>
	-	-	-	-

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

December 31, 2019  
(amounts expressed in thousands)  
Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	LEAP # 1500	Traffic Enforce Engineering & Education # 1650
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,511	\$ 6,187	\$ 247	\$ 646
Investments	-	-	-	-
Accounts Receivables (Net)	1	18	-	-
Due From Other Governmental Units	83	-	4	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	<u>2,595</u>	<u>6,205</u>	<u>251</u>	<u>646</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	-	-	-	-
Total Assets and Deferred Outflows	<u>2,595</u>	<u>6,205</u>	<u>251</u>	<u>646</u>
<b>LIABILITIES</b>				
Accounts Payable	60	21	2	124
Customer Deposit	70	-	-	-
Other Liabilities Payable	-	49	4	42
Advance from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>130</u>	<u>70</u>	<u>6</u>	<u>166</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	2,014	4,996	66	-
Committed	-	-	-	-
Assigned	451	1,139	179	480
Unassigned	-	-	-	-
Total Fund Balance	<u>2,465</u>	<u>6,135</u>	<u>245</u>	<u>480</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 2,595</u>	<u>\$ 6,205</u>	<u>\$ 251</u>	<u>\$ 646</u>

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

December 31, 2019  
(amounts expressed in thousands)  
Page 6 of 6

	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 88,994
Investments	5,048
Accounts Receivables (Net)	11,362
Due From Other Governmental Units	6,317
Inventory	1,406
Prepaid Expenses	8
Total Assets	<u>113,135</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
	-
Total Assets and Deferred Outflows	<u>113,135</u>
<b>LIABILITIES</b>	
Accounts Payable	3,680
Customer Deposit	895
Other Liabilities Payable	1,290
Advance from Other Funds	267
Unearned Revenue	188
Total Liabilities	<u>6,320</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Unavailable Revenue	2,020
Total Deferred Inflow of Resources	<u>2,020</u>
<b>FUND BALANCE</b>	
Nonspendable	1,423
Restricted	86,546
Committed	97
Assigned	16,729
Unassigned	-
Total Fund Balance	<u>104,795</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 113,135</u>
	-

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

For the Year Ended December 31, 2019  
(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	-	-	-	5,974
Business	-	-	867	-
Excise	-	-	-	3,010
Other	-	-	-	-
License and Permits	-	103	-	-
Intergovernmental	69	4,741	185	-
Charges for Services	-	-	1,138	-
Fines and penalties	3	-	1	-
Investment Earnings	-	106	105	24
Miscellaneous	-	-	40	-
<b>Total Revenues</b>	<u>72</u>	<u>4,950</u>	<u>2,336</u>	<u>9,008</u>
<b>EXPENDITURES</b>				
Current:				
General Government	76	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	23,719	-
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest	-	-	-	-
Capital Outlay	-	-	220	-
<b>Total Expenditures</b>	<u>76</u>	<u>-</u>	<u>23,939</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4)</u>	<u>4,950</u>	<u>(21,603)</u>	<u>9,008</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	10	-
Insurance Recoveries	-	-	-	-
Transfers In	-	-	24,898	-
Transfers Out	-	(4,684)	(2,122)	(9,583)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(4,684)</u>	<u>22,786</u>	<u>(9,583)</u>
<b>Net Change in Fund Balance</b>	<u>(4)</u>	<u>266</u>	<u>1,183</u>	<u>(575)</u>
Fund Balance - Beginning	139	3,677	4,614	4,414
Prior period adjustment	-	-	-	(243)
Fund Balance - Beginning, Restated	139	3,677	4,614	4,171
<b>Fund Balance - Ending</b>	<u>\$ 135</u>	<u>\$ 3,943</u>	<u>\$ 5,797</u>	<u>\$ 3,596</u>

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

For the Year Ended December 31, 2019  
(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	\$ 4,134	\$ -	\$ -	\$ -
Retail Sales & Use	314	-	-	-
Business	1,493	-	-	-
Excise	-	-	-	-
Other	-	-	-	-
License and Permits	-	-	348	-
Intergovernmental	-	2,061	-	-
Charges for Services	68	123	-	-
Fines and penalties	-	-	-	-
Investment Earnings	495	40	136	115
Miscellaneous	-	134	95	-
<b>Total Revenues</b>	<u>6,504</u>	<u>2,358</u>	<u>579</u>	<u>115</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	169	11
Public Safety	-	2,067	-	-
Transportation	16,000	-	-	-
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest	-	7	-	-
Capital Outlay	-	80	-	-
<b>Total Expenditures</b>	<u>16,000</u>	<u>2,154</u>	<u>169</u>	<u>11</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,496)</u>	<u>204</u>	<u>410</u>	<u>104</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	57	-
Insurance Recoveries	2	-	-	-
Transfers In	15,953	396	-	66
Transfers Out	(3,518)	(254)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>12,437</u>	<u>142</u>	<u>57</u>	<u>66</u>
<b>Net Change in Fund Balance</b>	<u>2,941</u>	<u>346</u>	<u>467</u>	<u>170</u>
Fund Balance - Beginning	12,888	973	3,531	4,299
Prior period adjustment	440	-	-	-
Fund Balance - Beginning, Restated	<u>13,328</u>	<u>973</u>	<u>3,531</u>	<u>4,299</u>
Fund Balance - Ending	<u>\$ 16,269</u>	<u>\$ 1,319</u>	<u>\$ 3,998</u>	<u>\$ 4,469</u>

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

For the Year Ended December 31, 2019  
(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	\$ -	\$ -	\$ 11,047	\$ -
Retail Sales & Use	-	-	-	5,130
Business	-	-	-	-
Excise	-	-	-	-
Other	-	-	-	-
License and Permits	-	-	-	-
Intergovernmental	410	-	15,293	-
Charges for Services	-	318	3,387	-
Fines and penalties	-	272	-	-
Investment Earnings	6	66	216	167
Miscellaneous	-	-	2	-
<b>Total Revenues</b>	<u>416</u>	<u>656</u>	<u>29,945</u>	<u>5,297</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	18,569	-
Transportation	14	-	-	-
Natural and Economic Environment	-	491	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest	-	-	-	-
Capital Outlay	817	-	34	-
<b>Total Expenditures</b>	<u>831</u>	<u>491</u>	<u>18,603</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(415)</u>	<u>165</u>	<u>11,342</u>	<u>5,297</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	122	-	170	-
Transfers Out	(8)	-	(584)	(4,863)
<b>Total Other Financing Sources (Uses)</b>	<u>114</u>	<u>-</u>	<u>(414)</u>	<u>(4,863)</u>
Net Change in Fund Balance	<u>(301)</u>	<u>165</u>	<u>10,928</u>	<u>434</u>
Fund Balance - Beginning	472	2,552	5,885	6,062
Prior period adjustment	-	-	(335)	-
Fund Balance - Beginning, Restated	<u>472</u>	<u>2,552</u>	<u>5,550</u>	<u>6,062</u>
Fund Balance - Ending	<u>\$ 171</u>	<u>\$ 2,717</u>	<u>\$ 16,478</u>	<u>\$ 6,496</u>

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

Page 4 of 6

	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200	Historically Underutilized Business # 1236
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	5,983	4,919	-	-
Business	-	-	-	-
Excise	-	-	-	-
Other	-	-	-	-
License and Permits	-	91	-	-
Intergovernmental	427	3,620	-	-
Charges for Services	-	1,413	120	164
Fines and penalties	-	-	-	-
Investment Earnings	260	227	216	-
Miscellaneous	21	-	60	-
<b>Total Revenues</b>	<u>6,691</u>	<u>10,270</u>	<u>396</u>	<u>164</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	1	-	164
Public Safety	283	1,432	-	-
Transportation	-	-	-	-
Natural and Economic Environment	1,028	3,521	-	-
Social Services	6,068	-	-	-
Culture and Recreation	-	927	106	-
Debt Service:				
Interest	-	-	-	-
Capital Outlay	-	118	10	-
<b>Total Expenditures</b>	<u>7,379</u>	<u>5,999</u>	<u>116</u>	<u>164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(688)</u>	<u>4,271</u>	<u>280</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	971	1,225	-	-
Transfers Out	(184)	(85)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>787</u>	<u>1,140</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>99</u>	<u>5,411</u>	<u>280</u>	<u>-</u>
Fund Balance - Beginning	7,963	9,634	6,588	107
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>7,963</u>	<u>9,634</u>	<u>6,588</u>	<u>107</u>
Fund Balance - Ending	<u>\$ 8,062</u>	<u>\$ 15,045</u>	<u>\$ 6,868</u>	<u>\$ 107</u>



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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	LEAP # 1500	Traffic Enforce Engineering & Education # 1650
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	-
Business	-	-	-	-
Excise	-	-	-	-
Other	-	-	-	-
License and Permits	-	3,212	-	-
Intergovernmental	543	9	66	-
Charges for Services	251	239	238	-
Fines and penalties	515	-	-	3,462
Investment Earnings	72	169	10	17
Miscellaneous	30	1	-	-
<b>Total Revenues</b>	<u>1,411</u>	<u>3,630</u>	<u>314</u>	<u>3,479</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	2,258	-	-
Public Safety	1,026	-	-	3,494
Transportation	-	-	-	-
Natural and Economic Environment	-	-	316	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Interest	-	-	-	-
Capital Outlay	215	5	-	-
<b>Total Expenditures</b>	<u>1,241</u>	<u>2,263</u>	<u>316</u>	<u>3,494</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>170</u>	<u>1,367</u>	<u>(2)</u>	<u>(15)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	15	-	-	343
Transfers Out	-	(31)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>15</u>	<u>(31)</u>	<u>-</u>	<u>343</u>
 Net Change in Fund Balance	<u>185</u>	<u>1,336</u>	<u>(2)</u>	<u>328</u>
Fund Balance - Beginning	2,285	4,799	247	152
Prior period adjustment	(5)	-	-	-
Fund Balance - Beginning, Restated	<u>2,280</u>	<u>4,799</u>	<u>247</u>	<u>152</u>
Fund Balance - Ending	<u>\$ 2,465</u>	<u>\$ 6,135</u>	<u>\$ 245</u>	<u>\$ 480</u>

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

Page 6 of 6

	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>	
Taxes:	
Property	\$ 15,181
Retail Sales & Use	22,320
Business	2,360
Excise	3,010
Other	-
License and Permits	3,754
Intergovernmental	27,424
Charges for Services	7,459
Fines and penalties	4,253
Investment Earnings	2,447
Miscellaneous	383
<b>Total Revenues</b>	<u>88,591</u>
<b>EXPENDITURES</b>	
Current:	
General Government	2,679
Public Safety	26,871
Transportation	39,733
Natural and Economic Environment	5,356
Social Services	6,068
Culture and Recreation	1,033
Debt Service:	
Interest	7
Capital Outlay	1,499
<b>Total Expenditures</b>	<u>83,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,345</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Sales of Capital Assets	67
Insurance Recoveries	2
Transfers In	44,159
Transfers Out	(25,916)
<b>Total Other Financing Sources (Uses)</b>	<u>18,312</u>
Net Change in Fund Balance	<u>23,657</u>
Fund Balance - Beginning	81,281
Prior period adjustment	(143)
Fund Balance - Beginning, Restated	<u>81,138</u>
Fund Balance - Ending	<u>\$ 104,795</u>

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	140	140	69	(71)
Charges for Services	-	-	-	-
Fines and Penalties	8	8	3	(5)
Total Revenues	<u>148</u>	<u>148</u>	<u>72</u>	<u>(76)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	156	156	76	(80)
Total Expenditures	<u>156</u>	<u>156</u>	<u>76</u>	<u>(80)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(8)</u>	<u>(8)</u>	<u>(4)</u>	<u>4</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>(8)</u>	<u>(8)</u>	<u>(4)</u>	<u>4</u>
Fund Balance - January 1	8	8	139	131
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135</u>	<u>\$ 135</u>

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	23	23
Total Revenues	-	-	23	23
<b>EXPENDITURES:</b>				
Current:				
General Government	500	960	174	(786)
Transportation	50	98	-	(98)
Natural and Economic Environment	-	-	27	27
Total Expenditures	550	1,058	201	(857)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(550)	(1,058)	(178)	880
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	550	550	300	(250)
Total Other Financing Sources (Uses)	550	550	300	(250)
Net Change in Fund Balances	-	(508)	122	630
Fund Balance - January 1	-	350	588	238
Fund Balance -December 31	\$ -	\$ (158)	\$ 710	\$ 868

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	250	250	103	(147)
Intergovernmental	9,500	9,500	4,741	(4,759)
Investment Earnings	-	-	106	106
Total Revenues	<u>9,750</u>	<u>9,750</u>	<u>4,950</u>	<u>(4,800)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>9,750</u>	<u>9,750</u>	<u>4,950</u>	<u>(4,800)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	(9,147)	(10,524)	(4,684)	5,840
Total Other Financing sources and Uses	<u>(9,147)</u>	<u>(10,524)</u>	<u>(4,684)</u>	<u>5,840</u>
Net Change in fund Balances	603	(774)	266	1,040
Fund Balance - January 1	<u>115</u>	<u>2,788</u>	<u>3,677</u>	<u>889</u>
Fund Balance -December 31	<u>\$ 718</u>	<u>\$ 2,014</u>	<u>\$ 3,943</u>	<u>\$ 1,929</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, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Business	\$ 1,720	\$ 1,720	\$ 867	\$ (853)
Licenses and Permits	-	-	-	-
Intergovernmental	231	963	185	(778)
Charges for Services	1,502	1,251	1,138	(113)
Fines and Penalties	-	-	1	1
Special Assessments	-	-	-	-
Investment Earnings	-	-	105	105
Miscellaneous	-	5	40	35
Total Revenues	<u>3,453</u>	<u>3,939</u>	<u>2,336</u>	<u>(1,603)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	52,030	53,236	23,719	(29,517)
Capital Outlay	-	-	220	220
Total Expenditures	<u>52,030</u>	<u>53,236</u>	<u>23,939</u>	<u>(29,297)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(48,577)</u>	<u>(49,297)</u>	<u>(21,603)</u>	<u>27,694</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	10	10
Transfers In	49,432	49,967	24,898	(25,069)
Transfers Out	(1,155)	(2,606)	(2,122)	484
Total Other Financing Sources (Uses)	<u>48,277</u>	<u>47,361</u>	<u>22,786</u>	<u>(24,575)</u>
Net Change in Fund Balances	<u>(300)</u>	<u>(1,936)</u>	<u>1,183</u>	<u>3,119</u>
Fund Balance - January 1	-	1,936	4,614	2,678
Fund Balance -December 31	<u>\$ (300)</u>	<u>\$ -</u>	<u>\$ 5,797</u>	<u>\$ 5,797</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, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 10,870	\$ 12,426	\$ 5,974	\$ (6,452)
Business	-	-	-	-
Excise	5,796	5,796	3,010	(2,786)
Investment Earnings	-	-	24	24
Total Revenues	<u>16,666</u>	<u>18,222</u>	<u>9,008</u>	<u>(9,214)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	-	1,555	-	(1,555)
Total Expenditures	<u>-</u>	<u>1,555</u>	<u>-</u>	<u>(1,555)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>16,666</u>	<u>16,667</u>	<u>9,008</u>	<u>(7,659)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	(17,921)	(17,921)	(9,583)	8,338
Total Other Financing Sources (Uses)	<u>(17,921)</u>	<u>(17,921)</u>	<u>(9,583)</u>	<u>8,338</u>
Net Change in Fund Balances	<u>(1,255)</u>	<u>(1,254)</u>	<u>(575)</u>	<u>679</u>
Fund Balance - January 1	-	8	4,414	4,406
Prior Period Adjustment	-	-	(243)	
Fund Balance -December 31	<u>\$ (1,255)</u>	<u>\$ (1,246)</u>	<u>\$ 3,596</u>	<u>\$ 5,085</u>

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 8,106	\$ 8,106	\$ 4,134	\$ (3,972)
Retail Sales & Use	387	387	314	(73)
Business	3,158	3,158	1,493	(1,665)
Charges for Services	-	-	68	68
Investment Earnings	-	-	495	495
Total Revenues	<u>11,651</u>	<u>11,651</u>	<u>6,504</u>	<u>(5,147)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	<u>42,938</u>	<u>42,938</u>	<u>16,000</u>	<u>(26,938)</u>
Total Expenditures	<u>42,938</u>	<u>42,938</u>	<u>16,000</u>	<u>(26,938)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(31,287)</u>	<u>(31,287)</u>	<u>(9,496)</u>	<u>21,791</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	31,287	31,287	15,953	(15,334)
Transfers Out	-	-	(3,518)	(3,518)
Insurance Recoveries			2	
Total Other Financing Sources (Uses)	<u>31,287</u>	<u>31,287</u>	<u>12,437</u>	<u>(18,852)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>2,941</u>	<u>2,939</u>
Fund Balances - January 1	<u>-</u>	<u>-</u>	<u>12,888</u>	<u>12,888</u>
Prior Period Adjustment			440	440
Fund Balance - January 1, Restated	<u>-</u>	<u>-</u>	<u>13,328</u>	<u>13,328</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,269</u>	<u>\$ 16,267</u>



