

2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT



BACK OF FRONT COVER

2020 Comprehensive Annual Financial Report

of the City of Tacoma, Washington for
the Year Ended December 31, 2020

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



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SECTION 1

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS





City of Tacoma
Finance Department

September 29, 2021

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

We are pleased to present the Annual Comprehensive Financial Report of the City of Tacoma, Washington (the City), for the year ended December 31, 2020. The State Auditor has issued an unmodified opinion, or in layman's terms a "clean opinion" on the City of Tacoma's 2020 financial statements. The independent auditor's report can be found immediately after the Management's Discussion & Analysis section of the Annual Report.

The 2020 Annual Report 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 controls. 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 Annual Report 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 Annual Report, 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 Annual Report, 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 2020 population estimate was 221,259 which is an increase of 11.5% 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. 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 updates, 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. State law 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 installation, Joint Base Lewis-McChord heavily contributes to the region's workforce. Other large government employers include local public schools, Washington State and Pierce County, and health care organizations. Tacoma is home to several higher education institutions (University of Washington Tacoma, University of Puget Sound and Pacific Lutheran University) as well as several technical and vocational schools including Tacoma Technical College, Bates Technical College, and Clover Park Technical College. The table below provides the 2020 top ten employers in Pierce County.

TOP TEN EMPLOYERS FOR 2020 (PIERCE COUNTY)				
		EMPLOYEES	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
Joint Base Lewis McChord		54,000	5.9%	Military
Multicare Health System		8,264	0.9%	Health Care
State of Washington		7,859	0.9%	Government
CHI Franciscan Health		5,682	0.6%	Health Care
Tacoma Public Schools		3,649	0.4%	Education
City of Tacoma		3,623	0.4%	Government
Pierce County Government		3,304	0.4%	Government
Puyallup School District		2,711	0.3%	Education
Bethel School District		2,689	0.3%	Education
Safeway & Albertsons		2,153	0.2%	Retail
Total		93,934	10.3%	
2020 Pierce County Population	916,204			

The average year-to-date unemployment rate for the Tacoma metropolitan area was 9.6% at the end of 2020 compared to 5.4% and 5.3% for years ending 2019 and 2018, respectively. Tacoma's median household income for 2019 was \$ 53,572 compared to \$ 52,114 for 2018

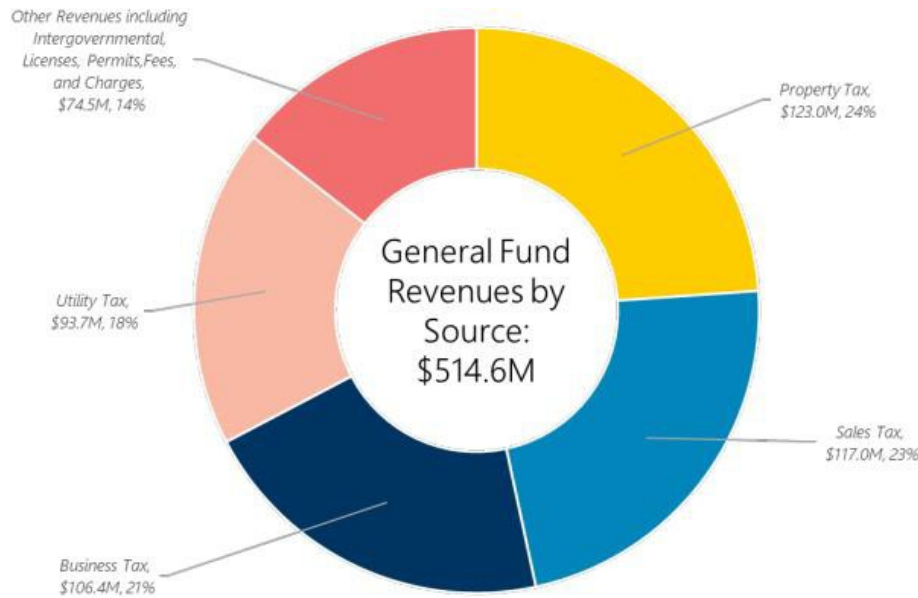
The City's budgeted major revenue sources for the General Fund include property tax, business & occupation (B&O) tax, sales tax and a gross earnings tax (GET) on utilities. Below are each major revenue source and their respective amount and percentage in the 2019-2020 biennial budget,

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 2020, the City levied at the statutory limitation of \$2.58 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 or at the following specific link:

<https://cms.cityoftacoma.org/finance/budget/2019-2020/2019-2020%20Adopted%20Budget%20Book.pdf>

Response to COVID-19

The outbreak of the 2019 novel coronavirus ("COVID-19") is a significant event that has had and is expected to have ongoing, effects on the region where the City is located. Certain historical information in this Transmittal Letter about the finances and operations of the City predate the outbreak of COVID-19 and should be considered in light of the possible or probable negative effects the COVID-19 pandemic may have on the current and future finances and operations of the City and economy of the State of Washington.

On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 a national emergency. On February 29, 2020, Washington's Governor declared a state of emergency due to the number of confirmed cases of COVID-19 in the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak. On March 12, 2020, the Mayor also declared a State of Emergency due to COVID-19. The State Governor has issued a series of proclamations designed to limit social interactions, including orders requiring or encouraging individuals, governments and businesses to take certain precautionary measures designed to prevent the spread of COVID-19. On March 23, 2020, the State Governor issued a statewide "Stay Home, Stay Healthy" proclamation, requiring individuals to stay home except for essential activities, banning social and other gatherings, and closing all businesses with certain exceptions for essential businesses. The City has and continues to coordinate its response to the pandemic with the Tacoma-Pierce County Health Department, as well as the Washington State Department of Health.

The COVID-19 pandemic is ongoing, and the duration and severity of the crisis are uncertain. The City took aggressive budget actions in early 2020 to manage the impacts of COVID-19. The actions included, but are not

limited to, the following: reduction of 2020 revenue projections by approximately \$40 million, eliminated discretionary spending, cancelled planned projects, established purchasing and contract freezes, established a hiring freeze, put certain staff on temporary furloughs and did targeted lay-offs. Other actions the City took in response to COVID-19 included, but are not limited to, the following: instituted telework for all non-frontline service staff (approximately 1,800 staff converted to telework), health screening for employees reporting to City facilities, implemented an Emergency Leave Program for employees impacted by COVID-19, increased the number of homeless shelter beds by over 250, provided additional funding for Rental Assistance programs, and provided additional funding for utility bill assistance. The City will continue to monitor the community impacts of COVID-19 and remain flexible on responding to community needs.

The City has and will continue to review the range of financial impacts of COVID-19 on the City and its finances. The City's adopted 2021-2022 biennial budget includes reduced projections for sales and use taxes, licenses and permits and various other revenue sources. As part of the 2021-2022 budget process, City departments were asked to submit spending plans based on approximately 15% reductions. The final adopted budget included a variety of reductions across City departments to meet the reduced revenue estimates.

The City did receive from the State and Pierce County in 2020 approximately \$9.6 million in Federal CARES Act assistance. Based on allocation projections, the City expects to receive approximately \$60 million in American Rescue Plan Act of 2021 (the "2021 Act") assistance. Funds received under the 2021 Act may be used for authorized purposes relating to mitigating the fiscal effects of the COVID-19 pandemic, including responding to the public health emergency, providing governmental services, and making certain infrastructure investments, among other purposes. The City will monitor and apply for additional Federal and State support for expenses related to responding to the COVID-19 pandemic if and as such relief becomes available.

The COVID-19 outbreak is ongoing, and its dynamic nature leads to many uncertainties. The impact that the COVID-19 pandemic is having and will have on commerce, financial markets, the State and region is significant, and the nature of the impact is likely to evolve over the next several years. The City has provided the information contained in this Transmittal Letter to describe some of the impacts that the COVID-19 pandemic and related orders have had on the City's finances and operations, and to describe some of the actions that the City is taking in response.

While the full impact of the COVID-19 pandemic on the City and the regional economy is currently uncertain, the City currently believes that the measures it has taken will help mitigate its anticipated revenue shortfall. The City, however, cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the regional and local economy or on the revenues and expenses of the City. The City will continue to monitor the evolving situation and respond as needed.

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 biennium are:

Tacoma Police Transformation

In 2020, the City dedicated itself to becoming an anti-racist organization and community as memorialized in the City Council Resolution No. 40622 (adopted 6/30/20). The resolution directs the City to transform all of its policies and programs with an initial emphasis on policing practices. As a result, the City worked to adopt and comply with the national "8 Can't Wait" policy framework which outlines key policies that lead to a reduction of violent interactions between police and the community. Tacoma Police Department (TPD) completed training on these policies in September 2020. The City also worked with nationally acclaimed 21st Century Policing to do a deep analysis of all of TPD's current policies and procedures resulting in 64 recommendations across all of TPD's operations and policy areas. This group led a great deal of community outreach with groups representing diverse background, lifestyles, and interests throughout the City of Tacoma.

In response to community feedback, the City also began to build and deploy its Body Worn Camera program by developing policies with input from the Community Police Advisory Committee (CPAC), installing the base hardware to support body worn cameras (November 2020), and procuring sufficient cameras for patrol officers. Human Resources also worked to develop the supporting classifications and organizational structure to support ongoing operations of the body worn camera program. Cameras were deployed to the officers in Q1 2021. The City also completed a pilot dashboard camera program which has prepared us for a full deployment of dashboard cameras in 2021.

Transformation- Diversity, Inclusion and Equity

Organizationally, the City Manager's Office and Director of Public Utilities sought deeper understanding of the needs of Black, Indigenous, People of Color (BIPOC) employees by conducting a series of Employee Listening Sessions in the fall. The City also convened several workshops of a group of staff throughout the organization who participated in a 9-month program with the Government Alliance on Race and Equity (GARE) to identify key objectives the City could pursue to become an anti-racist organization. Concurrently, the Office of Equity and Human Rights (OEHR) led each department through the development of Racial Equity Action Plans (REAP). First drafts of the REAPs were completed in September 2020 and plans continue to evolve as the organization grows in understanding and maturity of the principles of anti-racism.

Homelessness

The COVID-19 pandemic restricted the availability of congregate shelter space in the city. To respond to this reduced shelter space, the City was able to establish two micro-shelter sites in 2020 which provided an additional 87 units for sheltering (125 bed spaces). The City also utilized funding to establish a clean air shelter to address community needs during wildfire season and winter warming shelters. These efforts provided an additional 135 temporary shelter beds in 2020. In addition to developing additional shelter capacity, the City was also able to provide funding for emergency rental assistance for households impacted by COVID-19 at or below 50% of Area Median Income. This program assisted 638 households and provided \$902,000 in assistance to keep households stabilized.

AWARDS AND ACKNOWLEDGEMENTS

Awards

We are pleased to announce that for the 35th 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 2019 Annual Report. 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 Annual Report a success can be found on page 6-35, we would like to specifically thank Kristy Magyar, Su Yi, Min Soo Chun, Ghassan Diab, Van Chung and Polly Wainaina for their work in bringing the final document together.

Respectfully,

DocuSigned by:

 1FAFA3DA59164E0...

Andy Cherullo
 Director of Finance

DocuSigned by:

 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**

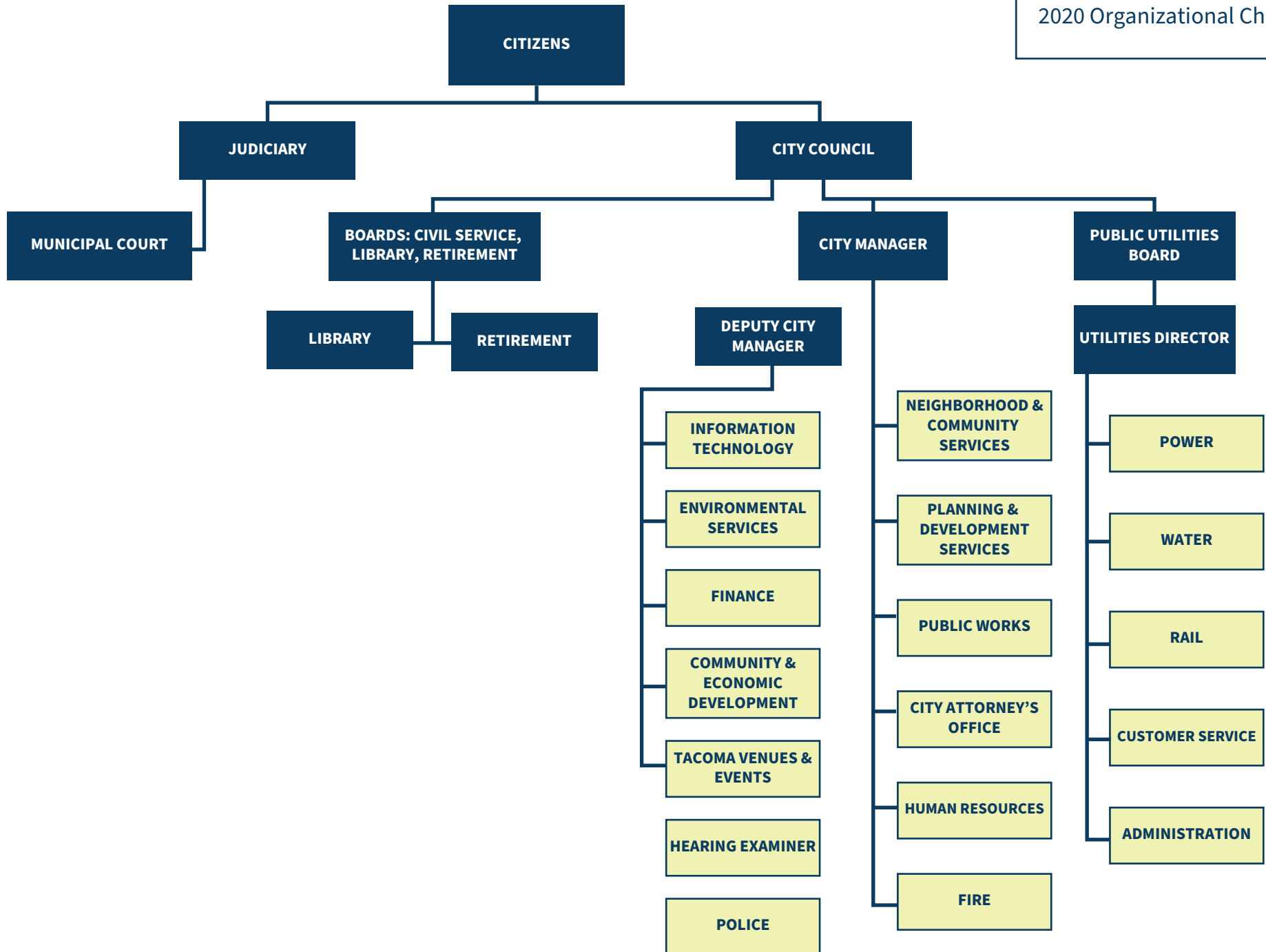
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

2020 Organizational Chart



TACOMA

2020 CITY COUNCIL



Victoria Woodards
Mayor



Keith Blocker
Deputy Mayor



John Hines
District 1



Robert Thoms
District 2



Catherine Ushka
District 4



Chris Beale
District 5



Lillian Hunter
District 6



Conor McCarthy
District 7



Kristina Walker
District 8



Elizabeth Pauli
City Manager



City Officials as of December 31, 2020

Council Members

Victoria Woodards
 Keith Blocker
 Chris Beale
 John Hines
 Lillian Hunter
 Conor McCarthy
 Robert Thoms
 Catherine Ushka
 Kristina Walker

Mayor
 Deputy Mayor

Expiration of Term

December 31, 2021
 December 31, 2023
 December 31, 2021
 December 31, 2023
 December 31, 2021
 December 31, 2021
 December 31, 2021
 December 31, 2021
 December 31, 2023

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
 Tacoma Power Superintendent
 Tacoma Water Superintendent
 Tacoma Rail
 Customer Service

Jackie Flowers
 Chris Robinson
 Scott Dewhirst
 Dale King
 Steven Hatcher

SECTION 2

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





Office of the Washington State Auditor Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Mayor and City Council
City of Tacoma
Tacoma, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tacoma, as of and for the year ended December 31, 2020, 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, 91 percent, and 91 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 7 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, 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, 2020, 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 10 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Management's plans in response to this matter are also described in Note 10. 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 financial statements and other supplementary information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 September 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy, State Auditor

Olympia, WA

September 29, 2021

Management's Discussion and Analysis

For the Year Ended December 31, 2020

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, 2020. 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 \$3.0 billion. Of this amount, \$310.2 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 \$82.7 million in 2020. Governmental activities increased the City's net position by \$27.4 million and business-type activities increased the net position by \$55.3 million.
- Tacoma Power's net Position for 2020 was \$877 million which was an increase of \$45 million from 2019.
- Tacoma Water's net position for 2020 was \$636 million which was an increase of \$33 million from 2019.
- Tacoma Wastewater's net position for 2020 was \$490 million which was an increase of \$15 million from 2019.

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, 2020

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, 2020

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, wastewater, 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 3-25 to 3-89 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 4-15 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 5-90 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, 2020

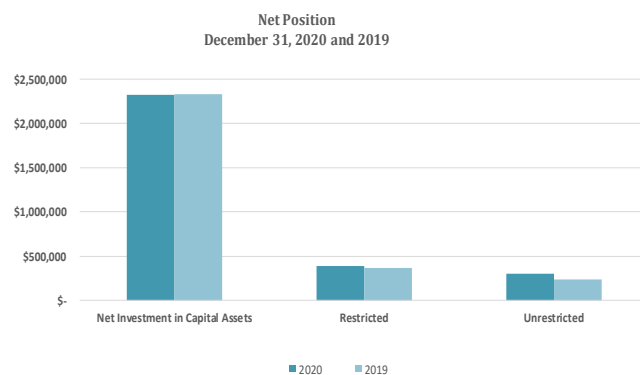
Government-wide Financial Analysis

Statement of Net Position

The following table is a condensed Statement of Net Position for the City of Tacoma for December 31, 2020, which compares the current year to the prior year.

STATEMENT OF NET POSITION (in thousands \$)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 498,032	\$ 457,888	\$ 1,026,902	\$ 983,624	\$ 1,524,934	\$ 1,441,512
Capital assets, net of accumulated depreciation	775,474	793,885	2,936,249	2,890,999	3,711,723	3,684,884
Total assets	1,273,506	1,251,773	3,963,151	3,874,623	5,236,657	5,126,396
Deferred Outflows of Resources	54,794	74,210	49,361	106,741	104,155	180,951
Long-term liabilities	433,711	479,921	1,450,943	1,516,391	1,884,654	1,996,312
Other liabilities	69,602	56,556	134,084	126,017	203,686	182,573
Total liabilities	503,313	536,477	1,585,027	1,642,408	2,088,340	2,178,885
Deferred Inflows of Resources	74,305	66,190	160,901	127,710	235,206	193,900
Net position						
Net investment in capital assets	620,972	628,205	1,700,269	1,699,160	2,321,241	2,327,365
Restricted	213,926	194,244	171,938	177,563	385,864	371,807
Unrestricted	(84,216)	(99,133)	394,377	334,523	310,161	235,390
Total net position	\$ 750,682	\$ 723,316	\$ 2,266,584	\$ 2,211,246	\$ 3,017,266	\$ 2,934,562

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 \$3.0 billion at December 31, 2020. 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 76.93% 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 10.28% 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



Management's Discussion and Analysis

For the Year Ended December 31, 2020

general government services. The remaining 12.79% of net position is restricted for other purposes such as debt redemption and new capital construction. Governmental activities represent 24.9% of total net position and business-type activities represent 75.1% 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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 47,245	\$ 49,946	\$ 830,832	\$ 844,654	\$ 878,077	\$ 894,600
Operating grants and contributions	47,185	55,031	-	-	47,185	55,031
Capital grants and contributions	10,775	4,122	38,277	50,369	49,052	54,491
General revenues						
Property taxes	81,388	77,970	-	-	81,388	77,970
Retail Sales & Use Tax	77,718	81,132	-	-	77,718	81,132
Business	52,042	53,563	-	-	52,042	53,563
Excise taxes	14,747	15,320	-	-	14,747	15,320
Investment earnings	4,992	9,473	18,509	24,682	23,501	34,155
Miscellaneous revenue	498	366	4,836	107	5,334	473
Total revenues	336,590	346,923	892,454	919,812	1,229,044	1,266,735
Expenses:						
General government	28,171	44,839	-	-	28,171	44,839
Public safety	188,563	188,233	-	-	188,563	188,233
Transportation	75,468	95,718	-	-	75,468	95,718
Nature and Economic Environment	28,745	25,435	-	-	28,745	25,435
Social Service	6,818	6,167	-	-	6,818	6,167
Culture and recreation	19,276	24,249	-	-	19,276	24,249
Interest on long-term debt	7,719	16,261	-	-	7,719	16,261
Solid Waste	-	-	63,262	61,512	63,262	61,512
Waste Water	-	-	108,263	104,543	108,263	104,543
Water	-	-	107,093	101,045	107,093	101,045
Power	-	-	435,080	481,894	435,080	481,894
Nonmajor Business-Type Activities	-	-	76,545	82,202	76,545	82,202
Total expenses	354,760	400,902	790,243	831,196	1,145,003	1,232,098
Change in net position before transfers	(18,170)	(53,979)	102,211	88,616	84,041	34,637
Transfers	46,703	52,627	(46,703)	(52,627)	-	-
Change in net position	28,533	(1,352)	55,508	35,989	84,041	34,637
Net Position, January 1, as Previously Reported	723,316	717,403	2,211,246	2,178,779	2,934,562	2,896,182
Prior Period Adjustment	(1,167)	7,265	(170)	(3,522)	(1,337)	3,743
Change in Accounting Principle	-	-	-	-	-	-
Net Position, January 1, as Restated	722,149	724,668	2,211,076	2,175,257	2,933,225	2,899,925
Net position, December 31	\$ 750,682	\$ 723,316	\$2,266,584	\$2,211,246	\$3,017,266	\$2,934,562

Management's Discussion and Analysis

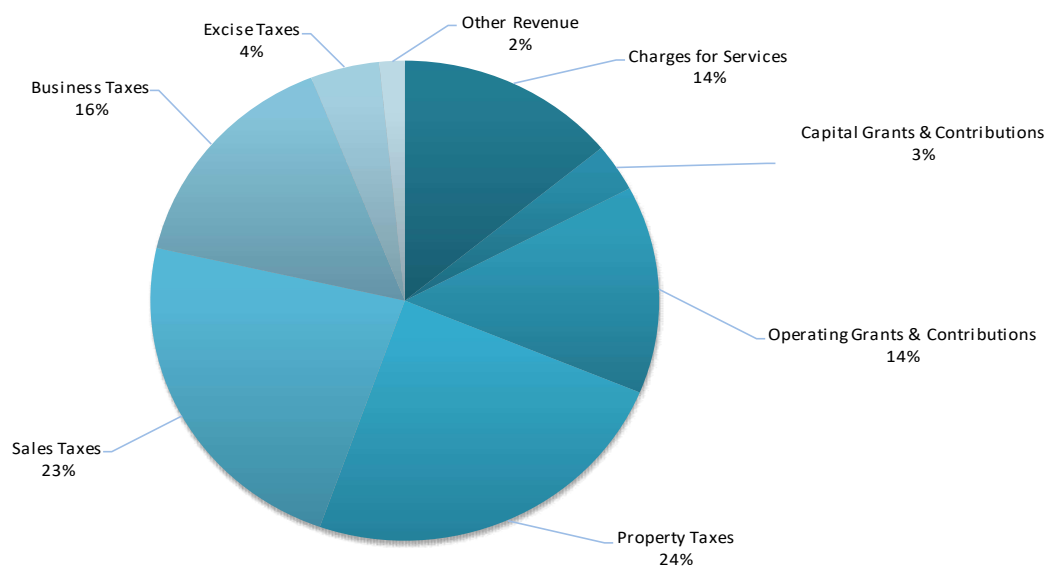
For the Year Ended December 31, 2020

Governmental Activities net position increased by \$27.4 million which was a 3.8% increase from 2019. In 2020, revenues decreased approximately \$10.3 million from 2019, and expenditures also decreased by \$46.1 million from 2019. Some key revenue and expenditure highlights of governmental activities for 2020 are as follows:

- Operating grants and contributions decreased by \$7.8 million, which was a 14.3% decrease from 2019 offset by a \$6.7 million increase in capital grants and contributions.
- Charges for services decreased by \$2.7 million, which was a 5.4% decrease from 2019.
 - General government decreased \$2.7 million primarily due to a decrease in business licenses and non-business licenses and lower than expected fire inspection fees due to de-emphasis on inspections during COVID-19
 - Public Safety decreased \$2.2 million offset by an increase of \$0.6 million in Culture and Recreation.
 - Natural and Economic Environment increased by \$0.5 million, Social Services increased \$0.5 million and Transportation increased \$0.6 million.
- Overall general tax revenues decreased by \$2.1 million which is a 0.9% decrease from 2019.
 - Retail & use tax revenue decreased by \$3.4 million or 4.2%
 - Property tax revenue increased \$3.4 million or 4.4%.
 - Excise taxes revenues decreased by \$0.5 million which or 3.7%.
 - Business tax revenues decreased by \$1.5 million or 2.8%
- Governmental activities expenditures decreased by \$46.1 million which was 11.5% decrease. The most significant portion of the decrease in expenditures can be attributed to general government activities decreasing \$16.7 million (37.2%), transportation decreasing \$20.3 million (21.2%), and culture and creation decreasing by \$5.0 million (20.5%). Interest expense on long term debt decreased by \$8.5 million (52.5%). Social service increased by \$0.7 million (10.6%), nature and economic environment increased by \$3.3 million (13.0%), public safety increased by \$0.3 million (0.2%).

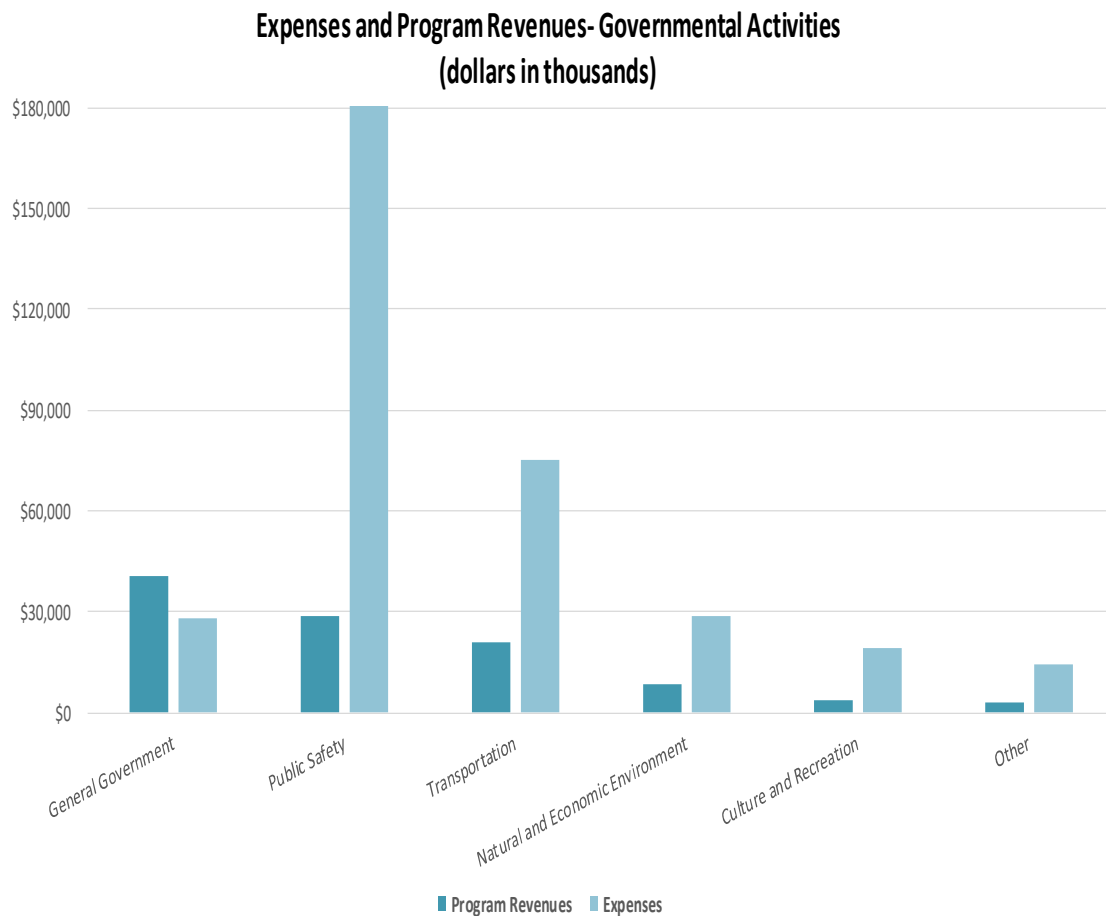
There are two charts depicted below for governmental activities. The first chart provides a summary of the governmental revenues sources by activity while the second shows the relationship of the revenues to expenses for the varying activities of the City.

Revenue by Source - Governmental Activities



Management's Discussion and Analysis

For the Year Ended December 31, 2020



Business-Type Activities net position increased by \$55.3 million which was a 2.5% increase with an ending net position of \$2.3 billion. The major enterprise funds are the Solid Waste, Wastewater, Water and Power funds.

- Charges for Services decreased by \$13.8 million or a 1.6% in 2020. The largest portion of this decrease is from non-major business-type activities accounting for \$20.8 million driven by a decrease in revenue at the Tacoma Dome, Convention Center, Cheney Stadium and Parking Fund due to the COVID-19 Pandemic that led to cancellation of all events from March 14 2020. Solid waste revenues increased \$2.3 million driven by a service rate increase of 3.9%, Power increased \$0.03 million, water increased \$1.0 million driven by a service rate increase of 2.5%, and waste water increased \$3.7 million service rate was 4.0% in 2020.
- Capital grants and contributions decreased \$12.1 million. The largest portion of this decrease was due to a \$26.9 million transfer of assets held in Fleet Service Fund to Power, Rail, and Water for funding flexibility per City of Tacoma Ordinance No. 28688. Water increased \$10.0 million including Fleet Services fund transfer \$6.3 million of net book value assets. Power increased \$16.1 million with Fleet Services Fund continues to maintain the purchasing and maintenance responsibilities and \$18.8 million of net book value in assets were transferred to Power in 2020. Wastewater decreased \$0.6 million mainly due to less capital grants from the State of Washington Ecology Department because major capital projects were completed in 2019

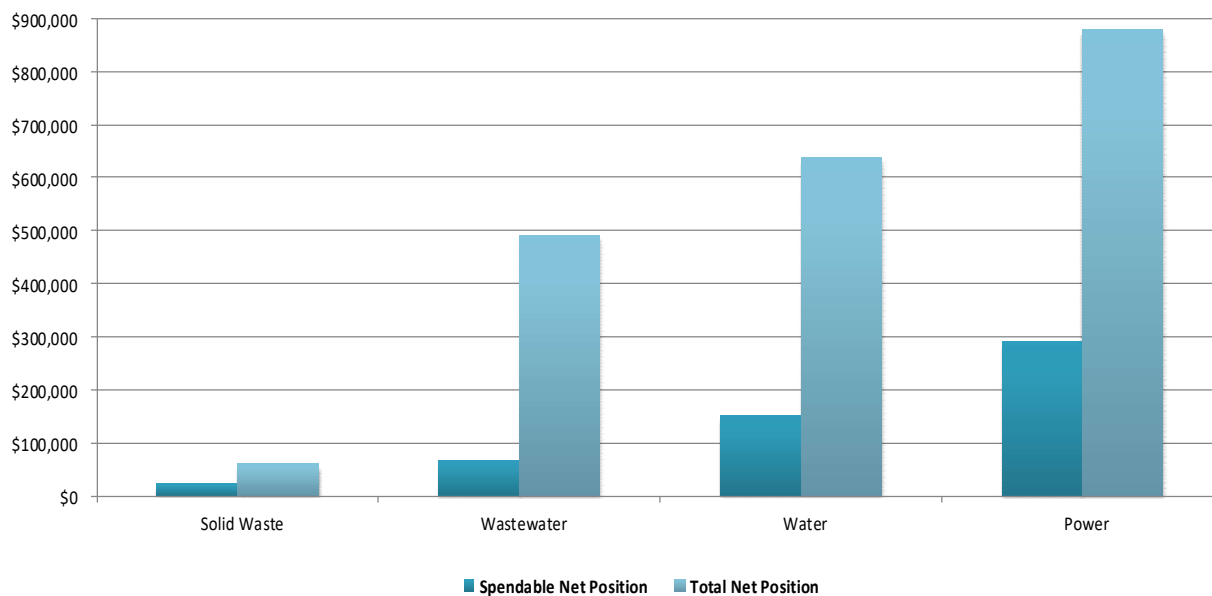
Management's Discussion and Analysis

For the Year Ended December 31, 2020

- Investment Earnings decreased a \$6.2 million to \$18.5 million in 2020, as interest rates are lower than 2019.
- The business-type activities expenses overall decreased by 4.9% in 2020 to \$790.2 million. Power expenses decreased by \$46.8 million (9.7 %), waste water expenses increased by \$3.7 million (3.6 %), and water expenses increased by \$6.0 million (6.0 %). Solid waste expenses increased in 2020 by \$1.8 million (2.8 %). Non major business-types activities expenses decreased \$5.7 million (6.9%).

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, Wastewater mains. Therefore, these funds are not readily available for spending in support of ongoing expenses.

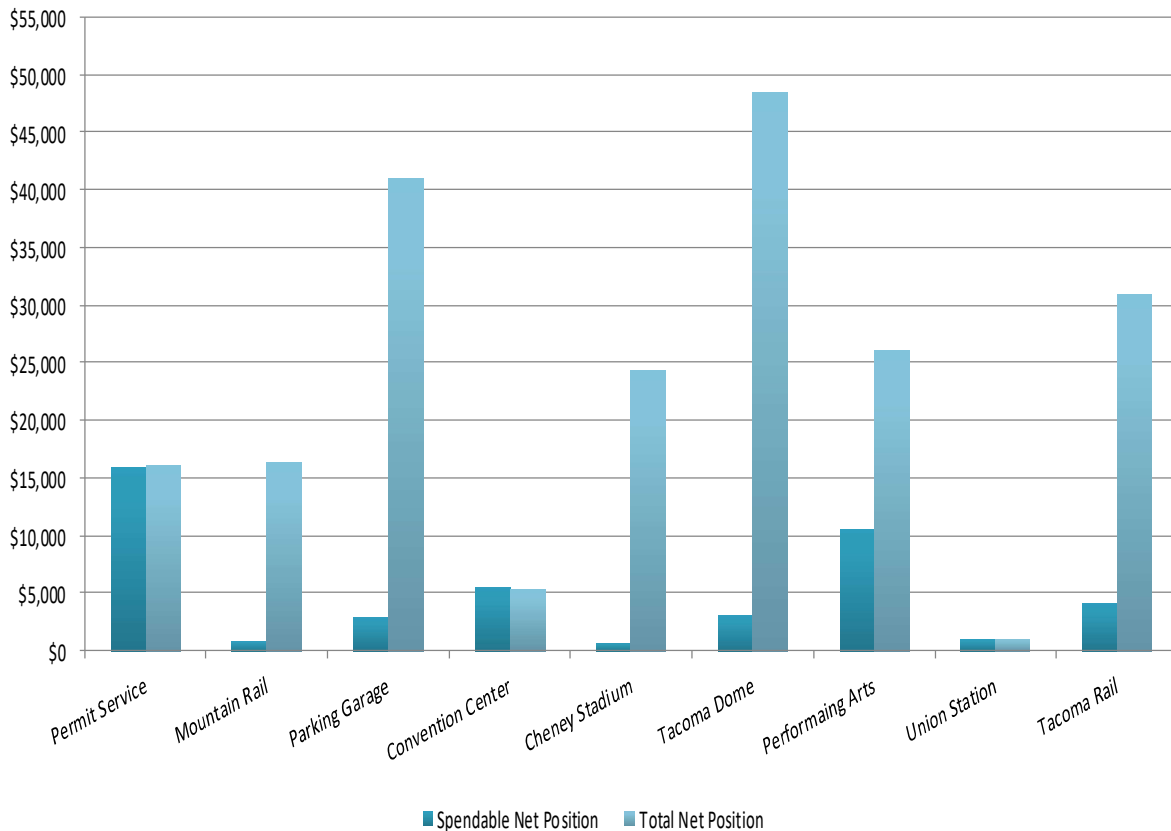
**Comparison of Spendable Net Position to Total Net Position -
Utility Funds**



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.

Management's Discussion and Analysis For the Year Ended December 31, 2020

Comparison of Spendable Net Position to Total Net Position - Other Enterprise Funds



Financial Analysis of the City's Fund Statements

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

Governmental Fund Statements

Fund balance for the City's General Fund was \$92.8 million, an increase of \$15.5 million or 20.1% higher than 2019. Overall general fund revenues saw a 0.9% decrease in 2020. Property tax increased \$3.5 million due to the increase in the assessed value of property, residential properties went up 8.8 percent in 2020 compared to 7.5 percent in 2020 due to a continued strong real estate market. Retail Sales & Use tax decreased \$2.7 million, business tax decreased \$1.0 million. Intergovernmental revenue decreased \$3.1 million.

Fund balance for the Transportation Capital and Engineering fund is \$7.9 million which increased by \$4.9 million in 2020. Transportation revenues decreased by \$7.1 million mainly driven by decreased in intergovernmental revenues and overall expenditures decreased by \$5.4 million.

Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, was \$162.8 million which increased \$11.9 million. Overall other governmental funds revenue increased by \$11.0 million, with intergovernmental revenues and retail sales being the largest contributors, and expenditures decreased by \$25.3 million.

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Fund Balances

At December 31, 2020, the City's governmental funds reported combined ending fund balances of \$263.5 million. Of this amount, \$5.2 million is nonspendable, either due to its form or legal constraints. \$140.2 million is restricted for specific programs by external constraints. \$11.4 million is committed for specific purposes as approved by City Council. \$20.7 million is assigned to specific purposes by management and the remaining \$86.0 million is unassigned.

Proprietary Fund Statements

Total net position for enterprise funds for 2020 was \$2.3 billion which increased by \$102.7 million in 2020. Power, Water, Solid Waste and Wastewater utilities make up the majority of the proprietary funds and activity in these utilities contributed \$101.5 million for the change in the net position, and non-major enterprise funds contributed \$1.2 million.

The Power fund net position for 2020 was \$877 million this is a \$44.9 million increase in net position (14.7%) from 2019. Operating Revenues totaled \$461.0 million in 2020, a decrease of \$0.4 million or 0.1%, primarily due to decrease in Click! Network Operating revenue of \$19.3 million, On April 1, 2020 Rainier Connect North LLC entered in an indefeasible Right of Use agreement and took operational control of the Click! Commercial Network. This decrease was offset with an increase in revenues from residential customers of \$4.6 million or 2.5%. There was an approximate overall rate increase of 2% effective July 1, 2020 coupled with an increase in consumption of 13,000 in MWh billed. Wholesale power sales increased \$12.2 million or 25.7% mainly due to an increase in consumption of 896,000 in MWh billed. Total operating expenses decreased \$51.8 million or 11.3% compared to 2019. Purchased Power decreased \$24.0 million or 14.9%. Generation expenses decreased \$6.6 million or 23.4%. Services provided by Washington Department of Fish and Wildlife represented approximately \$4.1 million of the decrease. Maintenance expenses decreased \$7.6 million or 19.6%. External contract services accounted for \$5.9 million of the decrease primarily due to the decrease in Kosmos oil seep cleanup accruals. Salaries, Wages, and Pension expense attributed to \$1.6 million of the decrease. Telecommunications expense decreased \$17.1 million or 76.9% for the same reason as stated in the decrease of Click! Network Operating revenue. Administrative and general expense increased \$3.2 million or 5.6% primarily due to an increase in bad debt expense in relation to aging accounts receivable

The Water fund had a net position of \$636.1 million in 2020, this was a 5.5% increase of \$33.2 million over 2019. Tacoma Water's operating revenues were \$104.5 million in 2020, an increase of \$1.9 million or 1.9% compared to 2019. Sales of water is increased in 2020 by a net of \$2.5 million this is offset by a decrease in other operating revenues of \$0.5 million and a decrease in contract resource obligations revenues of \$0.1 million. Operating expenses increased \$2.4 million or 3.0%, compared to an increase of \$3.5 million or 4.6% in 2019. Salaries and Wages increased \$2.0 million offset with a decrease in pension expense of \$480,000. The remaining variance was spread across multiple functional accounts and not attributed to a specific event.

The Wastewater fund net position was \$490.1 million in 2020 which increased by \$15.3 million (3.2 %) from 2019. Operating revenues were \$119.0 million in 2020 compared to \$116.9 million in 2019. Approved average rate increases for Wastewater were 4.0% for 2020. The average rate increases for Surface Water were 3.5% for 2020 and the rate increases went into effect January 1st of each year. Wastewater residential revenues increased \$2.1 million or 4% in 2020 compared to \$1.3 million increase or 3% in 2019. Wastewater commercial and public authority (PA) revenues decreased \$3.2 million or 12% in 2020 compared to 2019 due in part to temporary business shut down and partial closures due to COVID-19 impacts. Operating expenses were \$93.7 million in 2020.

