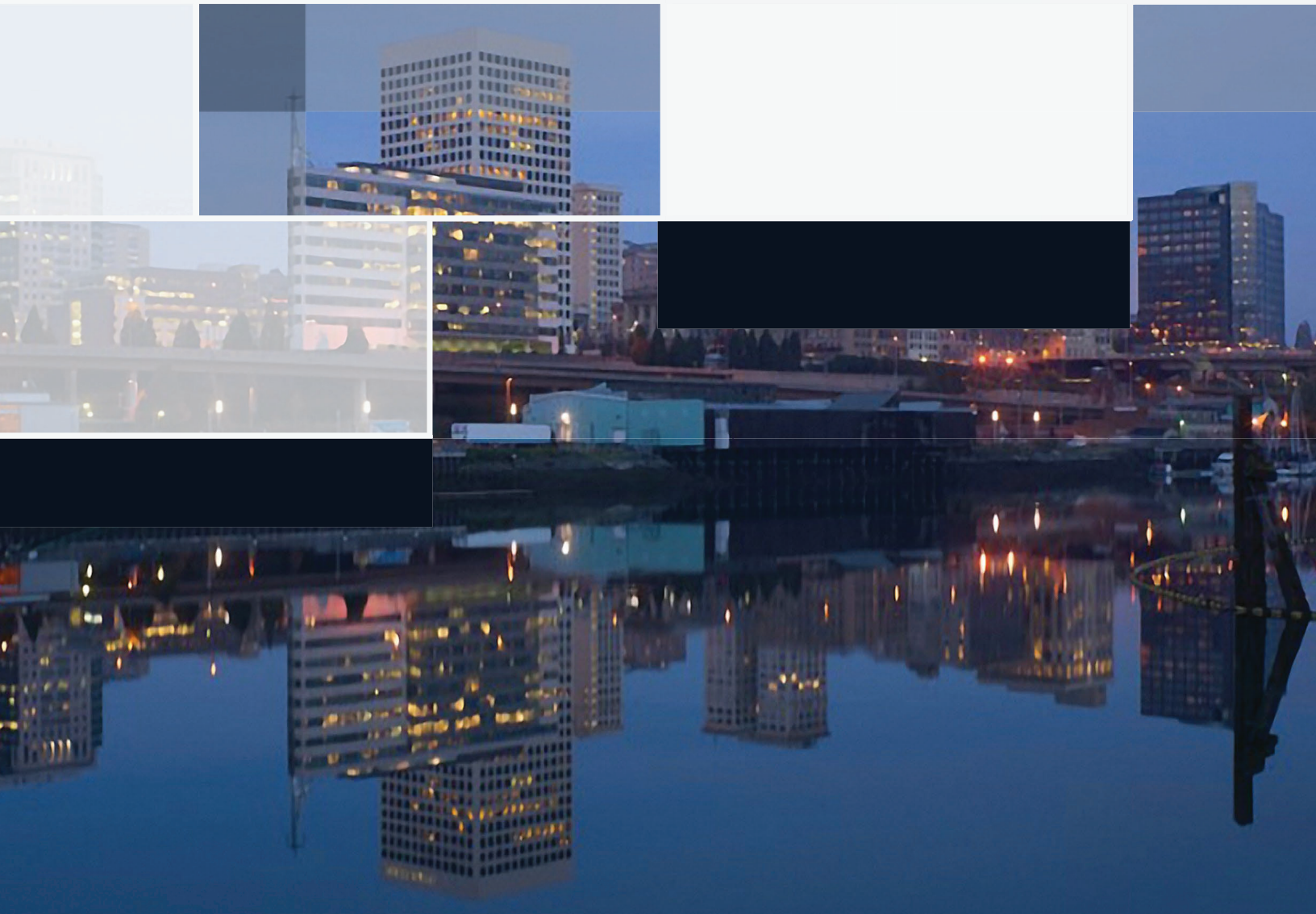


# 2022

ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT



City of Tacoma Washington  
for the fiscal year ended December 31, 2022.

# 2022 Annual Comprehensive Financial Report

of the City of Tacoma, Washington  
for the Year Ended December 31, 2022

Prepared by Department of Finance  
Andrew Cherullo, Finance Director



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



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# SECTION 1

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## **INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL

ORGANIZATIONAL CHART

ELECTED OFFICIALS

LIST OF CITY OFFICIALS





City of Tacoma  
Finance Department

September 11, 2023

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, 2022. The State Auditor has issued an unmodified opinion, or in other words, a “clean opinion” on the City of Tacoma’s 2022 financial statements. The independent auditor’s report can be found immediately after the Management’s Discussion & Analysis section of the Annual Report.

The 2022 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. City management has developed a comprehensive framework of internal controls. The cost of these controls should not exceed the benefits, with the objective being to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. 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.

The 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 2022 population estimate was 220,800 which is an increase 1% from the 2021 census count of 218,700.

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 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 as the 2022 information was not available at the time of printing.

## TOP TEN EMPLOYERS FOR 2020 (PIERCE COUNTY) - DATA NOT AVAILABLE FOR 2022 AT TIME OF PRINTING

	PERCENTAGE OF TOTAL COUNTY		TYPE OF BUSINESS
	EMPLOYEES	POPULATION	
Joint Base Lewis McChord	54,000	5.7%	Military
Multicare Health System	8,264	0.9%	Health Care
State of Washington	7,859	0.8%	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	0.3%	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	9.9%	

2022 Pierce County Population 946,310

The average year-to-date unemployment rate for the Tacoma metropolitan area was 4.6% at the end of 2022 compared to 6.1% and 9.6% for years ending 2021 and 2020, respectively. Tacoma's median household income for 2022 was \$ 61,580 compared to \$56,532 for 2021.

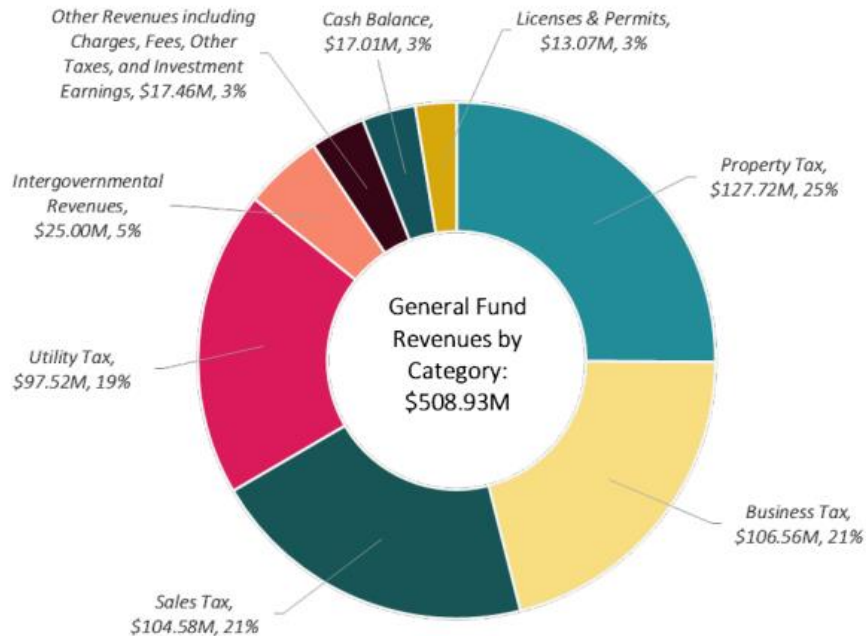
The City's budgeted major revenue sources for the General Fund include property tax, business & occupation (B&O) tax, sales tax and a gross earnings tax (GET) on utilities. Below are each major revenue source and their respective amount and percentage in the 2021-2022 biennial budget,

**Property Tax**—represents \$127.7 million or 25% 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.

**Business Tax** - represents \$106.6 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 \$104.6 million or 21% of General Fund Revenues. Tacoma consumers pay a sales tax rate of 10.3% of which 1.0% is the City's General Fund portion and 0.1% each for the Transportation Benefit District, Mental Health & Chemical Dependency Services, Tacoma Creates and support of affordable housing. These revenues are highly variable depending on economic conditions.

**Utility Tax** – represents \$97.5 million or 19% 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 2022, the City levied at the statutory limitation of \$1.95 per \$1,000 of assessed value (this is the total levy and includes approximately \$0.20 per \$1,000 related to the Streets Initiative).

### Tax Abatements

The City offers five tax abatements in three categories that support affordable housing units, historical property rehabilitation and maintenance, and job creation. The Multi-Family Property Tax Exemption incentivizes development in growth target areas throughout the city, which has led to nearly 2,500 units added in the past five years. The historical property exemption is in place by Revised Code of Washington (RCW) 84.26 and managed by the City. This exemption is in the public interest of the people to encourage maintenance, improvement and preservation of privately owned historic landmarks. The third and final category of tax exemptions are in place by RCW 82.60 to promote economic stimulation and new employment opportunities in distressed areas, thus reducing poverty in distressed counties of the State.

### Relevant Financial Policies

Financial and Budget Policy Statements are presented on pages 187-192 of the 2021-2022 Biennial Budget and can be found on the City's website at [www.cityoftacoma.org](http://www.cityoftacoma.org) or at the following specific link: <https://cms.cityoftacoma.org/finance/budget/2021-2022/2021-2022AdoptedBudgetBook.pdf>

### American Rescue Plan Act Funds

On March 11, 2021, the American Rescue Plan Act ("ARPA") was signed into law. ARPA provided \$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 received approximately \$60.9 million in ARPA assistance. The City received approximately \$30.5 million of the \$60.9 million in May of 2021, the second tranche of funds (\$30.4 million) was received in May of 2022. 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.

## MAJOR INITIATIVES

During the 2021-2022 biennial budget process, City priorities were identified by the City Council and the community. Some of the major initiatives accomplished during 2022 are:

### Community and Economic Development

By the end of 2022, Community and Economic Development (CED) provided a total of \$6,378,500 in grants and loans from a variety of local and federal resources to 636 businesses for operating expenses, security enhancements, tenant improvements and repairs and an additional \$1,350,000 to 30 community-based nonprofit organizations. Of this assistance, 54% supported BIPOC-owned or directed businesses and organizations.

The City allocated local and State Community Development Block Grant (CDBG) CARES funding of \$1,340,480 to the Foreclosure Prevention and Mortgage Assistance program. These funds will serve approximately 220 households and combined will serve approximately 290 households for a total investment of \$1,767,799.

\$5 million for the acquisition of the Comfort Inn (Aspen Court) which will operate through Dec 2023 as a shelter, and then convert to permanent, affordable housing with supportive services.

The Minority Business Development Agency (MBDA) CARES Act /Coronavirus Response & Relief Program served 1,281 businesses including 126 group trainings and provided customized technical assistance to 219 individual businesses.