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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 3,412	\$ 4,533	\$ 2,061	\$ (2,472)
Charges for Services	-	-	123	123
Fines and Penalties	-	-	-	-
Investment Earnings	34	34	40	6
Miscellaneous	-	-	134	134
Total Revenues	<u>3,446</u>	<u>4,567</u>	<u>2,358</u>	<u>(2,209)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	4,965	5,971	2,067	(3,904)
Debt Service				
Principal	267	267	-	(267)
Interest and Other Costs	30	30	7	(23)
Capital Outlay	-	-	80	80
Total Expenditures	<u>5,262</u>	<u>6,268</u>	<u>2,154</u>	<u>(4,114)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,816)</u>	<u>(1,701)</u>	<u>204</u>	<u>1,905</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,566	1,566	396	(1,170)
Transfers Out	-	(465)	(254)	211
Total Other Financing Sources (Uses)	<u>1,566</u>	<u>1,101</u>	<u>142</u>	<u>(959)</u>
Net Change in Fund Balances	<u>(250)</u>	<u>(600)</u>	<u>346</u>	<u>946</u>
Fund Balance - January 1	250	600	973	373
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>250</u>	<u>600</u>	<u>973</u>	<u>373</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,319</u>	<u>\$ 1,319</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, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Licenses and Permits	\$ 200	\$ 200	\$ 348	\$ 148
Investment Earnings	24	-	136	136
Miscellaneous	-	-	95	95
Total Revenues	<u>224</u>	<u>200</u>	<u>579</u>	<u>379</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	370	949	169	(780)
Total Expenditures	<u>370</u>	<u>949</u>	<u>169</u>	<u>(780)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(146)</u>	<u>(749)</u>	<u>410</u>	<u>1,159</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	57	57
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>57</u>	<u>57</u>
Net Change in Fund Balances	<u>(146)</u>	<u>(749)</u>	<u>467</u>	<u>1,216</u>
Fund Balances - January 1	146	725	3,531	2,806
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>146</u>	<u>725</u>	<u>3,531</u>	<u>2,806</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ (24)</u>	<u>\$ 3,998</u>	<u>\$ 4,022</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, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	115	115
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	115	115
<b>EXPENDITURES:</b>				
Current:				
General Government	29	29	11	(18)
Total Expenditures	29	29	11	(18)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(29)	(29)	104	133
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	66	66
Total Other Financing Sources (Uses)	-	-	66	66
Net Change in Fund Balances	(29)	(29)	170	199
Fund Balance - January 1	29	58	4,299	4,241
Fund Balance -December 31	\$ -	\$ 29	\$ 4,469	\$ 4,440

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 410	\$ 410
Investment Earnings	-	-	6	6
Total Revenues	-	-	416	416
<b>EXPENDITURES:</b>				
Current:				
Transportation	89	142	14	(128)
Debt Service				
Interest and Other Costs	-	-	-	-
Capital Outlay	-	-	817	817
Total Expenditures	89	142	831	689
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(89)	(142)	(415)	(273)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	89	142	122	(20)
Transfers Out	-	-	(8)	(8)
Total Other Financing Sources (Uses)	89	142	114	(28)
Net Change in Fund Balances	-	-	(301)	(301)
Fund Balance - January 1	-	-	472	472
Fund Balance - January 1, Restated	-	-	472	472
Fund Balance -December 31	\$ -	\$ -	\$ 171	\$ 171

**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, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Charges for Services	\$ 394	\$ 394	\$ 318	\$ (76)
Fines and Penalties	609	609	272	(337)
Investment Earnings	72	72	66	(6)
Total Revenues	<u>1,075</u>	<u>1,075</u>	<u>656</u>	<u>(419)</u>
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	<u>1,466</u>	<u>1,466</u>	<u>491</u>	<u>(975)</u>
Total Expenditures	<u>1,466</u>	<u>1,466</u>	<u>491</u>	<u>(975)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(391)</u>	<u>(391)</u>	<u>165</u>	<u>556</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>(391)</u>	<u>(391)</u>	<u>165</u>	<u>556</u>
Fund Balance - January 1	<u>391</u>	<u>391</u>	<u>2,552</u>	<u>2,161</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,717</u>	<u>\$ 2,717</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FIRE EMS SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ 22,543	\$ 22,543	\$ 11,047	\$ (11,496)
Intergovernmental	6,917	13,017	15,293	2,276
Charges for Services	4,939	5,343	3,387	(1,956)
Fines and Penalties	-	-	-	-
Investment Earnings	-	-	216	216
Miscellaneous	-	-	2	2
Total Revenues	<u>34,399</u>	<u>40,903</u>	<u>29,945</u>	<u>(10,958)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	34,699	40,873	18,569	(22,304)
Capital Outlay	-	-	34	34
Total Expenditures	<u>34,699</u>	<u>40,873</u>	<u>18,603</u>	<u>(22,270)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(300)</u>	<u>30</u>	<u>11,342</u>	<u>11,312</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	300	340	170	(170)
Transfers Out	-	(585)	(584)	1
Total Other Financing Sources (Uses)	<u>300</u>	<u>(245)</u>	<u>(414)</u>	<u>(169)</u>
Net Change in Fund Balances	<u>-</u>	<u>(215)</u>	<u>10,928</u>	<u>11,143</u>
Fund Balance - January 1	<u>-</u>	<u>215</u>	<u>5,885</u>	<u>5,670</u>
Prior Period Adjustment	-	-	(335)	
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,478</u>	<u>\$ 16,813</u>

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 9,860	\$ 9,860	\$ 5,130	\$ (4,730)
Investment Earnings	41	41	167	126
Total Revenues	<u>9,901</u>	<u>9,901</u>	<u>5,297</u>	<u>(4,604)</u>
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	193	193	-	(193)
Total Expenditures	<u>193</u>	<u>193</u>	<u>-</u>	<u>(193)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>9,708</u>	<u>9,708</u>	<u>5,297</u>	<u>(4,411)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(9,708)	(9,708)	(4,863)	4,845
Total Other Financing Sources (Uses)	<u>(9,708)</u>	<u>(9,708)</u>	<u>(4,863)</u>	<u>4,845</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>434</u>	<u>434</u>
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>6,062</u>	<u>6,062</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,496</u>	<u>\$ 6,496</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, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 12,426	\$ 12,426	\$ 5,983	\$ (6,443)
Intergovernmental	813	681	427	(254)
Charges for Services	63	63	-	(63)
Investment Earnings	12	12	260	248
Miscellaneous	-	-	21	21
Total Revenues	<u>13,314</u>	<u>13,182</u>	<u>6,691</u>	<u>(6,491)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	681	681	283	(398)
Natural and Economic Environment	2,286	2,526	1,028	(1,498)
Social Service	14,764	14,891	6,068	(8,823)
Capital Outlay	-	-	-	-
Total Expenditures	<u>17,731</u>	<u>18,098</u>	<u>7,379</u>	<u>(10,719)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,417)</u>	<u>(4,916)</u>	<u>(688)</u>	<u>4,228</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,885	2,106	971	(1,135)
Transfers Out	-	(1,700)	(184)	1,516
Total Other Financing Sources (Uses)	<u>1,885</u>	<u>406</u>	<u>787</u>	<u>381</u>
Net Change in Fund Balances	<u>(2,532)</u>	<u>(4,510)</u>	<u>99</u>	<u>4,609</u>
Fund Balance - January 1	<u>2,532</u>	<u>4,510</u>	<u>7,963</u>	<u>3,453</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,062</u>	<u>\$ 8,062</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, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Sales & Use	\$ -	\$ 9,986	\$ 4,919	\$ (5,067)
Licenses and Permits	-	-	91	91
Intergovernmental	11,273	11,273	3,620	(7,653)
Charges for Services	2,792	3,859	1,413	(2,446)
Investment Earnings	-	-	227	227
Total Revenues	<u>14,065</u>	<u>25,118</u>	<u>10,270</u>	<u>(14,848)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	444	444	1	(443)
Public Safety	2,857	2,857	1,432	(1,425)
Natural and Economic Environment	12,249	14,515	3,521	(10,994)
Culture and Recreation	651	10,638	927	(9,711)
Capital Outlay	-	-	118	118
Total Expenditures	<u>16,201</u>	<u>28,454</u>	<u>5,999</u>	<u>(22,455)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,136)</u>	<u>(3,336)</u>	<u>4,271</u>	<u>7,607</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	1,200	1,225	25
Transfers Out	-	(2,500)	(85)	2,415
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,300)</u>	<u>1,140</u>	<u>2,440</u>
Net Change in Fund Balances	<u>(2,136)</u>	<u>(4,636)</u>	<u>5,411</u>	<u>10,047</u>
Fund Balance - January 1	2,136	4,636	9,634	4,998
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>2,136</u>	<u>4,636</u>	<u>9,634</u>	<u>4,998</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,045</u>	<u>\$ 15,045</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LIBRARY SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Charges for Services	\$ 192	\$ 192	\$ 120	\$ (72)
Investment Earnings	121	121	216	95
Miscellaneous	66	66	60	(6)
Total Revenues	<u>379</u>	<u>379</u>	<u>396</u>	<u>17</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and Recreation	1,297	1,340	106	(1,234)
Capital Outlay	-	-	10	10
Total Expenditures	<u>1,297</u>	<u>1,340</u>	<u>116</u>	<u>(1,224)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(918)</u>	<u>(961)</u>	<u>280</u>	<u>1,241</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>(918)</u>	<u>(961)</u>	<u>280</u>	<u>1,241</u>
Fund Balance - January 1	<u>918</u>	<u>961</u>	<u>6,588</u>	<u>5,627</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,868</u>	<u>\$ 6,868</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, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Charges for Services	\$ 528	\$ 528	\$ 164	\$ (364)
Total Revenues	528	528	164	(364)
<b>EXPENDITURES:</b>				
Current:				
General Government	528	632	164	(468)
Total Expenditures	528	632	164	(468)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	(104)	-	104
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	104	-	104
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	104	-	104
Net Change in Fund Balances	-	-	-	208
Fund Balance - January 1	-	-	107	107
Fund Balance - December 31	\$ -	\$ -	\$ 107	\$ 315

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 722	\$ 722	\$ 543	\$ (179)
Charges for Services	300	300	251	(49)
Fines and Penalties	570	570	515	(55)
Investment Earnings	-	-	72	72
Miscellaneous	10	10	30	20
Total Revenues	1,602	1,602	1,411	(191)
<b>EXPENDITURES:</b>				
Current:				
Public Safety	2,061	2,061	1,026	(1,035)
Capital Outlay	-	-	215	215
Total Expenditures	2,061	2,061	1,241	(820)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(459)	(459)	170	629
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	15	15
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	15	15
Net Change in Fund Balances	(459)	(459)	185	644
Fund Balance - January 1	459	459	2,285	1,826
Prior Period Adjustment			(5)	(5)
Fund Balance - January 1, Restated	459	459	2,280	1,821
Fund Balance -December 31	\$ -	\$ -	\$ 2,465	\$ 2,465

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MUNI TV SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Licenses and Permits	\$ 6,559	\$ 6,559	\$ 3,212	\$ (3,347)
Intergovernmental	-	-	9	9
Charges for Services	456	456	239	(217)
Investment Earnings	70	70	169	99
Miscellaneous	-	-	1	1
Total Revenues	<u>7,085</u>	<u>7,085</u>	<u>3,630</u>	<u>(3,455)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	7,085	7,405	2,258	(5,147)
Capital Outlay	-	-	5	5
Total Expenditures	<u>7,085</u>	<u>7,405</u>	<u>2,263</u>	<u>(5,142)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(320)</u>	<u>1,367</u>	<u>1,687</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	(205)	(31)	174
Total Other Financing Sources (Uses)	<u>-</u>	<u>(205)</u>	<u>(31)</u>	<u>174</u>
Net Change in Fund Balances	<u>-</u>	<u>(525)</u>	<u>1,336</u>	<u>1,861</u>
Fund Balances - January 1	-	525	4,799	4,274
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>-</u>	<u>525</u>	<u>4,799</u>	<u>4,274</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,135</u>	<u>\$ 6,135</u>

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 337	\$ 337	\$ 66	\$ (271)
Charges for Services	583	583	238	(345)
Fines and Penalties	-	-	-	-
Investment Earnings	-	-	10	10
Total Revenues	920	920	314	(606)
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	920	920	316	(604)
Total Expenditures	920	920	316	(604)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(2)	(2)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	(2)	(2)
Fund Balance - January 1	-	-	247	247
Fund Balance - December 31	\$ -	\$ -	\$ 245	\$ 245

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Fines and Penalties	\$ 5,906	\$ 5,906	\$ 3,462	\$ (2,444)
Investment Earnings	-	-	17	17
Total Revenues	5,906	5,906	3,479	(2,427)
<b>EXPENDITURES:</b>				
Current:				
Public Safety	7,428	7,428	3,494	(3,934)
Total Expenditures	7,428	7,428	3,494	(3,934)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,522)	(1,522)	(15)	1,507
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,522	1,522	343	(1,179)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	1,522	1,522	343	(1,179)
Net Change in Fund Balances	-	-	328	328
Fund Balance - January 1	-	-	152	152
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	-	-	152	152
Fund Balance -December 31	\$ -	\$ -	\$ 480	\$ 480

City of Tacoma, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**UNCLAIMED PROPERTY FUND**

For the Year Ended December 31, 2019

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
	(GAAP Basis)	Adopted	Results	Positive
		(GAAP Basis)		(Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Transportation	-	-	27	(27)
Capital Outlay	-	-	-	-
Total Expenditures	-	-	27	(27)
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	-	-	(27)	(27)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	(27)	(27)
Fund Balance - January 1	-	-	-	-
Fund Balance -December 31	\$ -	\$ -	\$ (27)	\$ (27)



### ***Non-Major Debt Service Funds***

Debt Service Funds account for the payment and accumulation of resources of both the principal and interest of long-term debt. The City of Tacoma has eight 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.

**CWED PWTF Loans Fund (#2038)**

Accounts for the debt service of obtaining public works trust fund loans.

**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, 2019  
(amounts expressed in thousands)  
Page 1 of 2

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038	2009 LTGO Bonds #2040
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,329	\$ 288	\$ -	\$ 7
Investments	-	-	-	-
Receivables:				
Accounts Receivables (Net)	-	-	-	-
Taxes				
Due From Other Governmental Units	76	-	-	-
Total Assets	<u>1,405</u>	<u>288</u>	<u>-</u>	<u>7</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>1,405</u>	<u>288</u>	<u>-</u>	<u>7</u>
<b>LIABILITIES</b>				
Liabilities:				
Current Payables	-	-	-	-
Unearned Revenue	-	-	-	-
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>				
Nonspendable	-	-	-	-
Restricted	1,347	288	-	7
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>1,347</u>	<u>288</u>	<u>-</u>	<u>7</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,405</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ 7</u>
	-	-	-	-

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

December 31, 2019  
(amounts expressed in thousands)  
Page 2 of 2

	2010 LTGO Bonds #2041	2017 LTGO Bonds #2043	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 23	\$ 70	\$ 2,495	\$ 4,212
Investments	-	-	-	-
Receivables:				
Accounts Receivables (Net)	-	-	24,045	24,045
Taxes	-	-	-	-
Due From Other Governmental Units	-	-	-	76
Total Assets	<u>23</u>	<u>70</u>	<u>26,540</u>	<u>28,333</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>23</u>	<u>70</u>	<u>26,540</u>	<u>28,333</u>
<b>LIABILITIES</b>				
Liabilities:				
Current Payables	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	22,985	23,043
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>22,985</u>	<u>23,043</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	23	70	3,555	5,290
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>23</u>	<u>70</u>	<u>3,555</u>	<u>5,290</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 23</u>	<u>\$ 70</u>	<u>\$ 26,540</u>	<u>\$ 28,333</u>
	-	-	-	-

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

For the Year Ended December 31, 2019

(amounts expressed in thousands)

Page 1 of 2

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038	2009 LTGO Bonds #2040
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 2,790	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>2,790</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Debt Service:				
Principal	2,276	3,145	571	325
Interest	440	331	17	3,465
Total Expenditures	<u>2,716</u>	<u>3,476</u>	<u>588</u>	<u>3,790</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>74</u>	<u>(3,476)</u>	<u>(588)</u>	<u>(3,790)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	-	-	2,208
Transfers In	-	3,476	588	1,582
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,476</u>	<u>588</u>	<u>3,790</u>
Net Change in Fund Balance	<u>74</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	1,273	288	-	7
Prior Period Adjustment	-	-	-	-
Fund Balance - Ending	<u>\$ 1,347</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ 7</u>

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

For the Year Ended December 31, 2019

(amounts expressed in thousands)

Page 2 of 2

	2010 LTGO Bonds #2041	2017 LTGO Bonds #2043	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ 2,790
Fines and Penalties	-	-	1,238	1,238
Investment Earnings	-	1	66	67
Miscellaneous	-	-	2,969	2,969
Total Revenues	-	1	4,273	7,064
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Debt Service:				
Principal	3,383	1,000	7,370	18,070
Interest	2,118	731	1,277	8,379
Total Expenditures	5,501	1,731	8,647	26,449
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,501)	(1,730)	(4,374)	(19,385)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	-	4,011	6,219
Transfers In	5,501	1,731	-	12,878
Transfers Out	-	-	(66)	(66)
Total Other Financing Sources (Uses)	5,501	1,731	3,945	19,031
Net Change in Fund Balance	-	1	(429)	(354)
Fund Balance - Beginning	23	69	3,981	5,641
Prior Period Adjustment			3	3
Fund Balance - Ending	\$ 23	\$ 70	\$ 3,555	\$ 5,290

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ 5,441	\$ 5,441	\$ 2,790	\$ (2,651)
Total Revenues	5,441	5,441	2,790	(2,651)
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	4,675	4,675	2,276	(2,399)
Interest and Other Costs	766	766	440	(326)
Total Expenditures	5,441	5,441	2,716	(2,725)
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	-	-	74	74
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balances	-	-	74	74
Fund Balance - January 1	-	-	1,273	1,273
Fund Balance - December 31	\$ -	\$ -	\$ 1,347	\$ 1,347

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original	Final	Actual	Variance with
	(GAAP Basis)	Adopted	Results	Final Budget
	2019-2020	2019-2020	2019-2020	Positive
	Biennium	Biennium	Biennium	(Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	7,530	7,530	3,145	(4,385)
Interest and Other Costs	948	948	331	(617)
Total Expenditures	8,478	8,478	3,476	(5,002)
<b>Excess (Deficiency of Revenues</b>				
<b>Over (Under) Expenditures</b>	(8,478)	(8,478)	(3,476)	5,002
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	8,478	8,478	3,476	(5,002)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	8,478	8,478	3,476	(5,002)
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, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service				
Principal	1,141	1,141	571	(570)
Interest and Other Costs	31	31	17	(14)
Total Expenditures	1,172	1,172	588	(584)
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(1,172)	(1,172)	(588)	584
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,172	1,172	588	(584)
Total Other Financing Sources and Uses	1,172	1,172	588	(584)
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, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	690	690	325	(365)
Interest and Other Costs	2,499	2,499	3,465	966
Total Expenditures	3,189	3,189	3,790	601
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	<u>(3,189)</u>	<u>(3,189)</u>	<u>(3,790)</u>	<u>(601)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	2,208	2,208
Transfers In	3,189	3,189	1,582	(1,607)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>3,189</u>	<u>3,189</u>	<u>3,790</u>	<u>601</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	7	7
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>