The Solid Waste fund net position increased in 2019 by \$7.9 million to \$62.1 million, this was a 14.7% increase over 2019. Operating revenue increased \$2.0 million (2.8%). An average service rate increase of 3.9% went into effect at the beginning of the year, residential customer revenues increased by \$3.2 million, due to an increase in both the number of customer accounts during the year and a rate increase at beginning of the year Revenue from commercial customers increased a relatively small amount of \$0.5 million due to a tremendous effect caused by Covid-19 pandemic on commercial business customers in 2020 compared to 2019. Disposal revenues decreased \$1.3 million due to limited access to the landfill to only customers that reside within the city limit during COVID-19 pandemic in

Management's Discussion and Analysis

For the Year Ended December 31, 2020

2020 compared to 2019 Operating expenses were \$61.0 million in 2020, an increase of \$1.4 million from 2019. There was \$6.1 million that was transferred to the general fund for gross earnings tax.

Due to COVID-19, all events at TVE Tacoma Dome, TVE Cheney Stadium, and TVE Convention center were cancelled since March 14, 2020 and lower business causing a significant decrease in 2020 revenue compare to 2019. TVE Tacoma Dome revenue decreased by \$11.2 million, TVE Convention decreased by \$2.1 million, parking fund decreased by \$3.5 million. Cancellation or postponements of all events from March 14, 2020 lead to reduced expenditures in personnel, external services, and other operating expenses. TVE Tacoma Dome expenditures decreased by \$4.8 million, and TVE Convention Center decreased \$1.5 million. In 2020, TVE Dome, Convention Center, Cheney Stadium, and Performing Arts fund received \$2.0 million from CARES Act through Pierce County to provide the service related to the response to the public health emergency created by COVID-19 and facilitate essential building modifications, equipment upgrades, supplies, and protocols to ensure public safety and consumer confidence in order to reopen public venue post pandemic.

General Fund Budgetary Highlights

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

Major General Fund Variances for 2020 include:

- \$1.7 million in revenues under projection. The decrease revenues included lower collection than expected business and sales tax collections (primarily Retail, Wholesaling, Manufacturing, and Service Taxes), utility taxes, and intergovernmental and miscellaneous revenues.
- \$22.5 million in expenditure savings. The primary areas of under-spending include personnel costs and external service. There are some delays in contract savings that also contribute to this variance.

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, 20120 is \$3.71 billion. This investment in capital assets includes land, construction in process, property, plant and equipment, and infrastructure. The vast majority of this amount represents assets held by the City's various utilities and infrastructure.

Schedule of Capital Assets						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 35,844	\$ 35,843	\$ 164,157	\$ 165,485	\$ 200,001	\$ 201,328
Art	3,004	2,940	-	-	\$ 3,004	\$ 2,940
Construction in progress	33,841	16,896	126,845	77,971	160,686	94,867
Property, plant and equipment	291,174	289,355	4,698,301	4,660,986	4,989,475	4,950,341
Infrastructure	1,487,511	1,481,962	-	-	1,487,511	1,481,962
Less Accumulated depreciation	(1,075,900)	(1,033,111)	(2,053,054)	(2,013,443)	(3,128,954)	(3,046,554)
	\$ 775,474	\$ 793,885	\$ 2,936,249	\$ 2,890,999	\$ 3,711,723	\$ 3,684,884

Management's Discussion and Analysis

For the Year Ended December 31, 2020

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, 2020 was \$1.9 billion, a decrease of \$46.2 million from governmental activities and a decrease of \$65.5 million from business-type activities caused the \$111.7 million decrease total primary government from 2019. Approximately 77.0% of the bonded debt is related to business-type activities with repayment pledged by specific revenue sources generated by the business-type activities. Of the remaining 23.0% bonded debt, debt is either secured by voter approved special levies or general government resources.

Additional information on the City of Tacoma's long-term debt can be found in Note 3-F and Note 13 of the Notes to the Financial Statements.

Schedule of Long Term Liabilities						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Bonded debt and loans	\$ 155,604	\$ 167,113	\$ 1,379,160	\$ 1,362,389	\$ 1,534,764	\$ 1,529,502
Claims and judgments	37,288	39,533	-	-	37,288	39,533
Accrued landfill liability	-	-	16,127	23,083	16,127	23,083
Net OPEB Obligation	-	-	-	-	-	-
Total OPEB Liability	177,614	175,076	30,808	29,037	208,422	204,113
Net Pension Obligation	-	-	-	-	-	-
Total Pension Liability Police and Firefighters	43,808	40,527	-	-	43,808	40,527
Pension Liability	-	35,805	-	81,204	-	117,009
Compensated absences	19,397	21,867	24,848	20,678	44,245	42,545
	\$ 433,711	\$ 479,921	\$ 1,450,943	\$ 1,516,391	\$ 1,884,654	\$ 1,996,312

The City's debt rating for 2020 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+

Management's Discussion and Analysis

For the Year Ended December 31, 2020

Economic Factors

The COVID-19 pandemic has resulted in a widespread health crisis that has adversely affected businesses, economies in 2020. In March 2020, COVID-19 related shutdown immediately slashed jobs in many sectors of economy. Pierce County experienced high unemployment rates 18.6% in April 2020 and slow job growth as 2020 end with unemployment rate 7.2%.

In response to the COVID-19 Pandemic, the Tacoma Dome and Convention Center are working with organizations across the state and country to determine the best practices for reopening. The venue industry has revised national and global standards for operating and sanitation to ensure health and safety at event venues. Tacoma Venues and Events (TVE) will achieve industry standards for sanitation, which includes actions such as minimizing touchpoints at security checks and throughout the facility and providing a cashless environment at the Tacoma Dome and Greater Tacoma Convention Center.

Based on allocation projections, the City expects to receive approximately \$63 million in American Rescue Plan Act of 2021 (the "2021 Act") assistance. Funds received under the 2021 Act may be used for authorized purposes relating to mitigating the fiscal effects of the COVID-19 pandemic, including responding to the public health emergency, providing governmental services, and making certain infrastructure investments, among other purposes. The City will monitor and apply for additional Federal and State support for expenses related to responding to the COVID-19 pandemic if and as such relief becomes available.

Since the passage of the Streets Initiative in November 2015, over 2,700 blocks have been improved or maintained, which equates to 34% of the residential network. In addition to this, Streets Initiative funds have been leveraged to attain nearly \$64 million in grant funds. Grants fund major street improvements such as the Taylor Way and East 64th Street projects that are currently in construction; as well as active transportation projects such as Phase III of Water Flume Line Trail and the Mildred Street First Mile/Last Mile Bike Lanes, which were recently awarded to the City. For 2021-2022, another 900 blocks of streets are planned to be improved or preserved as a part of Streets Initiative projects.

In March 2021, the Tacoma council approved ordinance No. 28747 which authorize Tacoma to collect additional one-tenth of 1% sale tax. The Act allows the City to authorize and collect a local sales or use tax, estimated to be between \$4.5 million and \$5.5 million annually for housing and related services. The Washington State Department of Revenue will begin collecting this tax on July 1, 2021

With COVID-19 still going on, the City faces a great deal of uncertainty due to economically dependent revenues over the next few year. The City has many revenue sources that are subject to changes in the local and national economy, including sales taxes, business taxes, permit revenue, real estate excise taxes, and Tacoma Dome and Convention Center events.

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, 2020
(amounts expressed in thousands)
Page 1 of 2

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 313,520	\$ 496,484	\$ 810,004
Investments	2,717	-	2,717
Accounts Receivables (Net)	51,908	110,574	162,482
Due From Other Governmental Units	31,354	18,063	49,417
Internal Balances	17,153	(17,153)	-
Inventory	3,419	13,865	17,284
Prepays	1,621	18,782	20,403
Restricted Cash			
Cash and Cash Equivalents	-	284,790	284,790
Interest Receivable	-	-	-
Notes and Contracts Receivable	-	124	124
Non Current Assets			
Cash and Cash Equivalents	-	28,476	28,476
Long-Term Contracts and Notes	-	14,338	14,338
Net Pension Asset	76,340	12,785	89,125
Other Non Current Assets	-	45,774	45,774
Capital Assets			
Depreciable Capital Assets (Net of Accumulated Depreciation)	702,785	2,645,246	3,348,031
Non-Depreciable Capital Assets	72,689	291,003	363,692
Total Assets	1,273,506	3,963,151	5,236,657
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows related to Bond Refunding	3,479	6,647	10,126
Deferred Outflows related to Pensions	28,830	37,933	66,763
Deferred Outflows related to OPEB	22,485	4,781	27,266
Total Deferred Outflows of Resources	54,794	49,361	104,155
LIABILITIES			
Accounts Payable	35,803	44,435	80,238
Deposits Payable	897	17,317	18,214
Due to Other Governmental Units	68	788	856
Unearned Revenue	6,055	10,244	16,299
Other Liabilities Payable	26,779	60,263	87,042
Payable From Restricted Assets:			
Other Current Liabilities	-	1,037	1,037
Special Assessment Debt with Government Commitment	19,885	-	19,885
Bonds and Other Debt Payable:			
Due Within One Year	47,572	182,061	229,633
Due in More Than One Year	366,254	1,268,882	1,635,136
Total Liabilities	503,313	1,585,027	2,088,340
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Advanced Payment of Special Assessments	21,211	-	21,211
Deferred Inflows - Property Taxes	1,251	-	1,251
Deferred Inflows - Rate Stabilization	-	105,575	105,575
Deferred Inflows related to Bond Refunding	-	338	338
Deferred Inflows related to Pensions	34,207	48,724	82,931
Deferred Inflows related to OPEB	17,636	6,264	23,900
Total Deferred Inflows of Resources	74,305	160,901	235,206
NET POSITION			
Net Investment in Capital Assets	620,972	1,700,269	2,321,241
Restricted:			
Capital Projects	6,079	3,873	9,952
Debt Service	13,943	20,389	34,332
Utility Donations & System Development	-	79,233	79,233
Culture and recreation	11,917	9,890	21,807
Self Insurance	-	7,074	7,074
Environmental Services and Programs	-	3,903	3,903
Inspection	-	1,470	1,470
Pension	74,057	12,165	86,222
Reserves	-	33,941	33,941
Public Safety	31,263	-	31,263
Transportation	65,351	-	65,351
Grants	718	-	718
Housing and Economic development	10,598	-	10,598
Unrestricted	(84,216)	394,377	310,161
Total Net Position	\$ 750,682	\$ 2,266,584	\$ 3,017,266

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

Page 2 of 2

Component Units		
TCRA	GTRCC PFD	FWDA
\$ 4,492	\$ 1,755	\$ 49
-	-	-
992	871	36
2,197	-	-
-	-	-
-	-	-
23	-	1
-	-	-
6	-	-
1,217	-	-
-	-	-
39,500	-	-
-	-	-
186	-	-
8,268	-	18,803
1,462	-	7,002
58,343	2,626	25,891
-	-	-
-	-	-
-	-	-
-	-	-
371	-	21
-	-	29
-	2,626	16
-	-	695
676	-	2,456
-	-	-
-	-	-
-	-	-
5,462	-	-
6,509	2,626	3,217
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,768	-	23,349
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
47,066	-	-
-	-	(675)
\$ 51,834	\$ -	\$ 22,674

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

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020
(amounts expressed in thousands)
Page 1 of 2

		Program Revenues		
	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
<u>FUNCTIONS / PROGRAMS:</u>				
Primary Government				
Governmental Activities:				
General Government	\$ 28,171	\$ 22,850	\$ 17,561	\$ -
Public Safety	188,563	15,548	12,647	704
Transportation	75,468	2,533	8,436	10,071
Natural and Economic Environment	28,745	2,370	6,093	-
Economic Development		-	2,379	-
Social Services	6,818	476	-	-
Culture and Recreation	19,276	3,468	69	-
Interest on Long-Term Debt	7,719	-	-	-
	<u>354,760</u>	<u>47,245</u>	<u>47,185</u>	<u>10,775</u>
Business-Type Activities				
Solid Waste	63,262	75,863	-	-
Waste Water	108,263	122,927	-	3,568
Water	107,093	105,391	-	26,384
Power	435,080	462,707	-	27,492
Nonmajor Business-Type Activities	76,545	63,944	-	(19,167)
	<u>790,243</u>	<u>830,832</u>	<u>-</u>	<u>38,277</u>
Total Primary Government	<u>\$ 1,145,003</u>	<u>\$ 878,077</u>	<u>\$ 47,185</u>	<u>\$ 49,052</u>
Component Units				
TCRA	5,705	613	2,968	-
GTRCC PFD	4,626	-	-	-
FWDA	1,757	376	-	188
Total Component Units	<u>\$ 12,088</u>	<u>\$ 989</u>	<u>\$ 2,968</u>	<u>\$ 188</u>

General Revenues:

Taxes:

Property Tax
Retail Sales & Use Tax
Business Tax
Excise Tax

Investment Earnings

Gain on Sale of Capital Assets

Total General Revenues

Transfers

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
\$ 12,240	\$ -	\$ 12,240	\$ -	\$ -	\$ -
(159,664)	-	(159,664)	-	-	-
(54,428)	-	(54,428)	-	-	-
(20,282)	-	(20,282)	-	-	-
2,379	-	2,379	-	-	-
(6,342)	-	(6,342)	-	-	-
(15,739)	-	(15,739)	-	-	-
(7,719)	-	(7,719)	-	-	-
(249,555)	-	(249,555)	-	-	-
-	12,601	12,601	-	-	-
-	18,232	18,232	-	-	-
-	24,682	24,682	-	-	-
-	55,119	55,119	-	-	-
-	(31,768)	(31,768)	-	-	-
-	78,866	78,866	-	-	-
\$ (249,555)	\$ 78,866	\$ (170,689)	\$ -	\$ -	\$ -
			(2,124)	-	-
			-	(4,626)	-
			-	-	(1,193)
			\$ (2,124)	\$ (4,626)	\$ (1,193)
\$ 81,388	\$ -	\$ 81,388	\$ -	\$ -	\$ -
77,718	-	77,718	-	4,582	-
52,042	-	52,042	-	-	-
14,747	-	14,747	-	-	-
4,992	18,509	23,501	41	44	2
498	4,836	5,334	-	-	-
231,385	23,345	254,730	41	4,626	2
46,703	(46,703)	-	-	-	-
28,533	55,508	84,041	(2,083)	-	(1,191)
723,316	2,211,246	2,934,562	53,866	-	23,865
(1,167)	(170)	(1,337)	51	-	-
-	-	-	-	-	-
722,149	2,211,076	2,933,225	53,917	-	23,865
\$ 750,682	\$ 2,266,584	\$ 3,017,266	\$ 51,834	\$ -	\$ 22,674

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

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020
(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 77,222	\$ 5,045	\$ 145,570	\$ 227,837
Investments	-	-	2,717	2,717
Accounts Receivables (Net)	15,282	92	36,125	51,499
Due From Other Governmental Units	16,104	3,798	11,431	31,333
Inventory	1,193	-	1,436	2,629
Prepays	46	-	-	46
Advance to Other Funds	-	-	133	133
Total Assets	109,847	8,935	197,412	316,194
DEFERRED OUTFLOWS OF RESOURCES				
	-	-	-	-
Total Assets and Deferred Outflows	109,847	8,935	197,412	316,194
LIABILITIES				
Account Payable	3,399	1,011	9,664	14,074
Customer Deposits	-	-	895	895
Other Liabilities Payable	6,976	7	1,538	8,521
Due to Other Governmental Units	68	-	-	68
Advances from Other Funds	-	-	133	133
Unearned Revenue	-	-	94	94
Total Liabilities	10,443	1,018	12,324	23,785
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	6,593	2	22,327	28,922
Total Deferred Inflow of Resources	6,593	2	22,327	28,922
FUND BALANCE				
Nonspendable	3,720	-	1,453	5,173
Restricted	376	5,862	133,971	140,209
Committed	896	-	10,505	11,401
Assigned	1,826	2,053	16,832	20,711
Unassigned	85,993	-	-	85,993
Total Fund Balance	\$ 92,811	\$ 7,915	\$ 162,761	\$ 263,487
Total Liabilities, Deferred Inflows and Fund Balance	\$ 109,847	\$ 8,935	\$ 197,412	\$ 316,194

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, 2020

(amounts expressed in thousands)

Total governmental fund balances as reported on this statement	\$ 263,487
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.	734,249
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	73,690
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	499
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.	77,546
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Bonds and loans payable	(155,643)
Premium on Bonds Payable	38
Deferred amount on bond refunding	3,479
Deferred amounts related to OPEB	4,849
Deferred amounts related to pensions	(3,141)
Interest payable	(7,552)
Net pension liability	0
Police and Fire liability	(43,808)
Total OPEB liability	(177,614)
Compensated absences payable	(19,397)
	(398,789)
Net position of government activities as reported on the statement of net position	\$ 750,682

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, 2020
(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 62,674	\$ -	\$ 18,381	\$ 81,055
Retail Sales & Use	55,820	-	21,898	77,718
Business	49,491	-	2,551	52,042
Excise	2,492	-	12,255	14,747
Licenses and Permits	6,786	-	3,544	10,330
Intergovernmental	17,919	14,260	22,598	54,777
Charges for Services	12,174	125	9,146	21,445
Fines and Forfeitures	1,779	1	5,238	7,018
Investment Earnings	1,408	45	2,164	3,617
Miscellaneous	1,307	60	7,087	8,454
Total Revenues	<u>211,850</u>	<u>14,491</u>	<u>104,862</u>	<u>331,203</u>
EXPENDITURES				
Current:				
General Government	30,101	-	4,845	34,946
Public Safety	158,142	-	27,465	185,607
Transportation	-	4,804	36,342	41,146
Natural and Economic Environment	20,586	-	8,289	28,875
Social Services	4	-	6,759	6,763
Culture and Recreation	13,125	-	4,067	17,192
Debt Service:				
Principal	-	-	13,630	13,630
Interest and Other Costs	-	41	8,068	8,109
Capital Outlay	1,080	15,722	6,086	22,888
Total Expenditures	<u>223,038</u>	<u>20,567</u>	<u>115,551</u>	<u>359,156</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(11,188)</u>	<u>(6,076)</u>	<u>(10,689)</u>	<u>(27,953)</u>
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	14	-	264	278
Issuance of Debt	-	-	2,349	2,349
Transfers In	55,198	11,319	60,880	127,397
Transfers Out	(28,148)	(345)	(41,276)	(69,769)
Total Other Financing Sources and Uses	<u>27,064</u>	<u>10,974</u>	<u>22,217</u>	<u>60,255</u>
Net Change in Fund Balance	<u>15,876</u>	<u>4,898</u>	<u>11,528</u>	<u>32,302</u>
Fund Balance - January 1, as Previously Reported	77,286	3,044	150,858	231,188
Prior Period Adjustment	(351)	(27)	375	(3)
Fund Balance - January 1, restated	76,935	3,017	151,233	231,185
Fund Balance - Ending	<u>\$ 92,811</u>	<u>\$ 7,915</u>	<u>\$ 162,761</u>	<u>\$ 263,487</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, 2020
(amounts expressed in thousands)

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	32,302
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	22,888	
Depreciation Expense	<u>(42,329)</u>	(19,441)
The net effect of various miscellaneous transactions involving capital assets.		20
Debt proceeds are reported as financing sources in governmental fund and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
Issuance of new debt		(2,349)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes	333	
Amortization of bond premium	<u>38</u>	371
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on the net position.		13,630
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.		
		4,053
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	352	
Change in net pension obligation or asset	2,041	
Change in net other postemployment benefits	(762)	
Change in compensated absences payable	<u>(1,684)</u>	(53)
Change in net position on the Statement of Activities	\$	<u><u>28,533</u></u>

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020
(amounts expressed in thousands)
Page 1 of 4

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 51,772	\$ 101,520	\$ 67,342	\$ 232,706
Accounts Receivables (Net)	7,717	17,080	11,694	60,678
Due From Other Governmental Units	-	12,949	2,113	2,294
Inventory	-	2,146	2,774	7,311
Prepaid Expenses	-	278	2,388	13,719
Restricted Cash:				
Debt Service	393	1,405	4,353	17,080
Construction	2,674	62,975	570	9,075
Other	33	-	125,381	33,619
Note, Contracts, Lease Receivable	-	124	-	-
Total Current Assets	<u>62,589</u>	<u>198,477</u>	<u>216,615</u>	<u>376,482</u>
Noncurrent Assets				
Restricted Cash, Bond Reserves	2,110	4,672	21,694	-
Long-Term Contracts and Notes	-	663	-	2,182
Net Pension Assets	1,064	1,847	1,637	7,189
Other non-current assets	-	-	3,644	42,020
Capital Assets:				
Land	2,856	25,205	26,548	73,635
Water Rights				
Property, Plant, and Equipment	192,327	871,736	1,158,943	2,135,815
Construction in Progress	7,255	40,708	25,696	43,709
Less: Accumulated Depreciation	<u>(118,140)</u>	<u>(314,255)</u>	<u>(313,836)</u>	<u>(1,154,397)</u>
Total Capital Assets (Net of A/D)	<u>84,298</u>	<u>623,394</u>	<u>897,351</u>	<u>1,098,762</u>
Total Noncurrent Assets	<u>87,472</u>	<u>630,576</u>	<u>924,326</u>	<u>1,150,153</u>
Total Assets	<u>150,061</u>	<u>829,053</u>	<u>1,140,941</u>	<u>1,526,635</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred Outflow from Bond Refunding	-	3,424	802	-
Deferred Outflow related to Pensions	3,161	5,481	4,856	21,328
Deferred Outflow related to OPEB	292	992	598	1,300
Total Deferred Outflow of Resources	<u>3,453</u>	<u>9,897</u>	<u>6,256</u>	<u>22,628</u>

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020
(amounts expressed in thousands)
Page 2 of 4

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 31,218	\$ 484,558	\$ 97,609
Accounts Receivables (Net)	13,405	110,574	409
Due From Other Governmental Units	707	18,063	21
Inventory	1,259	13,490	1,165
Prepaid Expenses	2,397	18,782	1,575
Restricted Cash:			
Debt Service	3,005	26,236	-
Construction	1,224	76,518	-
Other	23,003	182,036	-
Note, Contracts, Lease Receivable	-	124	-
Total Current Assets	<u>76,218</u>	<u>930,381</u>	<u>100,779</u>
Noncurrent Assets			
Restricted Cash, Bond Reserves	-	28,476	-
Long-Term Contracts and Notes	11,493	14,338	-
Net Pension Assets	882	12,619	2,816
Other non-current assets	110	45,774	-
Capital Assets:			
Land	35,914	164,158	357
Water Rights			
Property, Plant, and Equipment	335,583	4,694,404	128,631
Construction in Progress	7,160	124,528	8,545
Less: Accumulated Depreciation	<u>(149,438)</u>	<u>(2,050,066)</u>	<u>(93,083)</u>
Total Capital Assets (Net of A/D)	<u>229,219</u>	<u>2,933,024</u>	<u>44,450</u>
Total Noncurrent Assets	<u>241,704</u>	<u>3,034,231</u>	<u>47,266</u>
Total Assets	<u>317,922</u>	<u>3,964,612</u>	<u>148,045</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow from Bond Refunding	2,421	6,647	-
Deferred Outflow related to Pensions	2,615	37,441	8,358
Deferred Outflow related to OPEB	1,599	4,781	-
Total Deferred Outflow of Resources	<u>6,635</u>	<u>48,869</u>	<u>8,358</u>

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020
(amounts expressed in thousands)
Page 3 of 4

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,643	11,189	3,845	21,750
Due to Other Governmental Units	-	780	-	-
Customer Deposits	74	-	249	6,286
Interest Payable	-	-	1,674	9,610
Environment Liabilities - Current	695	148	-	400
Notes, Contract, Lease Payable - Current	-	693	-	131,250
Compensated Absences - Current	158	363	300	1,375
Bonds Payable - Current	2,122	10,754	15,293	7,470
Payable From Restricted Assets:				
Debt Principal Payable - Current	193	606	-	-
Interest Payable	200	799	-	-
Deposits and Other Payable	34	4	-	-
Unearned Revenue	267	468	-	1,423
Other Liabilities Payable	894	1,236	2,904	13,266
Total Current Liabilities	7,280	27,040	24,265	192,830
Noncurrent Liabilities				
Bonds Payable	54,483	265,449	414,309	386,222
Unearned Revenue	-	-	7,377	-
Compensated Absences	1,419	3,270	2,700	12,105
Environmental Liabilities	13,740	1,144	-	-
Other LT Liabilities Payable	438	3,281	10,397	3,293
Notes, Contracts, and Lease Payables	-	12,270	6,244	-
Total OPEB Liability	2,537	2,635	3,676	10,972
Total Noncurrent Liabilities	72,617	288,049	444,703	412,592
Total Liabilities	79,897	315,089	468,968	605,422
DEFERRED INFLOW OF RESOURCES				
Deferred Inflow - Rate Stabilization	7,000	25,000	35,575	38,000
Deferred Inflow Related to Bond Refunding	199	17	-	-
Deferred Inflow related to Pensions	4,060	7,040	6,237	27,396
Deferred Inflow related to OPEB	290	1,746	352	1,445
Total Deferred Inflow of Resources	11,549	33,803	42,164	66,841
NET POSITION				
Net Investment in Capital Assets	37,358	422,356	484,405	587,891
Restricted for:				
Capital Purchase	-	-	-	-
Debt Service	2,110	4,676	2,678	7,470
Utility Donations & System Development	-	-	79,233	-
Culture and Recreation	-	-	-	-
Self Insurance	-	-	-	-
Environment Service & Program	-	-	-	-
Inspection	-	-	-	-
Pension	1,065	1,847	1,637	7,189
Reserves	-	-	-	28,622
Unrestricted	21,535	61,179	68,112	245,828
Total Net Position	\$ 62,068	\$ 490,058	\$ 636,065	\$ 877,000

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020
(amounts expressed in thousands)
Page 4 of 4

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES			
Current Liabilities:			
Accounts Payable	4,058	43,485	14,158
Due to Other Governmental Units	8	788	-
Customer Deposits	10,708	17,317	-
Interest Payable	328	11,612	-
Environment Liabilities - Current	-	1,243	-
Notes, Contract, Lease Payable - Current	844	132,787	-
Compensated Absences - Current	359	2,555	549
Bonds Payable - Current	9,009	44,648	-
Payable From Restricted Assets:			
Debt Principal Payable - Current	-	799	-
Interest Payable	-	999	-
Deposits and Other Payable	-	38	2
Unearned Revenue	709	2,867	-
Other Liabilities Payable	1,500	19,800	43,073
Total Current Liabilities	27,523	278,938	57,782
Noncurrent Liabilities			
Bonds Payable	58,853	1,179,316	-
Unearned Revenue	-	7,377	-
Compensated Absences	2,509	22,003	4,957
Environmental Liabilities	-	14,884	-
Other LT Liabilities Payable	5,791	23,200	13,722
Notes, Contracts, and Lease Payables	3,096	21,610	-
Total OPEB Liability	10,988	30,808	-
Total Noncurrent Liabilities	81,237	1,299,198	18,679
Total Liabilities	108,760	1,578,136	76,461
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow - Rate Stabilization	-	105,575	-
Deferred Inflow Related to Bond Refunding	122	338	-
Deferred Inflow related to Pensions	3,359	48,092	10,734
Deferred Inflow related to OPEB	2,431	6,264	-
Total Deferred Inflow of Resources	5,912	160,269	10,734
NET POSITION			
Net Investment in Capital Assets	165,034	1,697,044	44,450
Restricted for:			
Capital Purchase	3,873	3,873	-
Debt Service	3,455	20,389	-
Utility Donations & System Development	-	79,233	-
Culture and Recreation	9,890	9,890	-
Self Insurance	-	-	7,074
Environment Service & Program	3,903	3,903	-
Inspection	1,470	1,470	-
Pension	261	11,999	166
Reserves	5,319	33,941	-
Unrestricted	16,680	413,334	17,518
Total Net Position	\$ 209,885	\$ 2,275,076	\$ 69,208

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, 2020
(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 2,275,076
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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.	(8,492)
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NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 2,266,584</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, 2020

(amounts expressed in thousands)

Page 1 of 2

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
OPERATING REVENUES				
Charges for Services	\$ 75,197	\$ 115,286	\$ 92,708	\$ 436,741
Interfund Insurance Premiums	-	-	-	-
Other Operating Revenue	394	3,740	11,760	24,212
Total Operating Revenue	<u>75,591</u>	<u>119,026</u>	<u>104,468</u>	<u>460,953</u>
OPERATING EXPENSES				
Salaries and Benefits	23,539	37,286	29,939	121,522
Supplies	1,091	5,863	2,987	141,098
Services	29,370	30,174	19,191	75,462
Taxes	1,259	2,069	5,398	21,531
Depreciation	5,768	18,350	25,724	48,124
Total Operating Expenses	<u>61,027</u>	<u>93,742</u>	<u>83,239</u>	<u>407,737</u>
Operating Income (Loss)	<u>14,564</u>	<u>25,284</u>	<u>21,229</u>	<u>53,216</u>
NON-OPERATING REVENUE (EXPENSE)				
Interest Revenue	1,456	4,413	5,522	6,064
Operating Contributions	270	1,991	120	464
Other Non-Operating Revenues	2	1,910	803	1,290
Gain (Loss) on Sale of Capital Assets	(480)	(686)	163	5,841
Interest Expense	(1,664)	(10,011)	(16,661)	(19,271)
Other Non-Operating Expenses	-	-	(1,339)	-
External Contributions	(89)	(181)	-	(500)
Total Non-Operating Revenues (Expenses)	<u>(505)</u>	<u>(2,564)</u>	<u>(11,392)</u>	<u>(6,112)</u>
Income (Loss) Before Contributions & Transfers	<u>14,059</u>	<u>22,720</u>	<u>9,837</u>	<u>47,104</u>
Capital Contributions	-	3,568	26,384	27,492
Transfers In	-	22	4,844	7,186
Transfers Out	<u>(6,114)</u>	<u>(11,015)</u>	<u>(7,816)</u>	<u>(36,809)</u>
Change in Net Position	<u>7,945</u>	<u>15,295</u>	<u>33,249</u>	<u>44,973</u>
Net Position, January 1	54,123	474,763	602,816	832,027
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	<u>54,123</u>	<u>474,763</u>	<u>602,816</u>	<u>832,027</u>
Net Position, December 31	<u>\$ 62,068</u>	<u>\$ 490,058</u>	<u>\$ 636,065</u>	<u>\$ 877,000</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, 2020

(amounts expressed in thousands)

Page 2 of 2

	Enterprise Funds		
	Non-Major Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES			
Charges for Services	\$ 59,334	\$ 779,266	\$ 79,963
Interfund Insurance Premiums	-	-	89,933
Other Operating Revenue	44	40,150	2
Total Operating Revenue	59,378	819,416	169,898
OPERATING EXPENSES			
Salaries and Benefits	35,258	247,544	52,881
Supplies	2,720	153,759	3,633
Services	22,923	177,120	112,566
Taxes	652	30,909	-
Depreciation	9,875	107,841	9,556
Total Operating Expenses	71,428	717,173	178,636
Operating Income (Loss)	(12,050)	102,243	(8,738)
NON-OPERATING REVENUE (EXPENSE)			
Interest Revenue	1,054	18,509	1,588
Operating Contributions	2,525	5,370	-
Other Non-Operating Revenues	2,041	6,046	2,133
Gain (Loss) on Sale of Capital Assets	(2)	4,836	(14)
Interest Expense	(2,953)	(50,560)	-
Other Non-Operating Expenses	(229)	(1,568)	(6)
External Contributions	(3)	(773)	-
Total Non-Operating Revenues (Expenses)	2,433	(18,140)	3,701
Income (Loss) Before Contributions & Transfers	(9,617)	84,103	(5,037)
Capital Contributions	7,823	65,267	(26,990)
Transfers In	9,279	21,331	2,155
Transfers Out	(6,280)	(68,034)	(13,080)
Change in Net Position	1,205	102,667	(42,952)
Net Position, January 1	208,850	2,172,579	112,447
Prior Period Adjustment	(170)	(170)	(287)
Net Position, January 1 restated	208,680	2,172,409	112,160
Net Position, December 31	\$ 209,885	\$ 2,275,076	\$ 69,208

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, 2020
(amounts expressed in thousands)

NET CHANGE IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 102,667
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.	(47,159)
NET POSITION OF BUSINESS ACTIVITIES	<u>\$ 55,508</u>

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

STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
For the Year Ended December 31, 2020
(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
CASH FLOW FROM OPERATING ACTIVITIES				
Receipt from customers and users	\$ 72,990	\$ 115,233	\$ 102,453	\$ 455,444
Receipts from interfund services provided	-	-	-	-
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	(28,484)	(28,947)	(20,519)	(218,163)
Payments to employees	(22,911)	(36,046)	(28,125)	(123,593)
Payments for taxes	(1,335)	(2,029)	(5,305)	(20,367)
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues	-	-	-	214
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	20,260	48,211	48,504	93,535
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	-	4,844	-
Grants and contributions received	270	2,521	120	464
Payments paid on noncapital debts	(332)	(1,056)	-	-
Transfer to other funds	(6,114)	(11,196)	(7,816)	(29,622)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(6,176)	(9,731)	(2,852)	(29,158)
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	22	-	-
Proceeds received from capital debts	-	44	17,467	56,000
Proceeds from sales of capital assets	198	208	125	10,376
Contributions and donations	-	1,948	9,078	4,796
Acquisitions and constructions of capital assets	(9,665)	(35,888)	(32,431)	(62,840)
Principals paid on capital debts	(2,270)	(10,316)	(32,890)	(9,365)
Interest and issuance costs paid on capital debts	(2,121)	(10,517)	(18,869)	(16,748)
Transfers to other funds	-	-	-	-
Other Long-Term Liabilities	-	-	1,857	(1,865)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(13,858)	(54,499)	(55,663)	(19,646)
CASH FLOW FROM INVESTING ACTIVITIES				
Interests and dividends received	1,456	4,413	5,523	6,065
Change in fair value of investment	-	-	-	-
Other Non-Operating Revenues	(96)	1,787	510	1,049
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,360	6,200	6,033	7,114
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,586	(9,819)	(3,978)	51,845
CASH AND CASH EQUIVALENTS, JANUARY 1	55,396	180,391	223,318	241,135
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 56,982	\$ 170,572	\$ 219,340	\$ 292,980

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, 2020
(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
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt from customers and users	\$ 59,968	\$ 806,088	\$ 24,035
Receipts from interfund services provided	-	-	56,048
Contribution received - employee/employer	-	-	87,671
Payments to suppliers	(23,512)	(319,625)	(110,017)
Payments to employees	(34,760)	(245,435)	(49,239)
Payments for taxes	(666)	(29,702)	(1,447)
Payments for interfund services used	(2,879)	(2,879)	(4,730)
Other operating or non-operating revenues	886	1,100	42
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(963)	209,547	2,363
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	4,430	9,274	4,380
Grants and contributions received	4,067	7,442	1,082
Payments paid on noncapital debts	-	(1,388)	-
Transfer to other funds	(3,269)	(58,017)	(3,270)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	5,228	(42,689)	2,192
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES			
Transfers from other funds	4,844	4,866	-
Proceeds received from capital debts	1,158	74,669	-
Proceeds from sales of capital assets	483	11,390	-
Contributions and donations	4,702	20,524	-
Acquisitions and constructions of capital assets	(5,294)	(146,118)	14,271
Principals paid on capital debts	(9,010)	(63,851)	-
Interest and issuance costs paid on capital debts	(3,184)	(51,439)	-
Transfers to other funds	(3,007)	(3,007)	(39,025)
Other Long-Term Liabilities	-	(8)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(9,308)	(152,974)	(24,754)
CASH FLOW FROM INVESTING ACTIVITIES			
Interests and dividends received	1,200	18,657	1,589
Change in fair value of investment	356	356	1,004
Other Non-Operating Revenues	-	3,250	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,556	22,263	2,593
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,487)	36,147	(17,606)
CASH AND CASH EQUIVALENTS, JANUARY 1	61,937	762,177	115,194
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 58,450	\$ 798,324	\$ 97,588

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, 2020
(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)	\$ 14,564	\$ 25,284	\$ 21,229	\$ 53,216
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation and amortization expenses	5,768	18,350	25,724	48,124
(Increase) decrease in accounts receivable	(999)	(1,823)	(1,912)	(5,385)
(Increase) decrease in intergovernmental receivables	-	-	-	214
(Increase) decrease in inventories	-	(717)	7	(1,537)
(Increase) decrease in prepaid items	-	66	(210)	-
(Increase) decrease in other assets	-	111	-	5,402
Increase (decrease) in deposit payable	(12)	4	(103)	3,484
Increase (decrease) in accounts payable	828	7,174	2,510	(9,269)
Increase (decrease) in accrued wages payable	176	338	357	1,089
Increase (decrease) in compensated absences	-	705	564	1,862
Increase (decrease) in intergovernmental payable	-	60	-	-
Increase (decrease) in deferred revenues	-	-	-	-
Increase (decrease) in other current liabilities	(71)	10	93	-
Increase (decrease) long term liabilities	6	(1,618)	245	(3,665)
Miscellaneous non-operating revenues (expenses)	-	267	-	-
Prior Period Adjustment	-	-	-	-
Total adjustments	5,696	22,927	27,275	40,319
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 20,260</u>	<u>\$ 48,211</u>	<u>\$ 48,504</u>	<u>\$ 93,535</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets	-	1,620	15,494	18,970

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, 2020
(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
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (12,050)	\$ 102,243	\$ (8,738)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation and amortization expenses	9,875	107,841	9,556
(Increase) decrease in accounts receivable	739	(9,380)	448
(Increase) decrease in intergovernmental receivables	-	214	(21)
(Increase) decrease in inventories	(38)	(2,285)	(58)
(Increase) decrease in prepaid items	(214)	(358)	442
(Increase) decrease in other assets	1,690	7,203	8,865
Increase (decrease) in deposit payable	644	4,017	-
Increase (decrease) in accounts payable	(345)	898	2,700
Increase (decrease) in accrued wages payable	(1,451)	509	(8,068)
Increase (decrease) in compensated absences	277	3,408	1,103
Increase (decrease) in intergovernmental payable	3	63	-
Increase (decrease) in deferred revenues	(393)	(393)	-
Increase (decrease) in other current liabilities	(399)	(367)	(3,616)
Increase (decrease) long term liabilities	23	(5,009)	-
Miscellaneous non-operating revenues (expenses)	846	1,113	37
Prior Period Adjustment	(170)	(170)	(287)
Total adjustments	11,087	107,304	11,101
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (963)	\$ 209,547	\$ 2,363
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contribution of capital assets	-	36,084	-

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020
(amounts expressed in thousands)

	Pension (and OPEB) Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 2,533
Investments	42,184
Equities	930,634
Fixed income	678,341
Real estate	78,296
Venture capital and partnerships	221,984
Securities lending collateral	49,336
Due From Other Governments	1,835
Interest and Dividends	1,249
Investment Sales	10,943
Capital Assets, net of accumulated depreciation	8
Net pension assets	
Total Assets	<u>2,017,343</u>
 DEFERRED OUTFLOW OF RESOURCES	
TOTAL DEFERRED OUTFLOW OF RESOURCES	-
 LIABILITIES	
Current Liabilities:	
Accounts Payable	1,779
Accrued Wages and Benefits Payable	53
Investments Purchase Payable	99,597
Other Current Liabilities	5
Total Current Liabilities	<u>101,434</u>
Noncurrent Liabilities	
Accrued Employee Leave Benefits	149
Total Noncurrent Liabilities	<u>149</u>
Total Liabilities	<u>101,583</u>
 DEFERRED INFLOW OF RESOURCES	
TOTAL DEFERRED INFLOW OF RESOURCES	-
 NET POSITION	
Net position restricted for pensions and other purposes	<u>\$ 1,915,760</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, 2020
(amounts expressed in thousands)

	Pension (and OPEB) Trust Fund
ADDITIONS	
Employer Contributions	\$ 31,048
Member Contributions	27,658
Other Contributions	-
Total Contributions	<u>58,706</u>
Investment Income:	
Net Appreciation (Depreciation) in Fair Value of Investments	53,979
Interest and Dividends	33,332
Total Investment Income	<u>87,311</u>
Less Investment Expenses:	
Investment Management Fees	(7,635)
Securities Lending - Agent Fees	(52)
Securities Lending - Broker Rebates	(124)
Total Investment Expense	<u>(7,811)</u>
Net Investment Income	<u>79,500</u>
Total Additions	<u>138,206</u>
DEDUCTIONS	
Wages and Benefits Payable	922
Healthcare Benefit Payments	94,001
Refunds of Contributions	2,700
Administrative Expense	918
Total Deductions	<u>98,541</u>
Net Increase (Decrease)	39,665
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Net position - beginning	1,876,095
Net position - ending	<u>\$ 1,915,760</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, 2020

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Notes to the Financial Statements

For the Year Ended December 31, 2020

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 2020, the City considered the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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

A. Reporting Entity

The City of Tacoma is a municipal corporation incorporated January 7, 1884. The City operates under a Council-Manager form of government, and under its charter has all powers granted by the constitution and laws of the State of Washington. The City provides the full range of services contemplated by statute or charter. Areas under City Council include:

1. Governmental functions: City Attorney, Community & Economic Development, Environmental Policy & Sustainability, Environmental Services, Finance, Fire, Governmental Relations, Hearing Examiner, Human Resources, Information Technology, Library, Municipal Court, Media & Communications, Neighborhood & Community Services, Office of Management and Budget, Planning & Development Services, Police, Tacoma Venues and Events, and Public Works; and,
2. Utility functions: Power, Rail, Sewer, Solid Waste, 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.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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 in 2013.