An additional \$520,347 in CARES Act funding from the U.S. Department of Commerce was used locally and regionally allowing for customized and refined support to 4,693 small businesses, specifically directed to businesses from historically underserved communities – especially those owned or led by minorities, women, and veterans.

Provided \$334,000 in direct investment to sixteen community partners to deliver workshops, safety supplies, technical assistance, and advisory services to small, minority and women businesses.

### Neighborhood and Community Services

Neighborhood and Community Services (NCS) strategically leveraged resources to maximize benefits to the community, including administering almost \$31 million in COVID/ARPA funding. This funding was used for projects such as sheltering, rental/utility assistance, food insecurity, digital infrastructure for contracted providers, violence reduction (including domestic violence services and youth & young adult violence reduction), senior meals and services, graffiti removal, and encampment trash and debris removal.

**Department of Commerce Assistance (DOCA)** During the COVID-19 Pandemic, the debt for households billed by Tacoma Public Utilities (TPU) peaked over \$27 million. In December 2022, TPU received a grant in the amount of \$14.1 million to assist households with COVID balances. The Customer Solutions Team at TPU identified the limited income households and households enrolled in the TPU Utility Account Recovery Installment Plan and applied the funding accordingly. Approximately 15,000 households received assistance from the DOCA funding. The majority of the households identified as limited income had their balances paid in full. Of the remaining households, the average debt remaining after the DOCA funding was \$383. Households were provided additional installment plans to pay off the remaining debt.

## ACKNOWLEDGEMENTS


### 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. Finally, we

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, Su Yi, Min Soo Chun, Mary Mansperger, Diana Kerin-Tate, Ghassan Diab, Van Chung and Polly Wainaina for their work in bringing the final document together.

Respectfully,

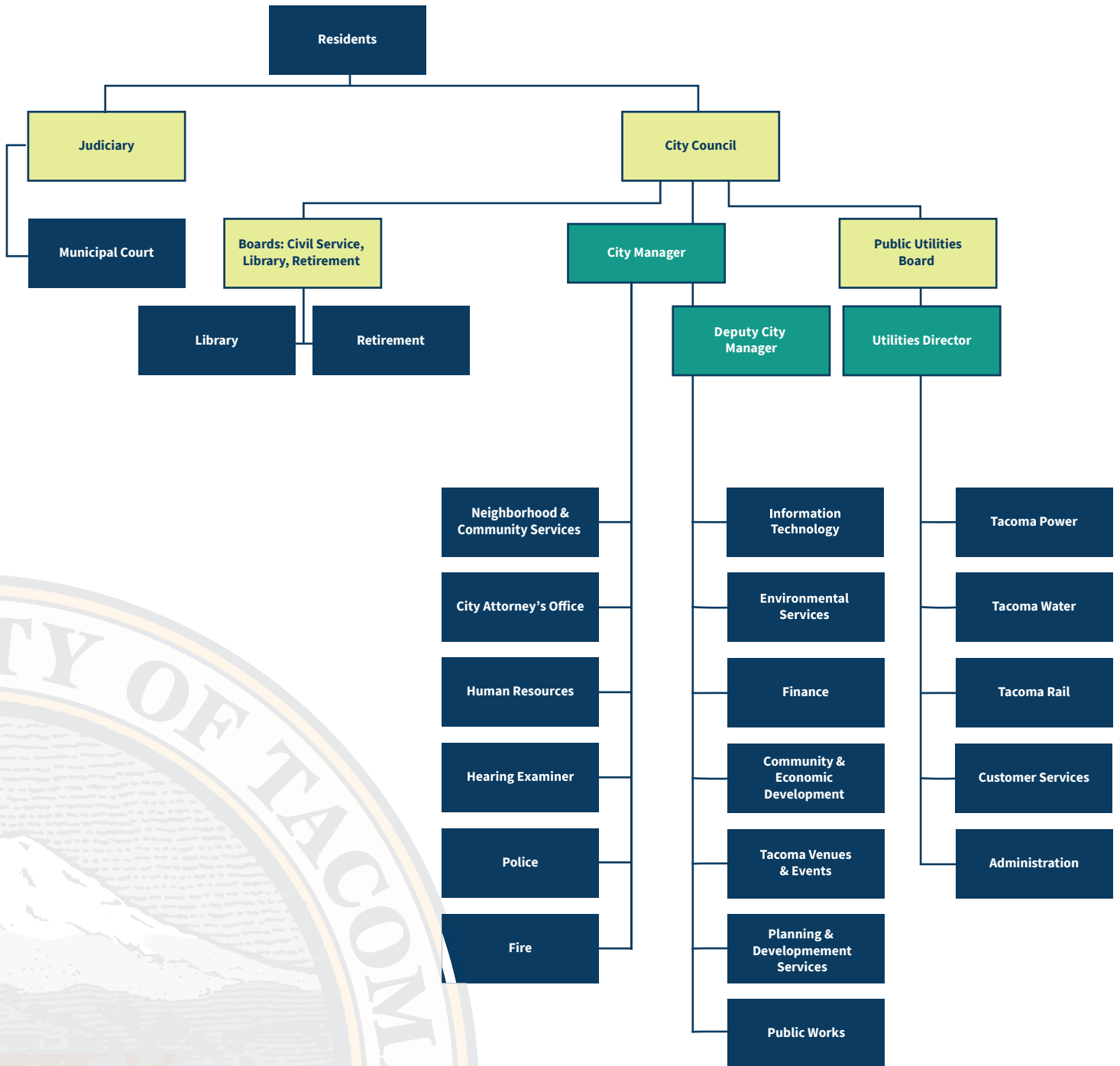
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Andy Cherullo  
Director of Finance

DocuSigned by:  
  
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Susan Calderon  
Assistant Director of Finance/  
Controller





# 2022 CITYWIDE ORGANIZATIONAL CHART



# TACOMA

## 2022 CITY COUNCIL



**Victoria Woodards**  
Mayor



**Catherine Ushka**  
Deputy Mayor



**John Hines**  
District 1



**Sarah Rumbaugh**  
District 2



**Keith Blocker**  
District 3



**Joe Bushnell**  
District 5



**Kiara Daniels**  
At-Large



**Olgy Diaz**  
At-Large



**Kristina Walker**  
At-Large



**Elizabeth Pauli**  
City Manager



**City Officials as of December 31, 2022**

**Council Members**

Victoria Woodards  
 Catherine Ushka  
 Keith Blocker  
 Joe Bushnell  
 Kiara Daniels  
 Olgy Diaz  
 John Hines  
 Sarah Rumbaugh  
 Kristina Walker

Mayor  
 Deputy Mayor

**Expiration of Term**

December 31, 2025  
 December 31, 2025  
 December 31, 2023  
 December 31, 2025  
 December 31, 2025  
 December 31, 2023  
 December 31, 2023  
 December 31, 2025  
 December 31, 2023

City Manager  
 Deputy 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  
 Kurtis Kingsolver  
 Bill Fosbre  
 Jeff Robinson  
 Mike Slevin  
 Andrew Cherullo  
 Toryono Green  
 Jeff Capell  
 Shelby Fritz  
 Daniel Key  
 Kate Larsen  
 Kathryn Johnston  
 Amy Clancy  
 Michelle Petrich  
 Allyson Griffith  
 Peter Huffman  
 Avery Moore  
 Josh Diekmann  
 Tim Allen  
 Adam Cook

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

Jackie Flowers  
 Chris Robinson  
 Scott Dewhirst  
 Dale King  
 Francine Artis

# SECTION 2

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







## Office of the Washington State Auditor Pat McCarthy

### INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Mayor and City Council  
City of Tacoma  
Tacoma, Washington

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinions

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 then ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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.

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 92.4 percent, 90.1 percent, and 91.4 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 1.2 percent, 0.9 percent and 3.0 percent, respectively, of the assets, net position, and revenues of the business-types activities and 1.9 percent, 0.9 percent, and 12.5 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports 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.

## **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Matters of Emphasis**

As discussed in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board *Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and schedules are presented for 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 basic 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 basic financial statements or to the basic 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 as a whole.

### **Other Information**

The other information comprises Introductory and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated September 11, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

September 11, 2023

## Management's Discussion and Analysis For the Year Ended December 31, 2022

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As management of the City of Tacoma (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. 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 \$3.3 billion. Of this amount, \$398.0 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 \$139.7 million in 2022. Governmental activities increased the City's net position by \$66.5 million and business-type activities increased the net position by \$73.2 million.
- Tacoma Power's net Position for 2022 was \$875.9 million which was a decrease of \$0.1 million from 2021.
- Tacoma Water's net position for 2022 was \$675.7 million which was an increase of \$23.1 million from 2021.
- Tacoma Wastewater and Stormwater's net position for 2022 was \$524.8 million which was an increase of \$22.0 million from 2021.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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's finances, and are similar to private sector financial statements. The statements also include the discretely presented component units: Tacoma Community Redevelopment Authority (TCRA) and the Greater Tacoma Regional Convention Center Public Facilities District (GTRCCPF).

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'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 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.

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

## Management's Discussion and Analysis For the Year Ended December 31, 2022

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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 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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City 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 adopts a biennial budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

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

### Proprietary Funds

There are two types of proprietary funds, internal service and enterprise, both of which the City uses. Internal service funds are used to accumulate and allocate costs internally among the City'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, Self Insurance and Utility Fleet funds, which only service utilities funds and are included within business-type activities. Enterprise funds account for various utilities which provide services such as power, water, wastewater, stormwater, 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



## Management's Discussion and Analysis For the Year Ended December 31, 2022

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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'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 3-100 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's budget. Required supplementary information can be found on pages 4-1 to 4-12 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 5-97 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 6-34.

## Management's Discussion and Analysis For the Year Ended December 31, 2022

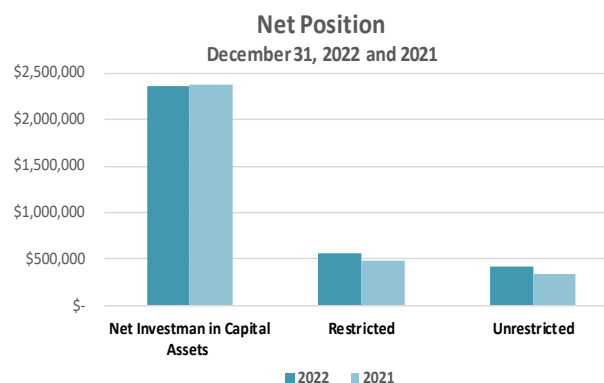
### Government-wide Financial Analysis

#### Statement of Net Position

The following table is a condensed Statement of Net Position for the City for December 31, 2022, which compares the current year to the prior year.