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

**2010 LTGO BONDS DEBT SERVICE FUND**

For the Year Ended December 31, 2019

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	5,681	5,681	3,383	(2,298)
Interest and Other Costs	3,766	3,766	2,118	(1,648)
Total Expenditures	9,447	9,447	5,501	(3,946)
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(9,447)	(9,447)	(5,501)	3,946
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	9,447	9,447	5,501	(3,946)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	9,447	9,447	5,501	(3,946)
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**  
**2017 LTGO BOND DEBT SERVICE FUND**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	3,165	-	-	-
Interest and Other Costs	3,626	-	-	-
Total Expenditures	6,791	-	-	-
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(6,791)	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	6,791	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	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, 2019  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	1	1
Total Revenues	-	-	1	1
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	2,020	2,020	1,000	(1,020)
Interest and Other Costs	1,443	1,443	731	(712)
Total Expenditures	3,463	3,463	1,731	(1,732)
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	(3,463)	(3,463)	(1,730)	1,733
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	3,463	3,463	1,731	(1,732)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	3,463	3,463	1,731	(1,732)
Net Change in Fund Balances	-	-	1	1
Fund Balance - January 1	-	-	69	69
Fund Balance - December 31	\$ -	\$ -	\$ 70	\$ 70

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

	Budget Amounts			
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium	Actual Results 2019-2020 Biennium	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	1,238	1,238
Investment Earnings	-	-	66	66
Miscellaneous	-	-	2,969	2,969
Total Revenues	-	-	4,273	4,273
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	-	-	7,370	7,370
Interest and Other Costs	-	-	1,277	1,277
Total Expenditures	-	-	8,647	8,647
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	-	-	(4,374)	(4,374)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	4,011	4,011
Transfers In	-	-	-	-
Transfers Out	-	-	(66)	(66)
Total Other Financing Sources and Uses	-	-	3,945	3,945
Net Change in Fund Balances	-	-	(429)	(429)
Fund Balance - January 1	-	-	3,981	3,981
Prior Period Adjustment	-	-	3	
Fund Balance - December 31	\$ -	\$ -	\$ 3,555	\$ 3,552



### ***Non-Major Capital Project Funds***

Capital Project Funds account for the financial resources used in the acquisition or construction of major capital facilities. The City has six 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)**

Accounts for revenues 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, 2019  
(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	\$ -	\$ 32,748	\$ 4,344	\$ 2
Investments	-	-	-	-
Accounts Receivables (Net)	-	-	1	-
Due From Other Governmental Units	-	1,984	-	-
Advance to Other Funds	-	-	267	-
Total Assets	-	34,732	4,612	2
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	-	34,732	4,612	2
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable	-	-	173	-
Other Liabilities Payable	-	-	1	-
Total Liabilities	-	-	174	-
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	4	-
Total Deferred Inflows of Resources	-	-	4	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	20,579	2,737	-
Committed	-	14,153	1,401	-
Assigned	-	-	296	2
Unassigned	-	-	-	-
Total Fund Balance	-	34,732	4,434	2
Total Liabilities, Deferred Inflows and Fund Balance	\$ -	\$ 34,732	\$ 4,612	\$ 2



**COMBINING BALANCE SHEET**  
**CAPITAL PROJECT FUNDS**  
December 31, 2019  
(amounts expressed in thousands)  
Page 2 of 2

	2009 LTGO Capital Projects #3218	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Total Nonmajor Capital Projects Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 90	\$ 266	\$ 1,245	\$ 38,695
Investments	-	-	-	-
Accounts Receivables (Net)	-	-	7	8
Due From Other Governmental Units	-	-	-	1,984
Advance to Other Funds	-	-	-	267
Total Assets	<u>90</u>	<u>266</u>	<u>1,252</u>	<u>40,954</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>90</u>	<u>266</u>	<u>1,252</u>	<u>40,954</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable	-	3	-	176
Other Liabilities Payable	-	-	-	1
Total Liabilities	<u>-</u>	<u>3</u>	<u>-</u>	<u>177</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	4
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	90	263	1,252	24,921
Committed	-	-	-	15,554
Assigned	-	-	-	298
Unassigned	-	-	-	-
Total Fund Balance	<u>90</u>	<u>263</u>	<u>1,252</u>	<u>40,773</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 90</u>	<u>\$ 266</u>	<u>\$ 1,252</u>	<u>\$ 40,954</u>

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

For the Year Ended December 31, 2019  
(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:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	500	-	-
Excise	-	10,950	-	-
Intergovernmental	-	-	115	-
Charges for Services	-	-	4	-
Investment Earnings	-	997	74	-
Miscellaneous	-	-	2,683	-
Total Revenues	<u>-</u>	<u>12,447</u>	<u>2,876</u>	<u>-</u>
<b>EXPENDITURES</b>				
General Government	-	-	1,954	-
Public Safety	-	-	25	-
Transportation	-	-	2,699	-
Culture and Recreation	-	-	5,456	-
Debt Service:				
Principal retirement	-	-	-	-
Capital Outlay	-	-	2,008	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>12,142</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>12,447</u>	<u>(9,266)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	10,731	11,262	-
Transfers Out	-	(16,674)	(135)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,943)</u>	<u>11,127</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>6,504</u>	<u>1,861</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>28,228</u>	<u>2,573</u>	<u>2</u>
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>-</u>	<u>28,228</u>	<u>2,573</u>	<u>2</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 34,732</u>	<u>\$ 4,434</u>	<u>\$ 2</u>

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

For the Year Ended December 31, 2019  
(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:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	500
Excise	-	-	-	10,950
Intergovernmental	-	-	-	115
Charges for Services	-	-	-	4
Investment Earnings	3	24	-	1,098
Miscellaneous	-	-	4,565	7,248
Total Revenues	<u>3</u>	<u>24</u>	<u>4,565</u>	<u>19,915</u>
<b>EXPENDITURES</b>				
General Government	-	-	-	1,954
Public Safety	-	-	-	25
Transportation	-	-	-	2,699
Culture and Recreation	-	12	-	5,468
Debt Service:				
Principal retirement	-	-	4,560	4,560
Capital Outlay	-	-	-	2,008
Total Expenditures	<u>-</u>	<u>12</u>	<u>4,560</u>	<u>16,714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3</u>	<u>12</u>	<u>5</u>	<u>3,201</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	21,993
Transfers Out	-	(983)	-	(17,792)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(983)</u>	<u>-</u>	<u>4,201</u>
Net Change in Fund Balance	<u>3</u>	<u>(971)</u>	<u>5</u>	<u>7,402</u>
Fund Balance - Beginning	<u>87</u>	<u>1,234</u>	<u>1,247</u>	<u>33,371</u>
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>87</u>	<u>1,234</u>	<u>1,247</u>	<u>33,371</u>
Fund Balance - Ending	<u>\$ 90</u>	<u>\$ 263</u>	<u>\$ 1,252</u>	<u>\$ 40,773</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, 2019  
(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	\$ 5,050	\$ 382	\$ 2,082	\$ 4,002
Investments				
Customer Accounts				
Accounts Receivables (Net)	325	663	935	344
Due from Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
Interest Receivables	-	-	-	-
Notes and Contracts Receivable				
Inventory	-	-	-	-
Prepaid Expenses	-	52	27	62
Restricted Cash:				
Debt Service	-	-	-	663
Construction	-	-	-	-
Other	7,725	-	3,610	1,731
Total Current Assets	<u>13,100</u>	<u>1,097</u>	<u>6,654</u>	<u>6,802</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	-	-
Other non-current assets	-	-	-	110
Capital Assets:				
Land	-	1,007	11,176	15,086
Buildings and Equipment	306	26,499	51,751	69,235
Construction in Progress	-	23	2,051	-
Less: Accumulated Depreciation	(171)	(11,283)	(18,908)	(29,736)
Total Capital Assets (Net of A/D)	<u>135</u>	<u>16,246</u>	<u>46,070</u>	<u>54,585</u>
Total Noncurrent Assets	<u>135</u>	<u>16,246</u>	<u>46,070</u>	<u>54,695</u>
Total Assets	<u>13,235</u>	<u>17,343</u>	<u>52,724</u>	<u>61,497</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	-	-	2,591
Deferred Outflow Related to Pensions	2,839	-	533	761
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>2,839</u>	<u>-</u>	<u>533</u>	<u>3,352</u>

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

December 31, 2019  
(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	\$ 37	\$ 6,641	\$ 429	\$ -
Investments				
Customer Accounts				
Accounts Receivables (Net)	-	275	-	4,051
Due from Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
Interest Receivables	-	-	87	-
Notes and Contracts Receivable			1,552	
Inventory	-	-	-	-
Prepaid Expenses	23	53	25	-
Restricted Cash:				
Debt Service	328	-	-	2,340
Construction	-	-	182	-
Other	193	9,015	-	-
Total Current Assets	581	15,984	2,275	6,391
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	8,208	7,327
Other non-current assets	-	-	-	-
Capital Assets:				
Land	224	6,161	2,087	-
Buildings and Equipment	39,869	69,661	24,318	-
Construction in Progress	-	25	192	-
Less: Accumulated Depreciation	(14,985)	(29,985)	(9,916)	-
Total Capital Assets (Net of A/D)	25,108	45,862	16,681	-
Total Noncurrent Assets	25,108	45,862	24,889	7,327
Total Assets	25,689	61,846	27,164	13,718
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	-	-	-
Deferred Outflow Related to Pensions	-	1,104	-	-
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	-	1,104	-	-

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

December 31, 2019  
(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	\$ 15,614	\$ 1,913	\$ 36,150
Investments			-
Customer Accounts			-
Accounts Receivables (Net)	4,075	(2)	10,666
Due from Other Funds	-	-	-
Due From Other Governmental Units	-	-	-
Interest Receivables	-	-	87
Notes and Contracts Receivable			1,552
Inventory	1,224	-	1,224
Prepaid Expenses	1,943	-	2,185
Restricted Cash:			
Debt Service	-	-	3,331
Construction	-	-	182
Other	-	-	22,274
Total Current Assets	<u>22,856</u>	<u>1,911</u>	<u>77,651</u>
Noncurrent Assets:			
Long-Term Contracts and Notes	-	-	15,535
Other non-current assets	-	-	110
Capital Assets:			
Land	172	-	35,913
Buildings and Equipment	48,276	-	329,915
Construction in Progress	2,205	-	4,496
Less: Accumulated Depreciation	(23,486)	-	(138,470)
Total Capital Assets (Net of A/D)	<u>27,167</u>	<u>-</u>	<u>231,854</u>
Total Noncurrent Assets	<u>27,167</u>	<u>-</u>	<u>247,499</u>
Total Assets	<u>50,023</u>	<u>1,911</u>	<u>325,150</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow from Bond Refunding	-	-	2,591
Deferred Outflow Related to Pensions	-	-	5,237
Deferred Outflow Related to OPEB	739	-	739
Total Deferred Outflow of Resources	<u>739</u>	<u>-</u>	<u>8,567</u>

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

December 31, 2019  
(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	73	57	426	877
Due to Other Governments	5	-	-	-
Customer Deposits	109	45	-	696
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	74	-	11	16
Bonds Payable - Current	-	-	1,667	3,574
Payable From Restricted Assets:				
Interest Payable	-	-	-	191
Unearned Revenues	-	-	-	-
Other Current Liabilities	219	4	80	132
Total Current Liabilities	480	106	2,184	5,486
Noncurrent Liabilities:				
Compensated Absences	658	-	100	143
Other non-current liabilities	-	-	-	-
Loans Payable	-	-	-	-
Bonds Payable	-	-	6,781	55,931
Total OPEB Liability	-	-	-	-
Net Pension Liability	2,398	-	451	643
Total Noncurrent Liabilities	3,056	-	7,332	56,717
Total Liabilities	3,536	106	9,516	62,203
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Bond Refunding	-	-	67	27
Deferred Inflow Related to Pensions	315	-	59	84
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflows of Resources	315	-	126	111
<b>NET POSITION</b>				
Net Investment in Capital Assets	135	16,246	39,222	(2,423)
Restricted				
Capital Purchase	-	-	3,610	1,731
Debt Service	-	-	-	663
Culture and Recreation	-	-	-	-
Environment Service & Program	3,118	-	-	-
Inspections	397	-	-	-
Reserves	4,394	-	-	-
Unrestricted	4,179	991	783	2,564
Total Net Position	\$ 12,223	\$ 17,237	\$ 43,615	\$ 2,535



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

December 31, 2019  
(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	-	423	387	1
Due to Other Governments	-	-	-	-
Customer Deposits	-	9,232	-	-
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	-	23	-	-
Bonds Payable - Current	-	-	-	3,305
Payable From Restricted Assets:				
Interest Payable	-	-	-	238
Unearned Revenues	-	111	-	992
Other Current Liabilities	-	67	-	-
Total Current Liabilities	-	9,856	387	4,536
Noncurrent Liabilities:				
Compensated Absences	-	206	-	-
Other non-current liabilities	-	-	-	2,703
Loans Payable	-	-	-	-
Bonds Payable	-	-	-	5,550
Total OPEB Liability	-	-	-	-
Net Pension Liability	-	933	-	-
Total Noncurrent Liabilities	-	1,139	-	8,253
Total Liabilities	-	10,995	387	12,789
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Bond Refunding	-	-	-	-
Deferred Inflow Related to Pensions	-	122	-	-
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflows of Resources	-	122	-	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	25,108	45,862	16,486	-
Restricted				
Capital Purchase	193	-	-	-
Debt Service	328	-	-	2,340
Culture and Recreation	-	9,016	-	-
Environment Service & Program	-	-	-	-
Inspections	-	-	-	-
Reserves	-	-	-	-
Unrestricted	60	(3,045)	10,291	(1,411)
Total Net Position	\$ 25,689	\$ 51,833	\$ 26,777	\$ 929

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

December 31, 2019  
(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	2,410	-	4,654
Due to Other Governments	-	-	5
Customer Deposits	40	-	10,122
Loans Payable - Current	820	-	820
Compensated Absences - Current	124	-	248
Bonds Payable - Current	-	-	8,546
Payable From Restricted Assets:			
Interest Payable	-	-	429
Unearned Revenues	-	-	1,103
Other Current Liabilities	663	-	1,165
Total Current Liabilities	<u>4,057</u>	<u>-</u>	<u>27,092</u>
Noncurrent Liabilities:			
Compensated Absences	1,111	-	2,218
Other non-current liabilities	3,596	-	6,299
Loans Payable	3,583	-	3,583
Bonds Payable	-	-	68,262
Total OPEB Liability	9,948	-	9,948
Net Pension Liability	-	-	4,425
Total Noncurrent Liabilities	<u>18,238</u>	<u>-</u>	<u>94,735</u>
Total Liabilities	<u>22,295</u>	<u>-</u>	<u>121,827</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Bond Refunding	-	-	94
Deferred Inflow Related to Pensions	-	-	580
Deferred Inflow Related to OPEB	2,366	-	2,366
Deferred Inflows of Resources	<u>2,366</u>	<u>-</u>	<u>3,040</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	22,763	-	163,399
Restricted			
Capital Purchase	-	-	5,534
Debt Service	-	-	3,331
Culture and Recreation	-	-	9,016
Environment Service & Program	-	-	3,118
Inspections	-	-	397
Reserves	-	1,911	6,305
Unrestricted	<u>3,338</u>	<u>-</u>	<u>17,750</u>
Total Net Position	<u>\$ 26,101</u>	<u>\$ 1,911</u>	<u>\$ 208,850</u>

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

For the Year Ended December 31, 2019  
(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	\$ 14,205	\$ 1,474	\$ 7,357	\$ 2,870
Other Operating Revenue	1	-	-	-
Total Operating Revenues	<u>14,206</u>	<u>1,474</u>	<u>7,357</u>	<u>2,870</u>
<b>OPERATING EXPENSES:</b>				
Salaries and Benefits	11,320	528	1,685	2,336
Supplies	266	67	61	131
Service	2,960	1,356	2,845	3,024
Taxes	-	33	83	71
Depreciation	20	775	1,375	1,926
Total Operating Expenses	<u>14,566</u>	<u>2,759</u>	<u>6,049</u>	<u>7,488</u>
Operating Income (Loss)	<u>(360)</u>	<u>(1,285)</u>	<u>1,308</u>	<u>(4,618)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest Revenue	249	7	144	141
Operating Contributions	-	-	-	-
Other Non-Operating Revenues	-	635	64	62
Gain (Loss) on Sale of Capital Assets	-	169	-	-
Unrealized net gain(loss) in fair value investment	132	3	65	61
Interest Expense	(1)	-	(285)	(2,210)
Other Non-Operating Expenses	-	-	-	-
External Contributions	-	(2)	-	-
Total Non-Operating Revenue (Expense)	<u>380</u>	<u>812</u>	<u>(12)</u>	<u>(1,946)</u>
Income (Loss) Before Contributions & Transfers	<u>20</u>	<u>(473)</u>	<u>1,296</u>	<u>(6,564)</u>
Capital Contributions	-	-	-	4,521
Transfers In	2,174	400	-	5,363
Transfers Out	-	-	(1,206)	-
Total Contributions and Transfers	<u>2,174</u>	<u>400</u>	<u>(1,206)</u>	<u>9,884</u>
Change in Net Position	<u>2,194</u>	<u>(73)</u>	<u>90</u>	<u>3,320</u>
Net Position, January 1	10,029	17,310	43,525	(785)
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	<u>10,029</u>	<u>17,310</u>	<u>43,525</u>	<u>(785)</u>
Net Position, December 31	<u>\$ 12,223</u>	<u>\$ 17,237</u>	<u>\$ 43,615</u>	<u>\$ 2,535</u>