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

Discretely presented Component Units:

Tacoma Community Redevelopment Authority (TCRA) is a separate public development authority established through City ordinances and the laws of the State of Washington. TCRA was created to administer Housing and Urban Development (HUD) and Economic Development Administration (EDA) funds assisting the City in housing rehabilitation and business economic development projects. The Tacoma Community Redevelopment Authority is governed by a 10-member board appointed by the Tacoma City Council. Although it is legally separated from the City, the TCRA is a component unit of the primary government because its sole purpose is to finance and provide housing rehabilitation and community & economic development loans to residents and businesses in the City of Tacoma. The City has operational responsibility 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 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.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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. This agreement ended as of December 31, 2020.

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:

Tacoma-Pierce County Health Department

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

Financial information for both entities is included in Note 7 Section F. The City of Tacoma however, does not report an equity interest in the Government-wide financial statements.

B. Government-wide and fund financial statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

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.

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.

Fiduciary funds are used to account for resources that are not available to support governments' operations and programs. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows or resources is reported as net position restricted for pensions. The statement of resource flows uses additions and deductions to present all changes in net position. The difference is reported as net increase/(decrease) in net position. The City reports a Pension Trust Fund that is administered through the Tacoma Employees Retirement System.

Notes to the Financial Statements

For the Year Ended December 31, 2020

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

D. Assets, liabilities and net position or fund balances

1. Cash and investments

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

2. Receivables and payables

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

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

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

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 to the Financial Statements

For the Year Ended December 31, 2020

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.

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

of the sick leave at retirement or death, or 10% of the value of the sick leave upon termination for any other reason. Under a revised City policy, employees earn Personal Time off (PTO) without distinction between vacation and sick leave with a maximum accrual of 960 hours. Employees who worked for the City prior to the change, or are covered by a collective bargaining agreement that provides only for vacation and sick leave could choose to stay with the original policy or may opt to convert to the new policy. The amount of leave earned is based on years of service. The Tacoma Public Library has slightly different rules governing sick leave and vacation leave, but these differences are not considered material to the City's financial statements.

7. Pensions

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

8. Long-term obligations

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

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

9. Fund equity

Fund balance

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

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

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.

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 2020.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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 \$27.1 million, a decrease of \$975 thousand over the prior year, due to a decrease in liability claims.

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

Net Deficit (expressed in thousands)

FUND	AMOUNT
Third Party Liability Claims (#5550)	\$ (27,095)

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 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 \$82,483,137.

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 2020, 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.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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.
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, 2020

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 subject to foreign currency risk.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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

At December 31, 2020, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments December 31, 2020 (amounts expressed in thousands)

Reconciliation of Cash and Investments:

Investments (less Component Units)	\$ 3,046,812
Treasurer's Cash, net	82,209
Petty Cash Funds	274
Sub-total	<u>3,129,295</u>

Component Units:

Tacoma Community Redevelopment Authority (TCRA)	1,684
TCRA - External Cash	2,808
Foss Waterway Development Authority (FWDA)	48
FWDA - External Cash	1
Public Facilities District (PFD)	1,755
Sub-total (Component Units)	<u>6,296</u>

Total	<u>\$ 3,135,591</u>
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Notes to the Financial Statements

For the Year Ended December 31, 2020

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	\$ 809,992
Investments at fair value	2,717
Restricted cash and cash equivalents	313,278
Total Primary Government	1,125,987
Component Units	
TCRA	4,492
GTRCC PFD	1,755
FWDA	49
Total Component Units	6,296
Fiduciary Funds	
Cash and cash equivalents	2,533
Investments at fair value	42,184
Pension Trust	1,958,591
Total Fiduciary Funds	2,003,308
Total cash and investments	\$ 3,135,591

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

Investments:	Fair Value at 12/31/2020
Financial Institutions	
WA State Local Government Investment Pool	\$ 75,377
Government Agencies (various)	974,147
Equity in Pool Transferred to Component Units	(6,020)
Total Investments with Financial Institutions	1,043,504
Pension Trust	
Equities	930,634
Fixed Income	678,341
Real Estate	78,296
Venture Capital & Partnerships	221,984
Short Term Bill & Notes	6,085
Cash and Cash Equivalents	38,632
Securities Lending Collateral	49,336
Total Other Investments - Pension Trust	2,003,308
Total	\$ 3,046,812

Notes to the Financial Statements

For the Year Ended December 31, 2020

3. 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 \$75,064,502 with the State Treasurer's Local Government Investment Pool and \$104,428,150 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	\$ 104,428,150	\$ 104,428,150	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	-	-	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	11,664,518	6,454,148	5,210,370	-	-	-
Fixed Rate Non-Callable Agency Securities	441,589,913	163,257,273	106,013,487	70,886,375	57,000,725	44,432,054
Fixed Rate Callable Agency Securities	50,237,290	50,237,290	-	-	-	-
Totals	\$ 607,919,871	\$ 324,376,861	\$ 111,223,857	\$ 70,886,375	\$ 57,000,725	\$ 44,432,054
Percent of Total		53.36%	18.30%	11.66%	9.38%	7.31%

4. 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 2020 for each type of investment. AAA is the highest rating for bonds. The Bank Certificates of Deposit and Demand Deposit Accounts are protected by the Federal Deposit Insurance Corporation (FDIC) insurance up to \$250,000. All CD and DDA deposits not covered by FDIC are covered by the Washington State Public Deposit Protection Commission (PDPC) of the State of Washington. The PDPC is a statutory authority established under the Revised Code of Washington (RCW) 39.58. It constitutes fully insured or fully collateralized pool. The WA State Treasurers Local Government Investment Pool (LGIP) is authorized by the Revised Code of Washington (RCW) 43.250. The LGIP operates like a 2A7 fund and is collateralized by short term legal investments.

Investment Type	Par	Minimum Legal Requirement	FDIC and PDPC	AAA	AA	A
Bank Demand Deposits & State Pool	\$ 104,428,150	FDIC & PDPC	\$ 104,428,150	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	11,664,518	A	-	2,054,223	8,389,514	1,220,781
Fixed Rate Non-Callable Agency Securities	441,589,913	AAA	-	441,589,913	-	-
Fixed Rate Callable Agency Securities	50,237,290	AAA	-	50,237,290	-	-
Total	\$ 607,919,871		\$ 104,428,150	\$ 493,881,426	\$ 8,389,514	\$ 1,220,781

5. Concentration of Credit Risk

Concentration Risk disclosure is required for all investments in any one issuer that is 5% or more of the total City's investments.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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	120,858,165	12.7%
Federal Home Loan Bank	Agency Securities	129,481,733	13.7%
Federal Home Mortgage Corporation	Agency Securities	129,198,205	13.6%
Federal National Mortgage Association	Agency Securities	112,289,100	11.8%
Total		\$ 491,827,203	

6. Disclosure of Custodial Credit Risk

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

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 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.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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 12/31/2020	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 371,578,276	\$ -	\$ 371,578,276	\$ -
Supranational Securities	10,065,910	-	10,065,910	-
Municipal Bonds	11,664,518	-	11,664,518	-
Agency Securities	491,827,203	-	491,827,203	-
Corporate Securities	62,803,670	-	62,803,670	-
Total	\$ 947,939,577	\$ -	\$ 947,939,577	\$ -

B. Receivables

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

(amounts expressed in thousands)

Accounts Receivable (amounts expressed in thousands)	General Fund	Trans Capital & Engineering Fund	Non-Major Governmental Funds	Solid Waste Fund	Waste Water Fund
Accounts Receivable (net short-term)	\$ 15,282	\$ 92	\$ 36,125	\$ 7,717	\$ 17,080
Due from other Funds	-	-	-	-	-
Advances to other Funds	-	-	133	-	-
Due from Other Governments	16,104	3,798	11,431	-	12,949
Interest Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net short-term)	-	-	-	-	124
Notes and Contracts Receivable (net long-term)	-	-	-	-	663
TOTAL	\$ 31,386	\$ 3,890	\$ 47,689	\$ 7,717	\$ 30,816

Accounts Receivable (amounts expressed in thousands)	Water Fund	Power Fund	Non-Major Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
Accounts Receivable (net short-term)	\$ 11,694	\$ 60,678	\$ 13,405	\$ 409	\$ -	\$ 162,482
Due from other Funds	-	-	-	-	-	-
Advances to other Funds	-	-	-	-	-	133
Due from Other Governments	2,113	2,294	707	21	1,835	51,252
Interest Receivable (net short-term)	-	-	-	-	1,249	1,249
Notes and Contracts Receivable (net short-term)	-	-	-	-	-	124
Notes and Contracts Receivable (net long-term)	-	2,182	11,493	-	-	14,338
TOTAL	\$ 13,807	\$ 65,154	\$ 25,605	\$ 430	\$ 3,084	\$ 229,578

Notes to the Financial Statements

For the Year Ended December 31, 2020

C. Capital assets

Capital asset activity for the year-ended December 31, 2020 was as follows:

(amounts expressed in thousands)

Governmental activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 35,843	\$ 1	\$ -	\$ 35,844
Art	2,940	64	-	3,004
Construction Work in progress	16,896	23,080	(6,135)	33,841
Total Capital assets, not being depreciated	<u>55,679</u>	<u>23,145</u>	<u>(6,135)</u>	<u>72,689</u>
Capital assets, being depreciated				
Property, plant, and equipment	289,355	8,053	(6,234)	291,174
Infrastructure	1,481,962	5,549	-	1,487,511
Total capital assets, being depreciated	<u>1,771,317</u>	<u>13,602</u>	<u>(6,234)</u>	<u>1,778,685</u>
Less Accumulated depreciation:				
Property, plant, and equipment	(179,140)	(13,459)	5,745	(186,854)
Infrastructure	(853,971)	(35,075)	-	(889,046)
Total accumulated depreciation	<u>(1,033,111)</u>	<u>(48,534)</u>	<u>5,745</u>	<u>(1,075,900)</u>
Governmental activities, capital assets (net of accumulated depreciation)	<u>\$ 793,885</u>	<u>\$ (11,787)</u>	<u>\$ (6,624)</u>	<u>\$ 775,474</u>

Business Type Activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 165,485	\$ 2,950	\$ (4,278)	\$ 164,157
Construction Work in progress	77,971	155,608	(106,734)	126,845
Total Capital assets, not being depreciated	<u>243,456</u>	<u>158,558</u>	<u>(111,012)</u>	<u>291,002</u>
Capital assets, being depreciated				
Property, plant, and equipment	4,660,986	170,473	(133,158)	4,698,301
Total capital assets, being depreciated	<u>4,660,986</u>	<u>170,473</u>	<u>(133,158)</u>	<u>4,698,301</u>
Less Accumulated depreciation:				
Property, plant, and equipment	(2,013,443)	(111,192)	71,581	(2,053,054)
Total accumulated depreciation	<u>(2,013,443)</u>	<u>(111,192)</u>	<u>71,581</u>	<u>(2,053,054)</u>
Business Type Activities, capital assets (net of accumulated depreciation)	<u>\$ 2,890,999</u>	<u>\$ 217,839</u>	<u>\$ (172,589)</u>	<u>\$ 2,936,249</u>

Notes to the Financial Statements

For the Year Ended December 31, 2020

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

Governmental Activities:

General Government	\$	944
Public Safety		2,932
Transportation		36,209
Economic Environment		124
Social Services		3
Culture and Recreation		2,117
Capital Assets held by Internal Services funds which are charged to various functions based on their usage of the assets		<u>6,205</u>
Total depreciation expense - governmental activities		<u>48,534</u>

Business-type activities:

Permit	\$	34
Mountain Rail		774
Parking Garage		1,373
Convention Center		1,736
Baseball Park		1,475
Tacoma Dome		1,597
Performing Arts		1,102
TPU Fleet *		3,351
Solid Waste		5,768
Waste Water		18,350
Tacoma Rail		1,784
Water		25,724
Power		<u>48,124</u>
Total depreciation expense - business-type activities		<u>111,192</u>

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

D. Leases

Tacoma Power obtained a lease agreement with Mason County Public Utility District No. 3 (PUD 3) for a Telecommunication Network. This is a 20-year capital lease for the use of multiple segments on PUD 3's internal network. The value for this lease is \$812 and there is no interest on the lease.

(amounts expressed in thousands)

Year Ending December 31	Amount
2021	32
2022	32
2023	32
2024	32
2025	32
2026 - 2037	376
	<u>\$536</u>

E. 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, 2020 are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2021	10,852	4,179	\$ 2,763	\$ 2,043
2022	11,219	3,803	2,861	1,932
2023	8,502	4,425	2,505	1,797
2024	8,358	4,568	2,625	1,672
2025	8,242	4,681	2,750	1,541
2026-2030	40,045	21,851	15,940	5,870
2031-2035	39,628	16,351	16,359	1,920
2036-2040	5,640	612	910	32
Total	<u>\$ 132,486</u>	<u>\$ 60,470</u>	<u>\$ 46,713</u>	<u>\$ 16,807</u>

Notes to the Financial Statements

For the Year Ended December 31, 2020

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, 2020
Governmental activities	2.6323 - 7.2020%	\$ 132,486
Business-type activities	2.7966 - 3.20667%	\$ 46,713

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, 2020, the amount of LID Special Assessment delinquency equals \$584,195. The bond interest rates range from 3.125 to 5.75% and are payable over the next twenty-seven years.

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

Governmental activities Special Assessment Bonds (amounts expressed in thousands)			
	Principal	Interest	Total
2021	150	1,024	1,174
2022	-	1,019	1,019
2023	-	1,019	1,019
2024	-	1,019	1,019
2025	-	1,019	1,019
2026-2030	-	5,094	5,094
2031-2035	-	5,094	5,094
2036-2040	1,380	4,915	6,295
2041-2045	15,075	3,136	18,211
2046-2048	3,430	214	3,644
Total	20,035	23,553	43,588

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 \$1.5 billion. During 2020, new debt issues amounted to \$80 million for capital improvements in the Tacoma Power fund and refunding bonds in the Water and Sewer funds.

Notes to the Financial Statements

For the Year Ended December 31, 2020

Business-type activities Revenue Bonds and Loans (amounts expressed in thousands)			
	Principal	Interest	Total
2021	43,504	50,456	93,960
2022	39,910	48,942	88,852
2023	37,924	47,702	85,626
2024	39,536	46,477	86,013
2025	37,858	45,038	82,896
2026-2030	207,956	199,316	407,272
2031-2035	317,238	139,317	456,555
2036-2040	221,380	68,069	289,449
2041-2045	160,010	18,583	178,593
2046-2048	22,380	1,397	23,777
Total	\$ 1,127,696	\$ 665,297	\$ 1,792,993

Changes in long-term liabilities for the year ended December 31, 2020 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
General obligation bonds	\$ 140,604	\$ 2,349	\$ (10,468)	132,485	\$ 10,852
Add: Unamortized premium	233	-	(233)	-	-
Less: Unamortized discount	(43)	-	5	(38)	-
Public works trust fund loans	2,852	-	(571)	2,281	570
Bond anticipation notes	841	-	-	841	841
Special assessment debt	22,626	-	(2,591)	20,035	150
Claims and judgments	39,533	7,394	(9,639)	37,288	30,088
Total OPEB Liabilities	175,076	39,438	(36,901)	177,614	-
Total pension liability-Police and Firefighters'	40,527	3,281	-	43,808	3,131
Net pension liability	35,805	-	(35,805)	-	-
Compensated absences	21,867	23,309	(25,779)	19,397	1,940
Total governmental activities - long-term liabilities	\$ 479,921	\$ 75,771	\$ (121,982)	\$ 433,711	\$ 47,572

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 \$2,349 listed above represents the Governmental Funds issuance of long-term debt (\$2,349) reported in the government wide financial statements.

Notes to the Financial Statements

For the Year Ended December 31, 2020

Business-Type activities

Long-term liabilities (amounts expressed in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Revenue Bonds, Public Works Trust Fund loans, Drinking					
Water State Revolving loans	\$ 1,167,837	\$ 17,467	\$ (61,189)	\$ 1,124,115	\$ 42,684
General obligation bonds	49,390	-	(2,677)	46,714	2,763
Add: Unamortized premium	58,938	-	(4,994)	53,944	-
Less: Unamortized discount	(13)	-	3	(10)	-
Muckleshoot liability	6,586	-	(174)	6,412	168
State COP Loan	-	12,795	-	12,795	525
WA State Rail Loan	4,400	360	(820)	3,940	844
Revolving line of credit	75,250	56,000	-	131,250	131,250
Environmental liability	8,217	400	(6,925)	1,692	548
Landfill postclosure care cost liability	14,866	-	(431)	14,435	695
Total OPEB liabilities	29,037	11,489	(9,718)	30,808	-
Compensated absences	20,678	22,621	(18,451)	24,848	2,584
Net pension liability	\$ 81,204		\$ (81,204)	\$ 0	\$ -
Total business-type activities - long-term liabilities	1,516,391	121,132	(186,580)	1,450,943	182,061

Note 13 summarizes changes in long-term debt.

Debt issued in 2020

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 which will mature in August 2020. A second amendment was executed in December 2019 to extend the line of credit which will mature in December 2021. Each advance will bear interest based on the one month London Interbank Offered Rate (LIBOR). On December 31, 2020, LIBOR was 0.14388%. Each advance is secured by Revenues as set forth in the Note Ordinance. The balance outstanding is \$131.3 million as of December 31, 2020.

On May 21, 2020, Tacoma Power entered into a 2-year Note Purchase Agreement with KeyBank in the amount of \$100 million, of which no draws were taken.

During 2020 Tacoma Water issued \$17,466,514 in revenue refunding bonds with interest rate of 1.4%. The proceeds were used to refund \$17,790,000 of outstanding 2010A Water System Revenue Refunding Bonds which had interest rates ranging from 4.0% to 5.0%. As a result, 2010A Water System Revenue Refunding Bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$342,625. This amount is presented as a deferred inflow of resources and amortized over the remaining life of the refunding debt. The Division advance refunded 2010A Water System Revenue Refunding Bonds to reduce its total debt service payments over 3 years by \$1,552,748 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,077,116.

Notes to the Financial Statements

For the Year Ended December 31, 2020

Bond Defeasance

As of December 31, 2020, the following outstanding bonds were considered defeased in substance:

<u>Issue</u>	<u>Amount</u>
2013 Electric System Revenue Refunding Bonds, Series A	\$ 4,551,314
2006 and 2011 Sewer Revenue Refunding Bonds	34,320,000
	<u>\$ 38,871,314</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.

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, 2020, has no outstanding arbitrage liability.

F. 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	\$ 26,236
Cash for bond reserve	26,692
Cash for construction	76,518
Cash for other special purposes	155,344
	<u>\$ 284,790</u>

G. 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.

H. Fund balances

The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54. Balances previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned, and unassigned. Please refer to Note 1 Section C for fund balance descriptions.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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.

Notes to the Financial Statements

For the Year Ended December 31, 2020

	Major Funds		Non-major Funds			
	General	Transp Capital & Engr	Special Revenue	Debt Service	Capital Project	Total Funds
	Fund					
Fund balances:						
Nonspendable:						
Long-term receivables/advances	\$ 2,481	\$ -	\$ -	\$ -	\$ -	\$ 2,481
Inventory	1,194	-	1,436	-	-	2,630
Prepays	46	-	-	-	-	46
Trust	-	-	17	-	-	17
Total nonspendable	3,721	-	1,453	-	-	5,174
Restricted:						
Business & Training Assistance	-	-	3	-	-	3
Crime Prevention & Safety	-	-	2,819	-	-	2,819
Debt service	-	-	8,811	3,044	2,088	13,943
Economic development programs	-	-	7,416	-	-	7,416
Grants	-	-	718	-	-	718
Housing Development	-	-	2,498	-	-	2,498
Library, Culture & Arts, Preservation	-	-	11,467	-	450	11,917
Neighborhoods	-	-	638	-	-	638
Other capital & purchase	-	-	5,530	-	565	6,095
Paths & Trails	-	-	159	-	-	159
Pensions	368	-	-	-	-	368
Public services	9	-	28,434	-	-	28,443
Public Works projects	-	-	4,522	-	12,305	16,827
Sidewalk & Street projects	-	5,862	28,740	-	13,763	48,365
Total restricted	377	5,862	101,755	3,044	29,171	140,209
Committed:						
Council contingency*	896	-	-	-	-	896
Neighborhoods	-	-	7	-	-	7
Public services	-	-	-	-	766	766
Other Capital	-	-	-	-	425	425
Public Works projects	-	-	3,063	-	6,243	9,306
Total committed	896	-	3,070	-	7,434	11,400
Assigned:						
Business & Training Assistance	-	-	307	-	-	307
Demolitions	-	-	2,859	-	-	2,859
Library	-	-	2,294	-	-	2,294
Neighborhoods	-	-	5,775	-	-	5,775
Open Space Properties	-	-	513	-	-	513
Police activities	-	-	1,565	-	-	1,565
Local Improvement District	-	(26)	-	-	-	(26)
Public Works projects	-	2,079	1,939	-	-	4,018
Public services	-	-	1,054	-	133	1,187
Other purposes	1,827	-	395	-	-	2,222
Total assigned	1,827	2,053	16,701	-	133	20,714
Unassigned:	85,990	-	-	-	-	85,990
Total fund balances:	\$ 92,811	\$ 7,915	\$ 122,979	\$ 3,044	\$ 36,738	\$ 263,487

Notes to the Financial Statements

For the Year Ended December 31, 2020

I. 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	\$ 43
Debt Service	13,943
Culture and recreation	12,076
Public safety	31,262
Transportation	71,244
Grants	718
Housing and economic development	10,555
Pension	368
	<u>\$ 140,209</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 2020:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ -
Pension assets	\$ 89,125,328
Deferred outflows of resources	\$ 66,762,802
Deferred inflows of resources	\$ (82,931,280)
Pension expense/expenditures	\$ 32,851,629

At December 31, 2020, The City reported the aggregate deferred outflows of resources and deferred inflows of resources for all pension plans as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Total - All Plans		
Difference between expected and actual experience	\$ (10,255,622)	\$ 23,350,754
Changes of assumptions	\$ (7,900,408)	\$ 10,347,630
Net difference between projected and actual earnings	\$ (62,313,830)	\$ -
Contributions made subsequent to the measurement date	\$ -	\$ 31,075,383
Changes in employer proportion	\$ (2,461,421)	\$ 1,989,036
Total	\$ (82,931,280)	\$ 66,762,802

Notes to the Financial Statements

For the Year Ended December 31, 2020

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 that includes financial statements and required supplementary information and can be obtained by writing to:

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

Or the TERS comprehensive annual financial report may be downloaded from the TERS website at www.cityoftacoma.org/retirement

1. Administration of the system: The Tacoma Employees' Retirement System is a cost-sharing, multiple-employer, defined benefit retirement plan covering substantially all employees of the City of Tacoma, with the exception of police officers, firefighters, and Tacoma Rail employees who are covered by state and federal retirement plans. Employees of the Tacoma-Pierce County Health Department as well as certain employees of Pierce Transit and South Sound 911 (formerly known as Law Enforcement Support Agency) who established membership in the System when these agencies were still departments of the City of Tacoma are also members. The Board of Administration of the Tacoma Employees' Retirement System administers the plan and derives its authority in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code.

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, 2020 is as follows:

Retirees and beneficiaries	2,654
Terminated vested and other terminated participants	790
Active members:	
City of Tacoma	2,740
Pierce Transit	10
South Sound 911	2
Tacoma-Pierce County Health Department	285
Total active members	3,037
Total membership	6,481

Notes to the Financial Statements

For the Year Ended December 31, 2020

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

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

The System participates in the portability of public retirement benefits in Washington State public retirement. As provided under Chapter 41.54 of the RCW, this allows a member to use all years of service with qualified Washington systems to determine retirement eligibility and percentage factor for benefits under the System.

4. Contributions: The participating employers are responsible for funding the System at a level sufficient to pay obligations and ensure the actuarial and financial soundness of the System. Contribution rates for the employer and the employee are recommended by the Board of Administration and final approval rests with the Tacoma City Council. Currently, the required contribution rate for employees is 9.66% 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. *The Normal Cost Rate increased from 18.49% of pay to 18.53% of pay. Therefore, the portion of the total 21.00% of pay contribution rate available to amortize the UAAL after Normal Costs are financed decreased from 2.51% of pay at January 1, 2018 (21.00% - 18.49%) to 2.47% of pay at January 1, 2019 (21.00% - 18.53%).

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

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

Measurement Date	December 31, 2019
Valuation Date	January 1, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Funding is based on statutory contribution rate. 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*: <ul style="list-style-type: none"> • Level percent • Open periods • 25 year amortization period • 3.75% amortization grown rate
Asset Valuation Method	4 year smoothing period; Corridor - None
Inflation	2.75%
Salary Increases	Varies by service; details in funding valuation report
Investment Rate of Return	7.00%
Cost of Living Adjustment	2.125%
Retirement Age	Varies by age, gender, eligibility; details in funding valuation report.
Turnover	Varies by service, gender; details in funding valuation report.
Mortality	RP-2014 Mortality for Employees, Healthy and Disabled Annuitants. Generational improvements with projection scale based on Social Security Administration Data.
Active Members:	RP-2014 Employee Mortality, sex-distinct.
Male Inactive Members and Male Beneficiaries:	RP-2014 50% Blue Collar/50% White Collar Mortality for Healthy Males, RP-2014 Disabled Mortality for males.
Female Inactive Members and Female Beneficiaries:	RP-2014 Blue Collar Mortality for Healthy Females, RP-2014 Disabled Mortality for females.

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

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, 2019 and January 1, 2020 assumptions were not changed.

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

Valuations as of January 1

- 2020 No change
- 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.
- 2011 Contribution rates were increased effective January 1, 2011.

7. Target Allocations: The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. The capital market assumptions are per Milliman's (the System's actuary) investment consulting practice as of December 31, 2020. The target asset allocation is based on TERS Investment Policy Statement dated April 2021.

Asset Class	Target Allocation	Arithmetic Real Rate of Return
Investment Grade Fixed income	19.5%	1.30%
US Bank/Leveraged loans	3.0%	2.39%
US long government bonds	3.0%	1.75%
High Yield Bonds	6.0%	3.10%
Emerging Market Debt	5.0%	2.65%
global equity	34.5%	5.55%
Private Real Estate	10.0%	6.20%
Reivate Equity	10.0%	6.95%
Master Limited Partnerships	4.0%	7.30%
Timber	1.5%	6.15%
Infrastructure	2.0%	6.25%
Agriculture	1.5%	3.72%
Assumed Inflation - Mean		2.50%
Assumed Inflation - Standard Deviation		1.65%
Portfolio 30 year Arithmetic Real Return		7.13%
Portfolio 30 year Geometric Rate of Return		6.58%
Portfolio Standard Deviation		10.89%
Long-Term Expected Rate of return, net of investment expenses		6.75%

Notes to the Financial Statements

For the Year Ended December 31, 2020

8. Sensitivity Analysis: The following presents the employer's proportionate share of the collective net pension liability as of the December 31, 2019 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%
Employer's proportionate share of the net pension liability	\$199,131,227	(\$18,606,284)	(\$200,570,748)

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, 2020, the employer recognizes the following amounts:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	(\$9,350,707)	\$16,291,069
Changes of assumptions	\$0	\$10,273,714
Net difference between projected and actual earnings	(\$61,541,209)	\$0
Contributions made subsequent to the measurement date	NA	\$28,635,219
Changes in employer proportion	(\$12,951)	\$1,203
Total	(\$70,904,867)	\$55,201,206

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 Ending December 31	
2020	(\$13,746,413)
2021	(\$11,349,076)
2022	\$5,573,560
2023	(\$26,568,898)
2024	\$1,751,947
Thereafter	-

Notes to the Financial Statements

For the Year Ended December 31, 2020

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	2019 Employer Contributions	Rounded Percentage of Total Contributions	Beginning Net Pension Liability*	Ending Net Pension Liability**
City of Tacoma	\$27,942,195	92.40322%	\$117,009,191	(\$18,606,284)
South Sound 911	26,629	0.08806%	109,348	(17,732)
Pierce Transit	80,250	0.26538%	294,290	(53,437)
Health Department	2,190,343	7.24334%	9,224,577	(1,458,516)
Grand Total	30,239,417	100.00000%	126,637,406	(20,135,969)

*Based on unrounded contributions from 2018

**Based on unrounded contributions from 2019

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 that includes financial statements and required supplementary information for each plan. The DRS comprehensive annual financial report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS comprehensive annual financial report may be downloaded from the DRS website at www.drs.wa.gov.

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

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

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

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2020. 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.

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 includes 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% in 2020.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January – December 2020		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
Total	8.77%	8.59%

The City of Tacoma's actual contributions to the plan were \$4,820,923 for the year ended December 31, 2020.

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, 2020, the state contributed \$76,297,643 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$4,892,925.

Notes to the Financial Statements

For the Year Ended December 31, 2020

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Experience Study and the 2020 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2020, 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 increase:** 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 developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. 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 changes in methods and assumptions since the last valuation.

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

Discount Rate

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

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's 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, 2020

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, 2020, 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%
	100%	

Sensitivity of the Net Pension Liability/(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	(\$15,869,906)	(\$19,497,420)	(\$22,635,834)
LEOFF 2	(\$1,010,075)	(\$51,021,624)	(\$91,971,108)

Pension Plan Fiduciary Net Position

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

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

At June 30, 2020, the City of Tacoma reported a total pension liability of \$70,519,044 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
LEOFF 1	(\$19,497,420)
LEOFF 2	(\$51,021,624)

The amount of the asset reported above for LEOFF Plans 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 asset, the related State support, and the total portion of the net pension asset that was associated with the City of Tacoma were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	(\$19,497,420)	(\$51,021,624)
State's proportionate share of the net pension asset associated with the employer	(131,880,066)	(32,624,463)
TOTAL	(151,377,486)	(83,646,087)

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

	Proportionate Share 6/30/19	Proportionate Share 6/30/20	Change in Proportion
LEOFF 1	1.03%	1.03%	.00%
LEOFF 2	2.38%	2.50%	.12%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, 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 2020, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

Notes to the Financial Statements

For the Year Ended December 31, 2020

Pension Expense

For the year ended December 31, 2020, the City of Tacoma recognized pension expense as follows:

	Pension Expense
LEOFF 1	(982,735)
LEOFF 2	1,997,649
TOTAL	1,014,913

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the City of Tacoma reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments	\$0	(\$203,943)
Changes of assumptions	\$0	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	\$0	\$0
TOTAL	\$0	(\$203,943)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$7,059,684	(\$904,915)
Net difference between projected and actual investment earnings on pension plan investments	\$0	(\$568,678)
Changes of assumptions	\$73,916	(\$7,900,408)
Changes in proportion and differences between contributions and proportionate share of contributions	\$1,987,833	(\$2,448,470)
Contributions subsequent to the measurement date	\$2,440,164	\$0
TOTAL	\$11,561,597	(\$11,822,471)

Notes to the Financial Statements

For the Year Ended December 31, 2020

Deferred outflows of resources related to pensions resulting from the City of Tacoma contributions subsequent to the measurement date but before the end of the reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period. 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
2021	(\$728,013)
2022	(\$37,953)
2023	\$206,958
2024	\$355,065
2025	\$ -
Thereafter	\$ -

Year ended December 31:	LEOFF 2
2021	(\$3,794,961)
2022	(\$527,441)
2023	\$732,520
2024	\$1,684,480
2025	(\$365,554)
Thereafter	(\$430,083)

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 2020:

Aggregate Pension Amounts		
	Firefighters' Pension Fund	Police Pension Fund
Total pension liability	\$30,675,679	\$13,131,961

1. Plan description:

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

The plans provide retirement and medical benefits to all police officers, firefighters and their beneficiaries for individuals employed before March 1, 1970, the effective date of LEOFF. The LEOFF laws were subsequently amended by the Pension Reform Act, which took effect October 1, 1977. Through the LEOFF Act, the state undertook to provide the bulk of police and fire pensions; however, the municipalities continue to be responsible for all or part of pension benefits for employees hired before March 1, 1970. The plans are closed plans that provide pension and medical benefits, some of which can be in excess of LEOFF benefits. There are 0 active Police Officer and 1 active Firefighters with prior rights covered under these plans as of December 31, 2020. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits

Notes to the Financial Statements

For the Year Ended December 31, 2020

currently number 109 for the PRP and 148 for the FRP as of December 31, 2020. 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, 2020

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 \$2.2 million and \$2.5 million for 2020.

The state contributes 25% of taxes on fire insurance premiums to the FRP and the amount contributed in 2020 was \$430,000.

4. Actuarial Assumptions

The total pension liability (TPL) was determined by an actuarial valuation as of January 1, 2020, projected forward to the measurement date of December 31, 2020. The liability was calculated based on the discount rate and other actuarial assumptions below.

	Firefighter Relief and Pension	Police Relief and Pension
Discount Rate		
Municipal bond rate	2.00%	2.00%
Actuarial Assumptions:		
Valuation Date	January 1, 2020	January 1, 2020
Measurement Date	December 31, 2020	December 31, 2020
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, 2020

5. Changes in the Total Pension Liability

	Firefighters' Relief Pension	Police Relief Pension
	Increase (Decrease) Total Pension Liability	Increase (Decrease) Total Pension Liability
Balance as of December 31, 2019	\$ 26,517,271	\$ 14,009,753
Changes for the year:		
Service cost	-	-
Interest	700,523	371,210
Effect of plan changes	-	-
Effect of economic/demographic gains or losses	3,587,375	(1,004,737)
Effect of assumptions changes or inputs	1,972,172	785,109
Benefit payments*	(2,101,662)	(1,029,374)
Net changes	4,158,408	(877,792)
Balance as of December 31, 2020	30,675,679	13,131,961

*Benefit payments are estimated based on expected payouts.

6. Sensitivity of the Total Pension Liability

The following presents the net pension liability of the City, calculated using the discount rate of 2.00%, 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 (1.00%) or 1 percentage point higher (3.00%) than the current rate.

	1% Decrease (1.00%)	Current Discount Rate (2.00%)	1% Increase (3.00%)
Total pension liability - Fire	\$33,677,603	\$30,675,679	\$28,092,833
Total pension liability - Police	\$14,317,647	\$13,131,961	\$12,102,707

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

Pension expense of \$5,830,070 and \$151,582 were recognized in 2020 for the FRP and PRP. As of December 31, 2020, there are no deferred outflows or deferred inflows of resources related to these pension funds. The effects of changes in assumptions/inputs and economic/demographic gains or losses are recognized over the average remaining service life for all active and inactive members, with immediate recognition when the average remaining service life is less than one. Therefore, the (\$1,972,172) and (\$785,109) 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, 2020

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 2020:

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	\$(208,422,031)
OPEB assets	-
Deferred outflows of resources	18,472,967
Deferred inflows of resources	(23,899,644)
OPEB expense/expenditures	9,521,464

1. Plan description:

Eligibility and the amount of benefits paid by the City for Other Post-Employment Benefits (OPEB) vary by retirement group. Each plan provides medical benefits to eligible retired City employees and beneficiaries. The City contributes to multiple retirement systems including the Tacoma Employees' Retirement System Fund (TERS), a cost sharing-multi employer plan; the Law Enforcement Officers' and Firefighters' Retirement System Plans (LEOFF Plan 1) administered by the City; the Law Enforcement Officers' and Firefighters' Retirement System Plan (LEOFF Plan 2), a cost sharing-multi employer plans administered by Washington State; and the Railroad Retirement System which is an independent agency in the executive branch of the U.S. Government which administers the Railroad Retirement Act. The benefits under the Railroad Retirement Act are not payments under a 'pension plan' but rather are grants under a Federal statute. Railroad benefit amounts are divided into a social security level benefit, staff-type benefits based on a railroad services, and in some instances a dual benefit component. The railroad retirement benefits are paid from the Railroad Retirement Account, maintained by the Department of the Treasury of the U.S. and is financed through taxes levied upon railroad employees and employers by the Railroad Retirement Tax Act (26 U.S.C. 3201 et seq.), which is administered by the Internal Revenue Service.

Benefit provisions for TERS are established in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code. These statutes assign the authority to establish benefit provision for TERS. For LEOFF Plan 2, benefits are established in accordance with RCWs 41.16, 41.18, 41.20 and 41.26. These statutes assign the authority to establish benefit provisions. For LEOFF Plan 1, these benefit provision are established by state statute of the State of Washington through the Department of Retirement Systems, per RCW 41.26. LEOFF Plan 1 is closed to new entrants. For the Railroad Retirement System, these are administered by Federal statute under the Railroad Retirement Act (45 U.S.C. 231 et seq.) and authority resides by these Federal statutory provisions.

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

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

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

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:

	Non-LEOFF 1 as of January 1, 2019	LEOFF 1 As of January 1, 2020	Total
Inactive employees or beneficiaries currently receiving benefits	310	370	680
Inactive employees entitle to but not yet receiving benefits	529	0	529
Active employees	3,525	1	3,526
Total	4,364	371	4,735

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, 2020 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, 2019. 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, 2020. 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, 2020

	Non-LEOFF 1	LEOFF 1																		
Valuation Date	January 1, 2019	January 1, 2020																		
Measurement Date	December 31, 2019	December 31, 2020																		
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%	2.74%																		
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 4.3% in 2073. The trends above do not reflect increases in costs due to excise tax.	<table> <tr> <th></th><th>Pre-65</th><th>Post-65</th></tr> <tr> <td>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																		
Demographic Assumptions (Eligibility):																				
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, 2020

	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"> - 30 years of service - 60 years of age - Age + Service = 80 years - Age 55 with 10 service years - Age 40 with 20 service years <p>LEOFF 2 members are eligible for retiree medical benefits after achieving one of the following:</p> <ul style="list-style-type: none"> - Age 53 with 5 service years - Age 50 with 20 service years <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>
Mortality:		
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, 2020

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	\$184,402,840	\$208,422,031	\$236,925,004

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.74%, 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 (1.74%) or one percentage point higher (3.74%) than the current rate.

	1% Decrease 1.74%	Discount Rate 2.74%	1% Increase 3.74%
Total OPEB Liability	\$236,073,926	\$208,422,031	\$185,372,894

4. Changes in the Total OPEB Liability:

Changes in the Total OPEB Liability for reporting period ending December 31, 2019, are as follows:

	Increase (Decrease) Total OPEB Liability
Total OPEB Liability at beginning of period	\$204,113,449
Changes for the year:	
Service cost	2,338,384
Interest on total OPEB liability	8,271,912
Effect of plan changes	-
Effect of economic/demographic gains or losses	(3,650,054)
Effect of assumptions changes or inputs	6,839,417
Expected benefit payments	(9,491,077)
Total OPEB Liability at end of period	208,422,031

There was no change in assumption as the discount rate stayed the same at 4.10% for 2019 and 2020, respectively.

The total OPEB liability of \$208,422,031 was determined by an actuarial valuation as of the valuation dates of January 1, 2019 and 2020, calculated based on the discount rate of 4.10%, and then projected to the measurement date of December 31, 2019. The City recognized an OPEB expense of \$9,521,464. The OPEB expense for December 31, 2020 financial reporting period is as follows:

	OPEB Expense
Service cost	\$2,338,384
Interest on total OPEB liability	8,271,912
Effect of plan changes	-
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	(589,559)
Recognition of assumptions changes or inputs	(499,273)
OPEB Expense	9,521,464

Notes to the Financial Statements

For the Year Ended December 31, 2020

At December 31, 2020, 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	\$36,128	\$(3,051,684)
Changes of assumptions	10,322,677	(12,733,798)
Changes in proportionate share	6,341,892	(6,341,892)
Difference in contributions	1,772,270	(1772,270)
Contributions made subsequent to the measurement date	8,792,919	-
TOTAL	27,265,886	(23,899,644)

Deferred outflows of resources of \$8,792,919 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:	
2020	\$(1,088,832)
2021	(1,088,832)
2022	(1,088,832)
2023	(2,425,616)
2024	213,148
Thereafter	52,287

5. Excise Tax for High Cost Health Plans in 2020 and Beyond:

Subsequent to the January 1, 2019 valuation date for non-LEOFF 1 members, H.R. 1865 Further Consolidated Appropriations Act of 2020 was passed into law on December 20, 2019. This law repealed the excise tax completely and removed the Health Insurer Fee permanently beginning in 2021. The total OPEB liability as of the December 31, 2019 measurement date reflects this change.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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 into a retirement savings plan. 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, up to the IRS annual contribution limits. The 2020 contribution limits are \$19,500 for regular deferral, \$39,000 for pre-retirement and \$26,000 for age 50 provision deferrals. The City has agreed through contract negotiation with the Local 6 Police union and the Local 31 Fire union to match contributions made by all Police Officers and Fire Officers up to a maximum of \$192 per pay period, and Local 26 Police Officers up to a maximum of \$217 per pay period. Fire/Police Professional Public Safety Management Association employees receive an employer contribution of \$217 per pay period. Tacoma Rail employees also receive matching contributions up to 3 percent per TMC 1.12.115 and applicable collective bargaining agreements.

Benefit Plan	Third Party Administrator	Pre-Tax Employer Contributions	Pre-Tax Employee Contributions	After-Tax Employee Contributions	Total by Plan
457 deferred compensation	ICMA	2,174,418	14,435,185	1,947,507	18,557,110
457 deferred compensation	Nationwide	1,477,068	2,809,436	168,445	4,454,949
Total		<u>\$ 3,651,486</u>	<u>\$ 17,244,621</u>	<u>\$ 2,115,952</u>	<u>\$ 23,012,059</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, 2020 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	\$133	\$0	\$133
Total	<u>\$133</u>	<u>\$0</u>	<u>\$133</u>

Notes to the Financial Statements

For the Year Ended December 31, 2020

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

\$133,324 was authorized from the Capital Projects Fund to the Fire Department Fund to refit and renovate a fire boat.