STATEMENT OF NET POSITION (in thousands \$)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 692,338	\$ 658,702	\$ 1,376,655	\$ 1,028,890	\$ 2,068,993	\$ 1,687,592
Capital assets, net of accumulated depreciation	789,409	791,611	3,105,168	3,012,277	3,894,577	3,803,888
<b>Total assets</b>	<b>1,481,747</b>	<b>1,450,313</b>	<b>4,481,823</b>	<b>4,041,167</b>	<b>5,963,570</b>	<b>5,491,480</b>
<b>Deferred Outflows of Resources</b>	<b>110,426</b>	<b>83,351</b>	<b>70,703</b>	<b>80,346</b>	<b>181,129</b>	<b>163,697</b>
Long-term liabilities	428,044	465,379	1,593,044	1,497,199	2,021,088	1,962,578
Other liabilities	81,393	62,375	153,115	147,361	234,508	209,736
<b>Total liabilities</b>	<b>509,437</b>	<b>527,754</b>	<b>1,746,159</b>	<b>1,644,560</b>	<b>2,255,596</b>	<b>2,172,314</b>
<b>Deferred Inflows of Resources</b>	<b>149,434</b>	<b>139,073</b>	<b>403,148</b>	<b>146,980</b>	<b>552,582</b>	<b>286,053</b>
<b>Net position</b>						
Net investment in capital assets	656,183	646,034	1,716,964	1,722,339	2,373,147	2,368,373
Restricted	334,353	325,466	231,034	156,412	565,387	481,878
Unrestricted	(57,234)	(104,663)	455,221	451,222	397,987	346,559
<b>Total net position</b>	<b>\$ 933,302</b>	<b>\$ 866,837</b>	<b>\$ 2,403,219</b>	<b>\$ 2,329,973</b>	<b>\$ 3,336,521</b>	<b>\$ 3,196,810</b>

As noted earlier, net position may serve as a useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$3.3 billion on December 31, 2022. 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 71.1% 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 11.9% of the total net position, these are funds readily available for meeting the City's ongoing obligations such as road maintenance, employee salaries and other general government services. The remaining 17.0% of net position is restricted for other purposes such as debt redemption and new capital



## Management's Discussion and Analysis For the Year Ended December 31, 2022

construction. Governmental activities represent 28.0% of total net position and business-type activities represent 72.0% 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.

<b>CHANGES IN NET POSITION</b> (in thousands \$)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 43,019	\$ 30,532	\$ 898,453	\$ 869,904	\$ 941,472	\$ 900,436
Operating grants and contributions	94,762	72,676	-	-	94,762	72,676
Capital grants and contributions	10,630	24,603	39,676	35,331	50,306	59,934
General revenues						
Property taxes	79,119	81,783	-	-	79,119	81,783
Retail Sales & Use Tax	120,772	106,635	-	-	120,772	106,635
Business	50,768	46,381	-	-	50,768	46,381
Excise taxes	21,319	23,340	-	-	21,319	23,340
Investment earnings	(6,945)	(988)	(29,687)	(3,885)	(36,632)	(4,873)
Miscellaneous revenue	643	2,353	384	3,101	1,027	5,454
<b>Total revenues</b>	<b>414,087</b>	<b>387,315</b>	<b>908,826</b>	<b>904,451</b>	<b>1,322,913</b>	<b>1,291,766</b>
<b>Expenses:</b>						
General government	25,352	44,056	-	-	25,352	44,056
Public safety	236,506	160,016	-	-	236,506	160,016
Transportation	76,017	47,414	-	-	76,017	47,414
Nature and Economic Environment	12,240	29,618	-	-	12,240	29,618
Social Service	17,726	14,368	-	-	17,726	14,368
Culture and recreation	21,211	20,417	-	-	21,211	20,417
Interest on long-term debt	7,170	9,531	-	-	7,170	9,531
Solid Waste	-	-	65,792	64,787	65,792	64,787
Waste Water	-	-	103,029	102,481	103,029	102,481
Water	-	-	101,687	103,268	101,687	103,268
Power	-	-	437,711	441,413	437,711	441,413
Nonmajor Business-Type Activities	-	-	80,883	75,496	80,883	75,496
<b>Total expenses</b>	<b>396,223</b>	<b>325,419</b>	<b>789,102</b>	<b>787,445</b>	<b>1,185,325</b>	<b>1,112,864</b>
Change in net position before transfers	17,864	61,896	119,724	117,006	137,588	178,902
Transfers	47,396	53,569	(47,396)	(53,569)	-	-
<b>Change in net position</b>	<b>65,260</b>	<b>115,465</b>	<b>72,328</b>	<b>63,437</b>	<b>137,588</b>	<b>178,902</b>
Net Position, January 1, as Previously Reported	866,837	750,682	2,329,973	2,266,584	3,196,810	3,017,266
Prior Period Adjustment	1,205	690	73	(48)	1,278	642
Change in Accounting Principle	-	-	845	-	845	-
Net Position, January 1, as Restated	868,042	751,372	2,330,891	2,266,536	3,198,933	3,017,908
<b>Net position, December 31</b>	<b>\$ 933,302</b>	<b>\$ 866,837</b>	<b>\$2,403,219</b>	<b>\$2,329,973</b>	<b>\$3,336,521</b>	<b>\$3,196,810</b>

## Management's Discussion and Analysis For the Year Ended December 31, 2022

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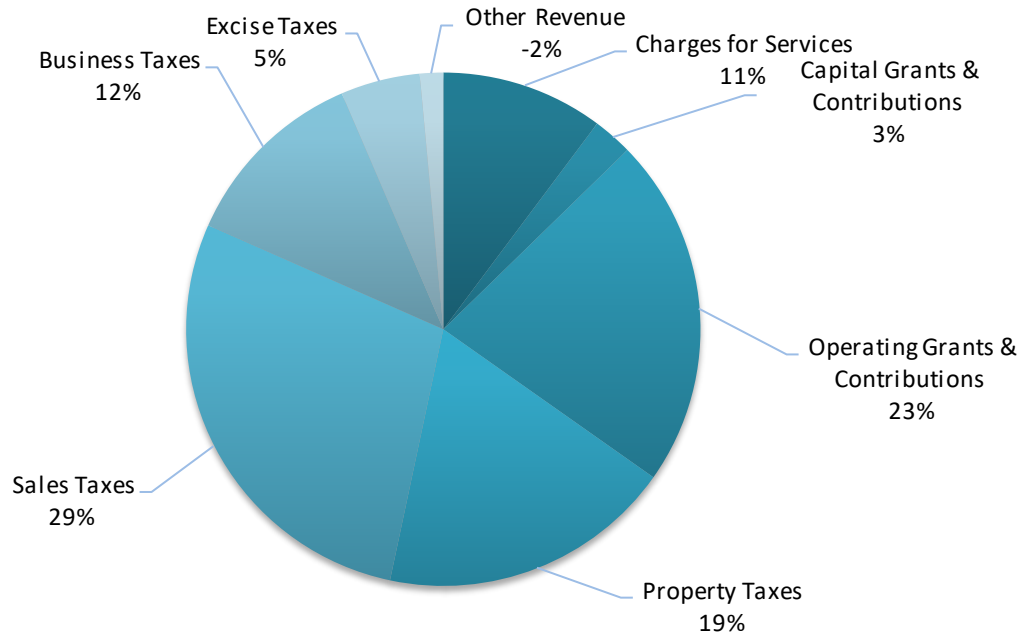
**Governmental Activities** net position increased by \$66.4 million which was a 7.7% increase from 2021. In 2022, revenues increased approximately \$26.8 million from 2021, and expenditures also increased by \$70.8 million from 2021. Some key revenue and expenditure highlights of governmental activities for 2022 are as follows:

- Operating grants and contributions increased by \$22.1 million, which was 30.4% increase from 2021. The majority of this increase was due to \$14.0 million from Department of Treasury Grant to provide funding for public and private water, sewer, garbage, electric and natural gas utilities to address low-income customer arrearages compounded by the COVID-19 pandemic and related to economic downturn. In addition, \$7.4 million increase in intergovernmental revenue from Fire Department EMS primarily due to increase reimbursement from Washington State Health Care Authority (HCA) for Ground Emergency Medical Transportation (GEMT), and \$0.5 million for Opioid settlement.
- Capital grants and contributions decreased \$14.0 million or 56.8% decrease from 2021. This decrease is attributable to less transportation work performed in 2022 compared to 2021 by \$11.2 million and decrease in social services allocated to emergency shelter funds from the American Rescue Plan grant by \$2.7 million
- Charges for services increased by \$12.5 million, which was 40.9% increase from 2021.
  - General government increased \$3.6 million primarily due to an increase in business licenses, non-business licenses, fines and forfeitures and LID collections principal.
  - Public Safety increased \$5.8 million primarily due to the Fire Department's expansion of services in 2021. Specifically, the department began providing Basic Life Support Services, and in 2022, the number of transports increased from 2,903 to 6,564 with the addition of transport units into service.
  - Culture and Recreation increased \$2.4 million primarily due to \$2.6 million contribution from Wastewater, Stormwater, and Water fund to Capital Project Fund related to Hilltop Tacoma Link Extension.
- Overall general tax revenues increased by \$13.8 million which is a 5.4% increase from 2021.
  - Retail & use tax revenue increased by \$14.1 million or 13.3%
  - Business Tax increased by \$4.4 million or 9.5%
  - Property Tax decreased by \$2.7 million or 3.3%
  - Excise taxes revenues decreased by \$2.0 million which or 8%.
- Governmental activities expenditures increased by \$70.8 million or 21.8%.
  - The majority of the increase in spending, \$76.5 million or 47.8%, can be attributed to public safety. This includes an increase of \$9.2 million in Fire Department DMS, \$6.8 million in American Rescue Plan, \$18.5 million increase in Fire and Police function expenditures, \$32.0 million in GASB 68 accruals, and an additional \$9.6 million increase associated with a change in the report line police pension and firefighter pension funds compared to 2021.
  - Transportation activities increase of \$28.6 million (60.3%).
  - Social service increase of \$3.3 million (23.4%).
  - These increases are offset by general government activities decrease of \$18.7 million (42.5%), nature and economic environment decrease of \$17.4 million (58.6%) and interest expense on long term debt decrease of \$2.4 million (24.8%).