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

For the Year Ended December 31, 2019  
(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	\$ 716	\$ 14,140	\$ -	\$ -
Other Operating Revenue	-	-	-	-
Total Operating Revenues	<u>716</u>	<u>14,140</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>				
Salaries and Benefits	2	3,648	-	-
Supplies	4	451	36	-
Service	51	8,189	935	5
Taxes	77	194	-	-
Depreciation	1,475	930	748	-
Total Operating Expenses	<u>1,609</u>	<u>13,412</u>	<u>1,719</u>	<u>5</u>
Operating Income (Loss)	<u>(893)</u>	<u>728</u>	<u>(1,719)</u>	<u>(5)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest Revenue	12	378	81	7
Operating Contributions	-	-	1,203	-
Other Non-Operating Revenues	350	2,269	69	946
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized net gain(loss) in fair value investment	7	195	5	-
Interest Expense	(1)	-	-	(947)
Other Non-Operating Expenses	-	-	-	-
External Contributions	-	-	(77)	-
Total Non-Operating Revenue (Expense)	<u>368</u>	<u>2,842</u>	<u>1,281</u>	<u>6</u>
Income (Loss) Before Contributions & Transfers	<u>(525)</u>	<u>3,570</u>	<u>(438)</u>	<u>1</u>
Capital Contributions	-	13,893	-	-
Transfers In	637	-	3,474	-
Transfers Out	(1,370)	(400)	-	-
Total Contributions and Transfers	<u>(733)</u>	<u>13,493</u>	<u>3,474</u>	<u>-</u>
Change in Net Position	<u>(1,258)</u>	<u>17,063</u>	<u>3,036</u>	<u>1</u>
Net Position, January 1	26,947	34,770	23,723	928
Prior Period Adjustment	-	-	18	-
Net Position, January 1 restated	26,947	34,770	23,741	928
Net Position, December 31	<u>\$ 25,689</u>	<u>\$ 51,833</u>	<u>\$ 26,777</u>	<u>\$ 929</u>

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

For the Year Ended December 31, 2019  
(amounts expressed in thousands)

Page 3 of 3

	Tacoma Rail Belt Line Division #4500	Low Income Assistance #4805	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 36,812	\$ -	\$ 77,574
Other Operating Revenue	-	-	1
Total Operating Revenues	<u>36,812</u>	<u>-</u>	<u>77,575</u>
<b>OPERATING EXPENSES:</b>			
Salaries and Benefits	16,237	-	35,756
Supplies	1,050	-	2,066
Service	10,186	-	29,551
Taxes	509	-	967
Depreciation	1,841	-	9,090
Total Operating Expenses	<u>29,823</u>	<u>-</u>	<u>77,430</u>
Operating Income (Loss)	<u>6,989</u>	<u>-</u>	<u>145</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>			
Interest Revenue	277	60	1,356
Operating Contributions	-	-	1,203
Other Non-Operating Revenues	1,068	538	6,001
Gain (Loss) on Sale of Capital Assets	-	-	169
Unrealized net gain(loss) in fair value investment	149	-	617
Interest Expense	-	-	(3,444)
Other Non-Operating Expenses	-	(547)	(547)
External Contributions	(1)	-	(80)
Total Non-Operating Revenue (Expense)	<u>1,493</u>	<u>51</u>	<u>5,275</u>
Income (Loss) Before Contributions & Transfers	<u>8,482</u>	<u>51</u>	<u>5,420</u>
Capital Contributions	46	-	18,460
Transfers In	52	-	12,100
Transfers Out	<u>(3,293)</u>	<u>-</u>	<u>(6,269)</u>
Total Contributions and Transfers	<u>(3,195)</u>	<u>-</u>	<u>24,291</u>
Change in Net Position	5,287	51	29,711
Net Position, January 1	20,814	1,860	179,121
Prior Period Adjustment	-	-	18
Net Position, January 1 restated	20,814	1,860	179,139
Net Position, December 31	<u>\$ 26,101</u>	<u>\$ 1,911</u>	<u>\$ 208,850</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)  
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	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 14,037	\$ 1,058	\$ 7,062
Payments to suppliers	(1,653)	(1,588)	(2,512)
Payments to employees	(10,779)	(529)	(1,609)
Payments for taxes	-	(33)	(94)
Payments for interfund services used	(1,606)	(116)	(395)
Other operating or non-operating revenues	1	636	64
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>(572)</u>	<u>2,516</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	2,174	400	-
Grants and contributions received	-	-	-
Payments paid on noncapital debts	-	-	-
Transfer to other funds	-	-	-
Advance from other funds	-	-	-
Contributions made	-	(2)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>2,174</u>	<u>398</u>	<u>-</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	-
Proceeds from sales of capital assets	-	271	-
Contributions and donations	-	-	-
Acquisitions and constructions of capital assets	(27)	(19)	(15)
Principal paid on capital debts	-	-	(1,627)
Interest and issuance costs paid on capital debts	-	-	(274)
Transfers to other funds	-	-	(1,206)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(27)</u>	<u>252</u>	<u>(3,122)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	249	7	144
Change in fair value of investment	132	3	65
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>381</u>	<u>10</u>	<u>209</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,528</u>	<u>88</u>	<u>(397)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	10,247	294	6,089
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 12,775</u>	<u>\$ 382</u>	<u>\$ 5,692</u>
	12,775	382	5,692

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2019  
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	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 2,755	\$ 737	\$ 14,323
Payments to suppliers	(1,840)	(56)	(19,939)
Payments to employees	(2,203)	(2)	(3,550)
Payments for taxes	(74)	(77)	(192)
Payments for interfund services used	(495)	(2)	(655)
Other operating or non-operating revenues	62	349	2,269
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,795)</u>	<u>949</u>	<u>(7,744)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	500	637	-
Grants and contributions received	-	-	-
Payments paid on noncapital debts	-	-	-
Transfer to other funds	-	-	-
Advance from other funds	-	-	-
Contributions made	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>500</u>	<u>637</u>	<u>-</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	4,863	-	-
Proceeds from sales of capital assets	-	-	-
Contributions and donations	4,521	-	13,893
Acquisitions and constructions of capital assets	-	-	(13,918)
Principal paid on capital debts	(3,473)	-	-
Interest and issuance costs paid on capital debts	(2,415)	-	-
Transfers to other funds	-	(1,370)	(400)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>3,496</u>	<u>(1,370)</u>	<u>(425)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	141	11	376
Change in fair value of investment	61	7	195
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>202</u>	<u>18</u>	<u>571</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,403</u>	<u>234</u>	<u>(7,598)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	3,993	324	23,254
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,396</u>	<u>\$ 558</u>	<u>\$ 15,656</u>
	6,396	558	15,656

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2019  
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	Performing Arts #4190	Union Stations #4450	Tacoma Rail Belt Line Div #4500
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 732	\$ 4,052	\$ 36,226
Payments to suppliers	(1,607)	(695)	(9,145)
Payments to employees	(1)	-	(16,050)
Payments for taxes	-	-	(473)
Payments for interfund services used	(69)	-	(2,214)
Other operating or non-operating revenues	37	947	1,068
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(908)	4,304	9,412
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	3,474	-	-
Grants and contributions received	(8,524)	-	-
Payments paid on noncapital debts	-	-	-
Transfer to other funds	-	-	(3,043)
Advance from other funds	-	-	-
Contributions made	(77)	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(5,127)	-	(3,043)
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	52
Proceeds from sales of capital assets	-	-	-
Contributions and donations	-	-	45
Acquisitions and constructions of capital assets	5,817	-	(2,893)
Principal paid on capital debts	-	(3,020)	(820)
Interest and issuance costs paid on capital debts	-	(947)	-
Transfers to other funds	-	-	(250)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	5,817	(3,967)	(3,866)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	83	6	276
Change in fair value of investment	5	-	149
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	88	6	425
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(130)	343	2,928
CASH AND CASH EQUIVALENTS, JANUARY 1	741	1,997	12,686
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 611	\$ 2,340	\$ 15,614
	611	2,340	15,614



**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)  
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	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipt from customers and users	\$ 3	\$ 80,985
Payments to suppliers	-	(39,035)
Payments to employees	-	(34,723)
Payments for taxes	-	(943)
Payments for interfund services used	-	(5,552)
Other operating or non-operating revenues	(9)	5,424
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(6)	6,156
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer from other funds	-	7,185
Grants and contributions received	-	(8,524)
Payments paid on noncapital debts	-	-
Transfer to other funds	-	(3,043)
Advance from other funds	-	-
Contributions made	-	(79)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(4,461)
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	-	4,915
Proceeds from sales of capital assets	-	271
Contributions and donations	-	18,459
Acquisitions and constructions of capital assets	-	(11,055)
Principal paid on capital debts	-	(8,940)
Interest and issuance costs paid on capital debts	-	(3,636)
Transfers to other funds	-	(3,226)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	(3,212)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interests and dividends received	38	1,331
Change in fair value of investment	21	638
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	59	1,969
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	53	452
CASH AND CASH EQUIVALENTS, JANUARY 1	1,860	61,485
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,913	\$ 61,937
	1,913	61,937

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)  
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	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (360)	\$ (1,285)	\$ 1,308
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	20	775	1,375
(Increase) decrease in accounts receivable	(257)	(416)	(295)
(Increase) decrease in due from other funds	89	-	1
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	(2)	(4)
(Increase) decrease in other assets	(1,126)	-	(191)
(Increase) decrease in deposits payable	(15)	(140)	-
Increase (decrease) in accounts payable	61	(120)	-
Increase (decrease) in accrued wages payable	1,524	-	259
Increase (decrease) in compensated absences	111	-	8
Increase (decrease) in intergovernmental payable	(2)	-	-
Increase (decrease) in due to other funds	(45)	(20)	(9)
Increase (decrease) in deferred revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) long term liabilities	-	-	-
Miscellaneous non-operating revenues (expenses)	-	636	64
Prior Period Adjustment	-	-	-
Total adjustments	<u>360</u>	<u>713</u>	<u>1,208</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ -</u>	<u>\$ (572)</u>	<u>\$ 2,516</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>	-	(572)	2,516
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2019  
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	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)	\$ (4,618)	\$ (893)	\$ 728
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1,926	1,475	930
(Increase) decrease in accounts receivable	(118)	20	180
(Increase) decrease in due from other funds	2	1	3
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	(7)	(3)	(9)
(Increase) decrease in other assets	(287)	-	(420)
(Increase) decrease in deposits payable	133	-	(12,096)
Increase (decrease) in accounts payable	725	-	183
Increase (decrease) in accrued wages payable	385	-	559
Increase (decrease) in compensated absences	35	-	(42)
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in due to other funds	(5)	-	(43)
Increase (decrease) in deferred revenues	-	-	14
Increase (decrease) in other current liabilities	(28)	-	-
Increase (decrease) long term liabilities	-	-	-
Miscellaneous non-operating revenues (expenses)	62	349	2,269
Prior Period Adjustment	-	-	-
Total adjustments	2,823	1,842	(8,472)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,795)</b>	<b>\$ 949</b>	<b>\$ (7,744)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>	<b>(1,795)</b>	<b>949</b>	<b>(7,744)</b>
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)  
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	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)	\$ (1,719)	\$ (5)	\$ 6,989
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	748	-	1,840
(Increase) decrease in accounts receivable	-	4,052	(603)
(Increase) decrease in due from other funds	732	-	17
(Increase) decrease in inventories	-	-	(11)
(Increase) decrease in prepaid items	(4)	-	(638)
(Increase) decrease in other assets	(87)	-	255
(Increase) decrease in deposits payable	-	-	40
Increase (decrease) in accounts payable	(632)	(81)	881
Increase (decrease) in accrued wages payable	-	-	(119)
Increase (decrease) in compensated absences	-	-	51
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in due to other funds	-	-	(327)
Increase (decrease) in deferred revenues	-	45	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) long term liabilities	-	(654)	(31)
Miscellaneous non-operating revenues (expenses)	36	947	1,068
Prior Period Adjustment	18	-	-
Total adjustments	811	4,309	2,423
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (908)</b>	<b>\$ 4,304</b>	<b>\$ 9,412</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>	<b>(908)</b>	<b>4,304</b>	<b>9,412</b>
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2019  
(amounts expressed in thousands)  
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	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)	\$ -	\$ 145
Adjustments to reconcile operating income (loss) to net cash provided (used) by:		
Operating Activities:		
Depreciation expenses	-	9,089
(Increase) decrease in accounts receivable	3	2,566
(Increase) decrease in due from other funds	-	845
(Increase) decrease in inventories	-	(11)
(Increase) decrease in prepaid items	-	(667)
(Increase) decrease in other assets	-	(1,856)
(Increase) decrease in deposits payable	-	(12,078)
Increase (decrease) in accounts payable	-	1,017
Increase (decrease) in accrued wages payable	-	2,608
Increase (decrease) in compensated absences	-	163
Increase (decrease) in intergovernmental payable	-	(2)
Increase (decrease) in due to other funds	-	(449)
Increase (decrease) in deferred revenues	-	59
Increase (decrease) in other current liabilities	-	(28)
Increase (decrease) long term liabilities	-	(685)
Miscellaneous non-operating revenues (expenses)	(9)	5,422
Prior Period Adjustment	-	18
Total adjustments	(6)	6,011
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (6)</b>	<b>\$ 6,156</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>	(6)	6,156
Contribution of capital assets	-	-

### ***Non-Major 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 13 other funds.

**Finance Department Fund (#5007)**

Accounts for the operation of the Finance Division

**Budget and Research Fund (#5016)**

Accounts for the operations of the Budget Division

**BSIP Project Fund (#5027)**

Accounts for the Business Systems Improvement Project

**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 Operations and Telecommunications Fund (#5700)**

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

**Information Systems Fund (#5800)**

Provides computer and system support for all City departments.

**Health Benefits Trust Fund (#5-64xx)**

Provides accounting for self-insurance to all City's cost for healthcare.

**Self-Insurance Claims Fund (#5-4800)**

Provides accounting for self-insurance to business-type activities of the City of Tacoma departments including provisions for losses on property, liability, workers compensation, unemployment compensation.

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

December 31, 2019  
(amounts expressed in thousands)  
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	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1	\$ 143	\$ 16,968
Accounts Receivables (Net)	21	-	201
Inventories	-	-	379
Prepaid Expenses	-	-	-
Total Current Assets	<u>22</u>	<u>143</u>	<u>17,548</u>
Noncurrent Assets:			
Capital Assets:			
Land	-	-	-
Property, Plant and Equipment	-	-	66,008
Construction in Progress	-	-	1,849
Less: Accumulated Depreciation	-	-	(40,069)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>27,788</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>27,788</u>
Total Assets	<u>22</u>	<u>143</u>	<u>45,336</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow Related to Pensions	<u>-</u>	<u>-</u>	<u>1,214</u>

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

December 31, 2019  
(amounts expressed in thousands)  
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	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	\$ 140	\$ 14,215	\$ 190	\$ 6,456
Accounts Receivables (Net)	-	25	6	770
Inventories	-	526	136	-
Prepaid Expenses	-	28	-	-
Total Current Assets	140	14,794	332	7,226
Noncurrent Assets:				
Capital Assets:				
Land	-	-	11	-
Property, Plant and Equipment	-	62,185	1,023	5,764
Construction in Progress	-	2,311	-	478
Less: Accumulated Depreciation	-	(39,324)	(492)	(4,277)
Total Capital Assets (Net of A/D)	-	25,172	542	1,965
Total Noncurrent Assets	-	25,172	542	1,965
Total Assets	140	39,966	874	9,191
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	-	1,727	89	298



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

December 31, 2019  
(amounts expressed in thousands)  
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	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 7,408	\$ 1,116	\$ 7,629	\$ 2,698
Accounts Receivables (Net)	-	-	-	1
Inventories	-	-	-	-
Prepaid Expenses	225	-	26	40
Total Current Assets	<u>7,633</u>	<u>1,116</u>	<u>7,655</u>	<u>2,739</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	346
Property, Plant and Equipment	-	-	-	22,392
Construction in Progress	-	-	-	-
Less: Accumulated Depreciation	-	-	-	(16,851)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,887</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,887</u>
Total Assets	<u>7,633</u>	<u>1,116</u>	<u>7,655</u>	<u>8,626</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	<u>26</u>	<u>-</u>	<u>449</u>	<u>762</u>

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

December 31, 2019  
(amounts expressed in thousands)  
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	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	\$ 21,664	\$ 27,433	\$ 9,133	\$ 115,194
Accounts Receivables (Net)	139	-	-	1,163
Inventories	66	-	-	1,107
Prepaid Expenses	1,700	-	-	2,019
Total Current Assets	<u>23,569</u>	<u>27,433</u>	<u>9,133</u>	<u>119,483</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	-	-	357
Property, Plant and Equipment	31,532	12	-	188,916
Construction in Progress	1,599	-	-	6,237
Less: Accumulated Depreciation	(26,491)	(3)	-	(127,507)
Total Capital Assets (Net of A/D)	<u>6,640</u>	<u>9</u>	<u>-</u>	<u>68,003</u>
Total Noncurrent Assets	<u>6,640</u>	<u>9</u>	<u>-</u>	<u>68,003</u>
Total Assets	<u>30,209</u>	<u>27,442</u>	<u>9,133</u>	<u>187,486</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	<u>15,474</u>	<u>-</u>	<u>-</u>	<u>20,039</u>

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

December 31, 2019

(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>LIABILITIES</b>			
Current Liabilities:			
Current Payables	-	-	1,498
Compensated Absences - Current	-	-	25
Advance from Other Funds	-	-	71
Other Liabilities Payable	-	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>1,594</u>
Noncurrent Liabilities			
Compensated Absences	-	-	227
Other LT Liabilities Payable	-	-	2,555
Net Pension Liability	-	-	1,025
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>3,807</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,401</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Pensions	<u>-</u>	<u>-</u>	<u>135</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	-	27,788
Restricted For:			
Capital Purchases	-	-	26,276
Self Insurance	-	-	-
Unrestricted	<u>22</u>	<u>143</u>	<u>(13,050)</u>
Total Net Position	<u><u>\$ 22</u></u>	<u><u>\$ 143</u></u>	<u><u>\$ 41,014</u></u>

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

December 31, 2019

(amounts expressed in thousands)

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	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	-	1,768	81	242
Compensated Absences - Current	-	25	1	13
Advance from Other Funds	-	96	-	16
Other Liabilities Payable	-	-	16	-
Total Current Liabilities	<u>-</u>	<u>1,889</u>	<u>98</u>	<u>271</u>
Noncurrent Liabilities				
Compensated Absences	-	228	11	114
Other LT Liabilities Payable	-	3,966	-	-
Net Pension Liability	-	1,459	75	252
Total Noncurrent Liabilities	<u>-</u>	<u>5,653</u>	<u>86</u>	<u>366</u>
Total Liabilities	<u>-</u>	<u>7,542</u>	<u>184</u>	<u>637</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	<u>-</u>	<u>192</u>	<u>10</u>	<u>33</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	25,172	542	1,965
Restricted For:				
Capital Purchases	-	-	-	-
Self Insurance	-	-	-	-
Unrestricted	140	8,787	227	6,854
Total Net Position	<u>\$ 140</u>	<u>\$ 33,959</u>	<u>\$ 769</u>	<u>\$ 8,819</u>