The composition of interfund transfers for the year ended December 31, 2020 is as follows:

Interfund Transfers (amounts expressed in thousands)									
Transfer In									
	General Fund	Trans Capital & Engineering	Non-Major Governmental Funds	Wastewater & Surface Water	Tacoma Water	Tacoma Power	Non-Major Enterprise Funds	Internal Service Funds	Transfer Out Total
<u>Transfer Out</u>									
General Fund	\$ 250	\$ -	\$ 23,941	\$ -	\$ -	\$ -	\$ 3,160	\$ 797	\$ 28,148
Trans Capital & Engineering	-	-	330	15	-	-	-	-	345
Non-Major Governmental Funds	5,317	10,819	18,926	8	-	-	4,849	1,358	41,277
Solid Waste	4,586	-	1,529	-	-	-	-	-	6,115
Wastewater & Surface Water	7,311	-	2,437	-	-	-	1,266	-	11,014
Tacoma Water	5,864	-	1,952	-	-	-	-	-	7,816
Tacoma Power	29,425	-	7,384	-	-	-	-	-	36,809
Non-Major Enterprise Funds	2,080	500	3,701	-	-	-	-	-	6,281
Internal Service Funds	365	-	680	-	4,844	7,187	5	-	13,081
Transfer In Total	\$ 55,198	\$ 11,319	\$ 60,880	\$ 23	\$ 4,844	\$ 7,187	\$ 9,280	\$ 2,155	\$ 150,886

The information below provides detail of the interfund transfer transactions:

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

\$23,941,726 was transferred from the General Fund to Non-Major Governmental Funds for grant matches, debt service, capital projects, non-capital projects and regular operations.

\$3,159,534 was transferred from the General Fund to Non-Major Enterprise Funds to support debt services payments, capital projects and regular operations.

\$796,827 was transferred from the General Fund to Internal Service Funds for services and projects.

\$329,918 was transferred from the Trans Capital & Engineering Fund to Non-Major Governmental Funds for capital projects.

\$14,708 was transferred from the Trans Capital & Engineering Fund to Waste Water Fund for capital projects.

\$4,848,737 was transferred from the Non-Major Governmental funds to Non-Major Enterprise funds for capital projects and debt service payments.

\$5,316,603 was transferred from the Non-Major Governmental Funds to General Fund to refund capital project reduction.

\$10,818,588 was transferred from the Non-Major Governmental funds to Trans Capital & Engineering Fund for capital projects.

\$18,925,820 was transferred from the Non-Major Governmental funds to Non-Major Governmental Funds for various capital projects and debt service payments.

Notes to the Financial Statements

For the Year Ended December 31, 2020

\$7,552 was transferred from the Non-Major Governmental Funds to Waste Water Fund for Surface Water Regional Facilities.

\$1,358,253 was transferred from the Non-Major Governmental Funds to Internal Services Funds to purchase capital assets.

\$4,585,608 was transferred from the Solid Waste Fund to the General Fund for Gross Earnings Tax.

\$1,528,536 was transferred from the Solid Waste Fund to Non-Major Governmental Funds for Gross Earning Tax.

\$7,311,437 was transferred from the Waste Water Fund to General Fund for Gross Earnings Tax.

\$2,437,146 was transferred from the Waste Water Fund to Non-Major Governmental Funds for Gross Earning Tax.

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

\$5,864,154 was transferred from the Water Fund to the General Fund for Gross Earnings Tax.

\$1,951,949 was transferred from the Water Fund to the Non-Major Governmental Funds for Gross Earnings Tax.

\$29,425,145 was transferred from the Power Fund to the General Fund for Gross Earnings Tax.

\$7,384,140 was transferred from the Power Fund to Non-Major Governmental Funds for Gross Earning Tax.

\$2,080,232 was transferred from the Non-Major Enterprise Funds to the General Fund for Gross Earnings Tax.

\$500,000 was transferred from the Non-Major Enterprise Funds to the Trans Capital & Engineering Fund for capital projects.

\$3,700,762 was transferred from the Non-Major Enterprise Funds to Non-Major Governmental Funds for Gross Earnings Tax and debt service payments.

\$365,000 was transferred from the Internal Service Funds to the General Fund for Fire vehicle operations.

\$679,680 was transferred from the Internal Service Funds to Non-Governmental Funds for purchasing and operating vehicle expenses.

\$4,843,778 was transferred from the Internal Service Funds to the Water Fund for Fleet fund transfer.

\$7,186,764 was transferred from the Internal Service Funds to the Power Fund for Fleet fund transfer.

\$4,973 was transferred from the Internal Service Funds to Non-Major Enterprise Funds for Fleet fund transfer.

Note 7 – OTHER INFORMATION

A. Accounting changes

There were no accounting changes effective for the fiscal year 2020

Notes to the Financial Statements

For the Year Ended December 31, 2020

B. Risk management

The City is self-insured for tort liability, medical benefits, unemployment and worker's compensation and records its claims and liabilities in the accrual basis of accounting. Liabilities include an estimate for Incurred but Not Reported (IBNR) claims. The estimate for reported claims is based on Risk Management and Legal Departments' projections and is adjusted annually. The IBNR for the self-insured employee benefits is based on an average of 2-months claims from the reporting year. The IBNR for tort liabilities are calculated by a periodic actuarial study. The handling and paying of all tort liability claims for which the City is found legally liable is accounted for in either the Self-Insurance Claim Fund or the TPU Self Insurance Claim Fund. Monies are appropriated from various cost centers based on prior claims history and paid to these funds.

The Self-Insurance Program is maintained in conformity with all laws, rules and regulations pertaining thereto and in accordance with 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-insurance 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 \$52.5 million, \$250,000 retention for wrongful acts claims and a \$2.5 million 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 million each occurrence and a \$1 million self-insured retention renewable on December 1 of each year. Mountain Rail carries a separate Railroad Liability policy with a limit of \$7 million each occurrence, \$14 million annual aggregate, 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 of total loss in excess of the retention. Such additional \$250,000 deductible may be satisfied by loss from one or more occurrences. This policy renews January 1 of each year.

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

Tacoma Public Library carries separate property coverage excluding earthquake and flood with a blanket limit of \$45,488,972 for buildings and \$19,826,987 for business personal property and a deductible of \$10,000. Earthquake coverage is provided with a policy year limit of \$10,000,000 and a deductible of 5% of the value of the property that is damaged. Flood coverage is provided with a policy year limit of \$10,000,000 and a deductible of \$25,000.

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 \$10.2M. Settlement payments were within amounts available for coverage for the last three years—2020, 2019, and 2018.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Balance 01/01	\$ 35,663	\$ 28,714	\$ 28,700	\$ 3,870	\$ 5,049	\$ 5,084	\$ 4,034	\$ 5,172	5878
New Claims	106	449	875	1,566	1,869	1,791	2,679	536	1254
Adjustments to Claims	2,677	8,657	3,419	2,734	473	3,435	(2,709)	(1,075)	171
Claims Payment	(5,315)	(2,157)	(4,280)	(4,012)	(3,521)	(5,261)	(905)	(599)	(2,131)
Balance 12/31	\$ 33,131	\$ 35,663	\$ 28,714	\$ 4,158	\$ 3,870	\$ 5,049	\$ 3,099	\$ 4,034	\$ 5,172

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, 2020 financial statements, prior period adjustments were made.

Governmental Funds:

Fund Name	Description
General Fund # 0010	Beginning net position decreased by \$393,987 from prior year revenue correction and service expenditures
Transportation Capital and Engineering Fund # 1060	Beginning net position decreased by \$26,915 from write-off
Special Funds # 1090, #1155 and #1267	Beginning net position increased by \$374,583 from prior year grant revenue correction, incorrect accrual, replacement fee error and correction of grant expenditure

Enterprises Funds

Fund Name	Description
Performing Art Fund # 4110	Beginning net position decreased by \$170,462 from prior year duplicated revenues
Equipment Rental Fund # 5400	Beginning net position decreased by \$525,876 from prior year error in replacement fee
Radio Communication # 5540	Beginning net position increased by \$238,790 from prior year error in duplicated capital expenses

Notes to the Financial Statements

For the Year Ended December 31, 2020

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	\$ (333,405)	General Fund, Trans Capital and Engineering, Fire, Fire EMS, Police SR, Equipment Rental, and Radio Communication
Business	(170,462)	Permit Service
Total	<u>\$ (503,867)</u>	

Notes to the Financial Statements

For the Year Ended December 31, 2020

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	\$ 834	\$ 4,001	\$ -
Accounts receivable (net)	744	55	4,051
Due from other funds	-	-	-
Inventory	-	-	-
Prepayments	29	80	-
Restricted assets	2,019	2,394	2,340
Capital assets (net)	44,969	53,088	-
Net pension assets	75	110	-
Other non-current assets	-	110	3,275
Total assets	48,670	59,838	9,666
Deferred outflow of resources	223	2,747	-
Liabilities:			
Current liabilities	641	4,765	4,435
Due to other funds	-	-	-
Current liabilities payable from restricted assets	-	-	-
Net pension liabilities	-	-	-
Non-current liabilities	6,905	52,009	4,304
Total liabilities	7,546	56,774	8,739
Deferred inflow of resources	327	440	-
Net position			
Net investment in capital assets	38,146	(140)	-
Restricted	2,018	2,504	2,340
Unrestricted	856	3,007	(1,413)
Total Net Position	\$ 41,020	\$ 5,371	\$ 927

Notes to the Financial Statements

For the Year Ended December 31, 2020

CONDENSED STATEMENT OF REVENUES EXPENSES, AND CHANGES IN NET POSITION

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Operating revenues	\$ 3,825	\$ 760	\$ -
Depreciation expense	(1,373)	(1,736)	-
Other operating expenses	(3,798)	(4,181)	(3)
Operating income	(1,346)	(5,157)	(3)
Nonoperating revenues (expenses)			
Tax	-	-	-
Interest revenue	84	117	1
Interest expense	(209)	(2,088)	(655)
Other nonoperating revenues (expenses)	66	418	655
Capital contributions	-	4,702	-
Transfers	(1,190)	4,844	-
Change in net position	(2,595)	2,836	(2)
Beginning net position	43,615	2,535	929
Prior period adjustments	-	-	-
Ending net position	\$ 41,020	\$ 5,371	\$ 927

CONDENSED STATEMENT OF CASH FLOW

	Parking Garage Fund #4140	Convention Center Fund #4165	Union Station Fund #4450
Net cash provided (used) by:			
Operating activities	\$ 429	\$ (3,915)	\$ 3,959
Noncapital financing activities	24	303	-
Capital and related financing activities	(3,386)	3,437	(3,960)
Investing activities	94	174	1
Net increase (decrease)	(2,839)	(1)	-
Beginning cash and cash equivalents	5,692	6,396	2,340
Ending cash and cash equivalents	\$ 2,853	\$ 6,395	\$ 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, 2020

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 a joint venture with 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)	
	HEALTH DEPARTMENT
Balance Sheet Date	12/31/2019
Total Assets	\$ 13,111
Capital Assets (net of accumulated depreciation)	967
Deferred Outflows	10,949
Total Liabilities	5,204
Non-current Liabilities	9,375
Deferred Inflows	1,221
Total Net Position	9,227
 Total Revenues	 34,972
Total Expenditures/Expenses	37,596
Net Increase/(Decrease) in Net Assets	(2,624)
 City Contribution	 -

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

probable that a claim will be paid by the City, the expenditure/expense and the related liability are reported in the statements of the appropriate fund in the year when such a determination is made. See Note 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 7B for risk management information.

B. Construction Commitments

The City has various construction projects as of December 31, 2020. 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
Beautification of South Tacoma Way & Pacific Ave.	175,000	172,343	2,657
Citywide School Zone Beacons	611,034	140,401	470,633
Convention Center Guard House	-	55,356	(55,356)
E. 34th Street Bridge Repair	182,820	90,488	92,333
E. 64th Street, Phase 1, Pacific to McKinley	7,629,245	5,669,850	1,959,395
E. Portland Ave Improvements	2,674,558		2,674,558
Fawcett Ave/S 21st Street	4,653,511	-	4,653,511
Mary Lyon Elementary School	260,913	283,263	(22,350)
Museum of Glass Joint and Sidewalk Repair	20,368		20,368
On-Call Nuisance Abatement Services	278,345	198,368	79,977
On-Call Securing Properties	456,225	233,059	223,166
Pacific Ave (SR7) Corridor - Intersection Signal Improv	887,737	789,979	97,757
Pantages Theater	-	6,496,805	(6,496,805)
Pipeline Trail Phase 2	2,012,188	1,961,011	51,177
Puyallup River Bridge F-16 A & B	30,650,000	25,282,934	5,367,066
Sheridan Avenue Missing Link Sidewalks	319,973	-	319,973
South Tacoma Way Corridor Safety Improvements	557,799	533,503	24,296
Streets Initiative Package #13	2,789,820	2,788,459	1,361
Streets Initiative Package #17	2,188,800	1,795,366	393,434
Streets Initiative Package #19	837,060	810,926	26,134
Streets Initiative Package #26	3,926,300	3,156,633	769,667
Tacoma's Trails to Transit Connector	156,771	125,536	31,235
Taylor Way Rehabilitation	23,644,969	10,458,840	13,186,129
TEMS 1 - 8th & MOK; TEMS 2 - 60th & McKinley; TEMS	-	225,802	(225,802)
TEMS 2 - 60th McKinley, TEMS 3 - 6th & Orchard	84,445	84,445	-
Yakima Avenue Bridge Deck Repair	1,857,822	1,432,900	424,923
	<u>\$ 86,855,703</u>	<u>\$ 62,786,265</u>	<u>\$ 24,069,437</u>

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

Notes to the Financial Statements

For the Year Ended December 31, 2020

C. 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. In February of 2019, the City and the TPCHD executed an agreement where in the City agreed to comply with TPCHD closure permit requirements and a new Solid Waste permit was issued by TPCHD expiring in March of 2020. The new Solid Waste Permit was renewed in 2020 and now expires March 24, 2021.

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 \$14,435,352 as landfill post-closure care liability as of December 31, 2020 based on 100% use of the total capacity of the Tacoma Landfill. This compares to \$14,865,976 at December 31, 2019 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.

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.

Notes to the Financial Statements

For the Year Ended December 31, 2020

Note 9 – CONTINGENT LIABILITIES

Solid Waste (#4200) Long-term Contract – Land Recovery, Inc. - In February 2000, the Division entered into a 20-year contract with Land Recovery, Inc. (LRI) to dispose of all “acceptable waste” collected or handled by the Division (as that term is defined in the agreement), at the 304th Street landfill operated by LRI. The Division entered into this agreement to extend the life of the Tacoma Landfill and to secure a long-term disposal arrangement at a favorable disposal cost. The agreement excludes solid waste that LRI is not authorized by law or permit to receive, or which could create or expose LRI or the Division to potential liability, among other things. Recycling and/or composting waste is not covered by the agreement. The agreement further provides that LRI shall charge a base rate per ton for disposal services, and that said rate shall decrease as the tonnage increases during each contract year. The agreement also provides that the base rate charged by LRI shall increase annually based on the Seattle-Tacoma CPI. The rate per ton is periodically increased by LRI to cover certain increased costs, including the increased cost of landfill closure liabilities. These rate adjustments are part of the existing agreement.

Solid Waste (#4200) Long-term Contract – Pierce County Recycling, Composting and Disposal - In October 2004 the Division entered into a ten (10) year agreement with Pierce County Recycling Composting and Disposal (PCRCD) LLC to accept organic material collected by the City curbside or delivered to the City's landfill for processing into compost. Under the agreement, which has two 5-year renewal options, PCRCD will charge a base rate per ton for the organic waste it receives from the City. This price may be adjusted beginning on the second anniversary of the agreement, and thereafter annually based on the Seattle-Tacoma-Bremerton CPI. The agreement also includes a revenue sharing component. The Division entered into this agreement to extend the life of the Tacoma landfill and secure a long-term composting arrangement at a favorable cost through 2030.

Wastewater and Surface Water (#4300-01) Commencement Bay Natural Resource Damages - The City resolved federal, state, and tribal natural resource damage assessment (NRDA) claims associated with municipal waste and storm water discharges in Commencement Bay through a Consent Decree, effective May 28, 1997. The stated value of the City's settlement was approximately \$7,700,000. Under the NRDA Consent Decree, the City agreed to undertake five restoration projects within the Commencement Bay watershed, perform environmental protection activities, and make certain cash payments. The City completed construction on four projects and alternatively 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. Following completion of this monitoring, the City received notification that the Trustees had executed a Resolution agreeing that the City had completed their obligations under the Consent Decree (May 28, 2019). 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 designed and subsequently implemented in 2020 under EPA oversight. Because contaminated material was left in place under a cap at the site, long-term monitoring is expected to continue on a periodic basis in perpetuity. The results of this monitoring may result in additional limited maintenance efforts in the future. Included in the financial statements for the years 2020 and 2019 are liabilities of \$475,000 and \$2,046,057 respectively.

Wastewater and Surface Water (#4300-01) Foss Consent Decree – Under the current Long-term Monitoring Plan developed in accordance with the Foss Consent Decree, the City has an obligation for continued monitoring through at least 2028. It is expected that another Long-term Monitoring Plan will be developed following

Notes to the Financial Statements

For the Year Ended December 31, 2020

completion of monitoring under the current plan. Because contaminated material is left in place under caps in the waterway, some level of periodic monitoring is expected to continue in perpetuity. The results of this monitoring may result in additional limited maintenance efforts in the future. Included in the financial statements for the years 2020 and 2019 are liabilities the financial statements for the years 2020 and 2019 are liabilities of \$817,000 and \$912,000 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 cleanup or closure of the site. In mid-2016, Ecology contacted the City and other potentially liable 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. Other parties are performing the work under the Agreed Order, and the City's role and cost obligation should be limited. This new Agreed Order was fully executed on September 13, 2018 and work has commenced.

Tacoma Rail (#4500) Estate of Wesley Evans v. the City of Tacoma, TPU and Tacoma Rail – On September 19, 2017 Wesley Evans was killed when the vehicle he was driving collided with a Tacoma Rail train at a railroad crossing located on Milwaukee Way near the intersection of Lincoln Avenue within the city limits of the City of Tacoma. On September 9, 2020, a Complaint for Wrongful Death and Survival was filed in Pierce County Superior Court on behalf of the estate and beneficiaries of Wesley Evans. The City of Tacoma, Tacoma Public Utilities and Tacoma Rail are represented by outside counsel Debra Dickerson, of the law firm of Preg, O'Donnell & Gillett (appointed by our insurance carrier). Trial is scheduled for September 8, 2021.

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, 2020 the remaining financial requirement for Capital Improvement Programs relating to all prior biennia is approximately \$13.6 million.

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

Tacoma Water (#4600) General Legal Matters - The Water Division has received several other miscellaneous claims or litigation that either do not allege material amounts or that the Legal Department has determined do not pose a risk of liability to the Utility.

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, 2020, the remaining financial requirement for the 2019/2020 biennial Capital budget was approximately \$52.7 million.

Notes to the Financial Statements

For the Year Ended December 31, 2020

Tacoma Power (#4700) Kosmos Mill Oil Seep - On November 21, 2019, emergency action was initiated and subsequently completed 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 is working with the Department of Ecology towards a remedial investigation of the site and has recognized a liability in the amount of \$400,000 as the known cost for the site investigation progress in 2021.

Tacoma Power (#4700) General Legal Matters - Tacoma Power has received several other miscellaneous claims that either do not allege significant amounts or that the Legal Department has determined do not pose a risk to liability to the Utility.

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 3, 2019 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 General 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, there were no employees participating in the plan nor were there any contributions made.

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

There were no contribution rates applicable for 2020. The contribution rates for 2019 by classification were as follows:

Classification	January 1, 2019 - December 31, 2019
Fabrication Welder	6.21% of gross pay
Solid Waste Mechanics	7.06% of gross pay

There was no contribution in 2020. In 2019, the Division contributed \$210,801.

Notes to the Financial Statements

For the Year Ended December 31, 2020

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 \$437,420 as of December 31, 2020 and December 31, 2019.

Grants

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

Note 10 – TAX ABATEMENTS

As of December 31, 2020, 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 2020 is .013528262 of assessed value. The City of Tacoma receives 20.259% 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

Notes to the Financial Statements

For the Year Ended December 31, 2020

Pierce County, the tax rate in 2020 is .013528262 of assessed value. The City of Tacoma receives 20.259% 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. *Aerospace Industries Tax Exemption*

Aerospace industries are allowed a tax exemption for computer hardware, software and peripherals. This program was established under the Washington State RCW Chapters 82.08.975 and 82.12.975 Exemptions – Computer parts and software related to the manufacture of commercial airplanes. The City of Tacoma's data is confidential and cannot be disclosed.

4. *Manufacturing Facilities Tax Exemption*

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.

5. *Multi-Unit Urban Housing Tax Exemption*

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, 2020 is:

Tax Abatement Program	Amount of Taxes Abated (in thousands)
Multifamily Property Tax Exemption	\$ 1,136
Special Value Tax Exemption	\$ 92
Future Nonprofit Low-Income Housing	\$ 1,198

Note 11 - COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The COVID-19 pandemic is ongoing, and the duration and severity of the crisis are uncertain. The City took aggressive budget actions in early 2020 to manage the impacts of COVID-19. The actions included, but are not limited to, the following: reduction of 2020 revenue projections, eliminated discretionary spending, cancelled

Notes to the Financial Statements

For the Year Ended December 31, 2020

planned projects, established purchasing and contract freezes, established a hiring freeze, put certain staff on temporary furloughs and did targeted lay-offs. Other actions the City took in response to COVID-19 included, but are not limited to, the following: instituted telework for all non-frontline service staff, health screening for employees reporting to City facilities, implemented an Emergency Leave Program for employees impacted by COVID-19, provided additional funding for Rental Assistance programs, and provided additional funding for utility bill assistance. The City will continue to monitor the community impacts of COVID-19 and remain flexible on responding to community needs.

Note 12 – SUBSEQUENT EVENTS

On March 11, 2021, the American Rescue Plan Act (“ARPA”) was signed into law. ARPA provides \$350 billion to help states, counties, cities and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Based on allocation projections, the City expects to receive approximately \$63 million in ARPA assistance. Funds received under the ARPA may be used for authorized purposes relating to mitigating the fiscal effects of the COVID-19 pandemic, including responding to the public health emergency, providing governmental services, and making certain infrastructure investments, among other purposes. The City will monitor and apply for additional Federal and State support for expenses related to responding to the COVID-19 pandemic if and as such relief becomes available.

CITY OF TACOMA, WASHINGTON
NOTES TO THE FINANCIAL STATEMENTS
FOR DECEMBER 31, 2020

NOTE 13
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 01-01-20	ISSUED 2020	REDEEMED 2020	AMOUNT O/S 12/31/20
GENERAL OBLIGATION BONDS, LOANS, & NOTES									
Unlimited General Obligation Bonds	Refunding 2002 Bonds	11/10/10	2011 - 2022	21,870	2.6323	7,550		2,400	5,150
Genl Obl Bonds 2010						7,550	0	2,400	5,150
Subtotal Unlimited (Voted)									
Limited General Obligation Bonds	Capital Improvements	12/17/09	2011 - 2035	15,380	5.8600	13,625		365	13,260
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2035	3,320	3.5400	3,320			3,320
Ltd. Genl Obl Bonds 2009B Dock & Salishan	Capital Improvements	12/17/09	2034	4,975	4.8800	4,975			4,975
Ltd. Genl Obl Bonds 2009C Cheney	Capital Improvements	12/17/09	2026 - 2035	13,526	5.7500	13,526			13,526
Ltd. Genl Obl Bonds 2009E Multiple Projects	Capital Improvements	12/18/09	2026 - 2036	13,526	5.7500	10,135	1,368		11,503
Ltd. Genl Obl Bonds 2009E Acreted Interest	Capital Improvements	12/17/09	2023 - 2026	6,681	7.2020	6,681			6,681
Ltd. Genl Obl Bonds 2009F Cheney & Env Remei	Capital Improvements	12/18/09	2023 - 2027	7,355	2.7966	6,777	981		7,758
Ltd. Genl Obl Bonds 2009F Acreted Interest	Refund 1997B, 2001, 2004	11/10/10	2015 - 2022	7,355	3.8076	2,195		750	1,445
Ltd. Genl Obl Bonds 2010B Refunding Bonds	Refund 2001, 2007, 2009 L	11/10/10	2015 - 2022	7,355	5.0399	3,000		960	2,040
Ltd. Genl Obl Bonds 2010C Refunding Bonds	Capital Improvements	11/10/10	2015 - 2033	30,225	5.7155	23,790		1,375	22,415
Ltd. Genl Obl Bonds 2010D Bonds	Capital Improvements	11/10/10	2015 - 2040	9,130	3.1768	7,845		275	7,570
Ltd. Genl Obl Bonds 2010E Bonds	Refund 2001 & 2004	03/05/13	2015 - 2034	44,170	3.2066	36,520		1,745	34,775
Ltd. Genl Obl Bonds 2013 Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2036	12,735	2.8933	11,460		450	11,010
Ltd. Genl Obl Bonds 2015A Refunding Bonds	Ref 2006A, 2006B, & 2007	12/29/15	2016 - 2027	20,215		15,255		3,805	11,450
Ltd. Genl Obl Bonds 2015B Refunding Bonds	Capital Improvements	12/12/17	2019 - 2037	25,295		23,340		1,020	22,320
Ltd. Genl Obl Bonds 2017 - Tacoma Dome						182,444	2,349	10,745	174,048
Subtotal Limited (Councilmanic)									
Washington State Public Works Trust Fund Loan						2,853		571	2,282
CTED PWTF No. 04-691-068		06/02/04	2004 - 2024	4,500	0.5000	2,853	0	571	2,282
Subtotal Washington State Loan (Councilmanic)									
Total General Obligation Bonds, Loans, & Notes									
						\$ 192,847	\$ 2,349	\$ 13,716	\$ 181,480
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	2,810		510	2,300
Tac CC & Parking Rev/Ref Bonds, Series 2015	Refunding 2004 Bonds	08/14/15	2015 - 2024	20,453	2.3304	10,702		2,054	8,648
Subtotal Convention Center									
						13,512	0	2,564	10,948

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-20	ISSUED 2020	REDEEMED 2020	AMOUNT O/S 12/31/20
Wastewater Utility									
State Revolving Fund (SRF) Loan #40006A	Treatment Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	25,407		2,824	22,583
State Revolving Fund (SRF) Loan #40006B	Treatment Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	10,930		1,164	9,766
Sewer Rev & Ref Bonds 2015	Refunding	03/18/15	2016 - 2045	109,300	3.5358	102,755		1,920	100,835
Sewer Rev & Ref Bonds 2016A	Refunding	06/15/16	2016 - 2038	31,855	2.8277	28,300		1,095	27,205
Sewer Rev & Ref Bonds 2016B	Refunding	06/15/16	2017 - 2020	11,865	1.3269	5,090		2,485	2,605
Sewer Revenue Bonds 2018 Waste I	Improvements	11/28/19	2019 - 2048	43,460	3.9387	42,630		870	41,760
Sewer Revenue Bonds 2018 Waste II	Improvements	11/28/19	2019 - 2031	6,115	3.0387	6,110		10	6,100
	Subtotal Sewer					221,222	0	10,368	210,854
Surface Water Utility									
DOE SFR Loan L-1000007	Sewer Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	299		23	276
Sewer Revenue Bonds 2018 Surface I	Improvements	11/28/19	2019 - 2048	26,930	3.9387	26,415		540	25,875
Sewer Revenue Bonds 2018 Surface II	Improvements	11/28/19	2019 - 2031	24,440	3.0387	24,415		35	24,380
	Subtotal Surface Water					51,129	0	598	50,531
Solid Waste Utility									
Solid Waste Revenue Bonds, 2015	Capital Improvements	03/18/15	2017 - 2025	21,095	2.1375	14,915		2,270	12,645
Solid Waste Rev/Ref Bonds, 2016A	Refunding	06/15/16	2031 - 2036	23,200	3.4260	23,200			23,200
Solid Waste Rev/Ref Bonds, 2016B	Refunding	06/15/16	2026 - 2031	15,025	2.9985	15,025			15,025
	Subtotal Refuse					53,140	0	2,270	50,870
Electric System									
Electric System 2010B Rev Bonds (BABS)	Capital Improvements	07/27/10	2031 - 2035	147,070	3.9071	147,070			147,070
Electric System 2010C Rev Bonds (CREBS)	Capital Improvements	07/27/10	2027	24,185	1.9235	24,185			24,185
Electric System 2013A Rev Ref Bonds	Refund & Capital Imp	06/13/13	2014 - 2042	181,610	3.3869	105,490		9,365	96,125
Electric System 2013B Rev Ref Bonds	Refunding	06/13/13	2014 - 2030	35,620	3.3427	35,620			35,620
Electric System 2017 Revenue Bonds	Capital Improvements	09/01/17	2022-2046	70,575		70,575			70,575
	Subtotal Electric System					382,940	0	9,365	373,575
Water System									
PW-DWSRF-00-65120-031	Construction	10/07/02	2003 - 2021	3,060	2.5000	322		161	161
PW-00-691-PRE-115	Construction	04/11/01	2003 - 2021	1,000	0.5000	105		52	53
PW-01-691-061	Construction	08/27/01	2003 - 2021	10,000	0.5000	1,067		534	533
PW-01-691-PRE-127	Construction	02/15/02	2003 - 2021	1,000	0.5000	109		55	54
PW-02-691-056	Construction	04/15/02	2004 - 2022	10,000	0.5000	1,594		531	1,063
PW-04-691-PRE-101	Construction	03/19/04	2006 - 2024	1,000	0.5000	267		53	214
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	2,594		370	2,224
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	4,913		546	4,367
PW-952-015	Construction	03/31/10	2010 - 2028	4,040	1.5000	1,936		215	1,721
DM07-952-074	Construction	04/09/10	2013 - 2032	6,579	1.0000	4,772		367	4,405
Water Sys Rev & Ref Bonds 2010A	Refunding	08/24/10	2012 - 2023	29,100	3.2789	17,790		17,790	0
Water Sys Rev Bonds 2010B (BABS)	Construction	08/24/10	2024 - 2040	74,985	5.5636	74,985		310	74,985
Water RWSS Revenue Bonds 2010A	Construction	08/24/10	2013 - 2024	3,595	3.2460	1,655			1,345
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	3,939		303	3,636
PW-DWSRF 11-952-035	Construction	06/30/11	2016 - 2035	6,060	1.5000	1,702		122	1,580
PW-DWSRF 11-952-036	Construction	06/30/11	2016 - 2035	6,060	1.5000	4,848		303	4,545
PC 12-951-017	Construction	07/01/11	2011 - 2031	10,000	0.5000	6,666		555	6,111
PW-DWSRF 12-952-088	Construction	01/22/13	2017 - 2036	12,120	1.5000	9,696		606	9,090
Water Sys Rev Ref Bonds 2013 (RWSS)	Refinance	04/16/13	2013 - 2032	64,795	3.1477	57,710		1790	55,920

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-20	ISSUED 2020	REDEEMED 2020	AMOUNT O/S 12/31/20
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	9,696		606	9,090
PW-DWSRF-10-952-031	Construction	03/26/14	2015 - 2034	6,060	1.5000	4,568		304	4,264
PW-DWSRF-13-952-167	Construction	11/06/14	2015 - 2037	12,120	1.5000	9,696		606	9,090
Water Sys Ref Bonds 2015A	Refinance	05/12/15	2017 - 2025	16,645	1.9926	10,820		1590	9,230
DM15-952-033	Construction	06/01/14	2016 - 2034	12,120	1.5000	10,206		638	9,568
2020 Water Refunding Bonds	Refunding	05/14/20	2020-2023	14,467	1.7107	0	17,467	4309	13,158
Subtotal Water System						437,036	17,467	32,716	421,787
Tacoma Rail									
WA State Rail Loan RR00407 2009	Capital Improvements	08/04/09	2010 - 2024	26	0.0000	8		1	7
WA State Rail Loan RR00408 2009	Capital Improvements	08/04/09	2011 - 2025	249	0.0000	100		17	83
WA State Rail Loan RRB-1007	Capital Improvements	12/06/11	2013 - 2022	450	0.0000	135		45	90
WA State Rail Loan RRB-1010	Capital Improvements	03/28/12	2013 - 2022	612	0.0000	184		62	122
WA State Rail Loan RRB-1011	Capital Improvements	03/28/12	2013 - 2022	349	0.0000	104		34	70
WA State Rail Loan RRB-1026	Capital Improvements	09/06/12	2014 - 2023	347	0.0000	138		34	104
WA State Rail Loan RRB-1030	Capital Improvements	09/06/12	2014 - 2023	364	0.0000	146		37	109
WA State Rail Loan RRB-1045	Capital Improvements	08/01/13	2015 - 2024	823	0.0000	309		62	247
WA State Rail Loan RRB-1046	Capital Improvements	08/01/13	2015 - 2024	250	0.0000	125		25	100
WA State Rail Loan RRB-1052	Capital Improvements	10/24/13	2016 - 2025	366	0.0000	219		36	183
WA State Rail Loan RRB-1053	Capital Improvements	10/24/13	2016 - 2025	773	0.0000	464		77	387
WA State Rail Loan RRB-1054	Capital Improvements	10/24/13	2016 - 2025	1,015	0.0000	663		110	553
WA State Rail Loan RRB-1055	Capital Improvements	10/08/13	2016 - 2025	516	0.0000	309		51	258
WA State Rail Loan RRB-1086	Capital Improvements	10/27/15	2016 - 2025	1,037	0.0000	546		91	455
WA State Rail Loan RRB-1108	Capital Improvements	07/03/17	2017 - 2026	311	0.0000	218		31	187
WA State Rail Loan RRB-1109	Capital Improvements	09/29/16	2017 - 2026	121	0.0000	85		12	73
WA State Rail Loan RRB-1110	Capital Improvements	09/08/16	2017 - 2026	406	0.0000	283		40	243
WA State Rail Loan RRB-1111	Capital Improvements	01/06/17	2017 - 2026	370	0.0000	259		37	222
WA State Rail Loan RRB-1112	Capital Improvements	12/06/16	2017 - 2026	150	0.0000	105		15	90
WA State Rail Loan RRB-1225	Capital Improvements					0	360	3	357
Subtotal Tacoma Rail						4,400	360	820	3,940
Lease Revenue									
Lease Revenue Bonds 1990	Construction	03/15/90	1992-2022	36,250	9.3476	7,910		2,950	4,960
Lease Revenue Bonds 1992	Construction	12/15/92	1993-2022	4,695	7.4769	945		355	590
Subtotal Lease Revenue						8,855	0	3,305	5,550
Total Revenue Bonds						\$ 1,172,234	\$ 17,827	\$ 62,006	\$ 1,128,055
Total General Obligation & Revenue Bonds						\$ 1,365,081	\$ 20,176	\$ 75,722	\$ 1,309,535
SPECIAL ASSESSMENT BONDS									
Local Improvement District Bonds									
District #64 Bonds	Construction	04/05/16		2,341	3.2500	1,530			1,530
District #65 Bonds	Construction	04/29/13	2043	30,999	5.7500	17,085		2,010	15,075
District #66 Bonds	Construction	12/19/19	2047	4,011	3.1250	4,011		581	3,430
Subtotal LID Bonds/Notes						22,626	0	2,591	20,035

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-20	ISSUED 2020	REDEEMED 2020	AMOUNT O/S 12/31/20
Bond Anticipation Notes									
Revolving Line of Credit	LID Construction	07/01/16	At CLID Issue	\$15mm Max	Floating	841			841
	Subtotal Bond Anticipation Notes					841	0	0	841
Total Special Assessment Bonds						\$23,467	\$0	\$2,591	\$20,876
Wells Fargo Revolving Line of Credit	Capital Improvements	05/15/15	5/11/2019	\$100mm Max	0.5000	75,250	56,000		131,250
	Subtotal Wells Fargo Revolving Line of Credit					75,250	56,000	0	131,250
Local Agent Site Lease, Series 2020C	Capital Improvements	07/21/20	2021-2040	12,795	2.1197	0	12,795		12,795
	Subtotal Local Agent Site Lease					0	12,795	0	12,795
Total All Bonds						\$1,463,798	\$88,971	\$78,313	\$1,474,456
									\$1,474,456

Notes related to debt increases:

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



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

	Fiscal Years Ended June 30				
	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability(asset) as a percentage	1.03%	1.03%	1.05%	1.07%	1.08%
Employer's proportionate share of net pension liability(asset)	(19,497,420)	(20,428,571)	(19,103,856)	(16,163,187)	(11,098,437)
State's proportionate share of the net pension liability(asset) associated with the employer	(131,880,066)	(138,178,348)	(129,218,006)	(109,327,398)	(75,069,549)
Total	(151,377,486)	(158,606,919)	(148,321,862)	(125,490,585)	(86,167,986)
Covered payroll	-	-	-	-	-
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
Plan fiduciary net position as a percentage of the total pension liability	146.88	148.78%	144.42%	135.96%	123.74%
	2015	2014	2013	2012	2011
Employer's proportion of the net pension liability(asset) as a percentage	1.09%	N/A	N/A	N/A	N/A
Employer's proportionate share of net pension liability(asset)	(13,178,851)	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability(asset) associated with the employer	(89,141,418)	N/A	N/A	N/A	N/A
Total	(102,320,269)	N/A	N/A	N/A	N/A
Covered payroll	-	-	-	-	-
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
Plan fiduciary net position as a percentage of the total pension liability	127.36%	N/A	N/A	N/A	N/A

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

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

	Fiscal Years Ended June 30				
	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability(asset) as a percentage	2.50%	2.38%	2.47%	2.59%	2.48%
Employer's proportionate share of net pension liability(asset)	(51,021,624)	(55,232,023)	(50,235,694)	(35,974,279)	(14,416,299)
State's proportionate share of the net pension liability (asset) associated with the employer	(32,634,464)	(36,169,575)	(32,526,664)	(23,335,843)	(9,398,378)
Total	(83,656,088)	(91,401,598)	(82,762,358)	(59,310,122)	(23,814,677)
Covered payroll	75,426,288	71,393,403	79,762,242	77,370,718	77,913,215
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-67.64%	-77.36%	-62.98%	-46.50%	-18.50%
Plan fiduciary net position as a percentage the total pension liability	115.83%	119.43%	118.50%	113.36%	106.04%
	2015	2014	2013	2012	2011
Employer's proportion of the net pension liability(asset) as a percentage	2.47%	N/A	N/A	N/A	N/A
Employer's proportionate share of net pension liability(asset)	(25,352,743)	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the employer	(16,763,253)	N/A	N/A	N/A	N/A
Total	(42,115,996)	N/A	N/A	N/A	N/A
Covered payroll	72,486,494	N/A	N/A	N/A	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-34.98%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage the total pension liability	111.67%	N/A	N/A	N/A	N/A

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

LEOFF 2Schedule of the City of Tacoma's Contributions
Last 10 Fiscal Years*

Fiscal Year Ended December 31

	2020	2019	2018	2017	2016
Contractually required employer contribution	\$4,892,925	\$4,687,724	\$4,448,565	\$4,025,059	\$4,026,349
Contributions in relation to the contractually required employer contribution	(4,892,925)	(4,687,724)	(4,448,565)	(4,025,059)	(4,026,349)
Employer contribution deficiency (excess)	0	0	0	0	0
Covered payroll	\$93,760,283	\$90,117,849	\$84,770,897	\$78,198,160	\$79,849,106
Employer contribution as a percentage of covered payroll	5.22%	5.20%	5.25%	5.15%	5.04%

	2015	2014	2013	2012	2011
Contractually required employer contribution	\$3,716,978	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required employer contribution	(3,716,978)	N/A	N/A	N/A	N/A
Employer contribution deficiency (excess)	0	N/A	N/A	N/A	N/A
Covered payroll	\$73,603,497	N/A	N/A	N/A	N/A
Employer contribution as a percentage of covered payroll	5.05%	N/A	N/A	N/A	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				
	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability(asset) as a percentage	92.40%	92.39%	92.46%	92.48%	92.63%
Employer's proportion share of net pension liability(asset)	(18,606,284)	117,009,191	(39,323,299)	92,880,524	86,584,348
Covered payroll (1)	246,403,836	233,555,537	223,371,667	218,669,028	210,616,602
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-7.55%	50.10%	-17.60%	42.48%	41.11%
Plan fiduciary net position as a percentage the total pension liability	101.08%	92.81%	102.53%	93.91%	93.94%
	2014	2013	2012	2011	2010
Employer's proportion of the net pension liability(asset) as a percentage	92.67%	N/A	N/A	N/A	N/A
Employer's proportion share of net pension liability(asset)	(9,606,514)	N/A	N/A	N/A	N/A
Covered payroll (1)	205,085,611	N/A	N/A	N/A	N/A
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-4.68%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage the total pension liability	100.71%	N/A	N/A	N/A	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

Tacoma Employee's Retirement System Fund (TERS)Schedule of the City of Tacoma's Contributions
Last 10 Fiscal Years*

Fiscal Year Ended December 31

	2020	2019	2018	2017	2016
Contractually required employer contribution	\$28,635,219	\$27,942,195	\$26,414,402	\$24,124,140	\$23,616,255
Contributions in relation to the contractually required employer contribution	(28,635,219)	(27,942,195)	(26,414,402)	(24,124,140)	(23,616,255)
Employer contribution deficiency (excess)	0	0	0	0	0
Covered payroll	\$252,515,159	\$246,403,836	\$233,555,537	\$223,371,667	\$218,669,028