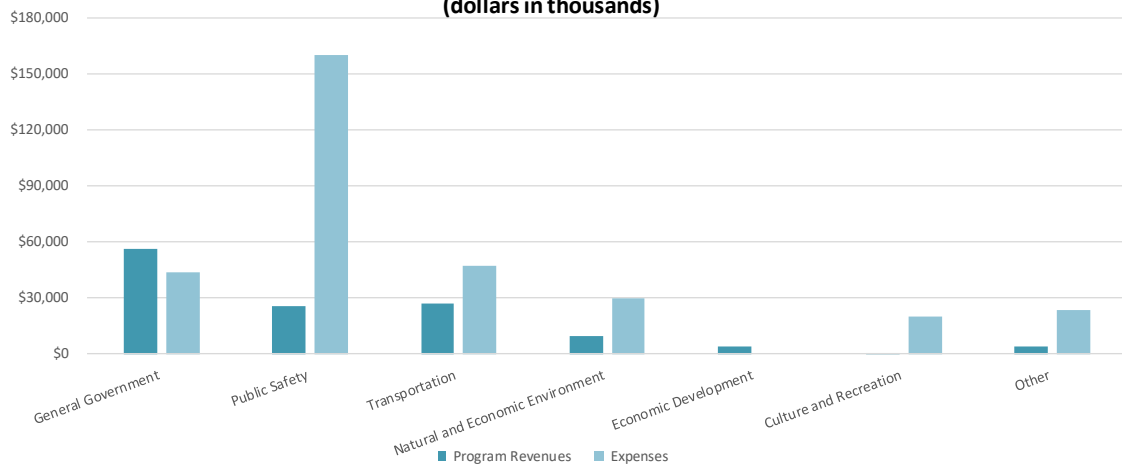
There are two charts depicted below for governmental activities. The first chart provides a summary of the governmental revenue sources by activity while the second shows the relationship of the revenues to expenses for the varying activities of the City.

**Management’s Discussion and Analysis  
For the Year Ended December 31, 2022**

**Revenue by Source - Governmental Activities**



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



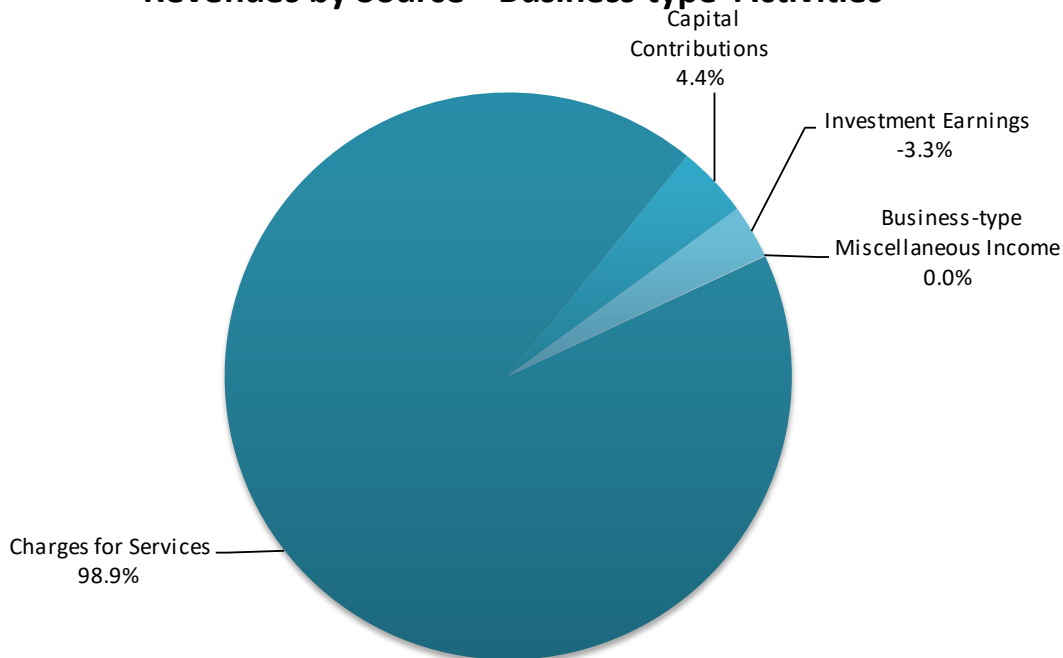
## Management’s Discussion and Analysis For the Year Ended December 31, 2022

**Business-Type Activities** net position increased by \$73.2 million which was a 3.1% increase with an ending net position of \$2.4 billion. The major enterprise funds are the Solid Waste, Wastewater and Stormwater, Water and Power funds.

- Charges for Services increased by \$29.7 million or 3.4% in 2022. The largest portion of this increase is from power for \$10.8 million, \$7.9 million in water, wastewater increased \$6.8 million, and solid waste revenues increased \$4.4 million.
- Capital grants and contributions increased \$4.3 million. The largest portion of this increase was due to \$2.7 million increased in Wastewater and Stormwater as they received direct grant from Washington Department of Ecology for the Upper Buckley Water Quality Grant project. Water increased \$1.3 million, Power decreased \$0.3 million, and Nonmajor Business-Type Activities increased \$0.7 million.
- Investment Earnings decreased by \$27.0 million in 2022. The Annual GASB 31 mark to fair value adjustment accounted for \$15.7 million of the decrease. Interest earnings were \$11.3 million lower compared to 2021.
- The business-type activities expenses overall increased by 0.2% in 2022 to \$789.1 million. Power expenses decreased by \$3.7 million (0.8%), and water expenses decreased by \$1.6 million (1.5%). This is offset by increases in Nonmajor business Type actives by \$5.4 million (7.1%) and Solid waste expenses increased by \$1.0 million (1.6%), and Wastewater and Stormwater expenses increased by \$0.5 million (0.5 %)

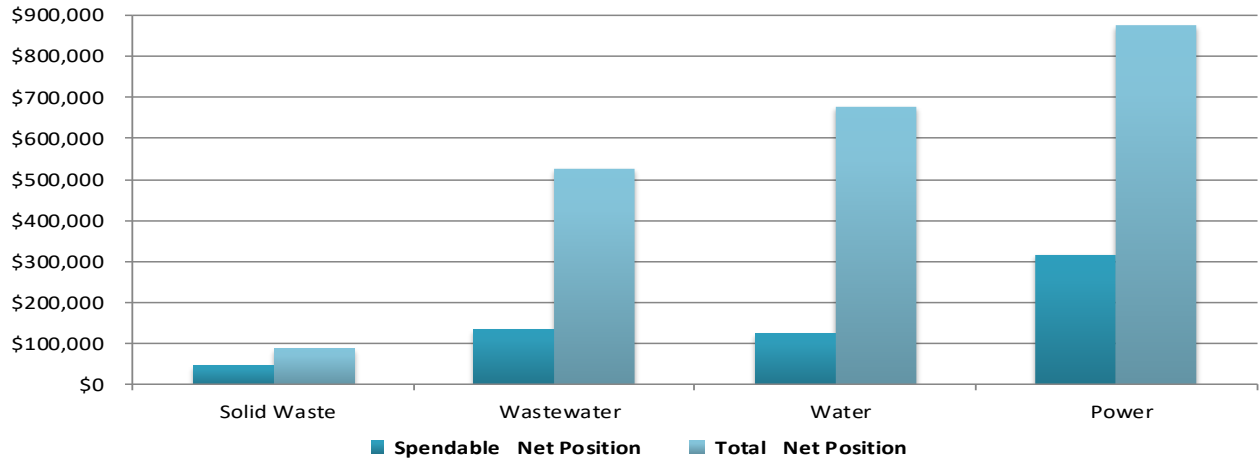
The following charts present the business-type activities. The first chart provides a summary of the business-type activities while the second chart shows the relationship of spendable net position to the total net position of the utility funds. A majority of the net position in each of these funds is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

**Revenues by Source - Business-type Activities**



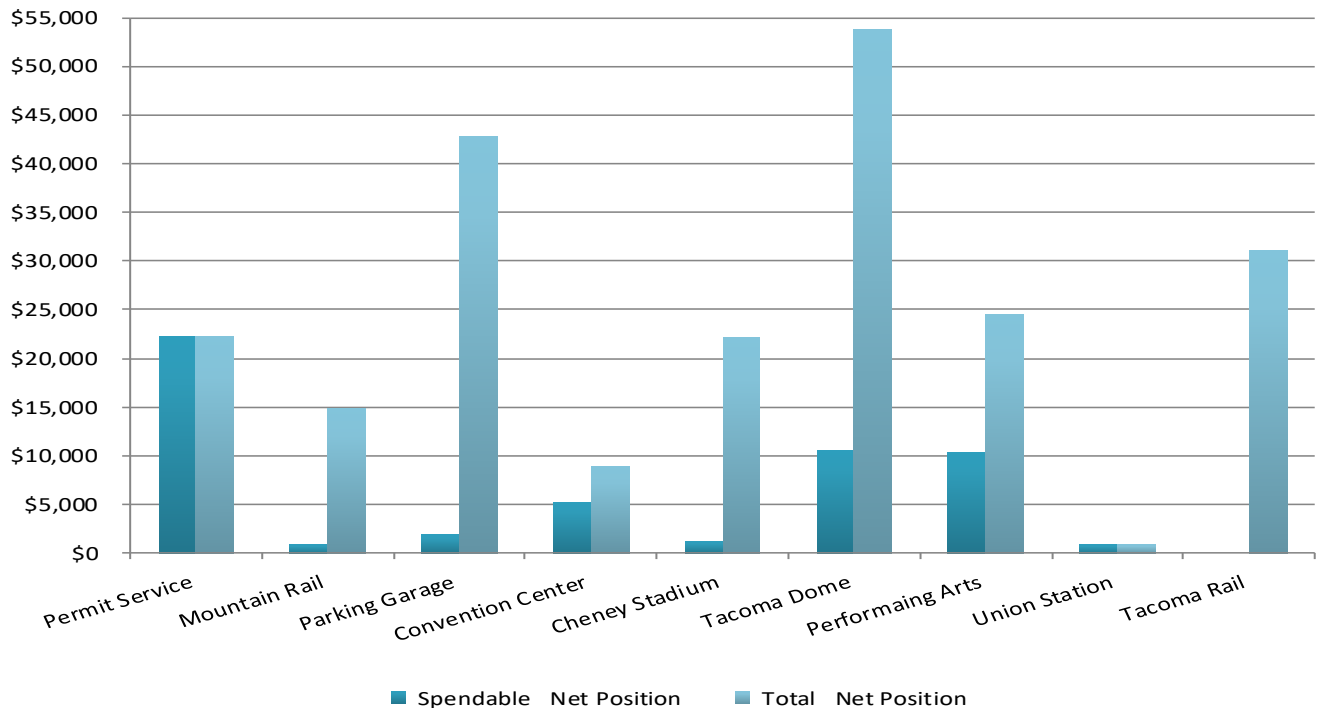
## Management’s Discussion and Analysis For the Year Ended December 31, 2022

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



The following chart shows the remaining enterprise funds and their relationship between net positions that is spendable to the total net position. Like 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 ending in support of ongoing expenses.