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

December 31, 2019  
(amounts expressed in thousands)  
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	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	40	93	444	265
Compensated Absences - Current	-	-	-	9
Advance from Other Funds	-	-	-	38
Other Liabilities Payable	28,463	-	3,870	-
Total Current Liabilities	28,503	93	4,314	312
Noncurrent Liabilities				
Compensated Absences	-	-	-	81
Other LT Liabilities Payable	7,201	-	-	-
Net Pension Liability	22	-	379	644
Total Noncurrent Liabilities	7,223	-	379	725
Total Liabilities	35,726	93	4,693	1,037
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	3	-	50	85
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	5,887
Restricted For:				
Capital Purchases	-	-	-	-
Self Insurance	-	-	-	-
Unrestricted	(28,070)	1,023	3,361	2,379
Total Net Position	\$ (28,070)	\$ 1,023	\$ 3,361	\$ 8,266

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

December 31, 2019

(amounts expressed in thousands)

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	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	713	4,781	27	9,952
Compensated Absences - Current	367	-	-	440
Advance from Other Funds	912	6	-	1,139
Other Liabilities Payable	-	10,348	4,007	46,704
Total Current Liabilities	<u>1,992</u>	<u>15,135</u>	<u>4,034</u>	<u>58,235</u>
Noncurrent Liabilities				
Compensated Absences	3,304	-	-	3,965
Other LT Liabilities Payable	-	-	-	13,722
Net Pension Liability	13,074	-	-	16,930
Total Noncurrent Liabilities	<u>16,378</u>	<u>-</u>	<u>-</u>	<u>34,617</u>
Total Liabilities	<u>18,370</u>	<u>15,135</u>	<u>4,034</u>	<u>92,852</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	<u>1,718</u>	<u>-</u>	<u>-</u>	<u>2,226</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	6,640	9	-	68,003
Restricted For:				
Capital Purchases	-	-	-	26,276
Self Insurance	-	-	5,099	5,099
Unrestricted	<u>18,955</u>	<u>12,298</u>	<u>-</u>	<u>13,069</u>
Total Net Position	<u>\$ 25,595</u>	<u>\$ 12,307</u>	<u>\$ 5,099</u>	<u>\$ 112,447</u>

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

For the Year Ended December 31, 2019

(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>OPERATING REVENUES</b>			
Charges for Services	\$ -	\$ -	\$ 8,299
Interfund Insurance Premiums	-	-	-
Other Operating Revenue	-	-	-
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>8,299</u>
<b>OPERATING EXPENSES</b>			
Salaries & Benefits	-	-	5,922
Supplies	-	-	69
Service	-	-	1,127
Depreciation	-	-	3,795
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>10,913</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>(2,614)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest Revenue	-	-	90
Other Non-Operating Revenues	-	-	21
Gain (Loss) on Sale of Capital Assets	-	-	67
Unrealized Gain(loss) on FMV of Investments	-	-	187
Interest Expense	-	-	-
Other Non-Operating Expenses	-	-	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>365</u>
Income (Loss) Before Contributions	-	-	(2,249)
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>(2,249)</u>
Net Position, January 1	22	143	43,263
Prior Period Adjustment	-	-	-
Net Position, January 1 restated	22	143	43,263
Total Net Position - Ending	<u>\$ 22</u>	<u>\$ 143</u>	<u>\$ 41,014</u>

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

For the Year Ended December 31, 2019

(amounts expressed in thousands)

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	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 187	\$ 8,206	\$ 1,114	\$ 3,036
Interfund Insurance Premiums	-	-	-	-
Other Operating Revenue	-	-	-	-
Total Operating Revenues	<u>187</u>	<u>8,206</u>	<u>1,114</u>	<u>3,036</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	-	9,006	193	583
Supplies	-	109	654	314
Service	192	1,613	459	1,071
Depreciation	-	3,895	26	422
Total Operating Expenses	<u>192</u>	<u>14,623</u>	<u>1,332</u>	<u>2,390</u>
Operating Income (Loss)	<u>(5)</u>	<u>(6,417)</u>	<u>(218)</u>	<u>646</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	3	260	5	125
Other Non-Operating Revenues	-	12	-	-
Gain (Loss) on Sale of Capital Assets	-	246	-	-
Unrealized Gain(loss) on FMV of Investments	2	127	3	70
Interest Expense	-	-	-	-
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>5</u>	<u>645</u>	<u>8</u>	<u>195</u>
Income (Loss) Before Contributions	-	(5,772)	(210)	841
Transfers In	-	6,153	-	-
Transfers Out	-	-	-	-
Change in Net Position	-	381	(210)	841
Net Position, January 1	<u>140</u>	<u>33,578</u>	<u>979</u>	<u>7,978</u>
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	<u>140</u>	<u>33,578</u>	<u>979</u>	<u>7,978</u>
Total Net Position - Ending	<u>\$ 140</u>	<u>\$ 33,959</u>	<u>\$ 769</u>	<u>\$ 8,819</u>



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

For the Year Ended December 31, 2019

(amounts expressed in thousands)

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	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>OPERATING REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 4,939
Interfund Insurance Premiums	4,796	603	6,906	-
Other Operating Revenue	-	-	-	-
Total Operating Revenues	<u>4,796</u>	<u>603</u>	<u>6,906</u>	<u>4,939</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	7	-	32	1,845
Supplies	-	-	3	1,141
Service	10,257	336	4,491	2,306
Depreciation	-	-	-	280
Total Operating Expenses	<u>10,264</u>	<u>336</u>	<u>4,526</u>	<u>5,572</u>
Operating Income (Loss)	<u>(5,468)</u>	<u>267</u>	<u>2,380</u>	<u>(633)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	119	19	145	51
Other Non-Operating Revenues	-	-	-	3
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized Gain(loss) on FMV of Investments	63	11	78	29
Interest Expense	-	-	-	-
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>182</u>	<u>30</u>	<u>223</u>	<u>83</u>
Income (Loss) Before Contributions	<u>(5,286)</u>	<u>297</u>	<u>2,603</u>	<u>(550)</u>
Transfers In	2,400	-	-	715
Transfers Out	-	-	-	-
Change in Net Position	<u>(2,886)</u>	<u>297</u>	<u>2,603</u>	<u>165</u>
Net Position, January 1	<u>(25,184)</u>	<u>726</u>	<u>758</u>	<u>8,101</u>
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	<u>(25,184)</u>	<u>726</u>	<u>758</u>	<u>8,101</u>
Total Net Position - Ending	<u>\$ (28,070)</u>	<u>\$ 1,023</u>	<u>\$ 3,361</u>	<u>\$ 8,266</u>

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

For the Year Ended December 31, 2019

(amounts expressed in thousands)

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	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 62,401	\$ -	\$ -	\$ 88,182
Interfund Insurance Premiums	-	75,707	1,840	89,852
Other Operating Revenue	7	-	-	7
Total Operating Revenues	<u>62,408</u>	<u>75,707</u>	<u>1,840</u>	<u>178,041</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	40,960	974	-	59,522
Supplies	1,780	18	-	4,088
Service	13,032	84,195	(289)	118,790
Depreciation	1,694	1	-	10,113
Total Operating Expenses	<u>57,466</u>	<u>85,188</u>	<u>(289)</u>	<u>192,513</u>
Operating Income (Loss)	<u>4,942</u>	<u>(9,481)</u>	<u>2,129</u>	<u>(14,472)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	428	640	177	2,062
Other Non-Operating Revenues	7	-	-	43
Gain (Loss) on Sale of Capital Assets	-	-	-	313
Unrealized Gain(loss) on FMV of Investments	220	334	97	1,221
Interest Expense	-	-	-	0
Other Non-Operating Expenses	(4)	-	-	(4)
Total Non-Operating Revenues (Expenses)	<u>651</u>	<u>974</u>	<u>274</u>	<u>3,635</u>
Income (Loss) Before Contributions	5,593	(8,507)	2,403	(10,837)
Transfers In	118	-	-	9,386
Transfers Out	<u>(665)</u>	<u>-</u>	<u>-</u>	<u>(665)</u>
Change in Net Position	5,046	(8,507)	2,403	(2,116)
Net Position, January 1	20,549	20,814	2,696	114,563
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	20,549	20,814	2,696	114,563
Total Net Position - Ending	<u>\$ 25,595</u>	<u>\$ 12,307</u>	<u>\$ 5,099</u>	<u>\$ 112,447</u>

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

For year ended December 31, 2019

(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Service #5050	Tacoma Training & Employment Program #5086
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ -	\$ -	\$ 5,112	\$ -
Receipts from interfund services provided	-	-	840	293
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	-	-	2,818	(295)
Payments to employees	-	-	(2,995)	-
Payments for taxes	-	-	(2)	-
Payments for interfund services used	-	-	(640)	(5)
Other operating or non-operating revenues	-	-	21	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	5,154	(7)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	-
Transfer to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	-	-
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Acquisitions and constructions of capital assets	-	-	(4,549)	-
Transfers to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	-	(4,549)	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	-	-	91	2
Change in fair value of investment	-	-	187	2
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	278	4
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	-	883	(3)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	1	143	16,085	143
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 1	\$ 143	\$ 16,968	\$ 140

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

For year ended December 31, 2019

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	Public Work Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540	Third Party Liabilities Claims #5550
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 7,539	\$ 951	\$ 2,706	\$ -
Receipts from interfund services provided	851	392	-	-
Contribution received - employee/employer	-	-	-	4,796
Payments to suppliers	5,751	(943)	(1,009)	(2,984)
Payments to employees	(8,797)	(185)	(677)	(4)
Payments for taxes	-	(89)	-	-
Payments for interfund services used	(1,940)	(80)	(138)	(537)
Other operating or non-operating revenues	12	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,416	46	882	1,271
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	6,153	-	-	2,400
Transfer to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	6,153	-	-	2,400
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Acquisitions and constructions of capital assets	(5,880)	(43)	(453)	-
Transfers to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(5,880)	(43)	(453)	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	253	5	126	118
Change in fair value of investment	132	4	70	63
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	385	9	196	181
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,074	12	625	3,852
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	10,141	178	5,831	3,556
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 14,215</u>	<u>\$ 190</u>	<u>\$ 6,456</u>	<u>\$ 7,408</u>

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

For year ended December 31, 2019

(amounts expressed in thousands)

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	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700	GG Internal Services #5800
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ -	\$ -	\$ 4,939	\$ 578
Receipts from interfund services provided	-	-	1	61,870
Contribution received - employee/employer	603	6,906	-	-
Payments to suppliers	(332)	(4,471)	(3,242)	(15,243)
Payments to employees	-	-	(1,757)	(39,959)
Payments for taxes	-	(1,419)	(27)	-
Payments for interfund services used	-	(3)	(472)	(128)
Other operating or non-operating revenues	-	-	3	9
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	271	1,013	(555)	7,127
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	715	118
Transfer to other funds	-	-	-	(665)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	715	(547)
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Acquisitions and constructions of capital assets	-	-	(61)	(1,247)
Transfers to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	-	(61)	(1,247)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	20	145	52	426
Change in fair value of investment	11	78	29	221
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	31	223	81	647
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	302	1,236	180	5,980
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	814	6,393	2,518	15,684
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 1,116</u>	<u>\$ 7,629</u>	<u>\$ 2,698</u>	<u>\$ 21,664</u>

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

For year ended December 31, 2019

(amounts expressed in thousands)

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	Health Benefits #64XX	Self Insurance Claims #4800	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 652	\$ 1,840	\$ 24,317
Receipts from interfund services provided	-	-	64,247
Contribution received - employee/employer	75,056	-	87,361
Payments to suppliers	(82,439)	(742)	(103,131)
Payments to employees	(974)	-	(55,348)
Payments for taxes	-	-	(1,537)
Payments for interfund services used	(156)	(106)	(4,205)
Other operating or non-operating revenues	-	-	45
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(7,861)	992	11,749
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	-	-	9,386
Transfer to other funds	-	-	(665)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	8,721
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	-
Acquisitions and constructions of capital assets	-	-	(12,233)
Transfers to other funds	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	-	(12,233)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	639	176	2,053
Change in fair value of investment	333	97	1,227
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	972	273	3,280
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,889)	1,265	11,517
CASH AND CASH EQUIVALENTS, JANUARY 1	34,322	7,868	103,677
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 27,433	\$ 9,133	\$ 115,194

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

For year ended December 31, 2019

(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Service #5050	Tacoma Training & Employment Program #5086
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ -	\$ -	\$ (2,614)	\$ (5)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	3,795	-
(Increase) decrease in accounts receivable	-	-	(17)	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	-	-	382	106
(Increase) decrease in inventories	-	-	(21)	-
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other assets	-	-	(374)	-
Increase (decrease) in accounts payable	-	-	861	(108)
Increase (decrease) in accrued wages	-	-	544	-
Increase (decrease) in compensated absences	-	-	22	-
Increase (decrease) in intergovernmental payable	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	-
Increase (decrease) in deferred revenues	-	-	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) long term liabilities	-	-	2,555	-
Miscellaneous non-operating revenues (expenses)	-	-	21	-
Prior period adjustments	-	-	-	-
Total adjustments	-	-	7,768	(2)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,154</b>	<b>\$ (7)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	-	-	-

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

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	Public Work Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540	Third Party Liabilities Claims #5550
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (6,417)	\$ (218)	\$ 646	\$ (5,468)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	3,895	26	422	-
(Increase) decrease in accounts receivable	20	(7)	(330)	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in due from other funds	164	235	-	-
(Increase) decrease in inventories	-	33	-	-
(Increase) decrease in prepaid items	(3)	-	-	(224)
(Increase) decrease in other assets	(615)	(31)	(96)	(9)
Increase (decrease) in accounts payable	1,577	(30)	238	11
Increase (decrease) in accrued wages	831	42	139	11
Increase (decrease) in compensated absences	(7)	(2)	(137)	-
Increase (decrease) in intergovernmental payable	-	-	-	-
Increase (decrease) in due to other funds	(7)	(2)	-	-
Increase (decrease) in deferred revenues	-	-	-	-
Increase (decrease) in other current liabilities	-	-	-	6,950
Increase (decrease) long term liabilities	3,966	-	-	-
Miscellaneous non-operating revenues (expenses)	12	-	-	-
Prior period adjustments	-	-	-	-
Total adjustments	9,833	264	236	6,739
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 3,416</b>	<b>\$ 46</b>	<b>\$ 882</b>	<b>\$ 1,271</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTI'</b>				
Contribution of capital assets	-	-	-	-



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

For year ended December 31, 2019

(amounts expressed in thousands)

Page 7 of 8

	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700	GG Internal Services #5800
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 267	\$ 2,380	\$ (633)	\$ 4,942
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	280	1,694
(Increase) decrease in accounts receivable	-	-	-	(88)
(Increase) decrease in intergovernmental receivables	-	-	-	8
(Increase) decrease in due from other funds	-	-	1	181
(Increase) decrease in inventories	-	-	-	(57)
(Increase) decrease in prepaid items	-	(26)	(6)	882
(Increase) decrease in other assets	-	(161)	(282)	(5,680)
Increase (decrease) in accounts payable	4	(189)	(281)	(2,548)
Increase (decrease) in accrued wages	-	192	374	7,639
Increase (decrease) in compensated absences	-	-	(4)	162
Increase (decrease) in intergovernmental payable	-	-	-	11
Increase (decrease) in due to other funds	-	(3)	(6)	(22)
Increase (decrease) in deferred revenues	-	-	(1)	-
Increase (decrease) in other current liabilities	-	(1,180)	-	-
Increase (decrease) long term liabilities	-	-	-	-
Miscellaneous non-operating revenues (expenses)	-	-	3	3
Prior period adjustments	-	-	-	-
Total adjustments	<u>4</u>	<u>(1,367)</u>	<u>78</u>	<u>2,185</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 271</u>	<u>\$ 1,013</u>	<u>\$ (555)</u>	<u>\$ 7,127</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTI'</b>				
Contribution of capital assets	-	-	-	-

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

For year ended December 31, 2019

(amounts expressed in thousands)

Page 8 of 8

	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)	\$ (9,481)	\$ 2,129	\$ (14,472)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1	-	10,113
(Increase) decrease in accounts receivable	-	-	(422)
(Increase) decrease in intergovernmental receivables	-	-	8
(Increase) decrease in due from other funds	-	-	1,069
(Increase) decrease in inventories	-	-	(45)
(Increase) decrease in prepaid items	-	-	623
(Increase) decrease in other assets	-	-	(7,248)
Increase (decrease) in accounts payable	349	26	(90)
Increase (decrease) in accrued wages	-	-	9,772
Increase (decrease) in compensated absences	-	-	34
Increase (decrease) in intergovernmental payable	-	-	11
Increase (decrease) in due to other funds	(35)	(11)	(86)
Increase (decrease) in deferred revenues	-	-	(1)
Increase (decrease) in other current liabilities	1,305	(1,152)	5,923
Increase (decrease) long term liabilities	-	-	6,521
Miscellaneous non-operating revenues (expenses)	-	-	39
Prior period adjustments	-	-	-
Total adjustments	<u>1,620</u>	<u>(1,137)</u>	<u>26,221</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ (7,861)</u></u>	<u><u>\$ 992</u></u>	<u><u>\$ 11,749</u></u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTI'</b>			
Contribution of capital assets	-	-	-



**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>
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
2019	9,025,368	7,651,747	22,734,837