Employer contribution as a percentage of covered payroll	11.34%	11.34%	11.31%	10.80%	10.80%
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	2015	2014	2013	2012	2011
Contractually required employer contribution	\$22,746,593	\$22,149,246	N/A	N/A	N/A
Contributions in relation to the contractually required employer contribution	(22,746,593)	(22,149,246)	N/A	N/A	N/A
Employer contribution deficiency (excess)	0	0	N/A	N/A	N/A
Covered payroll	\$210,616,602	\$205,085,611	N/A	N/A	N/A

Employer contribution as a percentage of covered payroll	10.80%	11.34%	N/A	N/A	N/A
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**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

	2020	2019	2018	2017	2016
Total Pension Liability					
Service cost	\$ -	\$ -	\$ -	-	N/A
Interest on total pension liability	701	957	975	1,058	N/A
Effect of plan changes	-	-	-	-	N/A
Effect of economic/demographic gains or (losses)	3,587	-	(1,871)	-	N/A
Effect of assumption changes or inputs	1,972	2,624	(1,076)	622	N/A
Benefit payments	(2,101)	(1,968)	(1,952)	(2,100)	N/A
Net change in total pension liability	4,159	1,613	(3,924)	(420)	N/A
Total pension liability, beginning	26,517	24,904	28,828	29,248	N/A
Total pension liability, ending	30,676	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	N/A

	2015	2014	2013	2012	2011
Total Pension Liability					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending	N/A	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A	N/A

Police Relief and Pension Fund

Schedule of Changes in Total Pension Liability and Related Ratios
Last 10 Years*
(dollars expressed in thousands)

	Fiscal Year Ended December 31				
	2020	2019	2018	2017	2016
Total Pension Liability					
Service cost	\$ -	\$ -	\$ -	-	N/A
Interest on total pension liability	371	512	514	573	N/A
Effect of plan changes	-	-	-	-	N/A
Effect of economic/demographic gains or (losses)	(1,005)	-	(667)	-	N/A
Effect of assumption changes or inputs	785	1,303	(540)	311	N/A
Benefit payments	(1,028)	(1,195)	(1,406)	(1,341)	N/A
Net change in total pension liability	(877)	620	(2,098)	(456)	N/A
Total pension liability, beginning	14,010	13,391	15,490	15,946	N/A
Total pension liability, ending	13,132	14,010	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	N/A
	2015	2014	2013	2012	2011
Total Pension Liability					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending	N/A	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A	N/A
Total pension liability as a % of covered payroll	N/A	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
Total City
Last 10 Years*
(dollars expressed in thousands)

	Measurement Period Ended December 31				
	2019	2018	2017	2016	2015
Total OPEB Liability					
Service cost	\$ 2,338	\$ 3,302	\$ 3,010	N/A	N/A
Interest on total OPEB liability	8,272	7,562	7,866	N/A	N/A
Changes in benefit terms	-	-	-	N/A	N/A
Effect of economic/demographic gains or (losses)	(3,650)	54	-	N/A	N/A
Effect of assumption changes or inputs	6,839	(18,945)	9,060	N/A	N/A
Expected benefit payments	(9,490)	(8,671)	(8,352)	N/A	N/A
Net change in total OPEB liability	4,309	(16,698)	11,584	N/A	N/A
Total OPEB liability, beginning	204,113	220,811	209,227	N/A	N/A
Total OPEB liability, ending	208,422	204,113	220,811	N/A	N/A
 Covered-employee payroll	 \$ 369,912	 \$ 350,507	 \$ 330,788	 N/A	 N/A
Total OPEB liability as a % of covered-employee payroll	56.34%	58.23%	66.75%	N/A	N/A

	Measurement Period Ended December 31				
	2014	2013	2012	2011	2010
Total OPEB Liability					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
 Covered-employee payroll	 N/A	 N/A	 N/A	 N/A	 N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Other Post Employment Benefit Plan (OPEB)
Schedule of Changes in Total OPEB Liability and Related Ratios
TERS
Last 10 Years*
(dollars expressed in thousands)

		Measurement Period Ended December 31				
		2019	2018	2017	2016	2015
Total OPEB Liability						
Service cost	\$	1,367	N/A	N/A	N/A	N/A
Interest on total OPEB liability		800	N/A	N/A	N/A	N/A
Changes in benefit terms		-	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)		-	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs		(1,009)	N/A	N/A	N/A	N/A
Expected benefit payments		(1,353)	N/A	N/A	N/A	N/A
Net change in total OPEB liability		(195)	N/A	N/A	N/A	N/A
Total OPEB liability, beginning		18,826	N/A	N/A	N/A	N/A
Total OPEB liability, ending		18,631	18,826	N/A	N/A	N/A
Covered-employee payroll		\$ 266,662	252,789	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll		6.99%	7.45	N/A	N/A	N/A

		Measurement Period Ended December 31				
		2014	2013	2012	2011	2010
Total OPEB Liability						
Service cost		N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability		N/A	N/A	N/A	N/A	N/A
Changes in benefit terms		N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)		N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs		N/A	N/A	N/A	N/A	N/A
Expected benefit payments		N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability		N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning		N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending		N/A	N/A	N/A	N/A	N/A
Covered-employee payroll		N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered-employee payroll		N/A	N/A	N/A	N/A	N/A

Other Post Employment Benefit Plan (OPEB)
Schedule of Changes in Total OPEB Liability and Related Ratios
LEOFF 1
Last 10 Years*
(dollars expressed in thousands)

	Measurement Period Ended December 31				
	2019	2018	2017	2016	2015
Total OPEB Liability					
Service cost	\$ -	N/A	N/A	N/A	N/A
Interest on total OPEB liability	6,799	N/A	N/A	N/A	N/A
Changes in benefit terms	-	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	(3,650)	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	8,681	N/A	N/A	N/A	N/A
Expected benefit payments	(7,237)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	4,593	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	169,403	N/A	N/A	N/A	N/A
Total OPEB liability, ending	173,996	169,403	N/A	N/A	N/A
 Covered-employee payroll	 \$ -	 \$ -	 N/A	 N/A	 N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

	Measurement Period Ended December 31				
	2014	2013	2012	2011	2010
Total OPEB Liability					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
 Covered-employee payroll	 N/A	 N/A	 N/A	 N/A	 N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Other Post Employment Benefit Plan (OPEB)
Schedule of Changes in Total OPEB Liability and Related Ratios
LEOFF 2
Last 10 Years*
(dollars expressed in thousands)

	Measurement Period Ended December 31				
	2019	2018	2017	2016	2015
Total OPEB Liability					
Service cost	\$ 571	N/A	N/A	N/A	N/A
Interest on total OPEB liability	463	N/A	N/A	N/A	N/A
Changes in benefit terms	-	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	-	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	(577)	N/A	N/A	N/A	N/A
Expected benefit payments	(790)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(333)	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	11,113	N/A	N/A	N/A	N/A
Total OPEB liability, ending	10,780	11,113	N/A	N/A	N/A
 Covered-employee payroll	 \$ 91,575	 \$ 86,516	 N/A	 N/A	 N/A
Total OPEB liability as a % of covered-employee payroll	11.77%	12.85%	N/A	N/A	N/A

	Measurement Period Ended December 31				
	2014	2013	2012	2011	2010
Total OPEB Liability					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
 Covered-employee payroll	 N/A	 N/A	 N/A	 N/A	 N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Other Post Employment Benefit Plan (OPEB)
Schedule of Changes in Total OPEB Liability and Related Ratios
Rail
Last 10 Years*
(dollars expressed in thousands)

	Measurement Period Ended December 31				
	2019	2018	2017	2016	2015
Total OPEB Liability					
Service cost	\$ 400	N/A	N/A	N/A	N/A
Interest on total OPEB liability	210	N/A	N/A	N/A	N/A
Changes in benefit terms	-	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	-	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	(256)	N/A	N/A	N/A	N/A
Expected benefit payments	(109)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	245	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	4,770	N/A	N/A	N/A	N/A
Total OPEB liability, ending	5,015	4,770	N/A	N/A	N/A
 Covered-employee payroll	 \$ 11,675	 \$ 11,202	 N/A	 N/A	 N/A
Total OPEB liability as a % of covered-employee payroll	42.96%	42.58%	N/A	N/A	N/A

	Measurement Period Ended December 31				
	2014	2013	2012	2011	2010
Total OPEB Liability					
Service cost	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	N/A	N/A	N/A	N/A	N/A
 Covered-employee payroll	 N/A	 N/A	 N/A	 N/A	 N/A
Total OPEB liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	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 4-15. Non-major special revenue funds budgetary information are located in the Combining Statements Non-Major Funds section on pages 5-16 to 5-36.

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 4.10% to 2.74% at the December 31, 2019 measurement date.

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

For the Year Ended December 31, 2020
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Taxes:				
Property	\$ 122,993	\$ 122,976	\$ 123,711	\$ 735
Retail Sales & Use	120,167	121,983	114,132	(7,851)
Business	104,608	105,058	100,694	(4,364)
Excise	2,089	2,089	3,136	1,047
Other	-	-	716	716
Licenses and Permits	14,104	14,251	14,057	(194)
Intergovernmental	22,575	24,860	30,783	5,923
Charges for Services	7,409	7,076	7,446	370
Fines and Forfeitures	3,444	3,301	3,154	(147)
Investment Earnings	1,775	3,675	4,413	738
Miscellaneous	748	40	1,385	1,345
Total Revenues	<u>399,912</u>	<u>405,309</u>	<u>403,627</u>	<u>(1,682)</u>
EXPENDITURES:				
Current:				
General Government	75,496	80,676	64,988	(15,688)
Public Safety	293,207	296,853	296,190	(663)
Transportation	-	-	-	-
Natural and Economic Environment	41,079	42,715	40,066	(2,649)
Social Service	-	-	4	4
Culture and Recreation	32,986	33,977	27,941	(6,036)
Debt Service	-	-	1,412	1,412
Capital Outlay	-	-	1,080	1,080
Total Expenditures	<u>442,768</u>	<u>454,221</u>	<u>431,681</u>	<u>(22,540)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(42,856)</u>	<u>(48,912)</u>	<u>(28,054)</u>	<u>20,858</u>
OTHER FINANCING SOURCES (USES):				
Sales of Capital Assets	184	34	19	(15)
Insurance Recoveries	-	-	45	45
Transfers In	93,741	93,994	102,309	8,315
Transfers Out	(71,854)	(84,916)	(73,793)	11,123
Total Other Financing Sources and Uses	<u>22,071</u>	<u>9,112</u>	<u>28,580</u>	<u>19,468</u>
Net Change in Fund Balances	<u>(20,785)</u>	<u>(39,800)</u>	<u>526</u>	<u>40,326</u>
Fund Balances - January 1	20,785	39,800	91,449	51,649
Prior Period Adjustment	-	-	(483)	(483)
Fund Balance - January 1, Restated	20,785	39,800	90,966	51,166
Fund Balances -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,492</u>	<u>\$ 91,492</u>

Perspective Difference Reconciliation

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

91,492

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

Contingency Fund	896
Deferred Compensation Fund	56
Police Pension Fund	136
Firefighter Pension Fund	232
Payroll Clearing Fund	(1)
TOTAL FUND BALANCE - GENERAL FUND	
BALANCE SHEET FOR GOVERNMENTAL FUNDS	<u><u>\$ 92,811</u></u>



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

December 31, 2020

(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 107,293	\$ 2,906	\$ 35,371	\$ 145,570
Investments	2,717	-	-	2,717
Accounts Receivables (Net)	14,805	21,319	1	36,125
Due From Other Governmental Units	10,315	65	1,051	11,431
Inventory	1,436	-	-	1,436
Advance to Other Funds	-	-	133	133
Total Assets	<u>136,566</u>	<u>24,290</u>	<u>36,556</u>	<u>197,412</u>
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
Total Assets and Deferred Outflows	<u>136,566</u>	<u>24,290</u>	<u>36,556</u>	<u>197,412</u>
LIABILITIES				
Accounts Payable	9,012	-	652	9,664
Customer Deposit	895	-	-	895
Other Liabilities Payable	1,537	-	1	1,538
Advance from Other Funds	133	-	-	133
Unearned Revenue	94	-	-	94
Total Liabilities	<u>11,671</u>	<u>-</u>	<u>653</u>	<u>12,324</u>
DEFERRED OUTFLOW OF RESOURCES				
Unavailable Revenue	<u>1,914</u>	<u>20,410</u>	<u>3</u>	<u>22,327</u>
Total Deferred Inflow of Resources	<u>1,914</u>	<u>20,410</u>	<u>3</u>	<u>22,327</u>
FUND BALANCE				
Nonspendable	1,453	-	-	1,453
Restricted	101,758	3,880	28,333	133,971
Committed	3,071	-	7,434	10,505
Assigned	16,699	-	133	16,832
Unassigned	-	-	-	-
Total Fund Balance	<u>122,981</u>	<u>3,880</u>	<u>35,900</u>	<u>162,761</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 136,566</u>	<u>\$ 24,290</u>	<u>\$ 36,556</u>	<u>\$ 197,412</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Total Nonmajor Governmental
REVENUES				
Taxes:				
Property	\$ 15,595	\$ 2,786	\$ -	\$ 18,381
Retail Sales & Use	21,398	-	500	21,898
Business	2,551	-	-	2,551
Excise	3,168	-	9,087	12,255
Licenses and permits	3,544	-	-	3,544
Intergovernmental	22,529	-	69	22,598
Charges for Services	9,146	-	-	9,146
Fines and Penalties	4,168	1,070	-	5,238
Investment Earnings	1,516	29	619	2,164
Miscellaneous	1,520	2,625	2,942	7,087
Total Revenues	<u>85,135</u>	<u>6,510</u>	<u>13,217</u>	<u>104,862</u>
EXPENDITURES				
Current:				
General Government	4,048	-	797	4,845
Public Safety	27,401	-	64	27,465
Transportation	33,204	-	3,138	36,342
Natural and Economic Environment	8,289	-	-	8,289
Social Services	6,759	-	-	6,759
Culture and Recreation	3,997	-	70	4,067
Debt Service:				
Principal	-	13,630	-	13,630
Interest	6	8,061	1	8,068
Capital Outlay	1,130	-	4,956	6,086
Total Expenditures	<u>84,834</u>	<u>21,691</u>	<u>9,026</u>	<u>115,551</u>
Excess (Deficiency) of Revenues				
OVER EXPENDITURES	<u>301</u>	<u>(15,181)</u>	<u>4,191</u>	<u>(10,689)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	2,349	-	2,349
Insurance Recoveries	80	-	184	264
Transfers In	40,430	12,870	7,580	60,880
Transfers Out	(23,000)	(1,448)	(16,828)	(41,276)
Total Other Financing Sources (Uses)	<u>17,510</u>	<u>13,771</u>	<u>(9,064)</u>	<u>22,217</u>
Net Change in Fund Balance	<u>17,811</u>	<u>(1,410)</u>	<u>(4,873)</u>	<u>11,528</u>
Fund Balance - Beginning	104,795	5,290	40,773	150,858
Prior Period Adjustment	375	-	-	375
Fund Balance - Beginning, Restated	<u>105,170</u>	<u>5,290</u>	<u>40,773</u>	<u>151,233</u>
Fund Balance - Ending	<u>\$ 122,981</u>	<u>\$ 3,880</u>	<u>\$ 35,900</u>	<u>\$ 162,761</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 Special Revenue Fund (#1267)

Accounts for cost related to specific special revenues or grants for police services.

Municipal Cable Fund (#1431)

Supports the accounting for TV Tacoma, the City's television station

Human Resources Special Revenue LEAP 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, 2020
(amounts expressed in thousands)
Page 1 of 6

	Courts Special Revenue # 1020	Transportation Revenue # 1050	Public Works Street # 1065	Transportation Benefit District # 1070
ASSETS				
Cash and Cash Equivalents	\$ 182	\$ 3,917	\$ 5,419	\$ 5,678
Investments	-	-	-	-
Accounts Receivables (Net)	-	30	730	531
Due From Other Governmental Units	-	575	30	1,137
Inventory	-	-	1,436	-
Total Assets	<u>182</u>	<u>4,522</u>	<u>7,615</u>	<u>7,346</u>
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
Total Assets and Deferred Outflows	<u>182</u>	<u>4,522</u>	<u>7,615</u>	<u>7,346</u>
LIABILITIES				
Accounts Payable	-	-	780	9
Customer Deposit	-	-	-	-
Other Liabilities Payable	-	-	471	-
Advance from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,251</u>	<u>9</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	1,436	-
Restricted	182	4,522	249	7,337
Committed	-	-	3,063	-
Assigned	-	-	1,616	-
Unassigned	-	-	-	-
Total Fund Balance	<u>182</u>	<u>4,522</u>	<u>6,364</u>	<u>7,337</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 182</u>	<u>\$ 4,522</u>	<u>\$ 7,615</u>	<u>\$ 7,346</u>

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

December 31, 2020
(amounts expressed in thousands)
Page 2 of 6

	Streets Initiative # 1085	Fire Department # 1090	Property Management Street Vacation # 1100	Local Improvement Guarantee # 1110
ASSETS				
Cash and Cash Equivalents	\$ 21,050	\$ 1,688	\$ 4,729	\$ 2,703
Investments	-	-	-	2,717
Accounts Receivables (Net)	813	565	3	-
Due From Other Governmental Units	104	29	-	-
Inventory	-	-	-	-
Total Assets	<u>21,967</u>	<u>2,282</u>	<u>4,732</u>	<u>5,420</u>
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
Total Assets and Deferred Outflows	<u>21,967</u>	<u>2,282</u>	<u>4,732</u>	<u>5,420</u>
LIABILITIES				
Accounts Payable	490	20	-	-
Customer Deposit	-	-	25	-
Other Liabilities Payable	64	46	1	-
Advance from Other Funds	-	133	-	-
Unearned Revenue	-	-	94	-
Total Liabilities	<u>554</u>	<u>199</u>	<u>120</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue	258	-	-	852
Total Deferred Inflow of Resources	<u>258</u>	<u>-</u>	<u>-</u>	<u>852</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	21,155	1,553	633	4,568
Committed	-	-	-	-
Assigned	-	530	3,979	-
Unassigned	-	-	-	-
Total Fund Balance	<u>21,155</u>	<u>2,083</u>	<u>4,612</u>	<u>4,568</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 21,967</u>	<u>\$ 2,282</u>	<u>\$ 4,732</u>	<u>\$ 5,420</u>

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

December 31, 2020
(amounts expressed in thousands)
Page 3 of 6

	Public Works Paths & Trails # 1140	Building & Land Use Services # 1145	Fire Department EMS # 1155	Tourism # 1180
ASSETS				
Cash and Cash Equivalents	\$ 482	\$ 1,428	\$ 18,576	\$ 3,904
Investments	-	-	-	-
Accounts Receivables (Net)	-	1,472	3,442	-
Due From Other Governmental Units	-	-	263	339
Inventory	-	-	-	-
Total Assets	482	2,900	22,281	4,243
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
Total Assets and Deferred Outflows	482	2,900	22,281	4,243
LIABILITIES				
Accounts Payable	-	43	870	-
Customer Deposit	-	-	-	-
Other Liabilities Payable	-	(2)	778	-
Advance from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	-	41	1,648	-
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue	-	-	404	-
Total Deferred Inflow of Resources	-	-	404	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	160	-	20,229	4,243
Committed	-	-	-	-
Assigned	322	2,859	-	-
Unassigned	-	-	-	-
Total Fund Balance	482	2,859	20,229	4,243
Total Liabilities, Deferred Inflows and Fund Balance	\$ 482	\$ 2,900	\$ 22,281	\$ 4,243

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

December 31, 2020
(amounts expressed in thousands)
Page 4 of 6

	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200	Historically Underutilized Business # 1236
ASSETS				
Cash and Cash Equivalents	\$ 8,061	\$ 12,359	\$ 7,031	\$ 121
Investments	-	-	-	-
Accounts Receivables (Net)	34	6,596	-	-
Due From Other Governmental Units	2,411	5,178	-	-
Inventory	-	-	-	-
Total Assets	<u>10,506</u>	<u>24,133</u>	<u>7,031</u>	<u>121</u>
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
Total Assets and Deferred Outflows	<u>10,506</u>	<u>24,133</u>	<u>7,031</u>	<u>121</u>
LIABILITIES				
Accounts Payable	1,938	4,526	-	13
Customer Deposit	-	800	-	-
Other Liabilities Payable	24	12	-	1
Advance from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>1,962</u>	<u>5,338</u>	<u>-</u>	<u>14</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue	-	400	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>400</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	17	-
Restricted	6,936	17,314	5,288	-
Committed	8	-	-	-
Assigned	1,600	1,081	1,726	107
Unassigned	-	-	-	-
Total Fund Balance	<u>8,544</u>	<u>18,395</u>	<u>7,031</u>	<u>107</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 10,506</u>	<u>\$ 24,133</u>	<u>\$ 7,031</u>	<u>\$ 121</u>

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS

December 31, 2020
(amounts expressed in thousands)
Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	LEAP # 1500	Traffic Enforce Engineering & Education # 1650
ASSETS				
Cash and Cash Equivalents	\$ 2,073	\$ 7,367	\$ 246	\$ 279
Investments	-	-	-	-
Accounts Receivables (Net)	26	7	-	556
Due From Other Governmental Units	240	-	9	-
Inventory	-	-	-	-
Total Assets	<u>2,339</u>	<u>7,374</u>	<u>255</u>	<u>835</u>
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
Total Assets and Deferred Outflows	<u>2,339</u>	<u>7,374</u>	<u>255</u>	<u>835</u>
LIABILITIES				
Accounts Payable	11	20	7	285
Customer Deposit	70	-	-	-
Other Liabilities Payable	-	71	5	66
Advance from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>81</u>	<u>91</u>	<u>12</u>	<u>351</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	1,859	5,487	43	-
Committed	-	-	-	-
Assigned	399	1,796	200	484
Unassigned	-	-	-	-
Total Fund Balance	<u>2,258</u>	<u>7,283</u>	<u>243</u>	<u>484</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 2,339</u>	<u>\$ 7,374</u>	<u>\$ 255</u>	<u>\$ 835</u>

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

December 31, 2020
(amounts expressed in thousands)
Page 6 of 6

	Total Nonmajor Special Revenue Funds
ASSETS	
Cash and Cash Equivalents	\$ 107,293
Investments	2,717
Accounts Receivables (Net)	14,805
Due From Other Governmental Units	10,315
Inventory	1,436
Total Assets	<u>136,566</u>
DEFERRED OUTFLOW OF RESOURCES	-
Total Assets and Deferred Outflows	<u><u>136,566</u></u>
LIABILITIES	
Accounts Payable	9,012
Customer Deposit	895
Other Liabilities Payable	1,537
Advance from Other Funds	133
Unearned Revenue	94
Total Liabilities	<u>11,671</u>
DEFERRED INFLOW OF RESOURCES	
Unavailable Revenue	1,914
Total Deferred Inflow of Resources	<u>1,914</u>
FUND BALANCE	
Nonspendable	1,453
Restricted	101,758
Committed	3,071
Assigned	16,699
Unassigned	-
Total Fund Balance	<u>122,981</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u><u>\$ 136,566</u></u>

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

For the Year Ended December 31, 2020
(amounts expressed in thousands)

Page 1 of 6

	Courts Special Revenue # 1020	Transportation Revenue # 1050	Public Works Street # 1065	Transportation Benefit District # 1070
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	5,937
Business	-	-	1,003	-
Excise	-	-	-	3,168
License and Permits	-	90	-	-
Intergovernmental	68	4,084	130	-
Charges for Services	-	726	1,034	-
Fines and penalties	2	-	1	-
Investment Earnings	-	56	56	32
Miscellaneous	-	41	53	53
Total Revenues	<u>70</u>	<u>4,997</u>	<u>2,277</u>	<u>9,190</u>
EXPENDITURES				
Current:				
General Government	23	-	-	-
Public Safety	-	-	-	-
Transportation	-	1	20,820	9
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	-	7	-
Total Expenditures	<u>23</u>	<u>1</u>	<u>20,827</u>	<u>9</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>47</u>	<u>4,996</u>	<u>(18,550)</u>	<u>9,181</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	80	-
Transfers In	-	-	21,474	-
Transfers Out	-	(4,417)	(2,437)	(5,440)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,417)</u>	<u>19,117</u>	<u>(5,440)</u>
Net Change in Fund Balance	<u>47</u>	<u>579</u>	<u>567</u>	<u>3,741</u>
Fund Balance - Beginning	135	3,943	5,797	3,596
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>135</u>	<u>3,943</u>	<u>5,797</u>	<u>3,596</u>
Fund Balance - Ending	<u>\$ 182</u>	<u>\$ 4,522</u>	<u>\$ 6,364</u>	<u>\$ 7,337</u>

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

For the Year Ended December 31, 2020
(amounts expressed in thousands)

Page 2 of 6

	Streets Initiative # 1085	Fire Department # 1090	Property Management Street Vacation # 1100	Local Improvement Guarantee # 1110
REVENUES				
Taxes:				
Property	\$ 4,249	\$ -	\$ -	\$ -
Retail Sales & Use	164	-	-	-
Business	1,548	-	-	-
Excise	-	-	-	-
License and Permits	-	-	473	-
Intergovernmental	26	2,578	-	-
Charges for Services	75	-	-	-
Fines and penalties	-	-	-	-
Investment Earnings	292	25	70	88
Miscellaneous	268	20	138	-
Total Revenues	<u>6,622</u>	<u>2,623</u>	<u>681</u>	<u>88</u>
EXPENDITURES				
Current:				
General Government	-	-	67	16
Public Safety	-	2,606	-	-
Transportation	12,374	-	-	-
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	6	-	-
Capital Outlay	-	308	-	-
Total Expenditures	<u>12,374</u>	<u>2,920</u>	<u>67</u>	<u>16</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(5,752)</u>	<u>(297)</u>	<u>614</u>	<u>72</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	-	-
Transfers In	15,813	1,124	-	27
Transfers Out	(5,175)	(25)	-	-
Total Other Financing Sources (Uses)	<u>10,638</u>	<u>1,099</u>	<u>-</u>	<u>27</u>
Net Change in Fund Balance	<u>4,886</u>	<u>802</u>	<u>614</u>	<u>99</u>
Fund Balance - Beginning	16,269	1,319	3,998	4,469
Prior period adjustment	-	(38)	-	-
Fund Balance - Beginning, Restated	16,269	1,281	3,998	4,469
Fund Balance - Ending	<u>\$ 21,155</u>	<u>\$ 2,083</u>	<u>\$ 4,612</u>	<u>\$ 4,568</u>

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

For the Year Ended December 31, 2020
(amounts expressed in thousands)

Page 3 of 6

	Public Works Paths & Trails # 1140	Building & Land Use Services # 1145	Fire Department EMS # 1155	Tourism # 1180
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ 11,346	\$ -
Retail Sales & Use	-	-	-	2,488
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	-	-	-
Intergovernmental	8	-	6,579	-
Charges for Services	-	146	2,294	-
Fines and penalties	-	152	-	-
Investment Earnings	1	66	242	80
Miscellaneous	6	13	180	25
Total Revenues	<u>15</u>	<u>377</u>	<u>20,641</u>	<u>2,593</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	16,958	-
Transportation	-	-	-	-
Natural and Economic Environment	-	235	-	1
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	104	-	403	-
Total Expenditures	<u>104</u>	<u>235</u>	<u>17,361</u>	<u>1</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(89)</u>	<u>142</u>	<u>3,280</u>	<u>2,592</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	-	-
Transfers In	400	-	-	-
Transfers Out	-	-	-	(4,845)
Total Other Financing Sources (Uses)	<u>400</u>	<u>-</u>	<u>-</u>	<u>(4,845)</u>
Net Change in Fund Balance	<u>311</u>	<u>142</u>	<u>3,280</u>	<u>(2,253)</u>
Fund Balance - Beginning	171	2,717	16,478	6,496
Prior period adjustment	-	-	471	-
Fund Balance - Beginning, Restated	<u>171</u>	<u>2,717</u>	<u>16,949</u>	<u>6,496</u>
Fund Balance - Ending	<u>\$ 482</u>	<u>\$ 2,859</u>	<u>\$ 20,229</u>	<u>\$ 4,243</u>

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

For the Year Ended December 31, 2020
(amounts expressed in thousands)

Page 4 of 6

	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200	Historically Underutilized Business # 1236
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	5,940	6,869	-	-
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	-	-	-
Intergovernmental	2,379	6,050	-	-
Charges for Services	391	1,857	280	201
Fines and penalties	-	-	-	-
Investment Earnings	113	137	112	-
Miscellaneous	85	69	468	-
Total Revenues	<u>8,908</u>	<u>14,982</u>	<u>860</u>	<u>201</u>
EXPENDITURES				
Current:				
General Government	-	1	-	201
Public Safety	633	1,930	-	-
Transportation	-	-	-	-
Natural and Economic Environment	1,981	5,779	-	-
Social Services	6,759	-	-	-
Culture and Recreation	-	3,808	189	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	182	8	-
Total Expenditures	<u>9,373</u>	<u>11,700</u>	<u>197</u>	<u>201</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(465)</u>	<u>3,282</u>	<u>663</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	-	-
Transfers In	947	68	-	-
Transfers Out	-	-	(500)	-
Total Other Financing Sources (Uses)	<u>947</u>	<u>68</u>	<u>(500)</u>	<u>-</u>
 Net Change in Fund Balance	<u>482</u>	<u>3,350</u>	<u>163</u>	<u>-</u>
Fund Balance - Beginning	8,062	15,045	6,868	107
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	<u>8,062</u>	<u>15,045</u>	<u>6,868</u>	<u>107</u>
Fund Balance - Ending	<u>\$ 8,544</u>	<u>\$ 18,395</u>	<u>\$ 7,031</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, 2020
(amounts expressed in thousands)

Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	LEAP # 1500	Traffic Enforce Engineering & Education # 1650
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	-
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	2,980	-	1
Intergovernmental	580	4	43	-
Charges for Services	122	1,780	240	-
Fines and penalties	466	-	-	3,547
Investment Earnings	36	100	5	5
Miscellaneous	24	74	3	-
Total Revenues	<u>1,228</u>	<u>4,938</u>	<u>291</u>	<u>3,553</u>
EXPENDITURES				
Current:				
General Government	-	3,740	-	-
Public Safety	1,308	-	-	3,966
Transportation	-	-	-	-
Natural and Economic Environment	-	-	293	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	69	49	-	-
Total Expenditures	<u>1,377</u>	<u>3,789</u>	<u>293</u>	<u>3,966</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(149)</u>	<u>1,149</u>	<u>(2)</u>	<u>(413)</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	-	-
Transfers In	-	-	-	577
Transfers Out	-	(1)	-	(160)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>417</u>
 Net Change in Fund Balance	<u>(149)</u>	<u>1,148</u>	<u>(2)</u>	<u>4</u>
Fund Balance - Beginning	2,465	6,135	245	480
Prior period adjustment	(58)	-	-	-
Fund Balance - Beginning, Restated	<u>2,407</u>	<u>6,135</u>	<u>245</u>	<u>480</u>
Fund Balance - Ending	<u>\$ 2,258</u>	<u>\$ 7,283</u>	<u>\$ 243</u>	<u>\$ 484</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 6 of 6

	Total Nonmajor Special Revenue Funds
REVENUES	
Taxes:	
Property	\$ 15,595
Retail Sales & Use	21,398
Business	2,551
Excise	3,168
License and Permits	3,544
Intergovernmental	22,529
Charges for Services	9,146
Fines and penalties	4,168
Investment Earnings	1,516
Miscellaneous	1,520
Total Revenues	<u>85,135</u>
EXPENDITURES	
Current:	
General Government	4,048
Public Safety	27,401
Transportation	33,204
Natural and Economic Environment	8,289
Social Services	6,759
Culture and Recreation	3,997
Debt Service:	
Principal	-
Interest	6
Capital Outlay	1,130
Total Expenditures	<u>84,834</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>301</u>
OTHER FINANCING SOURCES (USES)	
Insurance Recoveries	80
Transfers In	40,430
Transfers Out	(23,000)
Total Other Financing Sources (Uses)	<u>17,510</u>
Net Change in Fund Balance	<u>17,811</u>
Fund Balance - Beginning	104,795
Prior period adjustment	375
Fund Balance - Beginning, Restated	<u>105,170</u>
Fund Balance - Ending	<u>\$ 122,981</u>

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

COURTS SPECIAL REVENUE FUND

For the Year Ended December 31, 2020

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	140	140	137	(3)
Fines and Penalties	8	8	5	(3)
Total Revenues	<u>148</u>	<u>148</u>	<u>142</u>	<u>(6)</u>
EXPENDITURES:				
Current:				
General Government	156	156	99	(57)
Total Expenditures	<u>156</u>	<u>156</u>	<u>99</u>	<u>(57)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(8)</u>	<u>(8)</u>	<u>43</u>	<u>51</u>
OTHER FINANCING SOURCES (USES):				
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>43</u>	<u>51</u>
Fund Balance - January 1	8	8	135	127
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178</u>	<u>\$ 178</u>

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

For the Year Ended December 31, 2020
(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
REVENUES:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	37	37
Miscellaneous	-	-	9	9
Total Revenues	-	-	46	46
EXPENDITURES:				
Current:				
General Government	500	960	261	(699)
Transportation	50	98	-	(98)
Natural and Economic Environment	-	-	27	27
Total Expenditures	550	1,058	288	(770)
Excess (Deficiency) of Revenues OVER EXPENDITURES	(550)	(1,058)	(242)	816
OTHER FINANCING SOURCES (USES):				
Transfers In	550	550	550	-
Total Other Financing Sources (Uses)	550	550	550	-
Net Change in Fund Balances	-	(508)	308	816
Fund Balance - January 1	-	350	588	238
Fund Balance -December 31	\$ -	\$ (158)	\$ 896	\$ 1,054

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

For the Year Ended December 31, 2020
(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
REVENUES:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	250	250	193	(57)
Intergovernmental	9,500	9,500	8,825	(675)
Charges for Services	-	-	726	726
Investment Earnings	-	-	162	162
Miscellaneous	-	-	41	41
Total Revenues	<u>9,750</u>	<u>9,750</u>	<u>9,947</u>	<u>197</u>
EXPENDITURES:				
Current:				
Transportation	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>9,750</u>	<u>9,750</u>	<u>9,946</u>	<u>196</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	
Transfers Out	(9,147)	(9,450)	(9,101)	349
Total Other Financing sources and Uses	<u>(9,147)</u>	<u>(9,450)</u>	<u>(9,101)</u>	<u>349</u>
Net Change in fund Balances	<u>603</u>	<u>300</u>	<u>845</u>	<u>545</u>
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>\$ 3,088</u>	<u>\$ 4,522</u>	<u>\$ 1,434</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, 2020
(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
REVENUES:				
Taxes:				
Business	\$ 1,720	\$ 1,720	\$ 1,870	\$ 150
Intergovernmental	231	1,023	315	(708)
Charges for Services	1,502	1,883	2,172	289
Fines and Penalties	-	-	2	2
Investment Earnings	-	-	161	161
Miscellaneous	-	5	93	88
Total Revenues	<u>3,453</u>	<u>4,631</u>	<u>4,613</u>	<u>(18)</u>
EXPENDITURES:				
Current:				
Transportation	52,030	49,481	44,539	(4,942)
Capital Outlay	-	-	227	227
Total Expenditures	<u>52,030</u>	<u>49,481</u>	<u>44,766</u>	<u>(4,715)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(48,577)</u>	<u>(44,850)</u>	<u>(40,153)</u>	<u>4,697</u>
OTHER FINANCING SOURCES (USES):				
Sales of Capital Assets		-	10	10
Insurance Recoveries		-	80	80
Transfers In	49,432	48,669	46,372	(2,297)
Transfers Out	(1,155)	(4,026)	(4,559)	(533)
Total Other Financing Sources (Uses)	<u>48,277</u>	<u>44,643</u>	<u>41,903</u>	<u>(2,740)</u>
Net Change in Fund Balances	<u>(300)</u>	<u>(207)</u>	<u>1,750</u>	<u>1,957</u>
Fund Balance - January 1	-	2,542	4,614	2,072
Fund Balance -December 31	<u>\$ (300)</u>	<u>\$ 2,335</u>	<u>\$ 6,364</u>	<u>\$ 4,029</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, 2020
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Taxes:				
Retail Sales & Use	\$ 10,870	\$ 12,426	\$ 11,911	\$ (515)
Excise	5,796	5,796	6,178	382
Investment Earnings	-	-	56	56
Miscellaneous	-	-	53	53
Total Revenues	<u>16,666</u>	<u>18,222</u>	<u>18,198</u>	<u>(24)</u>
EXPENDITURES:				
Current:				
Transportation	-	1,555	9	(1,546)
Total Expenditures	<u>-</u>	<u>1,555</u>	<u>9</u>	<u>(1,546)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>16,666</u>	<u>16,667</u>	<u>18,189</u>	<u>1,522</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	<u>(17,921)</u>	<u>(17,921)</u>	<u>(15,023)</u>	<u>2,898</u>
Total Other Financing Sources (Uses)	<u>(17,921)</u>	<u>(17,921)</u>	<u>(15,023)</u>	<u>2,898</u>
				-
Net Change in Fund Balances	<u>(1,255)</u>	<u>(1,254)</u>	<u>3,166</u>	<u>4,420</u>
Fund Balance - January 1	-	-	4,414	4,414
Prior Period Adjustment	-	-	(243)	(243)
Fund Balance -December 31	<u>\$ (1,255)</u>	<u>\$ (1,254)</u>	<u>\$ 7,337</u>	<u>\$ 8,591</u>

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

STREET INITIATIVE SPECIAL REVENUE FUND

For the Year Ended December 31, 2020

(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
REVENUES:				
Taxes:				
Property	\$ 8,106	\$ 8,106	\$ 8,383	\$ 277
Retail Sales & Use	387	387	478	91
Business	3,158	3,158	3,041	(117)
Charges for Services	-	-	143	143
Investment Earnings	-	-	787	787
Total Revenues	<u>11,651</u>	<u>11,651</u>	<u>13,126</u>	<u>1,475</u>
EXPENDITURES:				
Current:				
Transportation	<u>42,938</u>	<u>42,295</u>	<u>28,374</u>	<u>(13,921)</u>
Total Expenditures	<u>42,938</u>	<u>42,295</u>	<u>28,374</u>	<u>(13,921)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(31,287)</u>	<u>(30,644)</u>	<u>(15,248)</u>	<u>15,396</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	31,287	31,287	31,766	479
Transfers Out	-	(15)	(8,693)	(8,678)
Insurance Recoveries	-	-	2	2
Total Other Financing Sources (Uses)	<u>31,287</u>	<u>31,272</u>	<u>23,075</u>	<u>(8,197)</u>
Net Change in Fund Balances	<u>-</u>	<u>628</u>	<u>7,827</u>	<u>7,199</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>\$ 628</u>	<u>\$ 21,155</u>	<u>\$ 20,527</u>

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

For the Year Ended December 31, 2020
(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
REVENUES:				
Intergovernmental	\$ 3,412	\$ 4,533	\$ 4,639	\$ 106
Charges for Services	-	-	123	123
Investment Earnings	34	34	65	31
Miscellaneous	-	-	154	154
Total Revenues	<u>3,446</u>	<u>4,567</u>	<u>4,981</u>	<u>414</u>
EXPENDITURES:				
Current:				
Public Safety	4,965	5,821	4,673	(1,148)
Debt Service	-	-	-	-
Principal	267	267	-	(267)
Interest and Other Costs	30	30	13	(17)
Capital Outlay	-	-	388	388
Total Expenditures	<u>5,262</u>	<u>6,118</u>	<u>5,074</u>	<u>(1,044)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(1,816)</u>	<u>(1,551)</u>	<u>(93)</u>	<u>1,458</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	1,566	1,566	1,520	(46)
Transfers Out	-	(265)	(279)	(14)
Total Other Financing Sources (Uses)	<u>1,566</u>	<u>1,301</u>	<u>1,241</u>	<u>(60)</u>
Net Change in Fund Balances	<u>(250)</u>	<u>(250)</u>	<u>1,148</u>	<u>1,398</u>
Fund Balance - January 1	250	600	973	373
Prior Period Adjustment			(38)	(38)
Fund Balance - January 1, Restated	<u>250</u>	<u>600</u>	<u>935</u>	<u>335</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 2,083</u>	<u>\$ 1,733</u>

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

For the Year Ended December 31, 2020
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Licenses and Permits	\$ 200	\$ 200	\$ 821	\$ 621
Investment Earnings	24	24	206	182
Miscellaneous	-	-	233	233
Total Revenues	<u>224</u>	<u>224</u>	<u>1,260</u>	<u>1,036</u>
EXPENDITURES:				
Current:				
General Government	370	732	236	(496)
Total Expenditures	<u>370</u>	<u>732</u>	<u>236</u>	<u>(496)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(146)</u>	<u>(508)</u>	<u>1,024</u>	<u>1,532</u>
OTHER FINANCING SOURCES (USES):				
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>(508)</u>	<u>1,081</u>	<u>1,589</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>\$ 217</u>	<u>\$ 4,612</u>	<u>\$ 4,395</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL IMPROVEMENT GUARANTEE SPECIAL REVENUE FUND

For the Year Ended December 31, 2020
(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
REVENUES:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	203	203
Total Revenues	-	-	203	203
EXPENDITURES:				
Current:				
General Government	29	27	27	-
Total Expenditures	29	27	27	-
Excess (Deficiency) of Revenues OVER EXPENDITURES	(29)	(27)	176	203
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	93	93
Total Other Financing Sources (Uses)	-	-	93	93
Net Change in Fund Balances	(29)	(27)	269	296
Fund Balance - January 1	29	29	4,299	4,270
Fund Balance -December 31	\$ -	\$ 2	\$ 4,568	\$ 4,566