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





## Management's Discussion and Analysis For the Year Ended December 31, 2022

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### 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 \$109.2 million, an increase of \$4.0 million or 3.8% higher than 2021. Revenues for the general fund as a whole grew in 2022 by \$13.7 million, or 6.5%. Retail Sales & Use Tax rose by \$7.5 million as a result of increased consumer spending on goods and services, higher inflation, and higher costs of goods subject to the retail sales tax. Property tax increased \$1.0 million due to the increase in the assessed value of property. Business tax increased \$4.3 million. Licenses and permit increased \$2.2 million. Intergovernmental revenue decreased \$1.3 million. As a result of the financial market decline, investment profits declined by \$1.1 million. Additionally, there was an increase of \$1.1 million from other categories.

Fund balance for the Transportation Capital and Engineering fund reported a fund balance of \$6.5 million, a decrease of \$0.3 million from 2021. Revenue decreased by \$9.6 million as a result of a reduction in intergovernmental revenue, and a decrease of \$4.7 million in expenses. This was offset by a \$6.2 million net increase in transfers in and out.

Fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, was \$273.0 million, an increase of \$52.3 million. Overall other governmental funds revenue increased by \$28.5 million, with an increase of \$18.8 million intergovernmental revenues being the largest contributors from Fire Department EMS, Neighborhood Community and American Rescue Plan. An increase in expenditures of \$2.7 million from 2021 to 2022 was primarily due to a \$15.9 million increase in public safety, \$4.7 million increase in transportation, offset by a \$17.9 million decrease in principal payments for debt servicing.

#### Fund Balances

On December 31, 2022, the City's governmental funds reported combined ending fund balances of \$388.8 million. Of this amount, \$7.2 million is nonspendable, either due to its form or legal constraints. \$187.5 million is restricted for specific programs by external constraints. \$42.6 million is committed for specific purposes as approved by City Council. \$45.2 million is assigned to specific purposes by management and the remaining \$106.2 million is unassigned.

#### Proprietary Fund Statements

Total net position for enterprise funds for 2022 was \$2.4 billion an increase of \$63.3 million from 2021. Power, Water, Solid Waste and Wastewater and Stormwater utilities make up the majority of the proprietary funds and activity in these utilities contributed \$59.4 million for the change in the net position, and non-major enterprise funds contributed \$3.9 million.

In 2022, the net position of the Power fund was \$876 million, which represents a slight decrease of \$0.1 million or 0.1% compared to 2021. Operating revenues for the year amounted to \$480.5 million, indicating an increase of \$10.6 million or 2.3%. The sales of electric energy rose by \$6.5 million or 1.5%, mainly driven by higher revenues from residential, commercial, general, and new large load customers, amounting to \$19.2 million (3.1%). This increase was partially offset by a decrease in accrued unbilled revenue, contract industrial, and wholesale of \$12.7 million. The 2.0% rate increase that became effective on April 1, 2022 contributed \$4.5 million to the total revenue increase, with the remaining increase attributed to higher

## Management's Discussion and Analysis For the Year Ended December 31, 2022

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consumption. In addition, other operating revenues increased by \$4.1 million, mainly due to an increase in the reimbursement of qualified conservation expenses. Meanwhile, total operating expenses decreased by \$1.8 million or 0.4% compared to 2021. Salaries, wages, and pension expenses accounted for \$5.5 million or 4.3% of the decrease, while services decreased by \$6.8 million or 8.7%. However, supplies increased by \$6.6 million or 4.4%. Taxes also increased by \$2.4 million or 11.1%, primarily due to higher revenues earned before the transfer to the rate stabilization fund, compared to 2021.

In 2022, the Water fund's net position was \$675.7 million, which represents an increase of \$23.1 million or 3.5% compared to 2021. Tacoma Water's operating revenues amounted to \$115.2 million, an increase of \$3.9 million or 3.5% from the previous year. Sales of water increased by a net of \$2.2 million, with \$10.7 million due to an average service rate increase of 2.0% effective January 1, 2022, and an \$8.5 million decrease due to lower consumption. Other operating revenues also increased by \$989,000, while contract resource obligations revenues from Regional Water Second Supply (RWSS) Partners increased by \$674,000 to reimburse Tacoma Water for O&M-related expenses. Operating expenses decreased by \$0.6 million or 0.7% in 2022. Salaries and wages decreased by \$1.9 million, while services increased by \$4.2 million or 19.4%. The decrease in operating expenses is mainly due to a \$3.5 million decrease in bad debt expense, resulting from lower aging accounts receivable, and a \$4.2 million decrease in GASB 68 pension adjustment. However, these decreases were offset by increases of \$2.3 million in labor costs due to general wage increases and additional filled positions, as well as a \$3.5 million increase due to price increases, inflation, and supply chain issues. Taxes also increased by \$718,000 due to a University Place franchise administrative rate increase from 3% to 6% in 2022. Depreciation increased by \$673,000 due to a net increase in depreciable assets of \$11.8 million in 2020.

In 2022, the Wastewater and Stormwater fund's net position increased to \$524.8 million, up \$22.0 million or 4.4% from the previous year. Operating revenues also increased to \$129.5 million, up \$6.3 million or 5.1% from 2021. The Wastewater and Stormwater approved average rate increased by 2.0% for 2022, while the Stormwater rate increased by the same percentage, effective from January 1st of each year. Residential revenues increased by \$1.5 million or 2.6% in 2022, while commercial and public authority (PA) revenues decreased by \$2.2 million or 8.8% compared to the previous year. Operating expenses decreased to \$89.1 million in 2022, down \$6.8 million or 7.1% from 2021. Labor expenses, including all payroll associate costs, decreased by \$4.7 million mainly due to the decrease in pension benefit adjustment and pension withdrawal expense. Service expenditures also decreased by \$4.0 million, while supplies increased by \$1.0 million.

In 2022, the net position of the Solid Waste fund increased by \$14.4 million, reaching \$88.7 million, reflecting a 19.4% rise from 2021. Operating revenue also rose by \$4.0 million or 4.8%, mainly attributed to a 2.0% rate hike for residential customers starting on January 1, 2022, which resulted in \$600,000 increase in revenue in 2022 and \$1.9 million in 2021. The revenue from commercial customers also increased by \$1.5 million due to higher recycling rates and increased commercial housing and construction activities in the service areas, which resulted in higher commercial collection revenue due to increased volume. Additionally, disposal revenues increased by \$1.8 million due to customer self-haul trips to the landfill and tonnage volume. The operating expenses for 2022 were \$63.5 million, a \$0.2 million increase from 2021. Moreover, the Solid Waste fund received \$1.9 million in federal funds passed through the City Neighborhood & Community Services to assist with overdue utility accounts receivable, and \$0.3 million from the Public Work Department to support the Tacoma Tidy-Up program. Additionally, \$7.1 million was transferred to the general fund for gross earnings tax.

### General Fund Budgetary Highlights

## Management's Discussion and Analysis For the Year Ended December 31, 2022

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The City 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 2022 include:

- \$7.27 million in revenues above the projection used to develop the 2023-2024 forecast and budget. The increase in revenues included higher collection than expected of utility taxes, business taxes, and internal transfers.
- \$17.9 million in expenditure savings. The budget was increased at the end of the year by \$10.4 million to account for trends in Police and Fire overtime, liability insurance, equipment replacement costs, and corrections. The primary area of under-spending is personnel costs and delayed transfer costs.

### Capital Assets, Infrastructure, Bond Debt Administration

#### Capital Assets

The City's capital assets net of accumulated depreciation and amortization for its governmental and business-type activities as of December 31, 2022, is \$3.9 billion. This investment in capital assets includes land, construction in process, property, plant and equipment, right of use, and infrastructure.

There was a net increase of \$2.3 million in land for governmental activities, largely attributed to the acquisition of land on 69th and Proctor totaling \$1.8 million and \$0.4 million in land at Fire Station #5. On the other hand, construction in progress in governmental activities decreased by \$14.9 million, primarily due to the capitalization of \$35.0 million in construction in progress. However, this reduction in total construction in progress was offset by significant increases in major projects such as \$3.7 million for Revitalizing Tacoma's Brewery District, \$2.8 million for the 56th & Cirque Corridor improvement, \$2.6 million for Fawcett, \$2.6 million for Site 10 and 12 Seawall and Muni Dock Demo Project, among many others. Infrastructure increased \$29.0 million primarily due to capitalization of projects, namely \$20.1 million for the Taylor Way Rehabilitation Project and \$4.0 million for the East Portland Ave Safety Improvement and ADA project.

Property, plant and equipment in governmental activities decreased \$11.0 million. The decrease is primarily due to \$12.0 million in the retirement of information systems equipment, \$5.1 million from the retirement of the fireboat Commencement, \$2.5 million in Fleet retirements, \$2.4 million in other Fire department retirements, \$1.3 million in the retirement of police equipment, and \$0.8 million in the retirement of TV Tacoma equipment. The decrease was offset by new acquisitions of equipment and intangible assets.

Construction in Progress in business activities decreased by \$65.3 million. There was a total of \$266.5 million capitalized from construction in progress projects in 2022. This included \$113.6 million in wastewater/stormwater projects, \$94.5 million in Power projects, and \$46.7 million in Water projects. The decrease was offset by \$201.2 million in additional construction in progress costs, including \$61.0 million in wastewater/stormwater, \$83.7 million in Power, and \$42.3 million in water projects.

Property, plant and equipment in business activities increased \$241.3 million. The increase is attributable to power fund increase of \$68.4 million primarily due to increase \$6.1 million in intangible plant such as customer engagement portal and drawing management solution, adding \$22.0 million to Hydraulic Plant,

## Management's Discussion and Analysis For the Year Ended December 31, 2022

\$10.9 million for transmission included Mayfield bank transformer replacement, central treatment plant, and narrows tower fall projection, adding \$36.1 million to distribution plant, and adding \$9.4 million to General plant such as administrative building elevator replacement, fleet related vehicles and equipment. Water Fund increase of \$50.5 million is due to \$18.9 million increase in cast iron mains, \$18.1 million in Advance Metering infrastructure, \$3.4 million in services, pipes and accessories, and \$6.2 million in miscellaneous intangible assets. Wastewater and Stormwater increase of \$117.2 million is primarily due to \$26.0 million increase in building due to the completion of the Energy management and Central Treatment Plant (CTP) Electrical replacement project, \$17.1 million increase in machinery and equipment for assets created for CTP electrical replacement project, and \$70.4 million increase in transmission lines and other improvements. Additional changes include Solid Waste increase of \$2.1 million, Tacoma Rail decrease of \$1.2 million, and other funds increase of \$4.4 million.