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



# SECTION 3

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## STATISTICAL SECTION

### FINANCIAL TRENDS

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

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

### REVENUE CAPACITY

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

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

### DEBT CAPACITY

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

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

### DEMOGRAPHIC AND ECONOMIC INFORMATION

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

16. DEMOGRAPHIC AND ECONOMIC STATISTICS
17. PRINCIPAL EMPLOYERS

### OPERATING INFORMATION

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

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

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

	2010	2011	2012	2013	2014
<b>Governmental activities</b>					
Net investment in capital assets	\$729,601 (1)	\$732,174	\$699,307	\$681,794 (4)	\$669,951
Restricted	36,943	84,842	82,405	74,670	79,630
Unrestricted	44,682 (2)	(87,658)	(64,890)	(25,296)	(20,567)
<b>Total governmental activities net position</b>	<b>811,226</b>	<b>729,358</b>	<b>716,822</b>	<b>731,168</b>	<b>729,014</b>
<b>Business-type activities</b>					
Net investment in capital assets	1,355,118 (3)	1,365,324	1,401,679	1,508,950 (4)	1,515,858
Restricted	93,429	126,952	103,350	112,925	121,369
Unrestricted	246,032	282,088	318,920	256,481	307,104
<b>Total business-type activities net position</b>	<b>1,694,579</b>	<b>1,774,364</b>	<b>1,823,949</b>	<b>1,878,356</b>	<b>1,944,331</b>
<b>Primary government</b>					
Net investment in capital assets	2,084,719	2,097,498	2,100,986	2,190,744	2,185,809
Restricted	130,372	211,794	185,755	187,595	200,999
Unrestricted	290,714	194,430	254,030	231,185	286,537
<b>Total primary government net position</b>	<b>2,505,805</b>	<b>2,503,722</b>	<b>2,540,771</b>	<b>2,609,524</b>	<b>2,673,345</b>

(1) Limited General Obligation Bonds 2006 (LTGO) were issued to refund the 1997A LTGO bonds to realize interest saving:

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

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

(4) 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**

	2015	2016	2017	2018	2019
<b>Governmental activities</b>					
Net investment in capital assets	\$678,872	\$673,093	\$666,530	\$634,650	628,205
Restricted	110,825	113,897	168,280	179,780	194,244
Unrestricted	(17,920)	(35,177)	(68,583)	(97,026)	(99,133)
<b>Total governmental activities net position</b>	<b>771,777</b>	<b>751,813</b>	<b>766,227</b>	<b>717,404</b>	<b>723,316</b>
<b>Business-type activities</b>					
Net investment in capital assets	1,620,194	1,613,805	1,636,652	1,671,671	1,699,160
Restricted	127,008	124,289	129,836	211,427	177,563
Unrestricted	258,962	287,195	301,616	295,681	334,523
<b>Total business-type activities net position</b>	<b>2,006,164</b>	<b>2,025,289</b>	<b>2,068,104</b>	<b>2,178,779</b>	<b>2,211,246</b>
<b>Primary government</b>					
Net investment in capital assets	2,299,066	2,286,898	2,303,182	2,306,321	2,327,365
Restricted	237,833	238,186	298,116	391,207	371,807
Unrestricted	241,042	252,018	233,033	198,655	235,390
<b>Total primary government net</b>	<b>2,777,941</b>	<b>2,777,102</b>	<b>2,834,331</b>	<b>2,896,183</b>	<b>2,934,562</b>



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

Page 1 of 4

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

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

Page 2 of 4

	2015	2016	2017	2018	2019
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government	\$ 51,578	\$ 74,293	\$ 24,436	\$ 39,791	\$ 44,839
Public Safety	144,312	175,131	162,416	154,794	\$ 188,233
Utilities	2,864	1	-	-	
Transportation	57,885	60,881	69,741	78,066	95,718
Social Services	3,551	4,983	4,908	7,425	6,167
Natural & Econ Environment	20,887	36,759	25,102	25,864	25,435
Culture and Recreation	18,448	15,258	11,187	15,380	24,249
Interest on long-term debt	13,643	8,670	8,837	6,680	16,261
<b>Total governmental activities expense</b>	<b>313,168</b>	<b>375,976</b>	<b>306,627</b>	<b>328,000</b>	<b>400,902</b>
<b>Business-type activities:</b>					
Public Assembly Facilities	17,801	20,986	23,243	-	-
Rail	28,579	31,571	33,579	-	-
Solid Waste	54,867	66,661	52,938	55,544	61,512
Sewer	84,984	92,958	95,960	91,802	104,543
Water	82,604	95,869	97,540	96,565	101,045
Power	425,044	404,566	420,368	406,741	481,894
Other business-type funds	16,594	16,721	16,326	70,862	82,202
<b>Total business-type activities</b>	<b>710,473</b>	<b>729,332</b>	<b>739,954</b>	<b>721,514</b>	<b>831,196</b>
<b>Total primary government expenses</b>	<b>\$ 1,023,641</b>	<b>\$1,105,308</b>	<b>\$ 1,046,581</b>	<b>\$ 1,049,514</b>	<b>\$ 1,232,098</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for services:					
General government	\$ 27,729	\$ 39,227	\$ 23,007	\$ 24,223	\$ 25,512
Public Safety	7,353	15,625	20,221	14,734	17,729
Utilities	297	-	-	-	-
Transportation	2,661	5,749	1,994	5,087	1,911
Social Services	-	-	-	9	21
Natural & Econ Environment	2,024	2,116	3,145	2,410	1,906
Culture and Recreation	86	65	195	325	2,867
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:	30,420	33,903	31,791	44,865	55,031
Capital grants and contributions	23,996	7,392	11,549	18,304	4,122
<b>Total governmental activities program revenues</b>	<b>94,566</b>	<b>104,077</b>	<b>91,902</b>	<b>109,957</b>	<b>109,099</b>
<b>Business-type activities:</b>					
Charges for services:					
Tacoma Venues and Events	14,823	15,871	16,270	*	*
Rail	32,673	33,864	33,246	*	*
Solid Waste	66,843	71,809	67,964	69,541	73,580
Sewer	97,583	106,601	111,787	118,606	119,257
Water	100,305	94,433	95,085	103,364	104,365
Power	437,491	420,332	446,343	458,960	462,673
Other business-type funds	17,459	18,372	20,847	72,889	84,779
Operating grants and contributions:	8,138	8,392	208	-	-
Capital grants and contributions	21,582	21,413	30,528	52,194	50,369
<b>Total business-type activities program revenues</b>	<b>796,897</b>	<b>791,087</b>	<b>822,278</b>	<b>875,554</b>	<b>895,023</b>
<b>Total primary government program revenues</b>	<b>\$ 891,463</b>	<b>\$ 895,164</b>	<b>\$ 914,180</b>	<b>\$ 985,511</b>	<b>\$ 1,004,122</b>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (218,602)	\$ (271,899)	\$ (214,725)	\$ (218,043)	\$ (291,803)
Business-type activities	86,424	61,755	82,324	154,040	63,827
<b>Total primary government net expense</b>	<b>\$ (132,178)</b>	<b>\$ (210,144)</b>	<b>\$ (132,401)</b>	<b>\$ (64,003)</b>	<b>\$ (227,976)</b>

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

Page 3 of 4

	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes:					
Property taxes	\$ 61,900	\$ 60,733	\$ 64,900	\$ 62,487	\$ 64,204
Excise taxes	-	-	-	-	5,359 (2)
Sales taxes	41,942	42,643	46,738	45,743	47,976
Business taxes	84,094 (1)	87,029	90,710	103,631	63,969
Unrestricted investment earnings	3,907	6,133	856	297	2,044
Gain on sale of capital assets	(1,648)	(184)	1,684	136	46
Transfers	(6,021)	(6,320)	(10,186)	(2,153)	44,853
<b>Total governmental activities</b>	<b>184,174</b>	<b>190,034</b>	<b>194,702</b>	<b>210,141</b>	<b>228,451</b>
<b>Business-type activities:</b>					
Taxes	-	-	-	-	-
Unrestricted investment earnings	15,059	23,408	18,947	3,063	1,130
Gain on sale of capital assets	(1,222)	(84)	341	(184)	644
Transfers	6,021	6,320	10,186	2,153	(44,853)
<b>Total business-type activities</b>	<b>19,858</b>	<b>29,644</b>	<b>29,474</b>	<b>5,032</b>	<b>(43,079)</b>
<b>Total primary government</b>	<b>\$ 204,032</b>	<b>\$ 219,678</b>	<b>\$ 224,176</b>	<b>\$ 215,173</b>	<b>\$ 185,372</b>
<b>Change in Net Position</b>					
Governmental activities	\$ (10,403)	\$ (79,966)	\$ (6,254)	\$ (4,122)	\$ (78)
Business-type activities	37,961	79,821	50,132	55,513	68,105
<b>Total primary government</b>	<b>\$ 27,558</b>	<b>\$ (145)</b>	<b>\$ 43,878</b>	<b>\$ 51,391</b>	<b>\$ 68,027</b>

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

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

\* Amounts included with "NonMajor Business-Type Funds"

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

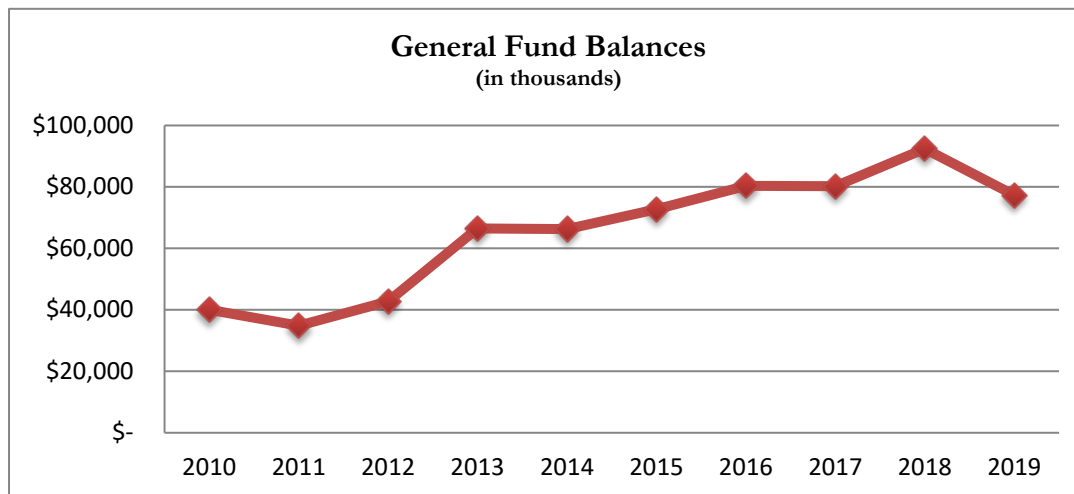
	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes:					
Property taxes	\$ 67,313	\$ 78,886	\$ 74,479	\$ 74,918	\$ 77,970
Excise taxes	12,096	13,900	12,881	15,665	15,320
Sales taxes	81,772	58,970	71,634	76,153	81,132
Business taxes	36,325	49,440	51,043	53,249	53,563
Unrestricted investment earnings	2,000	2,141	2,134	5,028	9,473
Gain on sale of capital assets	(103)	175	293	1,233	366
Transfers	43,572	48,973	51,452	49,459	52,627
<b>Total governmental activities</b>	<b>242,975</b>	<b>252,485</b>	<b>263,916</b>	<b>275,705</b>	<b>290,451</b>
<b>Business-type activities:</b>					
Taxes	-	-	1,702	1,387	-
Unrestricted investment earnings	3,965	6,223	5,591	10,848	24,682
Gain on sale of capital assets	4,679	782	4,650	3,250	107
Transfers	(43,572)	(48,973)	(51,452)	(49,459)	(52,627)
<b>Total business-type activities</b>	<b>(34,928)</b>	<b>(41,968)</b>	<b>(39,509)</b>	<b>(33,974)</b>	<b>(27,838)</b>
<b>Total primary government</b>	<b>\$ 208,047</b>	<b>\$ 210,517</b>	<b>\$ 224,407</b>	<b>\$ 241,731</b>	<b>\$ 262,613</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 24,373	\$ (19,414)	\$ 49,191	\$ 57,662	\$ (1,352)
Business-type activities	51,496	19,787	42,815	120,066	35,989
<b>Total primary government</b>	<b>\$ 75,869</b>	<b>\$ 373</b>	<b>\$ 92,006</b>	<b>\$ 177,728</b>	<b>\$ 34,637</b>

\*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**

	2010	2011 <sup>(1)</sup>	2012	2013	2014
General Fund	\$ 20,947	\$ -	\$ -	\$ -	\$ -
Unreserved	19,048	-	-	-	-
Nonspendable	-	17,361	16,719	15,961	15,026
Restricted	-	2	-	9	9
Committed	-	-	-	-	-
Committed - Council Contingencies	-	1,117	1,130	982	973
Assigned	-	2,133	1,274	6,364	1,949
Unassigned	-	14,239	23,573	43,178	48,343
<b>Total General Fund</b>	<b>\$ 39,995</b>	<b>\$ 34,852</b>	<b>\$ 42,696</b>	<b>\$ 66,494</b>	<b>\$ 66,300</b>
All other governmental funds					
Reserved	\$ 48,665	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	1,920	1,913	1,833	1,824
Restricted	-	85,191	78,341	74,797	79,622
Committed	-	18,928	20,669	21,728	237
Assigned	-	36,261	6,863	4,722	21,743
Unassigned	-	(43,860)	(5,079)	(8,530)	(5,709)
<b>Total all other governmental funds</b>	<b>\$ 48,665</b>	<b>\$ 98,440</b>	<b>\$102,707</b>	<b>\$ 94,550</b>	<b>\$ 97,717</b>

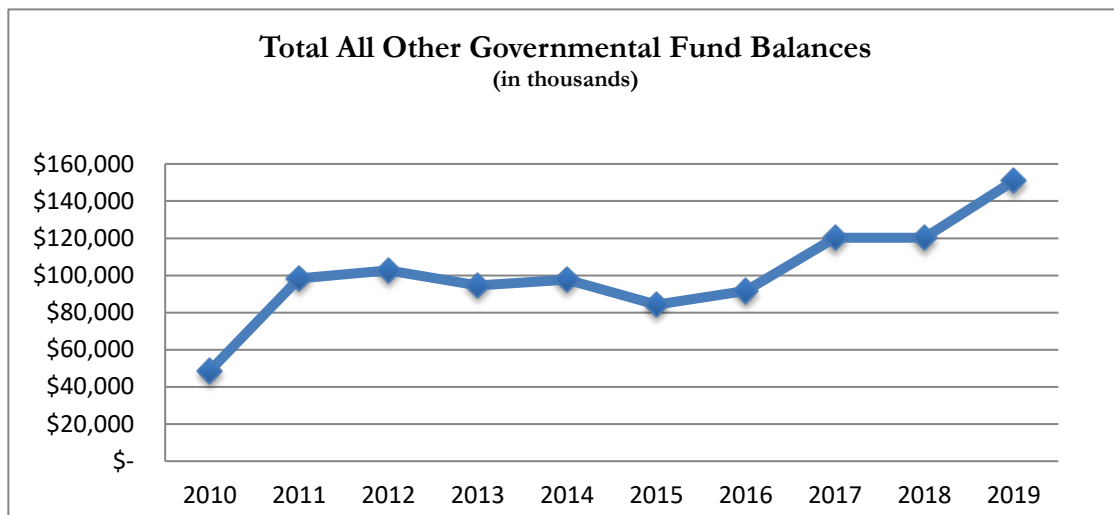
(1) In 2011 the City implemented GASB 54.



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

	2015	2016	2017	2018	2019
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	9,933	7,774	3,630	3,915	4,074
Restricted	9	476	352	388	395
Committed	-	-	52 (3)	588	710
Committed - Council Contingencies	732	584	647	-	-
Assigned	5,580	2,592	7,974	3,148	1,992
Unassigned	56,517	68,922	67,559	84,377	70,115
<b>Total General Fund</b>	<b>\$ 72,771</b>	<b>\$80,348</b>	<b>\$ 80,214</b>	<b>\$ 92,416</b>	<b>\$ 77,286</b>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	1,887	1,887	1,685	1,404	1,423
Restricted	69,493	78,204	115,791	97,006	116,757
Committed	370	1,047	8,211	7,680	15,651
Assigned	17,048	14,941	16,177	14,206	17,027
Unassigned	(4,512)	(4,429)	134	(3)	-
<b>Total all other governmental funds</b>	<b>\$ 84,286</b>	<b>\$91,650</b>	<b>\$ 141,998</b>	<b>\$ 120,293</b>	<b>\$ 150,858</b>

(2) 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**

	2010	2011	2012	2013	2014
Taxes	\$ 187,904 (1)	\$ 190,362	\$ 203,028	\$ 212,066	\$ 176,615
Licenses and permits	3,823	3,539	3,043	3,235	3,652
Intergovernmental revenue	48,259	61,376	52,295	53,466	46,260
Charges for goods and services	9,473	9,512	24,115	23,323	25,840
Fines and forfeitures	6,080	3,612	3,772	6,395	7,761
Interest	2,982	4,657	2,658	994	1,626
Miscellaneous revenues	4,642	4,382	6,441	2,791	2,777
<b>Total revenues</b>	<b>263,163</b>	<b>277,440</b>	<b>295,352</b>	<b>302,270</b>	<b>264,531</b>
<b>Expenditures</b>					
General government	25,553	25,116	49,208	47,041	54,671
Public Safety	139,371	144,949	138,406	132,783	140,578
Physical environment	-	-	-	2,477	2,571
Transportation	26,220	33,525	21,379	21,597	21,997
Economic environment	25,972	21,892	19,633	21,123	20,846
Mental and physical health	2,093	2,109	684	1,953	2,640
Culture and recreation	13,339	13,266	14,133	10,688	12,198
Capital outlay	49,514	71,860	55,395	36,317	25,969
Debt Service:					
Principal retirement	5,490	5,924	3,991	34,263 (2)	15,652
Interest and fiscal charges	7,635	6,499	6,117	11,072	12,977
<b>Total Expenditures</b>	<b>295,187</b>	<b>325,140</b>	<b>308,946</b>	<b>319,314</b>	<b>310,099</b>
Excess of revenues over (under) expenditures	(32,024)	(47,700)	(13,594)	(17,044)	(45,568)
<b>Other financing sources (uses)</b>					
Sale of capital asset	19	(91)	1,684	492	1,477
Transfers in	6,407 (1)	24,526	28,755	28,588	95,060
Transfers (out)	(13,330)	(32,419)	(33,023)	(32,145)	(50,705)
Insurance recoveries	-	-	43	58	121
Proceeds from bonds issues	43,305	-	30,235	37,769	2,203
Issuance of debt refunding bonds	29,671	16,539	-	-	-
Payment to escrow - refunded bonds	(29,152)	-	-	(1,105)	-
Premium on issuance of debt	2,618	-	-	68	-
Discount on issuance of debt	(59)	-	(3)	-	-
<b>Total other financing sources &amp; uses</b>	<b>39,479</b>	<b>8,555</b>	<b>27,691</b>	<b>33,725</b>	<b>48,156</b>
<b>Net change in fund balances</b>	<b>\$ 7,455</b>	<b>\$ (39,145)</b>	<b>\$ 14,097</b>	<b>\$ 16,681</b>	<b>\$ 2,588</b>
Debt service as a percentage of noncapital expenditures	5.3%	4.9%	4.0%	16.0%	10.1%