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, 2020
(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
REVENUES:				
Charges for Services	\$ 394	\$ 394	\$ 464	\$ 70
Fines and Penalties	609	609	424	(185)
Investment Earnings	72	72	132	60
Miscellaneous	-	-	13	13
Total Revenues	<u>1,075</u>	<u>1,075</u>	<u>1,033</u>	<u>(42)</u>
EXPENDITURES:				
Current:				
Natural and Economic Environment	<u>1,466</u>	<u>1,462</u>	<u>726</u>	<u>(736)</u>
Total Expenditures	<u>1,466</u>	<u>1,462</u>	<u>726</u>	<u>(736)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(391)</u>	<u>(387)</u>	<u>307</u>	<u>694</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(391)</u>	<u>(387)</u>	<u>307</u>	<u>694</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>\$ 4</u>	<u>\$ 2,859</u>	<u>\$ 2,855</u>

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

FIRE EMS SPECIAL REVENUE FUND

For the Year Ended December 31, 2020

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Taxes:				
Property	\$ 22,543	\$ 22,543	\$ 22,393	\$ (150)
Intergovernmental	6,917	13,017	21,872	8,855
Charges for Services	4,939	5,343	5,681	338
Investment Earnings	-	-	458	458
Miscellaneous	-	-	182	182
Total Revenues	<u>34,399</u>	<u>40,903</u>	<u>50,586</u>	<u>9,683</u>
EXPENDITURES:				
Current:				
Public Safety	34,699	36,218	35,527	(691)
Capital Outlay	-	-	437	437
Total Expenditures	<u>34,699</u>	<u>36,218</u>	<u>35,964</u>	<u>(254)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(300)</u>	<u>4,685</u>	<u>14,622</u>	<u>9,937</u>
OTHER FINANCING SOURCES (USES):				
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>4,440</u>	<u>14,208</u>	<u>9,768</u>
Fund Balance - January 1	<u>-</u>	<u>1,715</u>	<u>5,885</u>	<u>4,170</u>
Prior Period Adjustment	-	-	136	136
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 6,155</u>	<u>\$ 20,229</u>	<u>\$ 14,074</u>

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

TOURISM SPECIAL REVENUE FUND

For the Year Ended December 31, 2020

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Taxes:				
Retail Sales & Use	\$ 9,860	\$ 9,860	\$ 7,618	\$ (2,242)
Investment Earnings	41	41	247	206
Miscellaneous	-	-	25	25
Total Revenues	<u>9,901</u>	<u>9,901</u>	<u>7,890</u>	<u>(2,011)</u>
EXPENDITURES:				
Current:				
Natural and Economic Environment	193	100	1	(99)
Total Expenditures	<u>193</u>	<u>100</u>	<u>1</u>	<u>(99)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>9,708</u>	<u>9,801</u>	<u>7,889</u>	<u>(1,912)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(9,708)	(9,708)	(9,708)	-
Total Other Financing Sources (Uses)	<u>(9,708)</u>	<u>(9,708)</u>	<u>(9,708)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>93</u>	<u>(1,819)</u>	<u>(1,912)</u>
Fund Balance - January 1	<u>-</u>	<u>100</u>	<u>6,062</u>	<u>5,962</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ 4,243</u>	<u>\$ 4,050</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, 2020
(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
REVENUES:				
Taxes:				
Retail Sales & Use	\$ 12,426	\$ 12,426	\$ 11,923	\$ (503)
Intergovernmental	813	681	2,806	2,125
Charges for Services	63	63	391	328
Investment Earnings	12	12	373	361
Miscellaneous	-	-	106	106
Total Revenues	<u>13,314</u>	<u>13,182</u>	<u>15,599</u>	<u>2,417</u>
EXPENDITURES:				
Current:				
Public Safety	681	672	916	244
Natural and Economic Environment	2,286	2,242	3,009	767
Social Service	14,764	14,830	12,827	(2,003)
Total Expenditures	<u>17,731</u>	<u>17,744</u>	<u>16,752</u>	<u>(992)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(4,417)</u>	<u>(4,562)</u>	<u>(1,153)</u>	<u>3,409</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	1,885	1,852	1,918	66
Transfers Out	-	(1,700)	(184)	1,516
Total Other Financing Sources (Uses)	<u>1,885</u>	<u>152</u>	<u>1,734</u>	<u>1,582</u>
Net Change in Fund Balances	<u>(2,532)</u>	<u>(4,410)</u>	<u>581</u>	<u>4,991</u>
Fund Balance - January 1	<u>2,532</u>	<u>4,764</u>	<u>7,963</u>	<u>3,199</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 354</u>	<u>\$ 8,544</u>	<u>\$ 8,190</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, 2020
(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
REVENUES:				
Taxes:				
Sales & Use	\$ -	\$ 9,986	\$ 11,788	\$ 1,802
Licenses and Permits	-	-	91	91
Intergovernmental	11,273	12,339	9,670	(2,669)
Charges for Services	2,792	2,792	3,270	478
Investment Earnings	-	-	364	364
Miscellaneous	-	-	69	69
Total Revenues	<u>14,065</u>	<u>25,117</u>	<u>25,252</u>	<u>135</u>
EXPENDITURES:				
Current:				
General Government	444	444	2	(442)
Public Safety	2,857	2,853	3,362	509
Natural and Economic Environment	12,249	14,372	9,300	(5,072)
Culture and Recreation	651	10,638	4,735	(5,903)
Capital Outlay	-	-	300	300
Total Expenditures	<u>16,201</u>	<u>28,307</u>	<u>17,699</u>	<u>(10,608)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(2,136)</u>	<u>(3,190)</u>	<u>7,553</u>	<u>10,743</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	1,200	1,293	93
Transfers Out	-	(2,500)	(85)	2,415
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,300)</u>	<u>1,208</u>	<u>2,508</u>
Net Change in Fund Balances	<u>(2,136)</u>	<u>(4,490)</u>	<u>8,761</u>	<u>13,251</u>
Fund Balance - January 1	2,136	4,637	9,634	4,997
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>2,136</u>	<u>4,637</u>	<u>9,634</u>	<u>4,997</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 147</u>	<u>\$ 18,395</u>	<u>\$ 18,248</u>

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

LIBRARY SPECIAL REVENUE FUND

For the Year Ended December 31, 2020

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Charges for Services	\$ 192	\$ 192	\$ 400	\$ 208
Investment Earnings	121	122	328	206
Miscellaneous	66	65	528	463
Total Revenues	<u>379</u>	<u>379</u>	<u>1,256</u>	<u>877</u>
EXPENDITURES:				
Current:				
Culture and Recreation	1,297	1,340	295	(1,045)
Capital Outlay	-	-	18	18
Total Expenditures	<u>1,297</u>	<u>1,340</u>	<u>313</u>	<u>(1,027)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(918)</u>	<u>(961)</u>	<u>943</u>	<u>1,904</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
Net Change in Fund Balances	<u>(918)</u>	<u>(961)</u>	<u>443</u>	<u>1,404</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>\$ 7,031</u>	<u>\$ 7,031</u>

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

For the Year Ended December 31, 2020
(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
REVENUES:				
Charges for Services	\$ 528	\$ 528	\$ 365	\$ (163)
Total Revenues	528	528	365	(163)
EXPENDITURES:				
Current:				
General Government	528	628	365	(263)
Total Expenditures	528	628	365	(263)
Excess (Deficiency) of Revenues OVER EXPENDITURES	-	(100)	-	100
OTHER FINANCING SOURCES (USES):				
Transfers In	-	104	-	(104)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	104	-	(104)
Net Change in Fund Balances	-	4	-	(4)
Fund Balance - January 1	-	-	107	107
Fund Balance - December 31	\$ -	\$ 4	\$ 107	\$ 103

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

POLICE SPECIAL REVENUE FUND

For the Year Ended December 31, 2020

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Intergovernmental	\$ 722	\$ 1,010	\$ 1,123	\$ 113
Charges for Services	300	311	373	62
Fines and Penalties	570	770	981	211
Investment Earnings	-	-	108	108
Miscellaneous	10	10	54	44
Total Revenues	1,602	2,101	2,639	538
EXPENDITURES:				
Current:				
Public Safety	2,061	2,693	2,334	(359)
Capital Outlay	-	-	284	284
Total Expenditures	2,061	2,693	2,618	(75)
Excess (Deficiency) of Revenues OVER EXPENDITURES	(459)	(592)	21	613
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	15	15
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	15	15
Net Change in Fund Balances	(459)	(592)	36	628
Fund Balance - January 1	459	711	2,285	1,574
Prior Period Adjustment			(63)	(63)
Fund Balance - January 1, Restated	459	711	2,222	1,511
Fund Balance -December 31	\$ -	\$ 119	\$ 2,258	\$ 2,139

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

MUNICIPAL TV SPECIAL REVENUE FUND

For the Year Ended December 31, 2020

(amounts expressed in thousands)

	Budget Amounts		Actual Results 2019-2020 Biennium	Variance
	Original (GAAP Basis) 2019-2020 Biennium	Final Adopted (GAAP Basis) 2019-2020 Biennium		
REVENUES:				
Licenses and Permits	\$ 6,559	\$ 6,559	\$ 6,192	\$ (367)
Intergovernmental	-	-	13	13
Charges for Services	456	1,759	2,019	260
Investment Earnings	70	70	269	199
Miscellaneous	-	-	75	75
Total Revenues	<u>7,085</u>	<u>8,388</u>	<u>8,568</u>	<u>180</u>
EXPENDITURES:				
Current:				
General Government	7,085	7,844	5,998	(1,846)
Capital Outlay	-	-	54	54
Total Expenditures	<u>7,085</u>	<u>7,844</u>	<u>6,052</u>	<u>(1,792)</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>-</u>	<u>544</u>	<u>2,516</u>	<u>1,972</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	-	(205)	(32)	173
Total Other Financing Sources (Uses)	<u>-</u>	<u>(205)</u>	<u>(32)</u>	<u>173</u>
Net Change in Fund Balances	<u>-</u>	<u>339</u>	<u>2,484</u>	<u>2,145</u>
Fund Balances - January 1	-	(778)	4,799	5,577
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>-</u>	<u>(778)</u>	<u>4,799</u>	<u>5,577</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ (439)</u>	<u>\$ 7,283</u>	<u>\$ 7,722</u>

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

For the Year Ended December 31, 2020
(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
REVENUES:				
Intergovernmental	\$ 337	\$ 337	\$ 109	\$ (228)
Charges for Services	583	552	478	(74)
Investment Earnings	-	-	15	15
Miscellaneous	-	-	3	3
Total Revenues	920	889	605	(284)
EXPENDITURES:				
Current:				
Natural and Economic Environment	920	917	609	(308)
Total Expenditures	920	917	609	(308)
Excess (Deficiency) of Revenues OVER EXPENDITURES	-	(28)	(4)	24
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	(28)	(4)	24
Fund Balance - January 1	-	31	247	216
Fund Balance - December 31	\$ -	\$ 3	\$ 243	\$ 240

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRAFFIC ENFORCEMENT, ENGINEERING, AND EDUCATION SPECIAL REVENUE FUND
For the Year Ended December 31, 2020
(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
REVENUES:				
Fines and Penalties	\$ 5,906	\$ 5,906	\$ 7,009	\$ 1,103
Investment Earnings	-	-	22	22
Total Revenues	5,906	5,906	7,032	1,126
EXPENDITURES:				
Current:				
Public Safety	7,428	7,457	7,460	3
Total Expenditures	7,428	7,457	7,460	3
Excess (Deficiency) of Revenues OVER EXPENDITURES	(1,522)	(1,551)	(428)	1,123
OTHER FINANCING SOURCES (USES):				
Transfers In	1,522	1,522	920	(602)
Transfers Out	-	(160)	(160)	-
Total Other Financing Sources (Uses)	1,522	1,362	760	(602)
Net Change in Fund Balances	-	(189)	332	521
Fund Balance - January 1	-	300	152	(148)
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	-	300	152	(148)
Fund Balance -December 31	\$ -	\$ 111	\$ 484	\$ 373

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, 2020

	Budget Amounts		Actual Results	Variance
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Transportation	-	-	27	27
Capital Outlay	-	-	-	-
Total Expenditures	-	-	27	27
Excess (Deficiency) of Revenues OVER EXPENDITURES	-	-	(27)	(27)
OTHER FINANCING SOURCES (USES):				
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 seven 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.

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, 2020
(amounts expressed in thousands)
Page 1 of 3

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038
ASSETS			
Cash and Cash Equivalents	\$ 1,389	\$ 288	\$ -
Receivables:			
Accounts Receivables (Net)	-	-	-
Due From Other Governmental Units	65	-	-
Total Assets	<u>1,454</u>	<u>288</u>	<u>-</u>
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
Total Assets and Deferred Outflows	<u><u>1,454</u></u>	<u><u>288</u></u>	<u><u>-</u></u>
LIABILITIES			
Liabilities:			
Current Payables	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable Revenue	47	-	-
Total Deferred Inflow of Resources	<u>47</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	1,407	288	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	<u>1,407</u>	<u>288</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u><u>\$ 1,454</u></u>	<u><u>\$ 288</u></u>	<u><u>\$ -</u></u>

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

December 31, 2020
(amounts expressed in thousands)
Page 2 of 3

	2009 LTGO Bonds #2040	2010 LTGO Bonds #2041	2017 LTGO Bonds #2043
ASSETS			
Cash and Cash Equivalents	\$ 7	\$ 20	\$ 70
Receivables:			
Accounts Receivables (Net)	-	-	-
Due From Other Governmental Units	-	-	-
Total Assets	<u>7</u>	<u>20</u>	<u>70</u>
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
Total Assets and Deferred Outflows	<u>7</u>	<u>20</u>	<u>70</u>
LIABILITIES			
Liabilities:			
Current Payables	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable Revenue	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	7	20	70
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance	<u>7</u>	<u>20</u>	<u>70</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 7</u>	<u>\$ 20</u>	<u>\$ 70</u>

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

December 31, 2020
(amounts expressed in thousands)
Page 3 of 3

	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
ASSETS		
Cash and Cash Equivalents	\$ 1,132	\$ 2,906
Receivables:		
Accounts Receivables (Net)	21,319	21,319
Due From Other Governmental Units	-	65
Total Assets	<u>22,451</u>	<u>24,290</u>
DEFERRED OUTFLOW OF RESOURCES		
	-	-
Total Assets and Deferred Outflows	<u>22,451</u>	<u>24,290</u>
LIABILITIES		
Liabilities:		
Current Payables	-	-
Total Liabilities	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES		
Unavailable Revenue	20,363	20,410
Total Deferred Inflow of Resources	<u>20,363</u>	<u>20,410</u>
FUND BALANCE		
Nonspendable	-	-
Restricted	2,088	3,880
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total Fund Balance	<u>2,088</u>	<u>3,880</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 22,451</u>	<u>\$ 24,290</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 1 of 3

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038
REVENUES			
Taxes:			
Property Taxes	\$ 2,786	\$ -	\$ -
Fines and Penalties	-	-	-
Investment Earnings	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>2,786</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service:			
Principal	2,400	3,205	571
Interest	326	265	14
Total Expenditures	<u>2,726</u>	<u>3,470</u>	<u>585</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>60</u>	<u>(3,470)</u>	<u>(585)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of Debt	-	-	-
Transfers In	-	3,470	585
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,470</u>	<u>585</u>
Net Change in Fund Balance	<u>60</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>1,347</u>	<u>288</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,407</u>	<u>\$ 288</u>	<u>\$ -</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 2 of 3

	2009 LTGO Bonds #2040	2010 LTGO Bonds #2041	2017 LTGO Bonds #2043
REVENUES			
Taxes:			
Property Taxes	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-
Investment Earnings	-	-	1
Miscellaneous	-	(2)	-
Total Revenues	<u>-</u>	<u>(2)</u>	<u>1</u>
EXPENDITURES			
Debt Service:			
Principal	365	3,479	1,019
Interest	3,591	2,000	712
Total Expenditures	<u>3,956</u>	<u>5,479</u>	<u>1,731</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(3,956)</u>	<u>(5,481)</u>	<u>(1,730)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of Debt	2,349	-	-
Transfers In	1,607	5,478	1,730
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>3,956</u>	<u>5,478</u>	<u>1,730</u>
Net Change in Fund Balance	<u>-</u>	<u>(3)</u>	<u>-</u>
Fund Balance - Beginning	<u>7</u>	<u>23</u>	<u>70</u>
Fund Balance - Ending	<u>\$ 7</u>	<u>\$ 20</u>	<u>\$ 70</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 3 of 3

	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
REVENUES		
Taxes:		
Property Taxes	\$ -	\$ 2,786
Fines and Penalties	1,070	1,070
Investment Earnings	28	29
Miscellaneous	2,627	2,625
Total Revenues	<u>3,725</u>	<u>6,510</u>
EXPENDITURES		
Debt Service:		
Principal	2,591	13,630
Interest	1,153	8,061
Total Expenditures	<u>3,744</u>	<u>21,691</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(19)</u>	<u>(15,181)</u>
OTHER FINANCING SOURCES (USES)		
Issuance of Debt	-	2,349
Transfers In	-	12,870
Transfers Out	(1,448)	(1,448)
Total Other Financing Sources (Uses)	<u>(1,448)</u>	<u>13,771</u>
Net Change in Fund Balance	<u>(1,467)</u>	<u>(1,410)</u>
Fund Balance - Beginning	3,555	5,290
Fund Balance - Ending	<u>\$ 2,088</u>	<u>\$ 3,880</u>



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.

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
NON-MAJOR CAPITAL PROJECT FUNDS

December 31, 2020
(amounts expressed in thousands)

Page 1 of 2

	Capital Revenue #3210	Capital Projects #3211	2002 Police Facility #3216	2009 LTGO Capital Projects #3218
ASSETS				
Cash and Cash Equivalents	\$ 29,445	\$ 4,312	\$ -	\$ 93
Investments	-	-	-	-
Accounts Receivables (Net)	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	1,051	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
Advance to Other Funds	-	133	-	-
Total Assets	<u>30,496</u>	<u>4,445</u>	<u>-</u>	<u>93</u>
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
Total Assets and Deferred Outflows	<u>30,496</u>	<u>4,445</u>	<u>-</u>	<u>93</u>
LIABILITIES				
Liabilities:				
Accounts Payable	500	149	-	-
Other Liabilities Payable	-	1	-	-
Total Liabilities	<u>500</u>	<u>150</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue	-	3	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	23,754	2,967	-	93
Committed	6,242	1,192	-	-
Assigned	-	133	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>29,996</u>	<u>4,292</u>	<u>-</u>	<u>93</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 30,496</u>	<u>\$ 4,445</u>	<u>\$ -</u>	<u>\$ 93</u>

COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECT FUNDS

December 31, 2020
(amounts expressed in thousands)

Page 2 of 2

	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Total Nonmajor Capital Projects Funds
ASSETS			
Cash and Cash Equivalents	\$ 270	\$ 1,251	\$ 35,371
Investments	-	-	-
Accounts Receivables (Net)	-	1	1
Due From Other Funds	-	-	-
Due From Other Governmental Units	-	-	1,051
Inventory	-	-	-
Prepays	-	-	-
Advance to Other Funds	-	-	133
Total Assets	<u>270</u>	<u>1,252</u>	<u>36,556</u>
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
Total Assets and Deferred Outflows	<u>270</u>	<u>1,252</u>	<u>36,556</u>
LIABILITIES			
Liabilities:			
Accounts Payable	3	-	652
Other Liabilities Payable	-	-	1
Total Liabilities	<u>3</u>	<u>-</u>	<u>653</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable Revenue	-	-	3
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>3</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	267	1,252	28,333
Committed	-	-	7,434
Assigned	-	-	133
Unassigned	-	-	-
Total Fund Balance	<u>267</u>	<u>1,252</u>	<u>35,900</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 270</u>	<u>\$ 1,252</u>	<u>\$ 36,556</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR CAPITAL PROJECT FUNDS

For the Year Ended December 31, 2020
(amounts expressed in thousands)

Page 1 of 2

	Capital Revenue #3210	Capital Projects #3211	2002 Police Facility #3216	2009 LTGO Capital Projects #3218
REVENUES				
Taxes:				
Retail Sales & Use	\$ 500	\$ -	\$ -	\$ -
Excise	9,087	-	-	-
Intergovernmental	-	69	-	-
Investment Earnings	556	57	-	2
Miscellaneous	244	2,694	-	1
Total Revenues	<u>10,387</u>	<u>2,820</u>	<u>-</u>	<u>3</u>
EXPENDITURES				
General Government	8	789	-	-
Public Safety	-	64	-	-
Transportation	500	2,638	-	-
Culture and Recreation	-	67	-	-
Debt Service:				
Interest	-	1	-	-
Capital Outlay	-	4,956	-	-
Total Expenditures	<u>508</u>	<u>8,515</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>9,879</u>	<u>(5,695)</u>	<u>-</u>	<u>3</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries - Capital Assets	-	184	-	-
Transfers In	2,029	5,551	-	-
Transfers Out	(16,644)	(182)	(2)	-
Total Other Financing Sources (Uses)	<u>(14,615)</u>	<u>5,553</u>	<u>(2)</u>	<u>-</u>
Net Change in Fund Balance	<u>(4,736)</u>	<u>(142)</u>	<u>(2)</u>	<u>3</u>
Fund Balance - Beginning	34,732	4,434	2	90
Fund Balance - Beginning, Restated	34,732	4,434	2	90
Fund Balance - Ending	<u>\$ 29,996</u>	<u>\$ 4,292</u>	<u>\$ -</u>	<u>\$ 93</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR CAPITAL PROJECT FUNDS

For the Year Ended December 31, 2020
(amounts expressed in thousands)

Page 2 of 2

	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Nonmajor Capital Projects Funds
REVENUES			
Taxes:			
Retail Sales & Use	\$ -	\$ -	\$ 500
Excise	-	-	9,087
Intergovernmental	-	-	69
Investment Earnings	4	-	619
Miscellaneous	3	-	2,942
Total Revenues	<u>7</u>	<u>-</u>	<u>13,217</u>
EXPENDITURES			
General Government	-	-	797
Public Safety	-	-	64
Transportation	-	-	3,138
Culture and Recreation	3	-	70
Debt Service:			
Interest	-	-	1
Capital Outlay	-	-	4,956
Total Expenditures	<u>3</u>	<u>-</u>	<u>9,026</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>4</u>	<u>-</u>	<u>4,191</u>
OTHER FINANCING SOURCES (USES)			
Insurance Recoveries - Capital Assets	-	-	184
Transfers In	-	-	7,580
Transfers Out	-	-	(16,828)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(9,064)</u>
Net Change in Fund Balance	<u>4</u>	<u>-</u>	<u>(4,873)</u>
Fund Balance - Beginning	263	1,252	40,773
Fund Balance - Beginning, Restated	263	1,252	40,773
Fund Balance - Ending	<u>\$ 267</u>	<u>\$ 1,252</u>	<u>\$ 35,900</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, 2020
(amounts expressed in thousands)
Page 1 of 6

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 5,336	\$ 525	\$ 834	\$ 4,001
Accounts Receivables (Net)	2,696	302	744	55
Due From Other Governmental Units	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	3	48	29	80
Restricted Cash:				
Debt Service	-	-	-	663
Construction	-	-	-	-
Other	9,289	-	2,019	1,731
Total Current Assets	<u>17,324</u>	<u>875</u>	<u>3,626</u>	<u>6,530</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	-	-
Net Pension Asset	546	-	75	110
Other non-current assets	-	-	-	110
Capital Assets:				
Land	-	1,008	11,176	15,086
Buildings and Equipment	306	26,499	52,005	69,335
Construction in Progress	-	48	2,070	140
Less: Accumulated Depreciation	(205)	(12,057)	(20,282)	(31,473)
Total Capital Assets (Net of A/D)	<u>101</u>	<u>15,498</u>	<u>44,969</u>	<u>53,088</u>
Total Noncurrent Assets	<u>647</u>	<u>15,498</u>	<u>45,044</u>	<u>53,308</u>
Total Assets	<u>17,971</u>	<u>16,373</u>	<u>48,670</u>	<u>59,838</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow from Bond Refunding	-	-	-	2,421
Deferred Outflow Related to Pensions	1,619	-	223	326
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>1,619</u>	<u>-</u>	<u>223</u>	<u>2,747</u>

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

December 31, 2020
(amounts expressed in thousands)
Page 2 of 6

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 33	\$ 3,925	\$ 1,001	\$ -
Accounts Receivables (Net)	504	38	137	4,051
Due From Other Governmental Units	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	26	81	41	-
Restricted Cash:				
Debt Service	2	-	-	2,340
Construction	-	-	1,224	-
Other	74	9,890	-	-
Total Current Assets	<u>639</u>	<u>13,934</u>	<u>2,403</u>	<u>6,391</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	8,218	3,275
Net Pension Asset	-	151	-	-
Other non-current assets	-	-	-	-
Capital Assets:				
Land	224	6,161	2,087	-
Buildings and Equipment	39,869	69,690	24,510	-
Construction in Progress	-	1,113	4	-
Less: Accumulated Depreciation	(16,460)	(31,429)	(11,018)	-
Total Capital Assets (Net of A/D)	<u>23,633</u>	<u>45,535</u>	<u>15,583</u>	<u>-</u>
Total Noncurrent Assets	<u>23,633</u>	<u>45,686</u>	<u>23,801</u>	<u>3,275</u>
Total Assets	<u>24,272</u>	<u>59,620</u>	<u>26,204</u>	<u>9,666</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow from Bond Refunding	-	-	-	-
Deferred Outflow Related to Pensions	-	447	-	-
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>-</u>	<u>447</u>	<u>-</u>	<u>-</u>

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

December 31, 2020
(amounts expressed in thousands)
Page 3 of 6

	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 14,780	\$ 783	\$ 31,218
Accounts Receivables (Net)	4,878	-	13,405
Due From Other Governmental Units	707	-	707
Inventory	1,259	-	1,259
Prepaid Expenses	2,089	-	2,397
Restricted Cash:			
Debt Service	-	-	3,005
Construction	-	-	1,224
Other	-	-	23,003
Total Current Assets	<u>23,713</u>	<u>783</u>	<u>76,218</u>
Noncurrent Assets:			
Long-Term Contracts and Notes	-	-	11,493
Net Pension Asset	-	-	882
Other non-current assets	-	-	110
Capital Assets:			
Land	172	-	35,914
Buildings and Equipment	53,369	-	335,583
Construction in Progress	3,785	-	7,160
Less: Accumulated Depreciation	<u>(26,514)</u>	<u>-</u>	<u>(149,438)</u>
Total Capital Assets (Net of A/D)	<u>30,812</u>	<u>-</u>	<u>229,219</u>
Total Noncurrent Assets	<u>30,812</u>	<u>-</u>	<u>241,704</u>
Total Assets	<u>54,525</u>	<u>783</u>	<u>317,922</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow from Bond Refunding	-	-	2,421
Deferred Outflow Related to Pensions	-	-	2,615
Deferred Outflow Related to OPEB	<u>1,599</u>	<u>-</u>	<u>1,599</u>
Total Deferred Outflow of Resources	<u>1,599</u>	<u>-</u>	<u>6,635</u>

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

December 31, 2020
(amounts expressed in thousands)
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	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
LIABILITIES				
Current Liabilities:				
Accounts Payable	18	52	550	314
Interest Payable	-	-	-	179
Due to Other Governments	8	-	-	-
Customer Deposits	110	45	-	534
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	171	-	14	13
Bonds Payable - Current	-	-	-	5,394
Payable From Restricted Assets:				
Unearned Revenues	-	-	-	-
Other Current Liabilities	309	5	77	84
Total Current Liabilities	616	102	641	6,518
Noncurrent Liabilities:				
Compensated Absences	817	-	122	121
Other non-current liabilities	-	-	-	-
Loans Payable	-	-	-	-
Bonds Payable	-	-	6,783	50,135
Total OPEB Liability	-	-	-	-
Total Noncurrent Liabilities	817	-	6,905	50,256
Total Liabilities	1,433	102	7,546	56,774
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow Related to Bond Refunding	-	-	40	22
Deferred Inflow Related to Pensions	2,080	-	287	418
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflows of Resources	2,080	-	327	440
NET POSITION				
Net Investment in Capital Assets	101	15,498	38,146	(140)
Restricted				
Capital Purchase	-	-	2,018	1,731
Debt Service	-	-	-	663
Culture and Recreation	-	-	-	-
Environment Service & Program	3,903	-	-	-
Inspections	1,470	-	-	-
Pension	-	-	-	110
Reserves	4,746	-	-	-
Unrestricted	5,857	773	856	3,007
Total Net Position	\$ 16,077	\$ 16,271	\$ 41,020	\$ 5,371

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

December 31, 2020
(amounts expressed in thousands)
Page 5 of 6

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	601	263	-
Interest Payable	-	-	-	149
Due to Other Governments	-	-	-	-
Customer Deposits	-	9,979	-	-
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	-	25	-	-
Bonds Payable - Current	-	-	-	3,615
Payable From Restricted Assets:				
Unearned Revenues	-	38	-	671
Other Current Liabilities	-	93	-	-
Total Current Liabilities	-	10,736	263	4,435
Noncurrent Liabilities:				
Compensated Absences	-	224	-	-
Other non-current liabilities	-	-	-	2,369
Loans Payable	-	-	-	-
Bonds Payable	-	-	-	1,935
Total OPEB Liability	-	-	-	-
Total Noncurrent Liabilities	-	224	-	4,304
Total Liabilities	-	10,960	263	8,739
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow Related to Bond Refunding	-	-	-	-
Deferred Inflow Related to Pensions	-	574	-	-
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflows of Resources	-	574	-	-
NET POSITION				
Net Investment in Capital Assets	23,633	45,535	15,390	-
Restricted				
Capital Purchase	124	-	-	-
Debt Service	452	-	-	2,340
Culture and Recreation	-	9,890	-	-
Environment Service & Program	-	-	-	-
Inspections	-	-	-	-
Pension	-	151	-	-
Reserves	-	-	-	-
Unrestricted	63	(7,043)	10,551	(1,413)
Total Net Position	\$ 24,272	\$ 48,533	\$ 25,941	\$ 927

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

December 31, 2020
(amounts expressed in thousands)
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	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,260	-	4,058
Interest Payable	-	-	328
Due to Other Governments	-	-	8
Customer Deposits	40	-	10,708
Loans Payable - Current	844	-	844
Compensated Absences - Current	136	-	359
Bonds Payable - Current	-	-	9,009
Payable From Restricted Assets:			
Unearned Revenues	-	-	709
Other Current Liabilities	722	210	1,500
Total Current Liabilities	<u>4,002</u>	<u>210</u>	<u>27,523</u>
Noncurrent Liabilities:			
Compensated Absences	1,225	-	2,509
Other non-current liabilities	3,422	-	5,791
Loans Payable	3,096	-	3,096
Bonds Payable	-	-	58,853
Total OPEB Liability	10,988	-	10,988
Total Noncurrent Liabilities	<u>18,731</u>	<u>-</u>	<u>81,237</u>
Total Liabilities	<u>22,733</u>	<u>210</u>	<u>108,760</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Bond Refunding	60	-	122
Deferred Inflow Related to Pensions	-	-	3,359
Deferred Inflow Related to OPEB	2,431	-	2,431
Deferred Inflows of Resources	<u>2,491</u>	<u>-</u>	<u>5,912</u>
NET POSITION			
Net Investment in Capital Assets	26,871	-	165,034
Restricted			
Capital Purchase	-	-	3,873
Debt Service	-	-	3,455
Culture and Recreation	-	-	9,890
Environment Service & Program	-	-	3,903
Inspections	-	-	1,470
Pension	-	-	261
Reserves	-	573	5,319
Unrestricted	<u>4,029</u>	<u>-</u>	<u>16,680</u>
Total Net Position	<u>\$ 30,900</u>	<u>\$ 573</u>	<u>\$ 209,885</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

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	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
OPERATING REVENUES:				
Charges for Services	\$ 16,580	\$ 1,257	\$ 3,825	\$ 716
Other Operating Revenue	-	-	-	44
Total Operating Revenues	<u>16,580</u>	<u>1,257</u>	<u>3,825</u>	<u>760</u>
OPERATING EXPENSES:				
Salaries and Benefits	11,812	546	1,412	1,988
Supplies	129	98	40	108
Service	3,039	1,673	2,322	2,040
Taxes	-	26	24	45
Depreciation	34	774	1,373	1,736
Total Operating Expenses	<u>15,014</u>	<u>3,117</u>	<u>5,171</u>	<u>5,917</u>
Operating Income (Loss)	<u>1,566</u>	<u>(1,860)</u>	<u>(1,346)</u>	<u>(5,157)</u>
NON-OPERATING REVENUE (EXPENSE):				
Interest Revenue	205	11	84	117
Tax Revenues	-	-	-	-
Operating Contributions	6	-	-	303
Other Non-Operating Revenues	147	485	66	115
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized net gain(loss) in fair value investment	-	-	-	-
Interest Expense	-	-	(209)	(2,088)
Other Non-Operating Expenses	-	-	-	-
External Contributions	-	(2)	-	-
Total Non-Operating Revenue (Expense)	<u>358</u>	<u>494</u>	<u>(59)</u>	<u>(1,553)</u>
Income (Loss) Before Contributions & Transfers	<u>1,924</u>	<u>(1,366)</u>	<u>(1,405)</u>	<u>(6,710)</u>
Capital Contributions	-	-	-	4,702
Transfers In	2,100	400	24	4,844
Transfers Out	-	-	(1,214)	-
Total Contributions and Transfers	<u>2,100</u>	<u>400</u>	<u>(1,190)</u>	<u>9,546</u>
Change in Net Position	<u>4,024</u>	<u>(966)</u>	<u>(2,595)</u>	<u>2,836</u>
Net Position, January 1	12,223	17,237	43,615	2,535
Prior Period Adjustment	(170)	-	-	-
Net Position, January 1 restated	<u>12,053</u>	<u>17,237</u>	<u>43,615</u>	<u>2,535</u>
Net Position, December 31	<u>\$ 16,077</u>	<u>\$ 16,271</u>	<u>\$ 41,020</u>	<u>\$ 5,371</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

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	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
OPERATING REVENUES:				
Charges for Services	\$ 542	\$ 2,906	\$ -	\$ -
Other Operating Revenue	-	-	-	-
Total Operating Revenues	<u>542</u>	<u>2,906</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:				
Salaries and Benefits	1	3,061	-	-
Supplies	11	1,005	53	-
Service	58	2,907	985	3
Taxes	-	39	-	-
Depreciation	1,475	1,597	1,102	-
Total Operating Expenses	<u>1,545</u>	<u>8,609</u>	<u>2,140</u>	<u>3</u>
Operating Income (Loss)	<u>(1,003)</u>	<u>(5,703)</u>	<u>(2,140)</u>	<u>(3)</u>
NON-OPERATING REVENUE (EXPENSE):				
Interest Revenue	9	290	94	1
Tax Revenues	-	-	-	-
Operating Contributions	7	1,933	238	-
Other Non-Operating Revenues	11	578	21	655
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized net gain(loss) in fair value investment	-	-	-	-
Interest Expense	(1)	-	-	(655)
Other Non-Operating Expenses	-	-	-	-
External Contributions	-	-	-	-
Total Non-Operating Revenue (Expense)	<u>26</u>	<u>2,801</u>	<u>353</u>	<u>1</u>
Income (Loss) Before Contributions & Transfers	<u>(977)</u>	<u>(2,902)</u>	<u>(1,787)</u>	<u>(2)</u>
Capital Contributions	-	-	-	-
Transfers In	955	-	951	-
Transfers Out	(1,395)	(398)	-	-
Total Contributions and Transfers	<u>(440)</u>	<u>(398)</u>	<u>951</u>	<u>-</u>
Change in Net Position	<u>(1,417)</u>	<u>(3,300)</u>	<u>(836)</u>	<u>(2)</u>
Net Position, January 1	25,689	51,833	26,777	929
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	25,689	51,833	26,777	929
Net Position, December 31	<u>\$ 24,272</u>	<u>\$ 48,533</u>	<u>\$ 25,941</u>	<u>\$ 927</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 3 of 3

	Tacoma Rail Belt Line Division #4500	Low Income Assistance #4805	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for Services	\$ 33,508	\$ -	\$ 59,334
Other Operating Revenue	-	-	44
Total Operating Revenues	<u>33,508</u>	<u>-</u>	<u>59,378</u>
OPERATING EXPENSES:			
Salaries and Benefits	16,438	-	35,258
Supplies	1,276	-	2,720
Service	9,896	-	22,923
Taxes	518	-	652
Depreciation	1,784	-	9,875
Total Operating Expenses	<u>29,912</u>	<u>-</u>	<u>71,428</u>
Operating Income (Loss)	<u>3,596</u>	<u>-</u>	<u>(12,050)</u>
NON-OPERATING REVENUE (EXPENSE):			
Interest Revenue	224	19	1,054
Tax Revenues	-	-	-
Operating Contributions	38	-	2,525
Other Non-Operating Revenues	1,095	(1,132)	2,041
Gain (Loss) on Sale of Capital Assets	(2)	-	(2)
Unrealized net gain(loss) in fair value investment	-	-	-
Interest Expense	-	-	(2,953)
Other Non-Operating Expenses	(4)	(225)	(229)
External Contributions	(1)	-	(3)
Total Non-Operating Revenue (Expense)	<u>1,350</u>	<u>(1,338)</u>	<u>2,433</u>
Income (Loss) Before Contributions & Transfers	<u>4,946</u>	<u>(1,338)</u>	<u>(9,617)</u>
Capital Contributions	3,121	-	7,823
Transfers In	5	-	9,279
Transfers Out	(3,273)	-	(6,280)
Total Contributions and Transfers	<u>(147)</u>	<u>-</u>	<u>10,822</u>
Change in Net Position	4,799	(1,338)	1,205
Net Position, January 1	26,101	1,911	208,850
Prior Period Adjustment	-	-	(170)
Net Position, January 1 restated	26,101	1,911	208,680
Net Position, December 31	<u>\$ 30,900</u>	<u>\$ 573</u>	<u>\$ 209,885</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2020
(amounts expressed in thousands)
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	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt from customers and users	\$ 14,039	\$ 1,618	\$ 4,016
Receipts from interfund services provided			
Contribution received - employee/employer			
Payments to suppliers	(1,808)	(1,773)	(1,883)
Payments to employees	(11,353)	(546)	(1,364)
Payments for taxes	1	(24)	(40)
Payments for interfund services used	(1,487)	-	(357)
Other operating or non-operating revenues	(1)	-	57
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(609)</u>	<u>(725)</u>	<u>429</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	2,100	400	24
Grants and contributions received	6	-	-
Transfer to other funds	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>2,106</u>	<u>400</u>	<u>24</u>
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Proceeds received from capital debts	-	-	-
Proceeds from leased property	-	483	-
Contributions and donations	-	-	-
Acquisitions and constructions of capital assets	-	(26)	(272)
Principal paid on capital debts	-	-	(1,667)
Interest and issuance costs paid on capital debts	-	-	(233)
Transfers to other funds	-	-	(1,214)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>457</u>	<u>(3,386)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interests and dividends received	205	11	85
Change in fair value of investment	148	-	9
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>353</u>	<u>11</u>	<u>94</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,850</u>	<u>143</u>	<u>(2,839)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	12,775	382	5,692
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 14,625</u>	<u>\$ 525</u>	<u>\$ 2,853</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2020
(amounts expressed in thousands)
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	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt from customers and users	\$ 1,006	\$ 39	\$ 3,143
Receipts from interfund services provided			
Contribution received - employee/employer			
Payments to suppliers	(2,539)	(71)	(2,539)
Payments to employees	(2,003)	(1)	(3,009)
Payments for taxes	(46)	-	(21)
Payments for interfund services used	(436)	(2)	(549)
Other operating or non-operating revenues	103	12	456
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(3,915)</u>	<u>(23)</u>	<u>(2,519)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	955	-
Grants and contributions received	303	7	1,933
Transfer to other funds	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>303</u>	<u>962</u>	<u>1,933</u>
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES			
Transfers from other funds	4,844	-	-
Proceeds received from capital debts	-	-	-
Proceeds from leased property	-	-	-
Contributions and donations	4,702	-	-
Acquisitions and constructions of capital assets	(240)	-	(1,270)
Principal paid on capital debts	(3,574)	-	-
Interest and issuance costs paid on capital debts	(2,295)	(1)	-
Transfers to other funds	-	(1,395)	(398)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>3,437</u>	<u>(1,396)</u>	<u>(1,668)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interests and dividends received	118	9	290
Change in fair value of investment	56	(1)	123
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>174</u>	<u>8</u>	<u>413</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1)</u>	<u>(449)</u>	<u>(1,841)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	6,396	558	15,656
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,395</u>	<u>\$ 109</u>	<u>\$ 13,815</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2020
(amounts expressed in thousands)
Page 3 of 8

	Performing Arts #4190	Union Stations #4450	Tacoma Rail Belt Line Div #4500
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt from customers and users	\$ -	\$ 4,052	\$ 32,057
Receipts from interfund services provided			
Contribution received - employee/employer			
Payments to suppliers	(1,180)	(747)	(11,182)
Payments to employees	-	-	(16,484)
Payments for taxes	-	-	(536)
Payments for interfund services used	(48)	-	-
Other operating or non-operating revenues	-	654	962
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,228)	3,959	4,817
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	951	-	-
Grants and contributions received	1,780	-	38
Transfer to other funds	-	-	(3,269)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	2,731	-	(3,231)
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Proceeds received from capital debts	-	-	1,158
Proceeds from leased property	-	-	-
Contributions and donations	-	-	-
Acquisitions and constructions of capital assets	(4)	-	(3,482)
Principal paid on capital debts	-	(3,305)	(464)
Interest and issuance costs paid on capital debts	-	(655)	-
Transfers to other funds	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(4)	(3,960)	(2,788)
CASH FLOW FROM INVESTING ACTIVITIES			
Interests and dividends received	94	1	368
Change in fair value of investment	21	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	115	1	368
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,614	-	(834)
CASH AND CASH EQUIVALENTS, JANUARY 1	611	2,340	15,614
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 2,225	\$ 2,340	\$ 14,780

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2020
(amounts expressed in thousands)
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	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
CASH FLOW FROM OPERATING ACTIVITIES		
Receipt from customers and users	\$ (2)	\$ 59,968
Receipts from interfund services provided		
Contribution received - employee/employer		
Payments to suppliers	210	(23,512)
Payments to employees	-	(34,760)
Payments for taxes	-	(666)
Payments for interfund services used	-	(2,879)
Other operating or non-operating revenues	(1,357)	886
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,149)	(963)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from other funds	-	4,430
Grants and contributions received	-	4,067
Transfer to other funds	-	(3,269)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	5,228
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	4,844
Proceeds received from capital debts	-	1,158
Proceeds from leased property	-	483
Contributions and donations	-	4,702
Acquisitions and constructions of capital assets	-	(5,294)
Principal paid on capital debts	-	(9,010)
Interest and issuance costs paid on capital debts	-	(3,184)
Transfers to other funds	-	(3,007)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	(9,308)
CASH FLOW FROM INVESTING ACTIVITIES		
Interests and dividends received	19	1,200
Change in fair value of investment	-	356
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	19	1,556
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,130)	(3,487)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,913	61,937
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 783	\$ 58,450

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
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	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,566	\$ (1,860)	\$ (1,346)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	34	774	1,373
(Increase) decrease in accounts receivable	(2,376)	361	191
(Increase) decrease in inventories	-	(4)	-
(Increase) decrease in prepaid items	(3)	4	(2)
(Increase) decrease in other assets	673	-	235
(Increase) decrease in deposits payable	-	-	-
Increase (decrease) in accounts payable	(54)	-	108
Increase (decrease) in accrued wages payable	(539)	-	(211)
Increase (decrease) in compensated absences	257	-	24
Increase (decrease) in intergovernmental payable	3	-	-
Increase (decrease) in deferred revenues	-	-	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) long term liabilities	-	-	-
Miscellaneous non-operating revenues (expenses)	-	-	57
Prior Period Adjustment	(170)	-	-
Total adjustments	(2,175)	1,135	1,775
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (609)	\$ (725)	\$ 429
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contribution of capital assets	-	-	-

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2020
(amounts expressed in thousands)
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	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (5,157)	\$ (1,003)	\$ (5,703)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1,736	1,475	1,597
(Increase) decrease in accounts receivable	290	(504)	237
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	(19)	(4)	(28)
(Increase) decrease in other assets	326	-	507
(Increase) decrease in deposits payable	(163)	-	747
Increase (decrease) in accounts payable	(565)	-	196
Increase (decrease) in accrued wages payable	(317)	-	(476)
Increase (decrease) in compensated absences	(24)	-	20
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in deferred revenues	-	-	(73)
Increase (decrease) in other current liabilities	(82)	-	-
Increase (decrease) long term liabilities	-	-	-
Miscellaneous non-operating revenues (expenses)	60	13	457
Prior Period Adjustment	-	-	-
Total adjustments	1,242	980	3,184
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (3,915)	\$ (23)	\$ (2,519)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contribution of capital assets	-	-	-

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2020
(amounts expressed in thousands)
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	Performing Arts #4190	Union Stations #4450	Tacoma Rail Belt Line Div #4500
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (2,140)	\$ (3)	\$ 3,596
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1,102	-	1,784
(Increase) decrease in accounts receivable	-	4,052	(1,510)
(Increase) decrease in inventories	-	-	(34)
(Increase) decrease in prepaid items	(16)	-	(146)
(Increase) decrease in other assets	(51)	-	-
(Increase) decrease in deposits payable	-	-	60
Increase (decrease) in accounts payable	(123)	(90)	183
Increase (decrease) in accrued wages payable	-	-	92
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in deferred revenues	-	(320)	-
Increase (decrease) in other current liabilities	-	-	(527)
Increase (decrease) long term liabilities	-	(334)	357
Miscellaneous non-operating revenues (expenses)	-	654	962
Prior Period Adjustment	-	-	-
Total adjustments	912	3,962	1,221
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,228)	\$ 3,959	\$ 4,817
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contribution of capital assets	-	-	-

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2020
(amounts expressed in thousands)
Page 8 of 8

	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ -	\$ (12,050)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:		
Operating Activities:		
Depreciation expenses	-	9,875
(Increase) decrease in accounts receivable	(2)	739
(Increase) decrease in inventories	-	(38)
(Increase) decrease in prepaid items	-	(214)
(Increase) decrease in other assets	-	1,690
(Increase) decrease in deposits payable	-	644
Increase (decrease) in accounts payable	-	(345)
Increase (decrease) in accrued wages payable	-	(1,451)
Increase (decrease) in compensated absences	-	277
Increase (decrease) in intergovernmental payable	-	3
Increase (decrease) in deferred revenues	-	(393)
Increase (decrease) in other current liabilities	210	(399)
Increase (decrease) long term liabilities	-	23
Miscellaneous non-operating revenues (expenses)	(1,357)	846
Prior Period Adjustment	-	(170)
Total adjustments	(1,149)	11,087
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,149)	\$ (963)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
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 12 other funds.