	Schedule of Capital Assets					
	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 41,899	\$ 39,628	\$ 166,686	\$ 165,932	\$ 208,585	\$ 205,560
Art	3,018	3,018			3,018	3,018
Construction in progress	37,317	52,199	69,903	135,213	107,220	187,412
Property, plant and equipment	311,995	322,987	5,096,504	4,855,172	5,408,499	5,178,159
Right of use	10,086		1,956	1,360	12,042	1,360
Infrastructure	1,528,471	1,499,425			1,528,471	1,499,425
Less Accumulated depreciation and Amortization	(1,143,377)	(1,125,646)	(2,229,881)	(2,144,836)	(3,373,258)	(3,270,482)
	<b>\$ 789,409</b>	<b>\$ 791,611</b>	<b>\$ 3,105,168</b>	<b>\$ 3,012,841</b>	<b>\$ 3,894,577</b>	<b>\$ 3,804,452</b>

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

### Outstanding Debt

The City's debt on December 31, 2022, was \$2.0 billion, a decrease of \$37.3 million from governmental activities and an increase of \$95.8 million from business-type activities caused the \$58.5 million increase total primary government from 2021. Approximately 78.8% 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 21.2% bonded debt, debt is either secured by voter approved special levies or general government resources.

Tacoma Power drew down \$70.0 million from their line of credit with Wells Fargo in 2022. To provide the money required to pay the City's costs related with the building, improvement, and equipping of the utility, Sewer issued \$86.4 million in revenue bonds. Tacoma Solid Waste issued \$13.2 million in 2022 Revenue Bonds to finance capital improvements supporting environmental sustainability and cover insurance costs. The East Locomotive Service Facility received \$840,000 in draws, the Lincoln Track Upgrade received \$210,000, and the Tacoma Rail Yard Track Upgrades received \$16,550 from Washington State loans from the Department of Transportation.

State law places a ceiling of 7.5% of the assessed value of taxable properties on the City's limited and unlimited tax general obligation debt. The City's assessed valuation for 2022, according to the most recent report, was \$42.7 billion, giving it a legal debt capacity of \$3.2 billion. By the end of 2022, the City's net outstanding general obligation debt, which includes bonds and a loan from the State of Washington Public

## Management's Discussion and Analysis For the Year Ended December 31, 2022

Works Trust Fund, would total \$157.2 million, far less than the limit allowed by law, putting the City's legal debt margin at \$3 billion. State law limits existing LTGO bonds to 1.5% of assessed value, which for 2022 was a capacity of \$640.2 million, under the 7.5% restriction. By the end of 2022, the LTGO's net outstanding debt was \$156.0 million.

Additional information on the City's long-term debt can be found in Note 3-E and Note 12 of the Notes to the Financial Statements.

	Schedule of Long Term Liabilities					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Bonded debt and loans	\$ 136,211	\$ 145,893	\$ 1,512,899	\$ 1,369,756	\$ 1,649,110	\$ 1,515,649
Claims and judgments	36,228	39,013	-	-	36,228	39,013
Accrued landfill liability	-	-	15,190	16,374	15,190	16,374
Net OPEB Obligation	-	-	-	-	-	-
Total OPEB Liability	190,320	192,965	37,122	36,298	227,443	229,264
Net Pension Obligation	-	-	-	-	-	-
Total Pension Liability Police and Firefighters	39,926	41,519	-	-	39,926	41,519
Pension Liability	-	21,490	-	47,870	-	69,360
Compensated absences	25,358	24,498	27,832	26,900	53,190	51,398
	<b>\$ 428,044</b>	<b>\$ 465,379</b>	<b>\$ 1,593,044</b>	<b>\$ 1,497,199</b>	<b>\$ 2,021,087</b>	<b>\$ 1,962,578</b>

The City's debt rating for 2022 is as follows:

Bond Ratings			
Bond Ratings	Moody's	S&P	Fitch
GO	Aa2	AA	AA
LTGO	Aa2	AA	AA
Solid Waste	A1	AA	AA
Sewer	Aa2	AA+	AA+
Water	Aa2	AA	--
RWSS	Aa2	AA+	--
Power	Aa3	AA	AA-
Convention Center Revenue	A2	A	A+

### Economic Factors

Rate increases for residential and commercial services for solid waste management of about 4% become effective on January 1, 2023. For 2023, it is anticipated that the rate increases will result in an increase of operating revenues of \$2.9 million. The rate increases remain competitive with surrounding jurisdictions.

Starting on April 1, 2023, a new 6% fee will be added to solid waste bills for Tacoma homeowners and businesses to finance and increase community cleanup initiatives. The programs include coordinated services

## Management's Discussion and Analysis For the Year Ended December 31, 2022

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for cleaning up trash, debris, and graffiti; maintaining trails; maintaining and replacing public trash cans in business districts; cleaning up around encampment sites; hiring more staff to deal with issues in the community; providing low-income households with bill credit payment assistance; and providing opportunities for community input on Tidy-Up Tacoma programs and services.

Property taxes collected countywide total \$1.85 billion in 2023, a 5.1% increase over 2022. Property taxes support the city and county governments, fire departments, ambulance services, parks, libraries, roads, the Port of Tacoma, Sound Transit, and flood control in addition to funding public schools. On the property tax statement, there are additional charges for stormwater management, noxious weed control, and conservation. In Pierce County, 59% of all property taxes are made up of local and state levies for schools. Fire/EMS districts make up 11.8% of the total, followed by cities and county (including the road district) at 19.6%. Together, these comprise more than 90% of Pierce County's property tax.

In 2022, the Tacoma Streets Initiative had finished its seventh year. Two measures approved by voters in November 2015 made up the initiative. Proposition 3 permitted an additional 1.5% earning tax for natural gas, electric, and phone providers as well as an increase in the standard property tax levy of \$.20 per \$1,000 of assessed value. Proposition A increased sales tax by 1/100 of 1% over ten years. Of the final target of \$325 million over ten years, the program has raised about \$289.5 million, including grant and partnership funding. Total overlays, surface treatments, or other preventative maintenance, the initiative's maintenance work improved or maintained 890 blocks in 2022, bringing the overall number of blocks up to 3,538.

The Federal Reserve raised its key short-term interest rate by a quarter percentage point on May 3, 2023 and signaled it could now pause if inflation continues to ease as expected.

### 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 Finance Department, 747 Market Street Room 132, Tacoma, Washington 98402.







**STATEMENT OF NET POSITION**

December 31, 2022

(amounts expressed in thousands)

Page 1 of 2

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 466,431	\$ 716,127	\$ 1,182,558
Accounts Receivables (Net)	53,800	128,949	182,749
Due From Other Governmental Units	26,172	3,817	29,989
Internal Balances	(6,177)	6,177	-
Inventory	4,170	20,527	24,697
Prepays	1,088	17,399	18,487
Restricted Cash			
Cash and Cash Equivalents	-	242,888	242,888
Notes and Contracts Receivable	-	199	199
Leases Receivable, current	-	3,993	3,993
Non Current Assets			
Cash and Cash Equivalents	-	33,467	33,467
Lease Receivables, noncurrent	8	53,369	53,377
Long-Term Contracts and Notes	-	11,317	11,317
Net Pension Asset	146,846	101,556	248,402
Other Non Current Assets	-	36,870	36,870
Capital Assets			
Depreciable Capital Assets (Net of Accumulated Depreciation)	697,624	2,866,964	3,564,588
Non-Depreciable Capital Assets	82,234	236,589	318,823
Right to Use Lease Assets (Net of Amortization)	9,551	1,615	11,166
<b>Total Assets</b>	<u>1,481,747</u>	<u>4,481,823</u>	<u>5,963,570</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows related to Bond Refunding	411	5,526	5,937
Deferred Outflows related to Pensions	65,425	55,844	121,269
Deferred Outflows related to OPEB	44,590	9,333	53,923
<b>Total Deferred Outflows of Resources</b>	<u>110,426</u>	<u>70,703</u>	<u>181,129</u>
<b>LIABILITIES</b>			
Accounts Payable	40,382	54,345	94,727
Deposits Payable	218	19,468	19,686
Due to Other Governmental Units	40	818	858
Leases Payable, current	432	150	582
Unearned Revenue	7,332	12,170	19,502
Other Liabilities Payable	23,780	63,456	87,236
Payable From Restricted Assets:			
Other Current Liabilities	-	1,449	1,449
Leases Payable, non current	9,209	1,259	10,468
Special Assessment Debt with Government Commitment	19,305	-	19,305
Bonds and Other Debt Payable:			
Due Within One Year	43,672	48,724	92,396
Due in More Than One Year	365,067	1,544,320	1,909,387
<b>Total Liabilities</b>	<u>509,437</u>	<u>1,746,159</u>	<u>2,255,596</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Advanced Payment of Special Assessments	17,418	-	17,418
Deferred Inflows - Property Taxes	1,835	-	1,835
Deferred Inflows - Rate Stabilization	-	225,575	225,575
Deferred Inflows related to Bond Refunding	2,093	127	2,220
Deferred Inflows related to Pensions	93,868	116,171	210,039
Deferred Inflows related to OPEB	27,682	5,639	33,321
Deferred Inflows related to OPIOID	6,530	-	6,530
Deferred Inflows related to Leases	8	55,636	55,644
<b>Total Deferred Inflows of Resources</b>	<u>149,434</u>	<u>403,148</u>	<u>552,582</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	656,183	1,716,964	2,373,147
Restricted:			
Capital Projects	47,339	3,339	50,678
Debt Service	16,770	12,273	29,043
Utility Donations & System Development	-	56,719	56,719
Culture and recreation	11,524	2,621	14,145
Self Insurance	-	8,621	8,621
Environmental Services and Programs	-	3,812	3,812
Inspection	-	1,097	1,097
Pension	146,846	101,556	248,402
Reserves	-	40,996	40,996
Public Safety	3,830	-	3,830
Transportation	28,723	-	28,723
Grants	49,733	-	49,733
Housing and Economic development	29,588	-	29,588
Unrestricted	(57,234)	455,221	397,987
<b>Total Net Position</b>	<u>\$ 933,302</u>	<u>\$ 2,403,219</u>	<u>\$ 3,336,521</u>

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

**STATEMENT OF NET POSITION**  
**December 31, 2022**  
**(amounts expressed in thousands)**  
**Page 2 of 2**

Component Units			
TCRA	GTRCC PFD		
\$ 6,819	\$ 3,616		
-	971		
1,266	-		
-	-		
-	-		
29	-		
-	-		
1,493	-		
239	-		
-	-		
232	-		
40,107	-		
-	-		
186	-		
7,712	-		
1,585	-		
-	-		
<u>59,668</u>	<u>4,587</u>		
-	-		
-	-		
-	-		
-	-		
123	-		
-	-		
-	4,587		
-	-		
507	-		
-	-		
-	-		
-	-		
37	-		
5,356	-		
<u>6,023</u>	<u>4,587</u>		
-	-		
-	-		
-	-		
-	-		
-	-		
-	-		
465	-		
<u>465</u>	<u>-</u>		
4,405	-		
-	-		
-	-		
-	-		
-	-		
-	-		
-	-		
-	-		
-	-		
48,775	-		
-	-		
<u>\$ 53,180</u>	<u>\$ -</u>		