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

(2) 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**

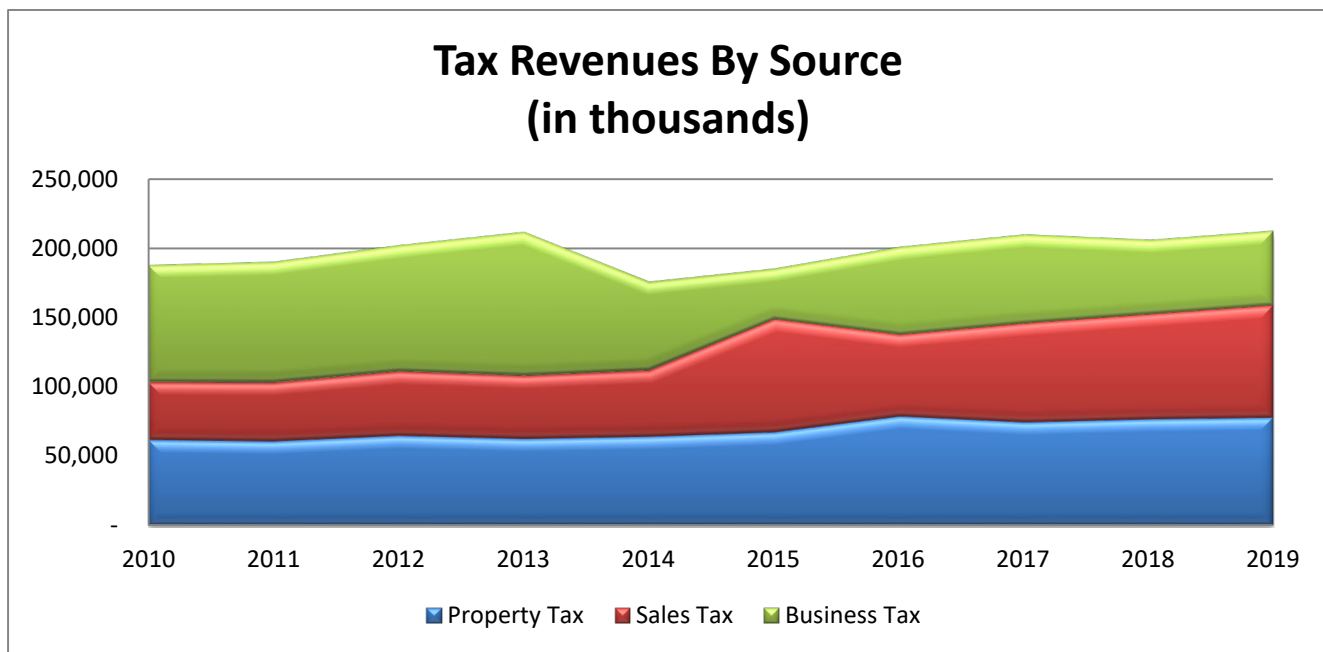
**Table 4**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

	2015	2016	2017	2018	2019
<b>Revenues</b>					
Taxes	\$ 184,836	\$ 197,531	\$ 209,970	\$ 221,697	\$ 229,023
Licenses and permits	4,743	9,335	11,207	11,520	11,025
Intergovernmental revenue	52,026	38,097	40,624	60,399	55,972
Charges for goods and services	26,614	39,544	20,623	22,131	21,298
Fines and forfeitures	6,842	7,182	6,931	5,616	6,868
Investment Earnings	1,758	1,702	1,677	3,789	6,741
Miscellaneous revenues	1,327	3,433	4,882	4,120	10,755
<b>Total revenues</b>	<b>278,146</b>	<b>296,824</b>	<b>295,914</b>	<b>329,272</b>	<b>341,682</b>
<b>Expenditures</b>					
General government	53,917	58,488	37,959	52,092	40,023
Public Safety	144,331	155,393	161,404	168,146	183,612
Physical environment	2,704	-	-	-	-
Transportation	26,362	24,219	40,182	47,614	44,697
Natural & Economic environment	19,560	31,853	24,132	25,528	24,836
Social Services	3,387	4,360	4,712	7,696	6,068
Culture and recreation	12,379	11,781	13,459	13,701	21,317
Capital outlay	45,573	22,869	22,509	44,654	24,389
Debt Service:					
Principal retirement	12,305	16,074	13,805	13,988	22,629
Interest and fiscal charges	13,617	8,670	8,837	8,874	8,806
<b>Total Expenditures</b>	<b>334,135</b>	<b>333,707</b>	<b>326,999</b>	<b>382,293</b>	<b>376,377</b>
Excess of revenues over (under) expenditures	(55,989)	(36,883)	(31,085)	(53,021)	(34,695)
<b>Other financing sources (uses)</b>					
Sale of capital asset	91	526	4,852	988	86
Transfers in	87,312	98,474	134,993	134,776	133,577
Transfers out	(41,500)	(51,163)	(87,303)	(90,933)	(89,671)
Insurance recoveries	148	55	60	71	34
Proceeds from bonds issues	22,444	4,563	-	-	-
Issuance of debt	-	-	27,512	2,209	6,219
Payment to escrow - refunded bond:	(20,033)	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Discount on issuance of debt	-	-	-	-	-
<b>Total other financing sources &amp;</b>	<b>48,462</b>	<b>52,455</b>	<b>80,114</b>	<b>47,111</b>	<b>50,245</b>
<b>Net change in fund balances</b>	<b>\$ (7,527)</b>	<b>\$ 15,572</b>	<b>\$ 49,029</b>	<b>\$ (5,910)</b>	<b>\$ 15,550</b>
Debt service as a percentage of noncapital expenditures	9.0%	8.0%	7.4%	6.8%	8.9%



**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>
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	76,630	76,153	53,249	206,032
2019	77,970	81,132	53,563	212,665



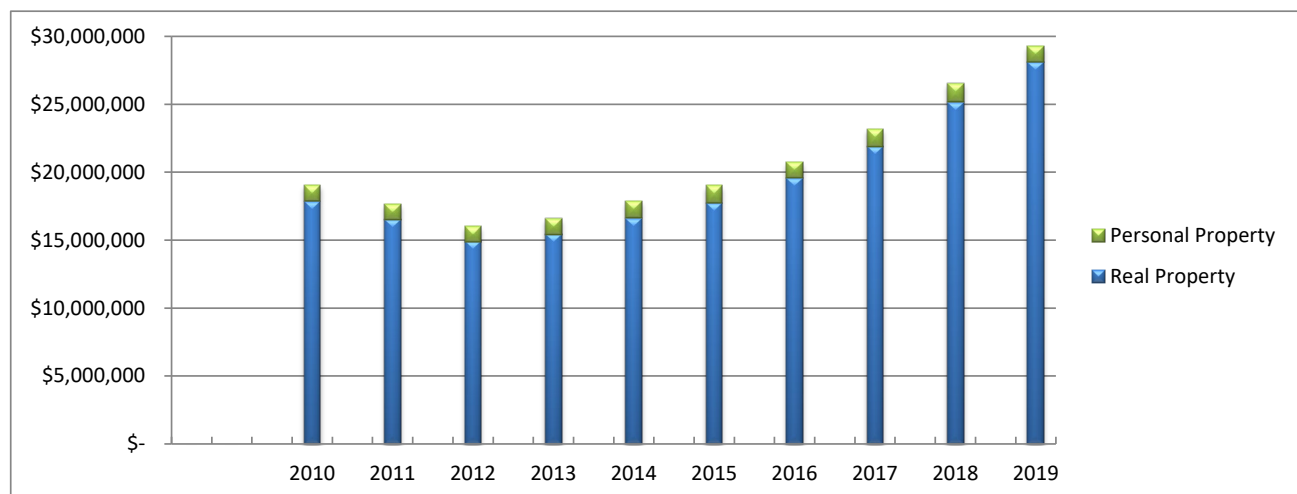
(1) Beginning in 2010 gross earnings taxes are classified as Business Taxes, where in previous years they were classified as Transfers In.

(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>Tax 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>
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
2019	28,119,264	1,195,429	29,781,935	2.74	3,230,810	12.17%	143,218



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

<b>Fiscal Year End December 31</b>	<b>City of Tacoma</b>	<b>Tacoma School District #10</b>	<b>Pierce County</b>	<b>Port of Tacoma</b>	<b>Metro Park District</b>	<b>Washington State</b>	<b>Total</b>
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	2.99	4.41	1.09	0.18	1.36	2.62	12.65
2019	2.74	5.02	1.05	0.18	1.22	3.01	13.22

"CITY" TAX RATE BREAKDOWN:

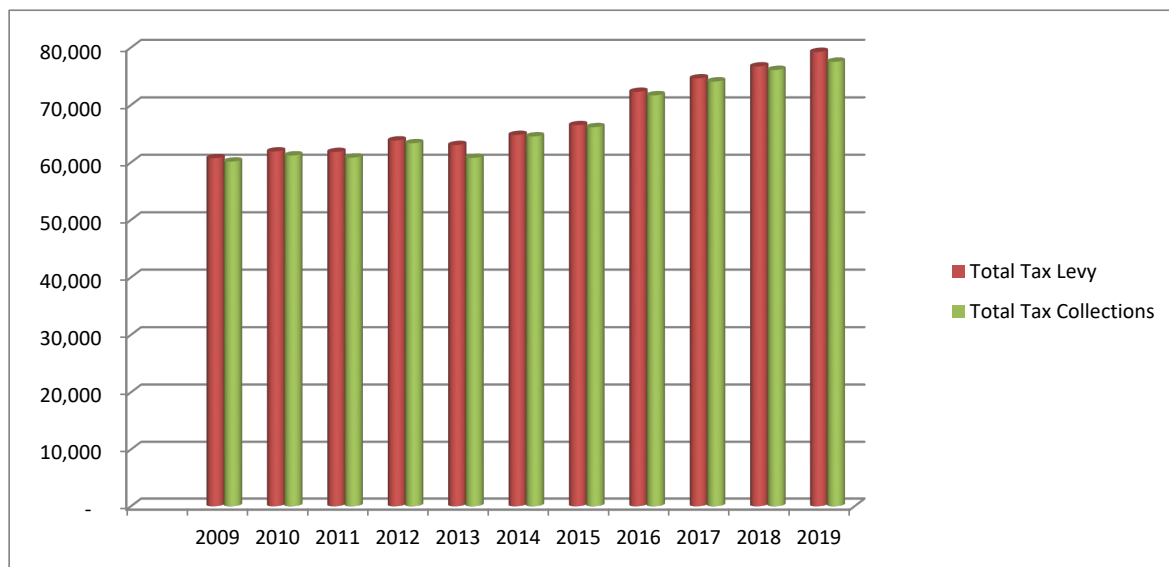
	<u>2018</u>	<u>2019</u>
General Fund	\$2.35	\$2.17
Councilmanic Nonvoted Bonds	0.11	0.09
EMS Levy	0.42	0.38
G.O. Bonds	0.11	0.1
<b>TOTAL CITY</b>	<u>\$2.99</u>	<u>\$2.74</u>

- Above schedule includes both regular and voted excess tax levies. Property is being assessed at 100% of true and fair mark
- 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 End 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	(\$697)	\$61,218	98.87%	\$3	0.00%
2011	\$61,823	\$58,881	95.24%	\$1,972	(\$967)	\$60,853	98.43%	\$3	0.00%
2012	\$63,821	\$61,484	96.34%	\$1,862	(\$471)	\$63,346	99.26%	\$4	0.01%
2013	\$63,031	\$60,795	96.45%		(\$317)	\$60,795	96.45%	\$4	0.01%
2014	\$64,789	\$62,855	97.01%	\$1,677	(\$254)	\$64,532	99.60%	\$3	0.00%
2015	\$66,494	\$64,839	97.51%	\$1,303	(\$348)	\$66,142	99.47%	\$4	0.01%
2016	\$72,290	\$70,280	97.22%	\$1,412	(\$571)	\$71,692	99.17%	\$27	0.04%
2017	\$74,638	\$72,855	97.61%	\$1,236	(\$340)	\$74,091	99.27%	\$207	0.28%
2018	\$76,710	\$75,191	98.02%	\$905	(\$178)	\$76,096	99.20%	\$436	0.57%
2019	\$79,244	\$77,522	97.83%	\$0	(\$263)	\$77,522	97.83%	\$1,459	1.84%

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 2019**

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE</u>	<u>TYPE OF BUSINESS</u>
COMCAST CABLE COMMUNICATIONS MANAG	13	0.1%	Cable Telecommunications
LIVE NATION	0	0.0%	Event Promoter
METROPOLITAN PARK DIST	840	7.4%	Government Agency -Recreation
MULTICARE HEALTH SYSTEM	5,200	45.9%	Healthcare Services
PUGET SOUND ENERGY INC	227	2.0%	Natural Gas
QWEST CORPORATION	76	0.7%	Wired Telecommunications
ST JOSEPH HOSPITAL	4,766	42.1%	Healthcare Services
US OIL & REFINING CO	193	1.7%	Petroleum Refinery
VERIZON WIRELESS	2	0.0%	Wireless Telecommunications
Total	11,317	100.0%	

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

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2010**

<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	0.1%	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	0.0%	Petroleum Refinery
Verizon Wireless	24	0.0%	Cellular
West Coast Grocery Div	686	0.3%	Grocery
Total	937	0.4%	

Total 2010 Aggregate B & O Tax  
Collections of the Top Ten Taxpayer \$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 2019**

<u>TAXPAYERS</u>	<u>RANK</u>	<u>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 2010**

<u>TAXPAYERS</u>	<u>RANK</u>	<u>2010 ASSESSED</u>	<u>PERCENTAGE TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$189,027	24.6%
CSC of Tacoma LLC	2	81,441	10.6%
Simpson Kraft Company	3	76,024	9.9%
AT&T Mobility LLC	4	72,229	9.4%
Puget Sound Energy/Gas	5	70,646	9.2%
Qwest Corporation	6	65,750	8.6%
US Oil and Refining Co	7	65,333	8.5%
Simpson Lumber Company LLC	8	58,389	7.6%
Multicare Health Systems	9	44,565	5.8%
909 A Street LLC	10	43,529	5.7%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$766,933</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
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 (4)	-
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	200,511	517	3,422	8,572	22,938	-
2019	189,994	517	2,853	841	22,626	-

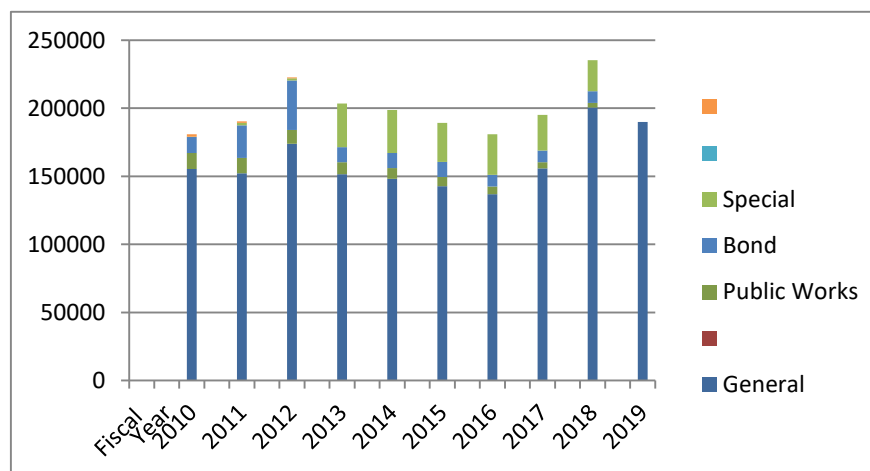
(1) The Revenue Bonds do not include unamortized premiums or discounts.

(2) U.S. Department of Commerce, Bureau of Economic Analysis (Pierce county data). 2019 utilizes 2018 data

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

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

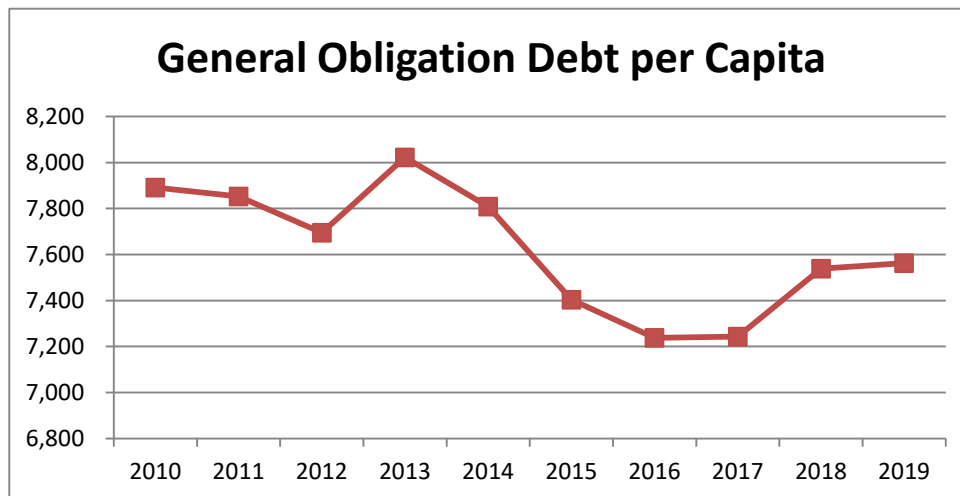
(5) A new LTGO Bond was issued to refund the 2004 LTGO Convention Center bonds.