Finance Department Fund (#5007)

Accounts for the operation of the Finance Division

BSIP Project Fund (#5027)

Accounts for the Business Systems Improvement Project

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, 2020
(amounts expressed in thousands)
Page 1 of 8

	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1	\$ 143	\$ 1,753
Accounts Receivables (Net)	21	-	-
Due From Other Governmental Units	-	-	-
Inventories	-	-	375
Prepaid Expenses	-	-	-
Total Current Assets	<u>22</u>	<u>143</u>	<u>2,128</u>
Noncurrent Assets:			
Net Pension Assets	-	-	166
Capital Assets:			
Land	-	-	-
Property, Plant and Equipment	-	-	3,897
Construction in Progress	-	-	2,317
Less: Accumulated Depreciation	-	-	(2,989)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>3,225</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>3,391</u>
Total Assets	<u>22</u>	<u>143</u>	<u>5,519</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pensions	<u>-</u>	<u>-</u>	<u>492</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

December 31, 2020
(amounts expressed in thousands)
Page 2 of 8

	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 140	\$ 11,734	\$ 30	\$ 7,362
Accounts Receivables (Net)	-	20	72	3
Due From Other Governmental Units	-	-	-	-
Inventories	-	543	145	-
Prepaid Expenses	-	24	-	-
Total Current Assets	140	12,321	247	7,365
Noncurrent Assets:				
Net Pension Assets	-	241	11	37
Capital Assets:				
Land	-	-	11	-
Property, Plant and Equipment	-	63,281	1,015	6,003
Construction in Progress	-	2,046	-	-
Less: Accumulated Depreciation	-	(39,566)	(515)	(4,708)
Total Capital Assets (Net of A/D)	-	25,761	511	1,295
Total Noncurrent Assets	-	26,002	522	1,332
Total Assets	140	38,323	769	8,697
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow Related to Pensions	-	714	34	111

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

December 31, 2020
(amounts expressed in thousands)
Page 3 of 8

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 8,448	\$ 1,768	\$ 8,226	\$ 3,458
Accounts Receivables (Net)	-	-	-	-
Due From Other Governmental Units	-	-	-	-
Inventories	-	-	-	-
Prepaid Expenses	254	-	-	7
Total Current Assets	<u>8,702</u>	<u>1,768</u>	<u>8,226</u>	<u>3,465</u>
Noncurrent Assets:				
Net Pension Assets	-	-	-	94
Capital Assets:				
Land	-	-	-	346
Property, Plant and Equipment	-	-	-	22,396
Construction in Progress	-	-	-	-
Less: Accumulated Depreciation	-	-	-	(17,131)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,611</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,705</u>
Total Assets	<u>8,702</u>	<u>1,768</u>	<u>8,226</u>	<u>9,170</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow Related to Pensions	<u>-</u>	<u>-</u>	<u>-</u>	<u>280</u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

December 31, 2020
(amounts expressed in thousands)
Page 4 of 8

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 22,292	\$ 22,081	\$ 10,173	\$ 97,609
Accounts Receivables (Net)	293	-	-	409
Due From Other Governmental Units	21	-	-	21
Inventories	102	-	-	1,165
Prepaid Expenses	1,290	-	-	1,575
Total Current Assets	<u>23,998</u>	<u>22,081</u>	<u>10,173</u>	<u>100,779</u>
Noncurrent Assets:				
Net Pension Assets	2,267	-	-	2,816
Capital Assets:				
Land	-	-	-	357
Property, Plant and Equipment	32,027	12	-	128,631
Construction in Progress	4,182	-	-	8,545
Less: Accumulated Depreciation	<u>(28,170)</u>	<u>(4)</u>	<u>-</u>	<u>(93,083)</u>
Total Capital Assets (Net of A/D)	<u>8,039</u>	<u>8</u>	<u>-</u>	<u>44,450</u>
Total Noncurrent Assets	<u>10,306</u>	<u>8</u>	<u>-</u>	<u>47,266</u>
Total Assets	<u>34,304</u>	<u>22,089</u>	<u>10,173</u>	<u>148,045</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow Related to Pensions	<u>6,727</u>	<u>-</u>	<u>-</u>	<u>8,358</u>

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

December 31, 2020
(amounts expressed in thousands)
Page 5 of 8

	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
LIABILITIES			
Current Liabilities:			
Current Payables	-	-	946
Compensated Absences - Current	-	-	29
Deposits	-	-	-
Other Liabilities Payable	-	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>975</u>
Noncurrent Liabilities			
Unearned Revenue			
Compensated Absences	-	-	261
Other LT Liabilities Payable	-	-	2,556
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>2,817</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,792</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pensions	<u>-</u>	<u>-</u>	<u>632</u>
NET POSITION			
Net Investment in Capital Assets	-	-	3,225
Restricted For:			
Self Insurance	-	-	-
Pensions	-	-	166
Unrestricted	<u>22</u>	<u>143</u>	<u>(1,804)</u>
Total Net Position	<u>\$ 22</u>	<u>\$ 143</u>	<u>\$ 1,587</u>

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

December 31, 2020

(amounts expressed in thousands)

Page 6 of 8

	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
LIABILITIES				
Current Liabilities:				
Current Payables	-	1,253	38	26
Compensated Absences - Current	-	22	1	15
Deposits	-	-	-	-
Other Liabilities Payable	-	-	-	-
Total Current Liabilities	-	1,275	39	41
Noncurrent Liabilities				
Unearned Revenue				
Compensated Absences	-	195	10	135
Other LT Liabilities Payable	-	3,966	-	-
Total Noncurrent Liabilities	-	4,161	10	135
Total Liabilities	-	5,436	49	176
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow Related to Pensions	-	917	43	142
NET POSITION				
Net Investment in Capital Assets	-	25,761	511	1,295
Restricted For:				
Self Insurance	-	-	-	-
Pensions	-	-	-	-
Unrestricted	140	6,923	200	7,195
Total Net Position	\$ 140	\$ 32,684	\$ 711	\$ 8,490

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

December 31, 2020
(amounts expressed in thousands)
Page 7 of 8

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
LIABILITIES				
Current Liabilities:				
Current Payables	2,667	595	517	291
Compensated Absences - Current	-	-	-	9
Deposits	-	-	-	-
Other Liabilities Payable	25,930	-	4,158	-
Total Current Liabilities	<u>28,597</u>	<u>595</u>	<u>4,675</u>	<u>300</u>
Noncurrent Liabilities				
Unearned Revenue				
Compensated Absences	-	-	-	84
Other LT Liabilities Payable	7,200	-	-	-
Total Noncurrent Liabilities	<u>7,200</u>	<u>-</u>	<u>-</u>	<u>84</u>
Total Liabilities	<u>35,797</u>	<u>595</u>	<u>4,675</u>	<u>384</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow Related to Pensions	<u>-</u>	<u>-</u>	<u>-</u>	<u>360</u>
NET POSITION				
Net Investment in Capital Assets	-	-	-	5,611
Restricted For:				
Self Insurance	-	-	-	-
Pensions	-	-	-	-
Unrestricted	(27,095)	1,173	3,551	3,095
Total Net Position	<u>\$ (27,095)</u>	<u>\$ 1,173</u>	<u>\$ 3,551</u>	<u>\$ 8,706</u>

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

December 31, 2020
(amounts expressed in thousands)
Page 8 of 8

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
LIABILITIES				
Current Liabilities:				
Current Payables	2,919	4,902	4	14,158
Compensated Absences - Current	473	-	-	549
Deposits	2	-	-	2
Other Liabilities Payable	-	9,890	3,095	43,073
Total Current Liabilities	<u>3,394</u>	<u>14,792</u>	<u>3,099</u>	<u>57,782</u>
Noncurrent Liabilities				
Unearned Revenue				
Compensated Absences	4,272	-	-	4,957
Other LT Liabilities Payable	-	-	-	13,722
Total Noncurrent Liabilities	<u>4,272</u>	<u>-</u>	<u>-</u>	<u>18,679</u>
Total Liabilities	<u>7,666</u>	<u>14,792</u>	<u>3,099</u>	<u>76,461</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow Related to Pensions	<u>8,640</u>	<u>-</u>	<u>-</u>	<u>10,734</u>
NET POSITION				
Net Investment in Capital Assets	8,039	8	-	44,450
Restricted For:				
Self Insurance	-	-	7,074	7,074
Pensions	-	-	-	166
Unrestricted	<u>16,686</u>	<u>7,289</u>	<u>-</u>	<u>17,518</u>
Total Net Position	<u>\$ 24,725</u>	<u>\$ 7,297</u>	<u>\$ 7,074</u>	<u>\$ 69,208</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 1 of 4

	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
OPERATING REVENUES			
Charges for Services	\$ -	\$ -	\$ 7,620
Interfund Insurance Premiums	-	-	-
Other Operating Revenue	-	-	-
Total Operating Revenues	-	-	7,620
OPERATING EXPENSES			
Salaries & Benefits	-	-	3,581
Supplies	-	-	89
Service	-	-	975
Depreciation	-	-	3,351
Total Operating Expenses	-	-	7,996
Operating Income (Loss)	-	-	(376)
NON-OPERATING REVENUE (EXPENSE)			
Interest Revenue	-	-	61
Other Non-Operating Revenues	-	-	147
Gain (Loss) on Sale of Capital Assets	-	-	(234)
Other Non-Operating Expenses	-	-	-
Total Non-Operating Revenues (Expenses)	-	-	(26)
Income (Loss) Before Contributions	-	-	(402)
Capital Contributions	-	-	(26,990)
Transfers In	-	-	-
Transfers Out	-	-	(12,035)
Change in Net Position	-	-	(39,427)
Net Position, January 1	22	143	41,014
Prior Period Adjustment	-	-	-
Net Position, January 1 restated	22	143	41,014
Total Net Position - Ending	\$ 22	\$ 143	\$ 1,587

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 2 of 4

	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
OPERATING REVENUES				
Charges for Services	\$ 232	\$ 8,333	\$ 780	\$ 2,452
Interfund Insurance Premiums	-	-	-	-
Other Operating Revenue	-	-	-	-
Total Operating Revenues	<u>232</u>	<u>8,333</u>	<u>780</u>	<u>2,452</u>
OPERATING EXPENSES				
Salaries & Benefits	-	4,749	152	784
Supplies	-	87	319	486
Service	235	1,612	337	1,498
Depreciation	-	3,784	31	431
Total Operating Expenses	<u>235</u>	<u>10,232</u>	<u>839</u>	<u>3,199</u>
Operating Income (Loss)	<u>(3)</u>	<u>(1,899)</u>	<u>(59)</u>	<u>(747)</u>
NON-OPERATING REVENUE (EXPENSE)				
Interest Revenue	2	188	-	105
Other Non-Operating Revenues	1	111	1	74
Gain (Loss) on Sale of Capital Assets	-	220	-	-
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>3</u>	<u>519</u>	<u>1</u>	<u>179</u>
Income (Loss) Before Contributions	-	(1,380)	(58)	(568)
Capital Contributions	-	-	-	-
Transfers In	-	1,051	-	-
Transfers Out	-	(420)	-	-
Change in Net Position	<u>-</u>	<u>(749)</u>	<u>(58)</u>	<u>(568)</u>
Net Position, January 1	140	33,959	769	8,819
Prior Period Adjustment	-	(526)	-	239
Net Position, January 1 restated	140	33,433	769	9,058
Total Net Position - Ending	<u>\$ 140</u>	<u>\$ 32,684</u>	<u>\$ 711</u>	<u>\$ 8,490</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 3 of 4

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
OPERATING REVENUES				
Charges for Services	\$ -	\$ -	\$ -	\$ 4,935
Interfund Insurance Premiums	5,036	617	6,972	-
Other Operating Revenue	-	-	-	-
Total Operating Revenues	<u>5,036</u>	<u>617</u>	<u>6,972</u>	<u>4,935</u>
OPERATING EXPENSES				
Salaries & Benefits	1	-	253	1,793
Supplies	1	-	8	403
Service	4,264	1,374	6,735	2,406
Depreciation	-	-	-	279
Total Operating Expenses	<u>4,266</u>	<u>1,374</u>	<u>6,996</u>	<u>4,881</u>
Operating Income (Loss)	<u>770</u>	<u>(757)</u>	<u>(24)</u>	<u>54</u>
NON-OPERATING REVENUE (EXPENSE)				
Interest Revenue	120	16	126	45
Other Non-Operating Revenues	85	891	88	41
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>205</u>	<u>907</u>	<u>214</u>	<u>86</u>
Income (Loss) Before Contributions	<u>975</u>	<u>150</u>	<u>190</u>	<u>140</u>
Capital Contributions	-	-	-	-
Transfers In	-	-	-	300
Transfers Out	-	-	-	-
Change in Net Position	<u>975</u>	<u>150</u>	<u>190</u>	<u>440</u>
Net Position, January 1	(28,070)	1,023	3,361	8,266
Prior Period Adjustment	-	-	-	-
Net Position, January 1 restated	(28,070)	1,023	3,361	8,266
Total Net Position - Ending	<u>\$ (27,095)</u>	<u>\$ 1,173</u>	<u>\$ 3,551</u>	<u>\$ 8,706</u>

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

For the Year Ended December 31, 2020

(amounts expressed in thousands)

Page 4 of 4

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 55,611	\$ -	\$ -	\$ 79,963
Interfund Insurance Premiums	-	75,468	1,840	89,933
Other Operating Revenue	2	-	-	2
Total Operating Revenues	<u>55,613</u>	<u>75,468</u>	<u>1,840</u>	<u>169,898</u>
OPERATING EXPENSES				
Salaries & Benefits	40,672	896	-	52,881
Supplies	2,233	7	-	3,633
Service	12,891	80,120	119	112,566
Depreciation	1,679	1	-	9,556
Total Operating Expenses	<u>57,475</u>	<u>81,024</u>	<u>119</u>	<u>178,636</u>
Operating Income (Loss)	<u>(1,862)</u>	<u>(5,556)</u>	<u>1,721</u>	<u>(8,738)</u>
NON-OPERATING REVENUE (EXPENSE)				
Interest Revenue	386	387	152	1,588
Other Non-Operating Revenues	433	159	102	2,133
Gain (Loss) on Sale of Capital Assets	-	-	-	(14)
Other Non-Operating Expenses	(6)	-	-	(6)
Total Non-Operating Revenues (Expenses)	<u>813</u>	<u>546</u>	<u>254</u>	<u>3,701</u>
Income (Loss) Before Contributions	<u>(1,049)</u>	<u>(5,010)</u>	<u>1,975</u>	<u>(5,037)</u>
Capital Contributions	-	-	-	(26,990)
Transfers In	804	-	-	2,155
Transfers Out	<u>(625)</u>	<u>-</u>	<u>-</u>	<u>(13,080)</u>
Change in Net Position	<u>(870)</u>	<u>(5,010)</u>	<u>1,975</u>	<u>(42,952)</u>
Net Position, January 1	25,595	12,307	5,099	112,447
Prior Period Adjustment	-	-	-	(287)
Net Position, January 1 restated	25,595	12,307	5,099	112,160
Total Net Position - Ending	<u>\$ 24,725</u>	<u>\$ 7,297</u>	<u>\$ 7,074</u>	<u>\$ 69,208</u>

COMBINING STATEMENT OF CASH FLOW
INTERNAL SERVICE FUNDS

For year ended December 31, 2020
(amounts expressed in thousands)

Page 1 of 8

	Finance Department #5007	BSIP Project #5027	TPU Fleet Service #5050	Tacoma Training & Employment Program #5086
CASH FLOW FROM OPERATING ACTIVITIES				
Receipt from customers and users	\$ -	\$ -	\$ 4,795	\$ -
Receipts from interfund services provided	-	-	317	232
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	-	-	(1,150)	(230)
Payments to employees	-	-	(753)	-
Payments for taxes	-	-	15	-
Payments for interfund services used	-	-	(601)	(5)
Other operating or non-operating revenues	-	-	20	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	2,643	(3)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	-	-	-
Grants and contributions received	-	-	-	-
Transfer to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	-	-
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES				
Acquisitions and constructions of capital assets	-	-	20,979	-
Principals paid on capital debts	-	-	-	-
Transfers to other funds	-	-	(39,025)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	-	(18,046)	-
CASH FLOW FROM INVESTING ACTIVITIES				
Interests and dividends received	-	-	62	2
Change in fair value of investment	-	-	126	1
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	188	3
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 -	 -	 (15,215)	 -
CASH AND CASH EQUIVALENTS, JANUARY 1	1	143	16,968	140
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1	\$ 143	\$ 1,753	\$ 140

COMBINING STATEMENT OF CASH FLOW
INTERNAL SERVICE FUNDS

For year ended December 31, 2020

(amounts expressed in thousands)

Page 2 of 8

	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540	Third Party Liabilities Claims #5550
CASH FLOW FROM OPERATING ACTIVITIES				
Receipt from customers and users	\$ 7,656	\$ 614	\$ 3,220	\$ -
Receipts from interfund services provided	683	100	-	-
Contribution received - employee/employer	-	-	-	5,036
Payments to suppliers	72	(586)	(2,105)	(3,653)
Payments to employees	(4,717)	(152)	(747)	-
Payments for taxes	(3)	(70)	-	-
Payments for interfund services used	(2,949)	(67)	(118)	(548)
Other operating or non-operating revenues	15	2	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>757</u>	<u>(159)</u>	<u>250</u>	<u>835</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	2,966	-	-	-
Grants and contributions received	-	-	-	-
Transfer to other funds	(2,335)	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>631</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES				
Acquisitions and constructions of capital assets	(4,153)	-	478	-
Principals paid on capital debts	-	-	-	-
Transfers to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(4,153)</u>	<u>-</u>	<u>478</u>	<u>-</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interests and dividends received	189	-	105	120
Change in fair value of investment	95	(1)	74	85
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>284</u>	<u>(1)</u>	<u>179</u>	<u>205</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,481)</u>	<u>(160)</u>	<u>907</u>	<u>1,040</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>14,215</u>	<u>190</u>	<u>6,456</u>	<u>7,408</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 11,734</u>	<u>\$ 30</u>	<u>\$ 7,363</u>	<u>\$ 8,448</u>

COMBINING STATEMENT OF CASH FLOW
INTERNAL SERVICE FUNDS

For year ended December 31, 2020

(amounts expressed in thousands)

Page 3 of 8

	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700	GG Internal Services #5800
CASH FLOW FROM OPERATING ACTIVITIES				
Receipt from customers and users	\$ -	\$ -	\$ 4,935	\$ 553
Receipts from interfund services provided	-	-	-	54,716
Contribution received - employee/employer	617	6,972	-	-
Payments to suppliers	(872)	(5,014)	(2,339)	(12,807)
Payments to employees	-	(226)	(1,763)	(39,983)
Payments for taxes	-	(1,347)	(42)	-
Payments for interfund services used	-	-	(415)	162
Other operating or non-operating revenues	-	-	6	(1)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(255)	385	382	2,640
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	-	300	1,114
Grants and contributions received	884	-	-	198
Transfer to other funds	-	-	-	(935)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	884	-	300	377
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES				
Acquisitions and constructions of capital assets	-	-	(3)	(3,030)
Principals paid on capital debts	-	-	-	-
Transfers to other funds	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	-	-	(3)	(3,030)
CASH FLOW FROM INVESTING ACTIVITIES				
Interests and dividends received	16	126	44	386
Change in fair value of investment	7	88	35	233
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	23	214	79	619
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	652	599	758	606
CASH AND CASH EQUIVALENTS, JANUARY 1	1,116	7,629	2,698	21,664
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,768	\$ 8,228	\$ 3,456	\$ 22,270

COMBINING STATEMENT OF CASH FLOW
INTERNAL SERVICE FUNDS

For year ended December 31, 2020

(amounts expressed in thousands)

Page 4 of 8

	Health Benefits #64XX	Self Insurance Claims #4800	Total
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt from customers and users	\$ 422	\$ 1,840	\$ 24,035
Receipts from interfund services provided	-	-	56,048
Contribution received - employee/employer	75,046	-	87,671
Payments to suppliers	(80,360)	(973)	(110,017)
Payments to employees	(898)	-	(49,239)
Payments for taxes	-	-	(1,447)
Payments for interfund services used	(108)	(81)	(4,730)
Other operating or non-operating revenues	-	-	42
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(5,898)</u>	<u>786</u>	<u>2,363</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	-	4,380
Grants and contributions received	-	-	1,082
Transfer to other funds	-	-	(3,270)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>2,192</u>
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES			
Acquisitions and constructions of capital assets	-	-	14,271
Principals paid on capital debts	-	-	-
Transfers to other funds	-	-	(39,025)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(24,754)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interests and dividends received	387	152	1,589
Change in fair value of investment	159	102	1,004
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>546</u>	<u>254</u>	<u>2,593</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 <u>(5,352)</u>	 <u>1,040</u>	 <u>(17,606)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>27,433</u>	<u>9,133</u>	<u>115,194</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 22,081</u>	<u>\$ 10,173</u>	<u>\$ 97,588</u>

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

For year ended December 31, 2020

(amounts expressed in thousands)

Page 5 of 8

	Finance Department #5007	BSIP Project #5027	TPU Fleet Service #5050	Tacoma Training & Employment Program #5086
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ -	\$ -	\$ (376)	\$ (3)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	3,351	-
(Increase) decrease in accounts receivable	-	-	201	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in inventories	-	-	4	-
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other assets	-	-	555	-
Increase (decrease) in accounts payable	-	-	(648)	-
Increase (decrease) in accrued wages	-	-	(503)	-
Increase (decrease) in compensated absences	-	-	39	-
Increase (decrease) in other current liabilities	-	-	-	-
Miscellaneous non-operating revenues (expenses)	-	-	20	-
Prior period adjustments	-	-	-	-
Total adjustments	-	-	3,019	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ -	\$ 2,643	\$ (3)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOW
INTERNAL SERVICE FUNDS

For year ended December 31, 2020

(amounts expressed in thousands)

Page 6 of 8

	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540	Third Party Liabilities Claims #5550
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,899)	\$ (59)	\$ (747)	\$ 770
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	3,784	31	431	-
(Increase) decrease in accounts receivable	6	(66)	528	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in inventories	(17)	(9)	-	-
(Increase) decrease in prepaid items	4	-	-	(29)
(Increase) decrease in other assets	773	44	150	26
Increase (decrease) in accounts payable	(641)	(57)	(239)	2,627
Increase (decrease) in accrued wages	(704)	(43)	(137)	(25)
Increase (decrease) in compensated absences	(37)	(1)	25	-
Increase (decrease) in other current liabilities	-	-	-	(2,534)
Miscellaneous non-operating revenues (expenses)	14	1	-	-
Prior period adjustments	(526)	-	239	-
Total adjustments	2,656	(100)	997	65
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 757	\$ (159)	\$ 250	\$ 835
	-	-	-	-
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOW
INTERNAL SERVICE FUNDS

For year ended December 31, 2020

(amounts expressed in thousands)

Page 7 of 8

	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700	GG Internal Services #5800
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (757)	\$ (24)	\$ 54	\$ (1,862)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	279	1,679
(Increase) decrease in accounts receivable	-	-	1	(222)
(Increase) decrease in intergovernmental receivables	-	-	-	(21)
(Increase) decrease in inventories	-	-	-	(36)
(Increase) decrease in prepaid items	-	26	32	409
(Increase) decrease in other assets	-	450	387	6,480
Increase (decrease) in accounts payable	502	66	(19)	1,015
Increase (decrease) in accrued wages	-	(422)	(361)	(5,872)
Increase (decrease) in compensated absences	-	-	4	1,073
Increase (decrease) in other current liabilities	-	289	-	-
Miscellaneous non-operating revenues (expenses)	-	-	5	(3)
Prior period adjustments	-	-	-	-
Total adjustments	<u>502</u>	<u>409</u>	<u>328</u>	<u>4,502</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (255)</u>	<u>\$ 385</u>	<u>\$ 382</u>	<u>\$ 2,640</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contribution of capital assets	-	-	-	-

COMBINING STATEMENT OF CASH FLOW
INTERNAL SERVICE FUNDS

For year ended December 31, 2020

(amounts expressed in thousands)

Page 8 of 8

	Health Benefits #64XX	Self Insurance Claims #4800	Total
	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (5,556)	\$ 1,721	\$ (8,738)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1	-	9,556
(Increase) decrease in accounts receivable	-	-	448
(Increase) decrease in intergovernmental receivables	-	-	(21)
(Increase) decrease in inventories	-	-	(58)
(Increase) decrease in prepaid items	-	-	442
(Increase) decrease in other assets	-	-	8,865
Increase (decrease) in accounts payable	117	(23)	2,700
Increase (decrease) in accrued wages	(1)	-	(8,068)
Increase (decrease) in compensated absences	-	-	1,103
Increase (decrease) in other current liabilities	(459)	(912)	(3,616)
Miscellaneous non-operating revenues (expenses)	-	-	37
Prior period adjustments	-	-	(287)
Total adjustments	<u>(342)</u>	<u>(935)</u>	<u>11,101</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (5,898)</u>	<u>\$ 786</u>	<u>\$ 2,363</u>
	-	-	
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contribution of capital assets	-	-	

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

Fiscal Year Ending 31-Dec	Assessments Levied	Assessments Collected	Total Assessments Outstanding
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
2020	-	2,639,374	20,095,463

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



SECTION 3

STATISTICAL SECTION

FINANCIAL TRENDS

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

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

REVENUE CAPACITY

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

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

DEBT CAPACITY

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

16. DEMOGRAPHIC AND ECONOMIC STATISTICS
17. PRINCIPAL EMPLOYERS

OPERATING INFORMATION

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

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

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

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

(1) 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

	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$673,093	\$666,530	\$634,650	628,205	620,972
Restricted	113,897	168,280	179,780	194,244	213,926
Unrestricted	(35,177)	(68,583)	(97,026)	(99,133)	(84,216)
Total governmental activities net position	751,813	766,227	717,404	723,316	750,682
Business-type activities					
Net investment in capital assets	1,613,805	1,636,652	1,671,671	1,699,160	1,700,269
Restricted	124,289	129,836	211,427	177,563	171,938
Unrestricted	287,195	301,616	295,681	334,523	394,377
Total business-type activities net position	2,025,289	2,068,104	2,178,779	2,211,246	2,266,584
Primary government					
Net investment in capital assets	2,286,898	2,303,182	2,306,321	2,327,365	2,321,241
Restricted	238,186	298,116	391,207	371,807	385,864
Unrestricted	252,018	233,033	198,655	235,390	310,161
Total primary government net position	2,777,102	2,834,331	2,896,183	2,934,562	3,017,266

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

	2011	2012	2013	2014	2015
Governmental activities:					
General government	\$ 34,732	\$ 52,038	\$ 49,781	\$ 56,887	\$ 51,578
Public Safety	163,575	150,575	138,368	142,097	144,312
Utilities	102	2	2,477	2,580	2,864
Transportation	75,692	52,424	58,288	61,524	57,885
Social Services	3,129	757	1,953	2,649	3,551
Natural & Econ Environment	24,023	23,510	21,255	22,856	20,887
Culture and Recreation	43,460	10,690	18,832	14,823	18,448
Interest on long-term debt	6,121	6,351	14,401	13,001	13,643
Total governmental activities expense	350,834	296,347	305,355	316,417	313,168
Business-type activities:					
Public Assembly Facilities	23,797	24,062	16,832	19,801	17,801
Rail	22,089	24,753	29,024	30,095	28,579
Solid Waste	54,518	59,391	67,591	61,040	54,867
Sewer (Waste Water)	79,390	83,294	81,286	80,343	84,984
Water	76,161	76,755	79,773	72,324	82,604
Power	371,829	395,954	432,321	422,265	425,044
Other business-type funds	7,335	9,147	14,979	16,005	16,594
Total business-type activities	635,119	673,356	721,806	701,873	710,473
Total primary government expenses	\$ 985,953	\$ 969,703	\$ 1,027,161	\$ 1,018,290	\$ 1,023,641
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 8,780	\$ 6,607	\$ 23,726	\$ 31,568	\$ 27,729
Public Safety	8,133	20,306	8,153	6,439	7,353
Utilities	82	93	287	353	297
Transportation	8,959	9,434	1,168	1,097	2,661
Social Services	761	421	207	-	-
Natural & Econ Environment	1,111	2,380	3,396	2,096	2,024
Culture and Recreation	415	1,180	417	75	86
Interest on long-term debt	1,010	2,658	-	-	-
Operating grants and contributions:	13,138	14,974	33,925	30,378	30,420
Capital grants and contributions	38,445	37,338	19,813	15,882	23,996
revenues	80,834	95,391	91,092	87,888	94,566
Business-type activities:					
Charges for services:					
Public Assembly Facilities	15,274	14,863	10,766	10,933	14,823
Rail	23,164	25,969	29,926	32,937	32,673
Solid Waste	57,781	57,541	62,026	64,642	66,843
Sewer (Waste Water)	78,318	81,582	85,493	90,648	97,583
Water	70,235	81,508	96,365	99,426	100,305
Power	373,962	395,105	438,444	468,988	437,491
NonMajor business-type funds	4,376	6,044	16,679	17,928	17,459
Operating grants and contributions:	601	180	7,438	7,968	8,138
Capital grants and contributions	61,585	31,222	25,150	19,587	21,582
Total business-type activities program revenues	685,296	694,014	772,287	813,057	796,897
Total primary government program revenues	\$ 766,130	\$ 789,405	\$ 863,379	\$ 900,945	\$ 891,463
Net (expense)/revenue					
Governmental activities	\$ (270,000)	\$ (200,956)	\$ (214,263)	\$ (228,529)	\$ (218,602)
Business-type activities	50,177	20,658	50,481	111,184	86,424
Total primary government net expense	\$ (219,823)	\$ (180,298)	\$ (163,782)	\$ (117,345)	\$ (132,178)

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

	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	\$ 74,293	\$ 24,436	\$ 39,791	\$ 44,839	\$ 28,171
Public Safety	175,131	162,416	154,794	\$ 188,233	\$ 188,563
Utilities	1	-	-	-	-
Transportation	60,881	69,741	78,066	95,718	75,468
Social Services	4,983	4,908	7,425	6,167	6,818
Natural & Econ Environment	36,759	25,102	25,864	25,435	28,745
Culture and Recreation	15,258	11,187	15,380	24,249	19,276
Interest on long-term debt	8,670	8,837	6,680	16,261	7,719
Total governmental activities expense	375,976	306,627	328,000	400,902	354,760
Business-type activities:					
Public Assembly Facilities	20,986	23,243	-	-	-
Rail	31,571	33,579	-	-	-
Solid Waste	66,661	52,938	55,544	61,534	63,262
Sewer (Waste Water)	92,958	95,960	91,802	104,565	108,263
Water	95,869	97,540	96,565	101,075	107,093
Power	404,566	420,368	406,741	481,736	435,080
Other business-type funds	16,721	16,326	70,862	82,286	76,545
Total business-type activities	729,332	739,954	721,514	831,196	790,243
Total primary government expenses	\$ 1,105,308	\$ 1,046,581	\$ 1,049,514	\$ 1,232,098	\$ 1,145,003
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 39,227	\$ 23,007	\$ 24,223	\$ 25,512	\$ 22,850
Public Safety	15,625	20,221	14,734	17,729	15,548
Utilities	-	-	-	-	-
Transportation	5,749	1,994	5,087	1,911	2,533
Social Services	-	-	9	21	476
Natural & Econ Environment	2,116	3,145	2,410	1,906	2,370
Culture and Recreation	65	195	325	2,867	3,468
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:	33,903	31,791	44,865	55,031	47,185
Capital grants and contributions	7,392	11,549	18,304	4,122	10,775
Total governmental activities program revenues	104,077	91,902	109,957	109,099	105,205
Business-type activities:					
Charges for services:					
Tacoma Venues and Events	15,871	16,270	*	*	*
Rail	33,864	33,246	*	*	*
Solid Waste	71,809	67,964	69,541	73,580	75,863
Sewer (Waste Water)	106,601	111,787	118,606	119,257	122,927
Water	94,433	95,085	103,364	104,365	105,391
Power	420,332	446,343	458,960	462,673	462,707
Other business-type funds	18,372	20,847	72,889	84,779	63,944
Operating grants and contributions:	8,392	208	-	-	-
Capital grants and contributions	21,413	30,528	52,194	50,369	38,277
Total business-type activities program revenues	791,087	822,278	875,554	895,023	869,109
Total primary government program revenues	\$ 895,164	\$ 914,180	\$ 985,511	\$ 1,004,122	\$ 974,314
Net (expense)/revenue					
Governmental activities	\$ (271,899)	\$ (214,725)	\$ (218,043)	\$ (291,803)	\$ (249,555)
Business-type activities	61,755	82,324	154,040	63,827	78,866
Total primary government net expense	\$ (210,144)	\$ (132,401)	\$ (64,003)	\$ (227,976)	\$ (170,689)

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

Page 3 of 4

	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 60,733	\$ 64,900	\$ 62,487	\$ 64,204	\$ 67,313
Excise taxes	-	-	-	5,359 (2)	12,096
Sales taxes	42,643	46,738	45,743	47,976	81,772
Business taxes	87,029	90,710	103,631	63,969	36,325
Unrestricted investment earnings	6,133	856	297	2,044	2,000
Gain on sale of capital assets	(184)	1,684	136	46	(103)
Transfers	(6,320)	(10,186)	(2,153)	44,853	43,572
Total governmental activities	190,034	194,702	210,141	228,451	242,975
Business-type activities:					
Taxes	-	-	-	-	-
Unrestricted investment earnings	23,408	18,947	3,063	1,130	3,965
Gain on sale of capital assets	(84)	341	(184)	644	4,679
Transfers	6,320	10,186	2,153	(44,853)	(43,572)
Total business-type activities	29,644	29,474	5,032	(43,079)	(34,928)
Total primary government	\$ 219,678	\$ 224,176	\$ 215,173	\$ 185,372	\$ 208,047
Change in Net Position					
Governmental activities	\$ (79,966)	\$ (6,254)	\$ (4,122)	\$ (78)	\$ 24,373
Business-type activities	79,821	50,132	55,513	68,105	51,496
Total primary government	\$ (145)	\$ 43,878	\$ 51,391	\$ 68,027	\$ 75,869

(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

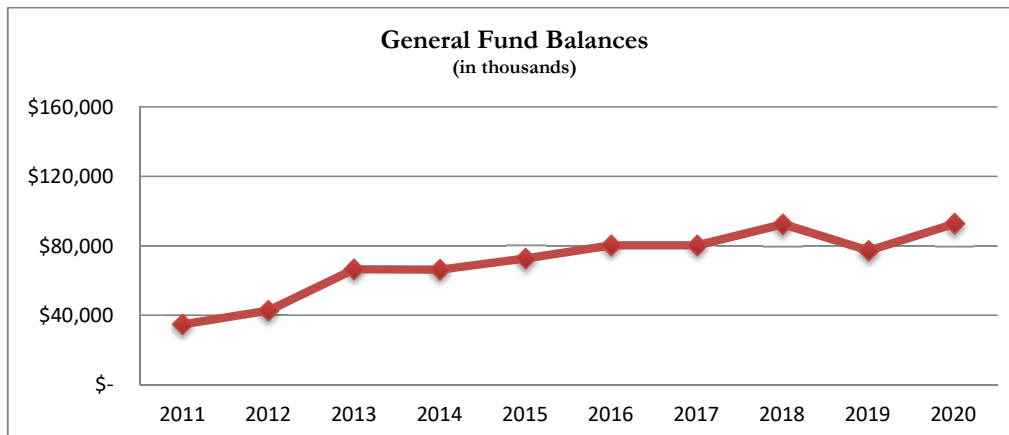
	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 78,886	\$ 74,479	\$ 74,918	\$ 77,970	\$ 81,388
Excise taxes	13,900	12,881	15,665	15,320	14,747
Sales taxes	58,970	71,634	76,153	81,132	77,718
Business taxes	49,440	51,043	53,249	53,563	52,042
Unrestricted investment earnings	2,141	2,134	5,028	9,473	4,992
Gain on sale of capital assets	175	293	1,233	366	498
Transfers	48,973	51,452	49,459	52,627	231,385
Total governmental activities	252,485	263,916	275,705	290,451	462,770
Business-type activities:					
Taxes	-	1,702	1,387	-	-
Unrestricted investment earnings	6,223	5,591	10,848	24,682	18,509
Gain on sale of capital assets	782	4,650	3,250	107	4,836
Transfers	(48,973)	(51,452)	(49,459)	(52,627)	23,345
Total business-type activities	(41,968)	(39,509)	(33,974)	(27,838)	46,690
Total primary government	\$ 210,517	\$ 224,407	\$ 241,731	\$ 262,613	\$ 509,460
Change in Net Position					
Governmental activities	\$ (19,414)	\$ 49,191	\$ 57,662	\$ (1,352)	\$ 213,215
Business-type activities	19,787	42,815	120,066	35,989	125,556
Total primary government	\$ 373	\$ 92,006	\$ 177,728	\$ 34,637	\$ 338,771

*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

	2011	(1)	2012	2013	2014	2015
General Fund						
Nonspendable	\$ 17,361		\$ 16,719	\$ 15,961	\$ 15,026	\$ 9,933
Restricted	2		-	9	9	9
Committed	-		-	-	-	-
Committed - Council Contingencies	1,117		1,130	982	973	732
Assigned	2,133		1,274	6,364	1,949	5,580
Unassigned	14,239		23,573	43,178	48,343	56,517
Total General Fund	\$ 34,852		\$ 42,696	\$ 66,494	\$ 66,300	\$ 72,771
All other governmental funds						
Nonspendable	\$ 1,920		\$ 1,913	\$ 1,833	\$ 1,824	\$ 1,887
Restricted	85,191		78,341	74,797	79,622	69,493
Committed	18,928		20,669	21,728	237	370
Assigned	36,261		6,863	4,722	21,743	17,048
Unassigned	(43,860)		(5,079)	(8,530)	(5,709)	(4,512)
Total all other governmental funds	\$ 98,440		\$ 102,707	\$ 94,550	\$ 97,717	\$ 84,286

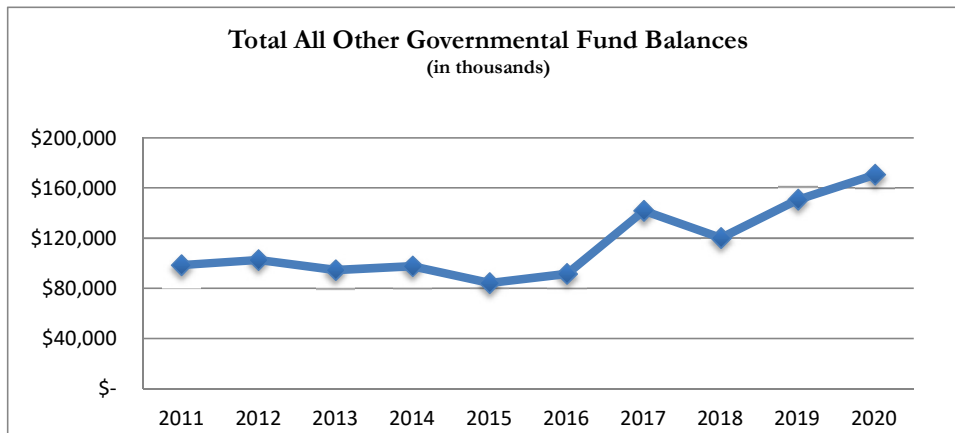
(1) In 2011 the City implemented GASB 54.