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

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)  
Page 1 of 2

	Program Revenues			
	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS / PROGRAMS:</b>				
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 25,352	\$ 20,562	\$ 38,320	\$ -
Public Safety	236,506	15,334	22,924	-
Transportation	76,017	1,337	6,489	9,165
Natural and Economic Environmen	12,240	2,504	7,354	-
Social Services	17,726	135	18,217	1,465
Culture and Recreation	21,217	3,147	1,458	-
Interest on Long-Term Debt	7,170	-	-	-
	<u>396,229</u>	<u>43,019</u>	<u>94,762</u>	<u>10,630</u>
Business-Type Activities				
Solid Waste	65,792	88,148	-	-
Waste Water	103,029	131,637	-	7,887
Water	101,687	120,113	-	19,800
Power	437,711	480,528	-	11,989
Nonmajor Business-Type Activities	80,883	78,027	-	-
	<u>789,102</u>	<u>898,453</u>	<u>-</u>	<u>39,676</u>
Total Primary Government	<u>\$ 1,185,331</u>	<u>\$ 941,472</u>	<u>\$ 94,762</u>	<u>\$ 50,306</u>
<b>Component Units</b>				
TCRA	2,820	397	2,327	-
GTRCC PFD	5,691	-	-	-
Total Component Units	<u>\$ 8,511</u>	<u>\$ 397</u>	<u>\$ 2,327</u>	<u>\$ -</u>
General Revenues:				
Taxes:				
Property Tax				
Retail Sales & Use Tax				
Business Tax				
Excise Tax				
Gain on Sale of Capital Assets				
Total General Revenues				
Lease Revenue				
Lease Interest Revenue				
Investment Earnings				
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*

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)  
Page 2 of 2

Net (Expense) Revenue and Changes in Net Position			Component Units	
Governmental Activities	Business-Type Activities	Total	TCRA	GTRCC PFD
\$ 33,530	\$ -	\$ 33,530	\$ -	\$ -
(198,248)	-	(198,248)	-	-
(59,026)	-	(59,026)	-	-
(2,382)	-	(2,382)	-	-
2,091	-	2,091	-	-
(16,612)	-	(16,612)	-	-
(7,170)	-	(7,170)	-	-
<u>(247,818)</u>	<u>-</u>	<u>(247,818)</u>	<u>-</u>	<u>-</u>
-	22,356	22,356	-	-
-	36,495	36,495	-	-
-	38,226	38,226	-	-
-	54,806	54,806	-	-
-	<u>(2,856)</u>	<u>(2,856)</u>	-	-
-	149,027	149,027	-	-
<u>\$ (247,818)</u>	<u>\$ 149,027</u>	<u>\$ (98,791)</u>	<u>\$ -</u>	<u>\$ -</u>
			(96)	-
			-	(5,691)
			<u>\$ (96)</u>	<u>\$ (5,691)</u>
\$ 79,119	\$ -	\$ 79,119	\$ -	\$ -
120,772	-	120,772	-	5,744
50,768	-	50,768	-	-
21,319	-	21,319	-	-
643	384	1,027	-	-
<u>272,621</u>	<u>384</u>	<u>273,005</u>	<u>-</u>	<u>5,744</u>
6		6	233	
(6,945)	(29,687)	(36,632)	15	
47,396	(47,396)	-	(26)	(53)
<u>65,260</u>	<u>72,328</u>	<u>137,588</u>	<u>-</u>	<u>-</u>
866,837	2,329,973	3,196,810	126	-
<u>1,205</u>	<u>73</u>	<u>1,278</u>	<u>52,894</u>	<u>-</u>
-	845	845	160	-
868,042	2,330,891	3,198,933	-	-
<u>\$ 933,302</u>	<u>\$ 2,403,219</u>	<u>\$ 3,336,521</u>	<u>\$ 53,054</u>	<u>\$ -</u>
			53,180	-

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

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2022  
(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 99,789	\$ 5,989	\$ 257,661	\$ 363,439
Accounts Receivables (Net)	10,510	23	42,975	53,508
Due From Other Governmental Units	16,005	2,095	7,987	26,087
Inventory	1,570	-	1,567	3,137
Prepays	15	-	10	25
Lease Receivable	-	-	8	8
Total Assets	<u>127,889</u>	<u>8,107</u>	<u>310,208</u>	<u>446,204</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total Assets and Deferred Outflows	<u>127,889</u>	<u>8,107</u>	<u>310,208</u>	<u>446,204</u>
<b>LIABILITIES</b>				
Account Payable	9,279	1,575	10,193	21,047
Customer Deposits	29	-	139	168
Other Liabilities Payable	6,667	9	2,162	8,838
Lease Liability	-	-	-	-
Due to Other Governmental Units	40	-	-	40
Advances from Other Funds	-	-	-	-
Unearned Revenue	-	-	1,005	1,005
Total Liabilities	<u>16,015</u>	<u>1,584</u>	<u>13,499</u>	<u>31,098</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	2,626	-	23,699	26,325
Deferred Inflows related to Leases	-	-	8	8
Total Deferred Inflow of Resources	<u>2,626</u>	<u>-</u>	<u>23,707</u>	<u>26,333</u>
<b>FUND BALANCE</b>				
Nonspendable	1,611	-	5,606	7,217
Restricted	225	6,236	181,046	187,507
Committed	14	-	42,618	42,632
Assigned	1,221	287	43,732	45,240
Unassigned	106,177	-	-	106,177
Total Fund Balance	<u>\$ 109,248</u>	<u>\$ 6,523</u>	<u>\$ 273,002</u>	<u>\$ 388,773</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 127,889</u>	<u>\$ 8,107</u>	<u>\$ 310,208</u>	<u>\$ 446,204</u>

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

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

December 31, 2022

(amounts expressed in thousands)

Total governmental fund balances as reported on this statement	\$	388,773
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds.		753,132
Other non-current assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Net pension asset		125,907
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	18,163	
Unavailable revenue reported for special assessments	<u>(17,418)</u>	745
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.		71,381
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds and loans payable	(132,977)	
Premium on Bonds Payable	(660)	
Deferred amount on bond refunding	(1,597)	
Deferred amounts related to OPEB	16,908	
Deferred amounts related to pensions	(16,005)	
Interest payable	(7,043)	
Police and Fire liability	(39,927)	
Total OPEB liability	(190,320)	
Lease Liability	(9,164)	
Deferred Inflow Related to OPIOID	(6,530)	
Compensated absences payable	<u>(19,321)</u>	(406,636)
Net position of government activities as reported on the statement of net position	<u>\$</u>	<u>933,302</u>

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



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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	General Fund Fund #0010	Trans Capital & Engineering Fund #1060	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 65,689	\$ -	\$ 17,914	\$ 83,603
Retail Sales & Use	84,111	-	36,661	120,772
Business	48,260	-	2,508	50,768
Excise	3,470	-	17,849	21,319
Licenses and Permits	4,073	-	699	4,772
Intergovernmental	8,126	11,128	80,313	99,567
Charges for Services	9,541	103	14,027	23,671
Fines and Forfeitures	1,543	-	6,102	7,645
Investment Earnings	(1,237)	(23)	(4,017)	(5,277)
Miscellaneous	729	11	6,717	7,457
Total Revenues	<u>224,305</u>	<u>11,219</u>	<u>178,773</u>	<u>414,297</u>
<b>EXPENDITURES</b>				
Current:				
General Government	27,776	-	699	28,475
Public Safety	181,836	-	47,443	229,279
Transportation	-	9,210	39,023	48,233
Natural and Economic Environment	6,023	-	10,697	16,720
Social Services	10,751	-	7,138	17,889
Culture and Recreation	14,106	-	5,909	20,015
Debt Service:				
Principal	187	-	12,315	12,502
Interest and Other Costs	165	22	4,448	4,635
Capital Outlay	9,445	13,933	11,077	34,455
Total Expenditures	<u>250,289</u>	<u>23,165</u>	<u>138,749</u>	<u>412,203</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(25,984)</u>	<u>(11,946)</u>	<u>40,024</u>	<u>2,094</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	473	-	2	475
Insurance Recoveries	-	-	5	5
Lease Revenue	8,066	-	1,354	9,420
Transfers In	60,630	14,576	74,842	150,048
Transfers Out	(39,304)	(2,455)	(64,584)	(106,343)
Total Other Financing Sources and Uses	<u>29,865</u>	<u>12,121</u>	<u>11,619</u>	<u>53,605</u>
Net Change in Fund Balance	<u>3,881</u>	<u>175</u>	<u>51,643</u>	<u>55,699</u>
Fund Balance - January 1, as Previously Reported	105,279	6,898	220,720	332,897
Prior Period Adjustment	88	(550)	639	177
Fund Balance - January 1, restated	105,367	6,348	221,359	333,074
Fund Balance - Ending	<u>\$ 109,248</u>	<u>\$ 6,523</u>	<u>\$ 273,002</u>	<u>\$ 388,773</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, 2022  
(amounts expressed in thousands)

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	55,699
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	34,455	
Depreciation Expense	<u>(36,655)</u>	(2,200)
The net effect of various miscellaneous transactions involving capital assets.		3,994
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		0
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes	(4,484)	
Amortization of bond premium	<u>101</u>	(4,393)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on the net position.		12,250
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.		
		4,207
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest payable	(2,624)	
Change in net pension obligation or asset	8,315	
Change in net other postemployment benefits	(213)	
Change in compensated absences payable	(611)	
Change in lease payable	(9,164)	(4,297)
Change in net position on the Statement of Activities	<u>\$</u>	<u>65,260</u>