**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

**Table 10**  
(amounts expressed in thousands, except per capita amount)  
Page 2 of 2

Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	Revenue Bonds & Loans (1)	General Obligation Bonds	Unamortized Premium/ Discounts	Capital Leases			
2010	1,345,099	59,390	17,059	142	1,605,136	5.25%	7,892
2011	1,332,753	59,390	18,320	98	1,603,440	5.02%	7,852
2012	1,226,401	64,115	15,042	50	1,530,477	4.60%	7,695
2013	1,284,168	62,330 (5)	49,091	-	1,601,242	4.67%	8,022
2014	1,274,365	61,940	48,239	-	1,585,208	4.34%	7,809
2015	1,194,317	60,066	57,598	-	1,502,800	3.90%	7,403
2016	1,189,198	57,435	62,250	-	1,490,989	3.66%	7,238
2017	1,191,244	54,778	64,559	-	1,506,662	3.50%	7,244
2018	1,215,938	51,987	64,147	-	1,568,032	3.38%	7,539
2019	1,247,484	49,390	58,925	-	1,572,630	3.39%	7,563





**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>
2010	214,805	1,655	213,150	1.21%	1,048
2011	211,699	990	210,709	1.32%	1,032
2012	238,094	1,632	236,462	1.43%	1,189
2013	213,773	970	212,803	1.19%	1,066
2014	210,166	1,053	209,113	1.10%	1,043
2015	202,899	1,151	201,748	1.06%	1,004
2016	194,216	1,521	192,695	0.93%	953
2017	210,652	2,000	208,652	0.90%	1,003
2018	200,511	1,660	198,851	0.75%	951
2019	189,994	1,735	188,259	0.63%	905

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 schedule.

(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	note	192,847	100%	192,847
<b><u>OVERLAPPING DEBT</u></b>				
Tacoma School District #10		458,320	93%	424,722
Metropolitan Park District		155,815	95%	148,697
Port of Tacoma		146,331	23%	33,668
Pierce County		149,715	23%	34,447
Franklin Pierce School District		135,025	1%	893
Fife School District		133,119	12%	15,955
Clover Park School District		121,790	2%	2,484
University Place School District		44,236	4%	1,645
<b>TOTAL OVERLAPPING DEBT</b>		<u>1,344,351</u>		<u>662,511</u>
<b>GRAND TOTAL</b>		<u><u>1,537,198</u></u>		<u><u>855,358</u></u>
Population				207,948
Direct and Overlapping Debt per Capita				4.11

(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**

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

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

	2014	2015	2016	2017	2018	2019
Assessed Value of Property	\$17,887,171	\$19,015,503	\$20,766,300	\$23,179,090	\$26,551,125	\$29,781,935
Debt Limit, 7.5% of Assessed Value	1,341,538	1,426,163	1,557,473	1,738,432	1,991,334	2,233,645
Total Net Debt Applicable to Limit	217,009	209,654	198,678	214,008	205,189	194,176
<b>Legal Debt Margin</b>	<b>\$1,124,529</b>	<b>\$1,216,509</b>	<b>\$1,358,795</b>	<b>\$1,524,424</b>	<b>\$1,786,145</b>	<b>\$2,039,469</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.2%	14.7%	12.8%	12.3%	10.3%	8.7%

**Computation of Constitutional Limit of Indebtedness  
As of December 31, 2019  
Table 14**

As provided in the Revised Code of Washington Title 39 Chapter 36, the percentage limits for the various sections are layered cumulative to 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 notes within cells or in a section of the tab that doesn't print

Total Taxable Property Value (Assessed at 100%, for taxes payable in 2020) (PV)	\$	29,781,934,614
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**GENERAL PURPOSE INDEBTEDNESS**

Non-Voted General Purpose Indebtedness and Capital Leases

	Legal Limit 1.5% of Total Taxable Property Value	446,729,019
Indebtedness (Liabilities)		
Non-Voted General Obligation Bonds	219,192,214	
Capital Leases Payable	-	
Less Assets Available	-	
	Indebtedness Incurred - Non-Voted General Purposes	219,192,214
	Remaining Legally Available Non-Voted Debt Capacity - General Purposes	227,536,805
	Less Required Reserve (10% of Non-Voted Debt Capacity)	(44,672,902)
	Available Non-Voted Debt Capacity - net of Required Reserve	\$ 182,863,903

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

	Legal Limit 2.5% of Total Taxable Property Value	744,548,365
Less:	Indebtedness Incurred - Non-Voted General Purposes	(219,192,214)
		\$ 525,356,151
Indebtedness (Liabilities)		
Voted General Obligation Bonds	7,550,000	
Less Assets Available	(1,328,994)	
	Indebtedness Incurred - Voted General Purposes	6,221,006
	Total Remaining Debt Capacity - General Purposes	\$ 519,135,145

**UTILITY PURPOSE INDEBTEDNESS**

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

	Legal Limit 2.5% of Total Taxable Property Value	\$ 744,548,365
	Remaining Debt Capacity - Utility Purposes	\$ 744,548,365

**OPEN SPACES AND PARKS FACILITIES INDEBTEDNESS**

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

	Legal Limit 2.5% of Total Taxable Property Value	\$ 744,548,365
	Remaining Debt Capacity - Open Spaces and Parks Facilities	\$ 744,548,365

**SUMMARY**

Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value	2,233,645,096
Less: Indebtedness Incurred - General Purposes	0.7569%	225,413,220
Less: Indebtedness Incurred - Utility Purposes		-
Less: Indebtedness Incurred - Open Space And Parks Facilities		-
	Remaining Debt Capacity	6.7431% \$ 2,008,231,876



**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		780	8,031	0.00
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
2019	116,919	65,861	51,058	6,625	10,223	3.03

<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>
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
2019	473,776	410,865	62,911	9,365	19,688	2.17

<b>Solid Waste Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Solid Waste Charges and Other</b>	<b>Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
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	2.42
2018	69,111	48,743	20,368	2,060	2,662	4.53
2019	75,357	54,917	20,440	2,160	2,559	4.33

\*Beginning 2017: Total Charges and Other are exclusive of bond amortization and disposal of capital assets.

<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>
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
2019	111,676	57,194	54,482	5,639	13,073	2.91

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

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

Tacoma Rail Bond Anticipation Notes						
Fiscal Year	Rail Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2019			0			

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

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

Convention Center and Parking Revenue Bonds					
Fiscal Year	Net Parking Revenues	District Contribution	Total Pledged Revenues	Total Bond Debt Service	Coverage
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	2,928	3.08
2018	4,531	4,162	8,693	2,925	2.97
2019	4,324	4,363	8,687	2,924	2.97

It does contain a Rate Covenant for the portion of the Bonds that relate to the financing of the A Street Garage.

Parking System Rate Covenant			
Fiscal Year	Net Parking Revenues	District Contribution	Coverage
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
2019	4,324	323	13.39

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



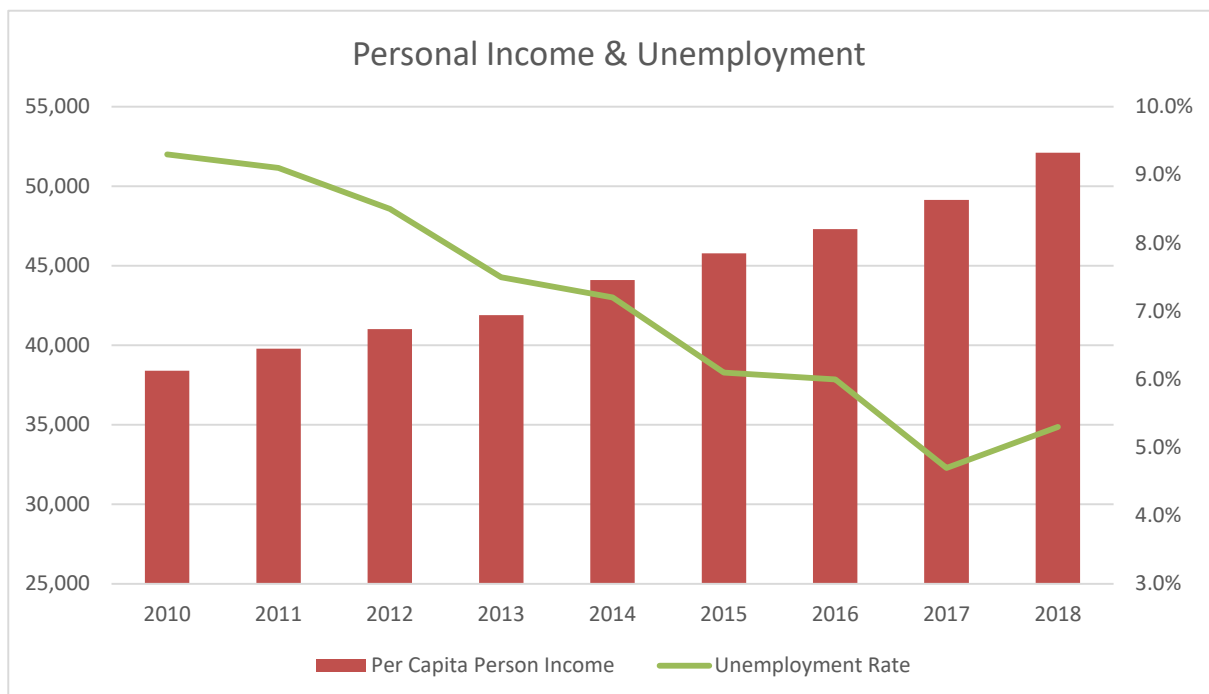
**Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Table 16**

<b>Fiscal Year Ended December 31</b>	<b>Tacoma Population (1)</b>	<b>Tacoma Personal Income (2) (Thousands)</b>	<b>County Per Capita Personal Income (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment % Rate (5)</b>
2010	203,400 (6)	7,812,391	38,409	28,088	9.3%
2011	204,200	8,124,097	39,785	27,868	9.1%
2012	198,900	8,156,491	41,008	27,806	8.5%
2013	199,600	8,361,244	41,890	27,562	7.5%
2014	200,400	8,838,842	44,106	27,531	7.2%
2015	200,900	9,195,997	45,774	28,011	6.1%
2016	202,300	9,570,813	47,310	28,323	6.0%
2017	208,100	10,225,410	49,137	28,307	4.7%
2018	209,100	10,897,037	52,114	28,335	5.3%
2019	207,948	N/A	N/A	27,888	5.4% *

**SOURCES:**

- (1) Washington State Office of Financial Management, except 2010. See (5).
- (2) Calculated with Pierce County per Capita and Tacoma population
- (3) U.S. Department of Commerce, Bureau of Economic Analysis, Pierce County (currently updated only through 2017)
- (4) Tacoma School District No. 10; total headcount of students including alternative schools as of October 1 each year
- (5) Washington State Employment Security Department (monthly rates averaged). \* Estimate
- (6) US Census Bureau.



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

**TOP TEN EMPLOYERS FOR 2019 (PIERCE COUNTY)**

	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
Joint Base Lewis McChord	54,000	6.1%	Military
notes within cells or in a section of the tab that does	8,264	0.9%	Health Care
State of Washington	7,745	0.9%	Government
CHI Franciscan Health	5,682	0.6%	Health Care
City of Tacoma	3,653	0.4%	Government
Tacoma Public Schools	3,481	0.4%	Education
Puyallup Tribe & Emeral Queen Casino	3,422	0.4%	Gaming
Pierce County Government	3,118	0.3%	Government
Puyallup School District	2,690	0.3%	Education
Bethel School District	2,565	0.3%	Education
Total	94,620	10.6%	

2019 Pierce County Population                      891,299

**TOP TEN EMPLOYERS FOR 2010 (PIERCE COUNTY)**

<u>EMPLOYEEERS</u>	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
US Army Fort Lewis	24,646	3.1%	Government
Tacoma Public Schools	12,633	1.6%	Government
State of Washington	5,847	0.7%	Health Care
US Air Force McChord	5,418	0.7%	Health Care
MultiCare Health System	5,000	0.6%	Retail and Distribution
Pierce County Government	3,015	0.4%	Gaming
Washington State Higher Education	2,599	0.3%	Retail
Su Army Madigan Hospital	2,592	0.3%	Retail
Franciscan Health System	2,553	0.3%	Health Care
Fred Meyer Stores	1,919	0.2%	Manufacturing
Total	66,222	8.3%	

2010 Pierce County Population                      795,225

**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-2010 numbers were used for top employers since this table was not used in 2009

**Sources:**

Economic Development Board for Tacoma-Pierce County

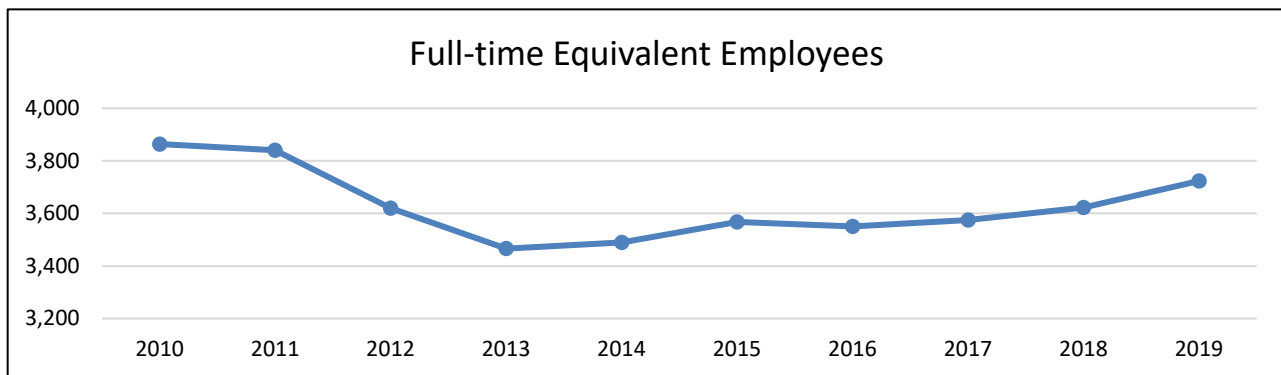
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**  
**Table 18**

Function	2010	2011	2012	2013	2014		2015	2016	2017	2018	2019
General government	257	287	260	265	268		285	286	286	290	311
Police	418	415	389	370	361		370	369	376	383	400
Fire	414	431	401	376	389		406	401	398	396	417
Law Enforcement Support Agency	151	159	160	N/A	N/A	(3)	N/A	N/A	N/A	N/A	N/A
Economic Environment											
Community & Economic Development	92	89	77	26	26	(2)	26	27	30	22	26
Planning and Development Services	N/A	N/A	N/A	51	59		60	29	59	62	84
Hearing Examiner	3	4	3	3	3		3	3	3	3	3
Human Rights Human Services	37	33	31	54	48		41	41	37	31	30
Culture and Recreation	213	202	179	159	158		171	171	166	178	188
Transportation											
Public Works	744	743	(1)	691	707		718	732	735	765	754
Information Systems	136	136	112	109	109		116	111	117	121	123
Retirement	9	9	10	10	10		10	9	9	9	9
Tacoma Public Utilities											
Administration	9	11	10	10	10		11	12	12	13	17
Customer Service	153	153	153	140	143		148	150	158	146	164
Rail	95	91	99	107	115		116	113	115	118	118
Power	874	829	805	839	839		851	860	837	838	830
Water	259	248	240	240	239		236	237	237	247	250
Total	3,864	3,840	3,620	3,466	3,490		3,568	3,551	3,575	3,622	3,724

(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.

(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**

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

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

	2015	2016	2017	2018	2019
<b>Function</b>					
Public Safety					
Police					
Violent Crimes	4,376	4,443	4,569	4,345	4,345
Property Crimes	20,531	21,229	22,881	19,976	19,976
Fire					
Incidents	45,266	46,783	47,510	48,263	48,785
Utilities					
Power customers	174,562	176,784	177,153	177,723	182,000
Power service units - MWH	6,510,290	7,302,235	7,588,005	6,774,459	6,103,954
Water customers	99,943	100,731	101,871	103,116	105,663
Water service units	26,087,248	24,610,996	24,097,864	24,764,924	24,354,862
Wastewater customers	75,732 (1)	76,268	76,859	76,790	77,398
Surface Water customers	70,611	70,703	70,834	71,057	71,193
Solid Waste customers	60,262	60,646	60,971	61,242	61,534
Rail					
Miles of track	57.5	48.5	48.5	48.5	48.5
Number of cars switched	102,173	124,467	107,130	108,719	114,036
Parking Garages					
Number of parking stalls -	2,282	2,282	2,122	2,122	2,128
Number of parking stalls -	98	98	98	98	104
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**

	2010	2011	2012	2013	2014
<b>Function</b>					
Public Safety					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	247	256	269	290	282
Unmarked Cars-(includes seized vehicles)	123	119	101	125	106
Motorcycles	22	22	16	16	16
<i>Fire</i>					
Number of Stations	16	16	15	15	15
Pumpers	16	16	13	13	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	1	2	2	2
Squad Vehicles	N/A	N/A	1.5	1.5	1.5
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
<i>Transportation</i>					
Streets					
Miles of Paved Streets	642.52	642.52	642.52	642.52	642.52
Miles of Unpaved Streets	208.10	208.10	208.10	208.10	208.10
<b>Total</b>	<b>850.62</b>	<b>850.62</b>	<b>850.62</b>	<b>850.62</b>	<b>850.62</b>

(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.

(2)2019 information unavailable

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

	2015	2016	2017	2018	2019
<b>Function</b>					
Public Safety					
Police					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	265	265	267	260	254
Unmarked Cars-(includes seized vehicles)	110	112	115	112	153
Motorcycles	15	10	14	14	18
Fire					
Number of Stations	15	15	16	16	16
Pumpers	13	13	15.5	15.5	16
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	3	3	3	3	3
Squad Vehicles	1.5	1.5	1.5	0	0
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
Transportation					
Streets					
Miles of Paved Streets	642.52 (1)	746.6	746.6	746.1	746.1 (2)
Miles of Unpaved Streets	208.10 (1)	10.80	10.8	11.3	11.3 (2)
<b>Total</b>	<b>850.62</b>	<b>757.4</b>	<b>757.4</b>	<b>757.4</b>	<b>757.4</b>



## Contributing Staff Table 21

The following individuals contributed to the successful completion of the City of Tacoma's 2019 Comprehensive Annual Financial Report:

### **COORDINATING AND SUPERVISORY STAFF**

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 Teresa L. Sedmak, City Treasurer  
 Kristy Magyar, Senior Financial Manager  
 Leda Voight, CPA, Senior Financial Manager  
 Michael San Soucie, CPA, Financial Manager  
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