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

	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 7,774	\$ 3,630	\$ 3,915	\$ 4,074	\$ 3,720
Restricted	476	352	388	395	376
Committed	-	52 (2)	588	710	896
Committed - Council Contingencies	584	647	-	-	-
Assigned	2,592	7,974	3,148	1,992	1,826
Unassigned	68,922	67,559	84,377	70,115	85,993
Total General Fund	\$ 80,348	\$ 80,214	\$ 92,416	\$ 77,286	\$ 92,811
All other governmental funds					
Nonspendable	\$ 1,887	\$ 1,685	\$ 1,404	\$ 1,423	\$ 1,453
Restricted	78,204	115,791	97,006	116,757	139,833
Committed	1,047	8,211	7,680	15,651	10,505
Assigned	14,941	16,177	14,206	17,027	18,885
Unassigned	(4,429)	134	(3)	-	-
Total all other governmental funds	\$ 91,650	\$ 141,998	\$ 120,293	\$ 150,858	\$ 170,676

(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

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

(1) 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**

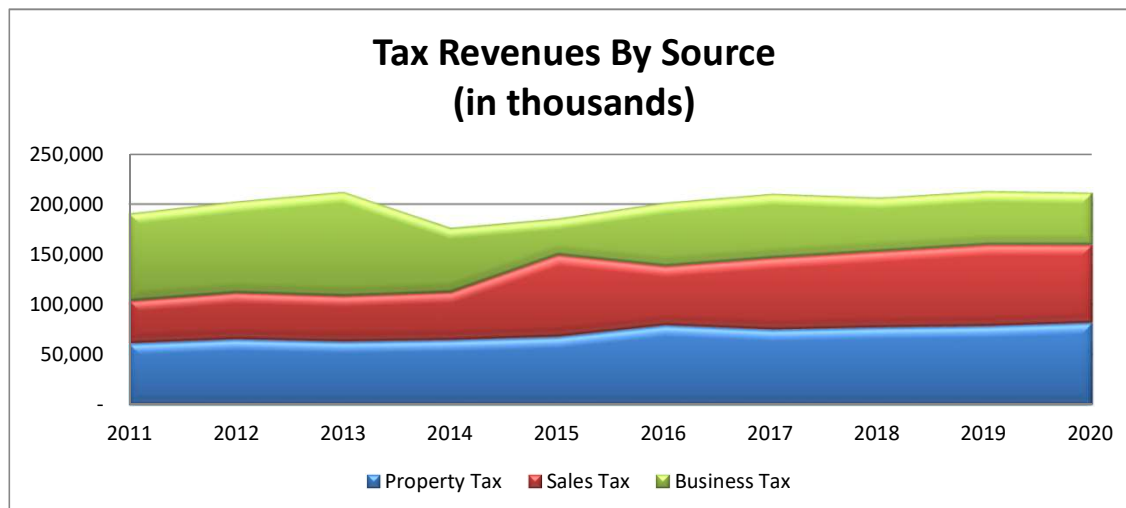
Table 4
(modified accrual basis of accounting)
(amounts expressed in thousands)
Page 2 of 2

Revenues	2016	2017	2018	2019	2020
Taxes	\$ 197,531	\$ 209,970	\$ 221,697	\$ 229,023	\$ 225,562
Licenses and permits	9,335	11,207	11,520	11,025	10,330
Intergovernmental revenue	38,097	40,624	60,399	55,972	54,777
Charges for goods and services	39,544	20,623	22,131	21,298	21,445
Fines and forfeitures	7,182	6,931	5,616	6,868	7,018
Investment Earnings	1,702	1,677	3,789	6,741	3,617
Miscellaneous revenues	3,433	4,882	4,120	10,755	8,454
Total revenues	296,824	295,914	329,272	341,682	331,203
Expenditures					
General government	58,488	37,959	52,092	40,023	34,946
Public Safety	155,393	161,404	168,146	183,612	185,607
Physical environment	-	-	-	-	-
Transportation	24,219	40,182	47,614	44,697	41,146
Natural & Economic environment	31,853	24,132	25,528	24,836	28,875
Social Services	4,360	4,712	7,696	6,068	6,763
Culture and recreation	11,781	13,459	13,701	21,317	17,192
Capital outlay	22,869	22,509	44,654	24,389	22,888
Debt Service:					
Principal retirement	16,074	13,805	13,988	22,629	13,630
Interest and fiscal charges	8,670	8,837	8,874	8,806	8,109
Total Expenditures	333,707	326,999	382,293	376,377	359,156
Excess of revenues over (under) expenditures	(36,883)	(31,085)	(53,021)	(34,695)	(27,953)
Other financing sources (uses)					
Sale of capital asset	526	4,852	988	86	-
Transfers in	98,474	134,993	134,776	133,577	127,397
Transfers out	(51,163)	(87,303)	(90,933)	(89,671)	(69,769)
Insurance recoveries	55	60	71	34	278
Proceeds from bonds issues	4,563	-	-	-	-
Issuance of debt	-	27,512	2,209	6,219	2,349
Payment to escrow - refunded bond	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Discount on issuance of debt	-	-	-	-	-
Total other financing sources &	52,455	80,114	47,111	50,245	60,255
Net change in fund balances	\$ 15,572	\$ 49,029	\$ (5,910)	\$ 15,550	\$ 32,302
Debt service as a percentage of noncapital expenditures	8.0%	7.4%	6.8%	8.9%	6.5%

**Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years**

**Table 5
(accrual basis of accounting)
(amounts expressed in thousands)**

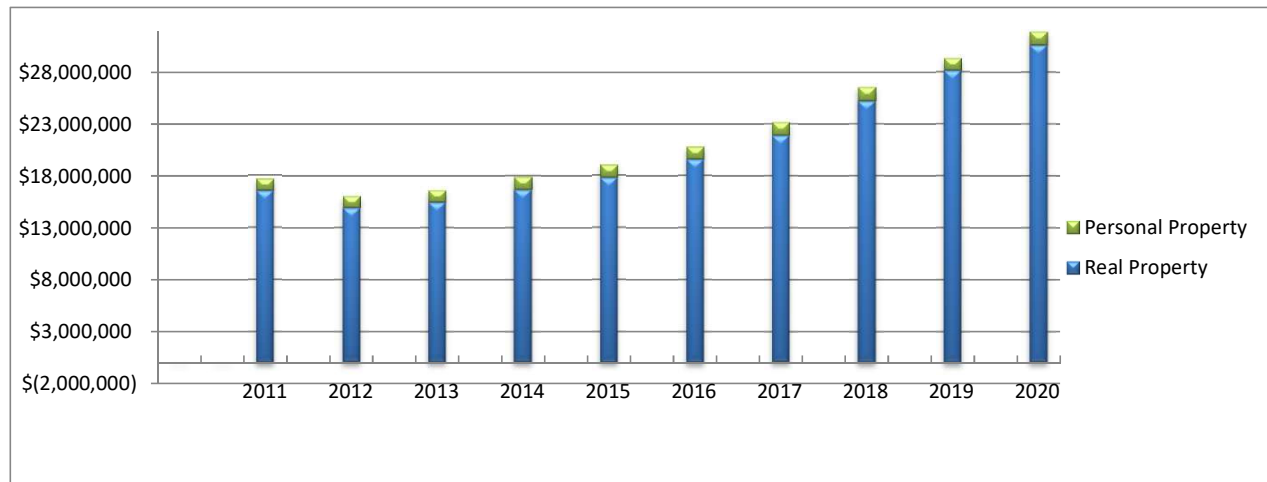
Fiscal Year	Property Tax	Sales Tax	Business Tax	Total
2011	60,733	42,643	87,029	190,405
2012	64,900	46,738	90,710	202,348
2013	62,487	45,743	103,631	211,861
2014	64,204	47,976	63,969 (1)	176,149
2015	67,313	81,772	36,325	185,410
2016	78,886	58,970	63,340	201,196
2017	74,479	71,634	63,924	210,037
2018	76,630	76,153	53,249	206,032
2019	77,970	81,132	53,563	212,665
2020	81,388	77,718	52,042	211,148



(1) 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**

Tax Year	Real Property Assessed Value/ Estimated Actual Value (\$ in Thousands)	Personal Property Assessed Value/ Estimated Actual Value (\$ in Thousands)	Total Assessed Value/ Estimated Actual Value (\$ in Thousands)	Total Direct Tax Rate	Growth Increase (Decrease) Dollars (\$ in Thousands)	Percent Increase (Decrease)	Assessed Value Per Capita
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%	142,429
2020	30,599,224	1,324,626	31,923,850	2.58	2,141,915	7.19%	144,283



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

Fiscal Year End December 31	City of Tacoma	Tacoma School District #10	Pierce County	Port of Tacoma	Metro Park District	Washington State	Total
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
2020	2.58	4.66	0.98	0.17	0.91	2.93	12.23

"CITY" TAX RATE BREAKDOWN:

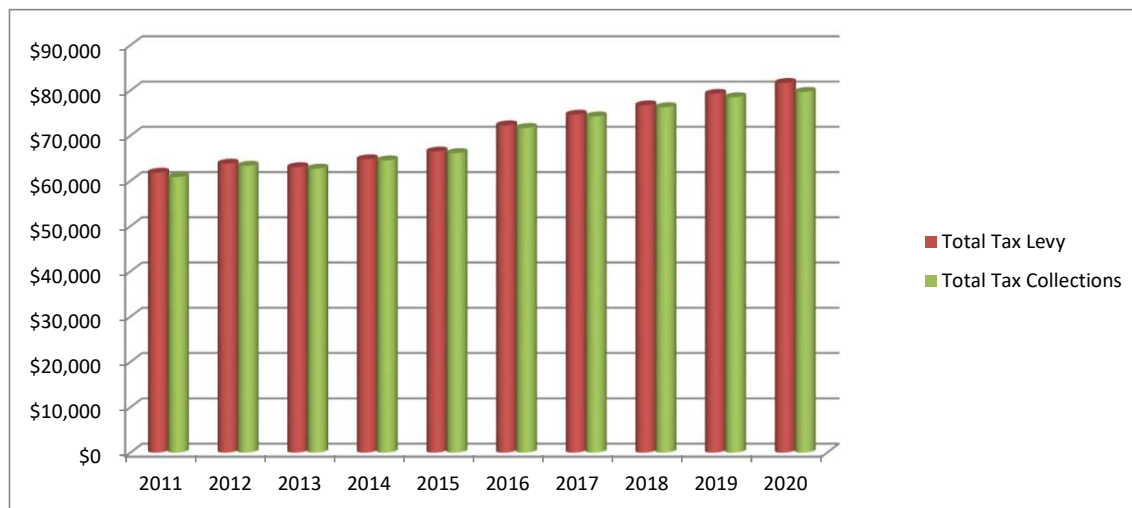
	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund	\$2.35	\$2.17	\$2.04
Councilmanic Nonvoted Bonds	0.11	0.09	0.09
EMS Levy	0.42	0.38	0.36
G.O. Bonds	0.11	0.1	0.09
TOTAL CITY	<u>\$2.99</u>	<u>\$2.74</u>	<u>\$2.58</u>

- Above schedule includes both regular and voted excess tax levies. Property is being assessed at 100% of true and fair market value.
- In the State of Washington property taxes, by statute, are assessed and collected by the counties for the various taxing districts with distribution of collections made in accordance with taxes levied.
- First half property tax payments must be paid on or before April 30, after which date, if unpaid, the total annual tax becomes delinquent. The second half payment is payable on or before October 31, becoming delinquent November 1.
- Each year listed represents the levy year (i.e., the year 2020 represents 2021 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
2011	\$61,823	\$58,881	95.24%	\$1,972	(\$967)	\$60,853	98.43%	\$3	0.00%
2012	\$63,821	\$61,484	96.34%	\$1,863	(\$471)	\$63,347	99.26%	\$3	0.00%
2013	\$63,031	\$60,795	96.45%	\$1,916	(\$317)	\$62,711	99.49%	\$3	0.00%
2014	\$64,789	\$62,855	97.01%	\$1,678	(\$254)	\$64,533	99.60%	\$2	0.00%
2015	\$66,494	\$64,839	97.51%	\$1,306	(\$348)	\$66,145	99.48%	\$1	0.00%
2016	\$72,290	\$70,280	97.22%	\$1,427	(\$571)	\$71,707	99.19%	\$12	0.02%
2017	\$74,638	\$72,855	97.61%	\$1,401	(\$361)	\$74,256	99.49%	\$21	0.03%
2018	\$76,710	\$75,191	98.02%	\$1,108	(\$209)	\$76,293	99.46%	\$208	0.27%
2019	\$79,244	\$77,522	97.83%	\$980	(\$280)	\$78,502	99.06%	\$462	0.58%
2020	\$81,656	\$79,678	97.58%	\$0	(\$260)	\$79,678	97.58%	\$1,718	2.10%

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



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

TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS

<u>TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
Comcast Cable Communications Management	Cable Telecommunications
Comcast Phone of Washington/RGN LLC	Telecommunications
MultiCare Health System	Healthcare Services
Northwest Physicians Network	Healthcare Services
Puget Sound Energy Inc	Natural Gas
Rainier Connect North LLC DBA Click Cable TV	Cable Telecommunications
St Joseph Hospital	Healthcare Services
US Oil & Refining Co	Petroleum Refinery
Verizon Wireless	Wireless Telecommunications
Westrock CP LLC	Pulp Mill/Paper Manufacturer

2020 Aggregate B&O Tax of Top Ten Taxpayers (in thousands) \$18,344

TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2011

<u>TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	Cellular
Comcast of Tacoma, Inc.	Telecommunications
Puget Sound Energy, Inc.	Natural Gas
Qwest Corporation	Telecommunications
Schnitzer Steel Industries	Scrap Metal Recycler
Sprint PCS	Cellular
T Mobile West Corporation	Cellular
US Oil Trading LLC	Petroleum Refinery
Verizon Wireless	Cellular
West Coast Grocery Div	Grocery

2020 Aggregate B&O Tax of Top Ten Taxpayers (in thousands) \$13,646

- 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 2020

<u>TAXPAYERS</u>	<u>RANK</u>	<u>2020 ASSESSED VALUE</u>	<u>PERCENTAGE TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$300,113	19.8%
US Oil and Refining Co	2	245,735	16.2%
Puget Sound Energy/Gas	3	222,898	14.7%
Rocktenn CP LLC	4	222,365	14.6%
Westbridges Apartments Property Owner LLC	5	100,815	6.6%
Targa Sound Terminal LLC	6	96,599	6.4%
IPT Tacoma Logistics Center LLC	7	93,712	6.2%
Prologis Targeted US Logistic Fund LP	8	81,603	5.4%
Fairways TIC I/II/III LLC	9	78,337	5.2%
DCT Blair Logistics Center LLC	10	76,335	5.0%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$1,518,512</u>	<u>100%</u>

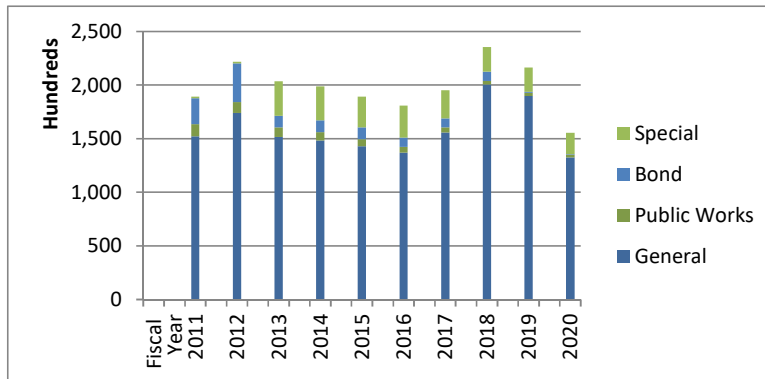
TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2011

<u>TAXPAYERS</u>	<u>RANK</u>	<u>2010 ASSESSED VALUE</u>	<u>PERCENTAGE TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$189,027	24.6%
Simpson Kraft Company	3	81,441	10.6%
CSC of Tacoma LLC	2	76,024	9.9%
US Oil and Refining Co	7	72,229	9.4%
AT&T Mobility LLC	4	70,646	9.2%
Qwest Corporation	6	65,750	8.6%
Puget Sound Energy/Gas	5	65,333	8.5%
Simpson Lumber Company LLC	8	58,389	7.6%
ERP Operating LP	9	44,565	5.8%
NGP Centennial Tacoma 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
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	-
2020	132,485	190	2,282	841	20,035	-

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



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

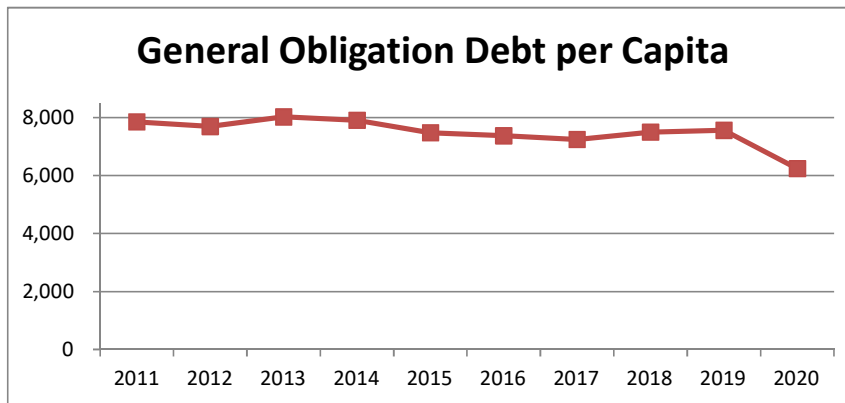
Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (2)	Per Capita (3)
	Revenue Bonds & Loans (1)	General Obligation Bonds	Unamortized Premium/ Discounts	Capital Leases			
2011	1,332,753	59,390	18,320	98	1,603,440	5.02%	7,852
2012	1,226,401	64,115	15,042	50	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%	7,910
2015	1,194,317	60,066	57,598	-	1,502,800	3.90%	7,480
2016	1,189,198	57,435	62,250	-	1,490,989	3.68%	7,370
2017	1,191,244	54,778	64,559	-	1,506,662	3.51%	7,240
2018	1,215,938	51,987	64,147	-	1,568,032	3.43%	7,499
2019	1,247,484	49,390	58,925	-	1,572,630	3.24%	7,563
2020	1,124,115	46,714	53,934	-	1,380,596	2.85%	6,240

(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.

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



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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund (1)	Total	% of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
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%	899
2019	189,994	1,735	188,259	0.63%	900
2020	132,485	1,792	130,693	0.41%	628

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.

(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 of Governmental Activities
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	181,480	100%	181,480
<u>OVERLAPPING DEBT</u>			
Tacoma School District #10	975,350	91.9%	896,032
Metropolitan Park District	143,045	94.7%	135,531
Port of Tacoma	142,140	22.7%	32,288
Pierce County	133,125	22.7%	30,240
Franklin Pierce School District	131,615	0.6%	805
Fife School District	150,364	11.0%	16,490
Clover Park School District	117,025	2.0%	2,300
University Place School District	38,172	3.7%	1,421
TOTAL OVERLAPPING DEBT	<u>1,830,836</u>		<u>1,115,107</u>
 GRAND TOTAL	 <u><u>2,012,316</u></u>		 <u><u>1,296,587</u></u>
 Population			 221,259
 Direct and Overlapping Debt per Capita			 5.86

(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

	2011	2012	2013	2014	2015
Assessed Value of Property	\$17,650,446	\$16,013,945	\$16,593,506	\$17,887,171	\$19,015,503
Debt Limit, 7.5% of Assessed Value	1,323,783	1,201,046	1,244,513	1,341,538	1,426,163
Total Net Debt Applicable to Limit	223,278	247,953	261,445	217,009	209,654
Legal Debt Margin	<u>\$1,100,505</u>	<u>\$953,093</u>	<u>\$983,068</u>	<u>\$1,124,529</u>	<u>\$1,216,509</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.9%	20.6%	21.0%	16.2%	14.7%

Legal Debt Margin Calculation for Fiscal Year 2020
(amounts expressed in thousands)

Assessed Value	\$32,426,115
Debt Limit (7.5% of assessed value)	2,431,959
Debt Applicable to Limit:	
General Obligation bonds and loans	181,480
Capital leases	0
Less: Assets available from Debt Svc Fund	1,389
Total Net Debt Applicable to Limit	<u>182,869</u>
Legal Debt Margin	<u><u>\$2,249,089</u></u>

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

	2016	2017	2018	2019	2020
Assessed Value of Property	\$20,766,300	\$23,179,090	\$26,551,125	\$29,781,935	\$32,426,115
Debt Limit, 7.5% of Assessed Value	1,557,473	1,738,432	1,991,334	2,233,645	2,431,959
Total Net Debt Applicable to Limit	198,678	214,008	205,189	194,176	182,869
Legal Debt Margin	<u>\$1,358,795</u>	<u>\$1,524,424</u>	<u>\$1,786,145</u>	<u>\$2,039,469</u>	<u>\$2,249,089</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.8%	12.3%	10.3%	8.7%	7.5%

CITY OF TACOMA, WASHINGTON
TABLE 14
COMPUTATION OF CONSTITUTIONAL LIMIT OF INDEBTEDNESS
as of December 31, 2020

As provided in the Revised Code of Washington (RCW) Title 39 Chapter 36, the percentage limits for the various sections are layered cum. The total General Purpose Indebtedness cannot exceed 2.5% of the Total Taxable Property Value (PV); General and Utility Purpose Indebtedness cannot exceed 5.0% PV; and General, Utility and Open Space and Parks Facilities Indebtedness cannot exceed 7.5% PV. Non-voted General Purpose Indebtedness may be up to 1.5% PV only if Voted General Purpose Indebtedness does not exceed 1% PV. The limits for General Purpose debt cannot exceed 2.5% PV. However, Utility and Open Space Indebtedness may exceed 2.5% PV for the section and reduce the General Purpose Indebtedness available by an equivalent amount. In addition to limitations in RCW, the City's Finance Policy requires the maintenance of a reserve in the amount of 10% of non-voted debt capacity.

Total Taxable Property Value (Assessed at 100%, for taxes payable in 2020) (PV)		\$	32,426,115,141
GENERAL PURPOSE INDEBTEDNESS			
Non-Voted General Purpose Indebtedness and Capital Leases			
Legal Limit 1.5% of Total Taxable Property Value	\$	486,391,727	
Indebtedness (Liabilities)			
Non-Voted General Obligation Bonds	\$	240,798,770	
Capital Leases Payable		-	
Less Assets Available		-	
Indebtedness Incurred - Non-Voted General Purposes	\$	240,798,770	
Remaining Legally Available Non-Voted Debt Capacity - General Purposes	\$	245,592,957	
Less Required Reserve (10% of Non-Voted Debt Capacity)	\$	(48,639,173)	
Available Non-Voted Debt Capacity - net of Required Reserve	\$	196,953,784	
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)			
Legal Limit 2.5% of Total Taxable Property Value	\$	810,652,879	
Less: Indebtedness Incurred - Non-Voted General Purposes		(240,798,770)	
	\$	569,854,109	
Indebtedness (Liabilities)			
Voted General Obligation Bonds	\$	5,150,000	
Less Assets Available		(1,389,326)	
Indebtedness Incurred - Voted General Purposes	\$	3,760,674	
Total Remaining Debt Capacity - General Purposes	\$	566,093,435	
UTILITY PURPOSE INDEBTEDNESS			
Indebtedness For Utility Purposes With 3/5 Vote of the People			
Legal Limit 2.5% of Total Taxable Property Value	\$	810,652,879	
Remaining Debt Capacity - Utility Purposes	\$	810,652,879	
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	\$	810,652,879	
Remaining Debt Capacity - Open Spaces and Parks Facilities	\$	810,652,879	

SUMMARY

Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value	\$	2,431,958,636
Less: Indebtedness Incurred - General Purposes	0.7542%	\$	244,559,444
Less: Indebtedness Incurred - Utility Purposes		\$	-
Less: Indebtedness Incurred - Open Space And Parks Facilities		\$	-
Remaining Debt Capacity	6.7458%	\$	2,187,399,192



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

Sewer Revenue Bonds						
Fiscal Year	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2020	127,334	77,142	50,192	6,955	9,911	2.98

Power Revenue Bonds						
Fiscal Year	Power Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2020	476,791	359,613	117,178	7,470	19,220	4.39

Solid Waste Revenue Bonds						
Fiscal Year	Solid Waste Charges and Other	Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2020	77,324	55,791	21,533	2,270	2,451	4.56

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

Water Revenue Bonds						
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2020	111,195	58,971	52,224	6,280	12,503	2.78

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
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	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A

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

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

Convention Center and Parking Revenue Bonds

Fiscal Year	Net Parking Revenues	District Contribution	Total Pledged Revenues	Total Bond Debt Service	Coverage
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
2012	19,052	16,437	35,489	162	219.07
2012	15,373	13,561	28,934	171	169.20
2012	16,328	14,204	30,532	180	169.62
2013	3,339	2,928	6,267	2,817	2.22
2015	4,591	3,310	7,901	3,129	2.53
2017	5,201	3,818	9,019	2,925	3.08
2018	4,531	4,162	8,693	2,925	2.97
2019	4,324	4,363	8,687	2,924	2.97
2020	1,503	4,582	6,085	2,922	2.08

Note: Contains 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
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
2020	1,503	323	4.65

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

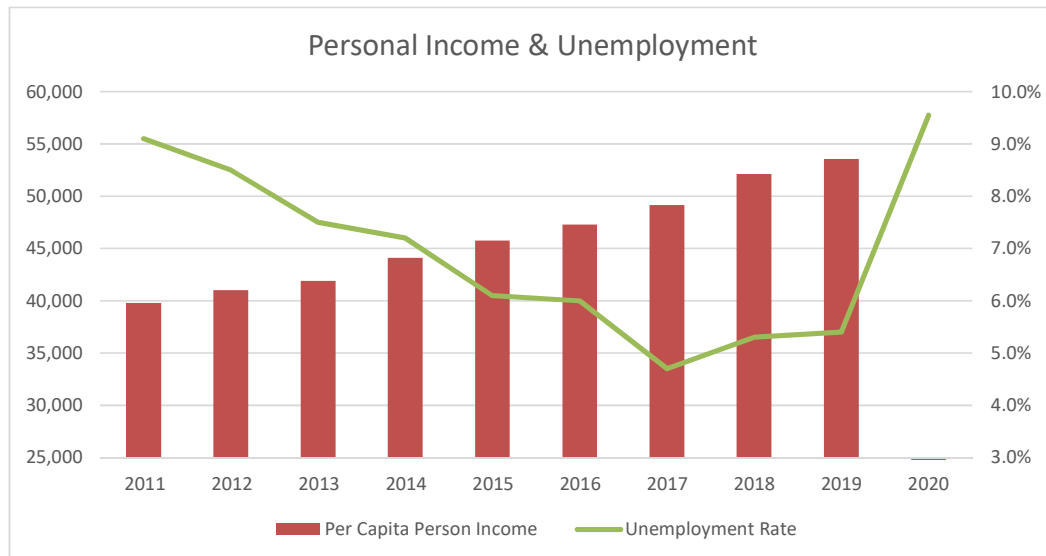
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 16

Fiscal Year Ended December 31	Tacoma Population (1)	County Personal Income (2) (Thousands)	Tacoma Per Capita Personal Income (3)	Tacoma School Enrollment (4)	Tacoma Unemployment % Rate (5)
2010	203,400	30,550,013	38,409	28,088	9.3%
2011	204,200	31,946,268	39,785	27,868	9.1%
2012	198,900	33,258,186	41,008	27,806	8.5%
2013	199,600	34,302,498	41,890	27,562	7.5%
2014	200,400	36,548,565	44,106	27,531	7.2%
2015	200,900	38,492,409	45,774	28,011	6.1%
2016	202,300	40,552,080	47,310	28,323	6.0%
2017	208,100	42,955,131	49,137	28,307	4.7%
2018	209,100	45,753,481	52,114	28,355	5.3% *
2019	207,948	48,481,266	53,572	27,888	5.4%
2020	221,259	Unavailable	Unavailable	29,168	9.6%

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 2019)
- (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



Principal Employers
Current Year and Ten Years Ago
Table 17

TOP TEN EMPLOYERS FOR 2020 (PIERCE COUNTY)

	<u>EMPLOYEES</u>	<u>TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Joint Base Lewis McChord	54,000	5.9%	Military
Multicare Health System	8,264	0.9%	Health Care
State of Washington	7,859	0.9%	Government
CHI Franciscan Health	5,682	0.6%	Health Care
Tacoma Public Schools	3,649	0.4%	Education
City of Tacoma	3,623	0.4%	Government
Pierce County Government	3,304	0.4%	Government
Puyallup School District	2,711	0.3%	Education
Bethel School District	2,689	0.3%	Education
Safeway & Albertsons	2,153	0.2%	Retail
Total	93,934	10.3%	

2020 Pierce County Population 916,204

TOP TEN EMPLOYERS FOR 2011 (PIERCE COUNTY)

<u>EMPLOYEES</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL COUNTY POPULATION</u>	<u>TYPE OF BUSINESS</u>
Joint Base Lewis McChord	55,603	6.9%	Military
Local Public School Districts (K-12)	13,735	1.7%	Education
Multicare Health System	6,756	0.8%	Health Care
Washington State Employees	6,662	0.8%	Government
Franciscan Health System	5,507	0.7%	Health Care
City of Tacoma	3,670	0.5%	Government
Pierce County Government	2,947	0.4%	Government
Washington State Higher Education	2,720	0.3%	Education
Emerald Queen Casino	2,230	0.3%	Gaming
Boeing Fredrickson Site	1,450	0.2%	Aerospace
Total	101,280	12.6%	

2011 Pierce County Population 802,150

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

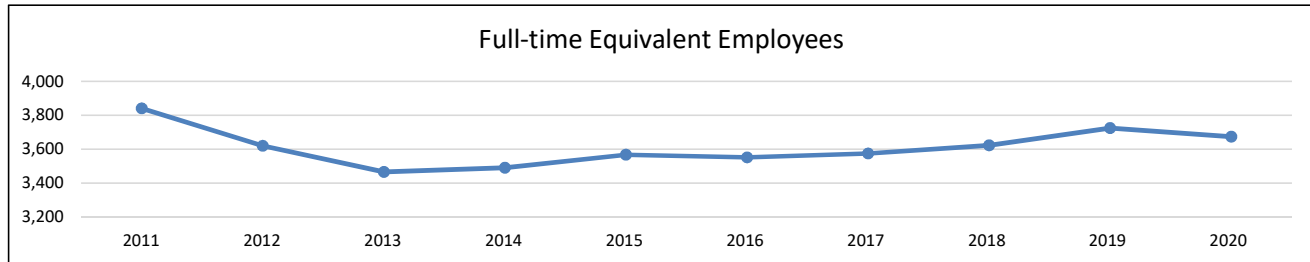
Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	287	260	265	268	285	286	286	290	311	288
Police	415	389	370	361	370	369	376	383	400	391
Fire	431	401	376	389	406	401	398	396	417	453
Law Enforcement Support Agency	159	160	N/A	(3)	N/A	N/A	N/A	N/A	N/A	N/A
Economic Environment										
Community & Economic Development	89	77	26	(2)	26	27	30	22	26	26
Planning and Development Services	N/A	N/A	51	59	60	29	59	62	84	83
Hearing Examiner	4	3	3	3	3	3	3	3	3	3
Human Rights Human Services	33	31	54	48	41	41	37	31	30	29
Culture and Recreation	202	179	159	158	171	171	166	178	188	178
Transportation										
Public Works	743	(1)	691	707	713	732	735	765	754	750
Information Systems	136	112	109	109	116	111	117	121	123	117
Retirement	9	10	10	10	10	9	9	9	9	8
Tacoma Public Utilities										
Administration	11	10	10	10	11	12	12	13	17	17
Customer Service	153	153	140	143	148	150	158	146	164	163
Rail	91	99	107	115	116	113	115	118	118	115
Power	829	805	839	839	851	860	837	838	830	792
Water	248	240	240	239	236	237	237	247	250	260
Total	3,840	3,620	3,466	3,490	3,568	3,551	3,575	3,622	3,724	3,673

(1) A reorganization of the City occurred, and some employees from Building and Land Use Services (a division of Public Works) were transferred to Community & Economic Development. In addition, the TPU GIS Department is now reported under IT.

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

(3) Law Enforcement Support Agency became South Sound 911 at the end of 2012. The City does not provide any services for the new entity.

Data per 12/31/20 payroll





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

	2011	2012	2013	2014	2015
Function					
Public Safety					
<i>Police</i>					
Violent Crimes	4,756	4,623	4,379	4,319	4,376
Property Crimes	20,102	21,961	21,534	20,573	20,531
<i>Fire</i>					
Incidents	38,239	39,810	39,244	41,094	45,266
<i>Utilities</i>					
Power customers	169,112	169,112	171,506	172,531	174,562
Power service units - MWH	7,237,792	7,885,213	7,050,749	7,602,630	6,510,290
Water customers	96,734	96,333	97,854	98,608	99,943
Water service units	23,074,632	23,201,613	23,886,864	24,553,529	26,087,248
Wastewater customers	60,673	60,591	60,758	61,348	75,732 (1)
Surface Water customers	70,544	70,479	70,459	70,512	70,611
Solid Waste customers	58,451	58,517	58,265	59,308	60,262
<i>Rail</i>					
Miles of track	57.5	57.5	57.5	57.5	57.5
Number of cars switched	68,953	92,117	138,410	108,137	102,173
<i>Parking Garages</i>					
Number of parking stalls - garages	2,384	2,362	2,362	2,362	2,282
Number of parking stalls - surface lots	102	108	108	98	98
Number of on-street metered spaces		1,403	1,403	1,800	1,800

(1) 2015 Wastewater customers were adjusted in 2016 CAFR

Data supplied by named departments

Operating Indicators by Function
Last Ten Fiscal Years
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	2016	2017	2018	2019	2020
Function					
Public Safety					
<i>Police</i>					
Violent Crimes	4,443	4,569	4,345	4,718	4,429
Property Crimes	21,229	22,881	19,976	21,248	21,386
<i>Fire</i>					
Incidents	46,783	47,510	48,263	49,596	46,411
<i>Utilities</i>					
Power customers	176,784	177,153	177,723	182,000	183,000
Power service units - MWH	7,302,235	7,588,005	6,774,459	6,103,954	6,937,268
Water customers	100,731	101,871	103,116	105,663	107,871
Water service units	24,610,996	24,097,864	24,764,924	24,354,862	24,981,235
Wastewater customers	76,268	76,859	76,790	77,398	79,297
Surface Water customers	70,703	70,834	71,057	71,193	71,235
Solid Waste customers	60,646	60,971	61,242	61,534	61,908
<i>Rail</i>					
Miles of track	48.5	48.5	48.5	48.5	48.5
Number of cars switched	124,467	107,130	108,719	114,036	95,964
<i>Parking Garages</i>					
Number of parking stalls - garages	2,282	2,122	2,122	2,128	2,248
Number of parking stalls - surface lots	98	98	98	104	284
Number of on-street metered spaces	1,800	1,800	1,800	1,800	1,800

Capital Asset Statistics by Function
Last Ten Fiscal Years
Table 20
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Function	2011	2012	2013	2014	2015
Public Safety					
<i>Police</i>					
Number of Stations	6	6	6	6	6
<i>Vehicles:</i>					
Marked Cars	256	269	290	282	265
Unmarked Cars-(includes seized vehicles)	119	101	125	106	110
Motorcycles	22	16	16	16	15
<i>Fire</i>					
Number of Stations	16	15	15	15	15
Pumpers	16	13	13	13	13
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	1	2	2	2	3
Squad Vehicles	N/A	1.5	1.5	1.5	1.5
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
<i>Transportation</i>					
<i>Streets</i>					
Miles of Paved Streets	642.52	642.52	642.52	642.52	642.52 (1)
Miles of Unpaved Streets	208.10	208.10	208.10	208.10	208.10 (1)
Total	850.62	850.62	850.62	850.62	850.62

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

Data supplied by named departments

Capital Asset Statistics by Function
Last Ten Fiscal Years
Table 20
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Function	2016	2017	2018	2019	2020
Public Safety					
<i>Police</i>					
Number of Stations	6	6	6	6	5
<i>Vehicles:</i>					
Marked Cars	265	267	260	254	161
Unmarked Cars-(includes seized vehicles)	112	115	112	153	109
Motorcycles	10	14	14	18	15
<i>Fire</i>					
Number of Stations	15	16	16	16	16
Pumpers	13	15.5	15.5	16	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	0	0	0
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
<i>Transportation</i>					
<i>Streets</i>					
Miles of Paved Streets	746.6	746.6	746.1	746.1	746.1
Miles of Unpaved Streets	10.80	10.8	11.3	11.3	11.3
Total	757.4	757.4	757.4	757.4	757.4

Contributing Staff

Table 21

The following individuals contributed to the successful completion of the City of Tacoma's 2020 Comprehensive Annual Financial Report:

COORDINATING AND SUPERVISORY STAFF

Andy Cherullo, Finance Director
 Susan Calderon, CPA, Assistant Finance Director
 Kristy Magyar, Senior Financial Manager
 Michael San Soucie, CPA, Financial Manager
 Diana Kerin-Tate, Financial Manager
 Polly Wainaina, CPA, Financial Manager
 Su Yi, Financial Manager
 Min Soo Chun, Senior Accountant

STATISTICAL SECTION

Kristy Magyar, Senior Financial Manager

DESIGN, LAYOUT and PRINTING

Donna Ruby, Financial Assistant
 Print NW

IMAGES

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GENERAL LEDGER

Kathy Anderson
 Beth Brown
 Min Soo Chun
 Van Chung, CPA
 Ghassan Diab
 Trina Ealey, MBA
 Eun Joo Ebenhoh, CPA
 Mylene Malabanan
 Mary Mansperger
 Imelda Marquez
 Catherine Marx
 Linh Nguyen
 Louis Nguyen, MBA
 Lori Noel
 Thu Pham
 Christopher Piercey
 Dorothy Russ
 Elizabeth San Juan
 Emilee Sibbett
 Christine Tudor
 Jayson Yucker