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 1 of 4

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 68,858	\$ 159,492	\$ 60,997	\$ 360,161
Accounts Receivables (Net)	7,006	16,779	13,131	83,078
Due From Other Governmental Units	-	1,184	2,461	-
Inventory	-	2,588	5,289	10,753
Prepaid Expenses	-	314	2,232	11,856
Restricted Cash:				
Debt Service	539	1,733	3,646	18,009
Construction	11,272	59,733	-	6,573
Other	56	-	100,465	29,274
Leases Receivable	-	316	-	3,209
Note and Contracts Receivable	-	199	-	-
Total Current Assets	<u>87,731</u>	<u>242,338</u>	<u>188,221</u>	<u>522,913</u>
Noncurrent Assets				
Restricted Cash, Bond Reserves	2,110	-	21,687	4,998
Restricted Cash, Debt Reserves	-	4,672	-	-
Long-Term Lease Receivables	-	4,126	-	49,243
Long-Term Notes and Contracts	-	447	-	2,671
Net Pension Assets	8,325	15,099	14,153	55,918
Other non-current assets	-	-	3,284	32,684
Right to Use Lease Assets	-	267	53	1,039
Less: Accumulated Amortization	-	(114)	(27)	(181)
Capital Assets:				
Land	3,242	25,331	27,478	74,723
Property, Plant, and Equipment	207,767	1,013,459	1,245,791	2,278,678
Construction in Progress	1,531	19,977	16,113	25,996
Less: Accumulated Depreciation	(122,477)	(351,263)	(356,634)	(1,229,728)
Total Capital Assets (Net of A/D)	<u>90,063</u>	<u>707,504</u>	<u>932,748</u>	<u>1,149,669</u>
Total Noncurrent Assets	<u>100,498</u>	<u>732,001</u>	<u>971,898</u>	<u>1,296,041</u>
Total Assets	<u>188,229</u>	<u>974,339</u>	<u>1,160,119</u>	<u>1,818,954</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	3,013	427	-
Deferred Outflow related to Pensions	4,578	8,303	7,782	30,748
Deferred Outflow related to OPEB	765	1,590	1,807	3,512
Total Deferred Outflow of Resources	<u>5,343</u>	<u>12,906</u>	<u>10,016</u>	<u>34,260</u>

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 2 of 4

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 53,234	\$ 702,742	\$ 116,377
Accounts Receivables (Net)	8,955	128,949	292
Due From Other Governmental Units	172	3,817	85
Inventory	1,299	19,929	1,631
Prepaid Expenses	2,997	17,399	1,063
Restricted Cash:			
Debt Service	1,362	25,289	-
Construction	-	77,578	-
Other	10,226	140,021	-
Leases Receivable	468	3,993	-
Note and Contracts Receivable	-	199	-
Total Current Assets	<u>78,713</u>	<u>1,119,916</u>	<u>119,448</u>
Noncurrent Assets			
Restricted Cash, Bond Reserves	-	28,795	-
Restricted Cash, Debt Reserves	-	4,672	-
Long-Term Lease Receivables	-	53,369	-
Long-Term Notes and Contracts	8,199	11,317	-
Net Pension Assets	6,709	100,204	22,291
Other non-current assets	902	36,870	-
Right to Use Lease Assets	596	1,955	671
Less: Accumulated Amortization	(18)	(340)	(204)
Capital Assets:			
Land	35,913	166,687	357
Property, Plant, and Equipment	355,931	5,101,626	126,481
Construction in Progress	6,283	69,900	528
Less: Accumulated Depreciation	(175,352)	(2,235,454)	(90,762)
Total Capital Assets (Net of A/D)	<u>222,775</u>	<u>3,102,759</u>	<u>36,604</u>
Total Noncurrent Assets	<u>239,163</u>	<u>3,339,601</u>	<u>59,362</u>
Total Assets	<u>317,876</u>	<u>4,459,517</u>	<u>178,810</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflow from Bond Refunding	2,086	5,526	-
Deferred Outflow related to Pensions	3,690	55,101	12,258
Deferred Outflow related to OPEB	1,659	9,333	-
Total Deferred Outflow of Resources	<u>7,435</u>	<u>69,960</u>	<u>12,258</u>

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 3 of 4

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	3,726	8,451	5,221	31,988
Due to Other Governmental Units	-	810	-	-
Customer Deposits	62	-	233	10,810
Interest Payable	-	137	1,590	11,769
Environment Liabilities - Current	499	1,781	-	375
Notes and Contracts Payable - Current	-	4,926	5,756	-
Compensated Absences - Current	155	372	355	1,550
Bonds Payable - Current	3,373	7,434	8,419	6,240
Payable From Restricted Assets:				
Debt Principal Payable - Current	307	676	-	-
Interest Payable	233	1,057	-	-
Deposits and Other Payable	55	4	-	-
Unearned Revenue	386	717	-	4,789
Claims and Judgements - Current	-	-	-	-
Lease Liability - Current	-	62	14	61
Other Liabilities Payable	1,090	1,775	3,365	10,418
Total Current Liabilities	<u>9,886</u>	<u>28,202</u>	<u>24,953</u>	<u>78,000</u>
Noncurrent Liabilities				
Bonds Payable	61,400	314,559	330,213	515,564
Unearned Revenue	-	-	6,037	-
Compensated Absences	1,393	3,347	3,196	13,949
Environmental Liabilities	11,634	901	-	-
Claims and Judgements	-	-	-	-
Leases Payable, noncurrent	-	95	11	583
Other LT Liabilities Payable	385	3,608	13,565	1,273
Notes and Contracts Payables	-	60,174	59,038	80,000
Total OPEB Liability	3,235	3,941	5,351	14,048
Net Pension Liability	-	-	-	-
Total Noncurrent Liabilities	<u>78,047</u>	<u>386,625</u>	<u>417,411</u>	<u>625,417</u>
Total Liabilities	<u>87,933</u>	<u>414,827</u>	<u>442,364</u>	<u>703,417</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Inflow - Rate Stabilization	7,000	25,000	35,575	158,000
Deferred Inflow related to Bond Refunding	92	-	-	-
Deferred Inflow related to Pensions	9,523	17,272	16,189	63,964
Deferred Inflow related to Leases	-	4,279	-	50,911
Deferred Inflow related to OPEB	291	1,043	330	1,041
Total Deferred Inflow of Resources	<u>16,906</u>	<u>47,594</u>	<u>52,094</u>	<u>273,916</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	43,661	390,966	551,436	559,650
Restricted for:				
Capital Purchase	-	-	-	-
Debt Service	2,110	-	2,057	6,240
Utility Donations & System Development	-	-	56,719	-
Culture and Recreation	-	-	-	-
Self Insurance	-	-	-	-
Environment Service & Program	-	4	-	-
Inspection	-	-	-	-
Pension	8,325	15,099	14,153	55,918
Reserves	-	4,672	-	29,274
Unrestricted	<u>34,637</u>	<u>114,083</u>	<u>51,312</u>	<u>224,799</u>
Total Net Position	<u>\$ 88,733</u>	<u>\$ 524,824</u>	<u>\$ 675,677</u>	<u>\$ 875,881</u>

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

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 4 of 4

	Enterprise Funds		Governmental Activities
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	4,782	54,168	10,674
Due to Other Governmental Units	8	818	-
Customer Deposits	8,363	19,468	-
Interest Payable	156	13,652	-
Environment Liabilities - Current	-	2,655	-
Notes and Contracts Payable - Current	877	11,559	-
Compensated Absences - Current	322	2,754	633
Bonds Payable - Current	5,277	30,743	-
Payable From Restricted Assets:			
Debt Principal Payable - Current	-	983	-
Interest Payable	-	1,290	-
Deposits and Other Payable	100	159	50
Unearned Revenue	241	6,133	-
Claims and Judgements - Current	-	-	26,563
Lease Liability - Current	13	150	203
Other Liabilities Payable	2,039	18,687	18,361
Total Current Liabilities	<u>22,178</u>	<u>163,219</u>	<u>56,484</u>
Noncurrent Liabilities			
Bonds Payable	46,089	1,267,825	-
Unearned Revenue	-	6,037	-
Compensated Absences	2,897	24,782	5,700
Environmental Liabilities	-	12,535	-
Claims and Judgements	-	-	9,665
Leases Payable, noncurrent	570	1,259	274
Other LT Liabilities Payable	6,266	25,097	7,056
Notes and Contracts Payables	2,577	201,789	-
Total OPEB Liability	10,547	37,122	-
Net Pension Liability	-	-	-
Total Noncurrent Liabilities	<u>68,946</u>	<u>1,576,446</u>	<u>22,695</u>
Total Liabilities	<u>91,124</u>	<u>1,739,665</u>	<u>79,179</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflow - Rate Stabilization	-	225,575	-
Deferred Inflow related to Bond Refunding	35	127	-
Deferred Inflow related to Pensions	7,677	114,625	25,499
Deferred Inflow related to Leases	446	55,636	-
Deferred Inflow related to OPEB	2,934	5,639	-
Total Deferred Inflow of Resources	<u>11,092</u>	<u>401,602</u>	<u>25,499</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	170,457	1,716,170	37,071
Restricted for:			
Capital Purchase	3,339	3,339	-
Debt Service	1,866	12,273	-
Utility Donations & System Development	-	56,719	-
Culture and Recreation	2,621	2,621	-
Self Insurance	-	-	8,621
Environment Service & Program	3,808	3,812	-
Inspection	1,097	1,097	-
Pension	6,709	100,204	22,291
Reserves	7,050	40,996	-
Unrestricted	26,148	450,979	18,407
Total Net Position	<u>\$ 223,095</u>	<u>\$ 2,388,210</u>	<u>\$ 86,390</u>

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

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

December 31, 2022

(amounts expressed in thousands)

NET POSITION - TOTAL ENTERPRISE FUNDS	\$ 2,388,210
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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.	15,009
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NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 2,403,219
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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, 2022

(amounts expressed in thousands)

Page 1 of 2

	Enterprise Funds			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 86,838	\$ 125,093	\$ 101,188	\$ 454,760
Interfund Insurance Premiums	-	-	-	-
Lease Revenue		313		2,617
Other Operating Revenue	510	4,079	14,029	23,151
Total Operating Revenue	<u>87,348</u>	<u>129,485</u>	<u>115,217</u>	<u>480,528</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	21,684	33,464	29,724	123,716
Personal Benefits				
Supplies	1,596	6,316	3,895	154,951
Services	31,844	28,275	25,719	70,656
Taxes	1,528	1,814	1,572	23,764
Administration/Interfund payment for service				
Depreciation	6,853	19,210	28,400	52,082
Lease Amortization		57	14	39
Total Operating Expenses	<u>63,505</u>	<u>89,136</u>	<u>89,324</u>	<u>425,208</u>
Operating Income (Loss)	<u>23,843</u>	<u>40,349</u>	<u>25,893</u>	<u>55,320</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	985	2,876	(2,688)	(6,562)
Interest Revenue-Lease Activities				1,206
Operating Contributions	795	617	4,896	-
Other Non-Operating Revenues	5	1,535	-	
Gain (Loss) on Sale of Capital Assets	33	(90)	230	530
Unrealized Net Gain(Loss) on Fair Value Investment	(2,277)	(6,134)	(5,259)	(11,122)
Interest Expense	(1,968)	(11,974)	(11,638)	(10,809)
Interest Expense-Lease Activities				(7)
Other Non-Operating Expenses	(148)	(908)	577	
External Contributions	(1,851)	(2,552)	(1,828)	(8,250)
Total Non-Operating Revenues (Expenses)	<u>(4,426)</u>	<u>(16,630)</u>	<u>(15,710)</u>	<u>(35,014)</u>
Income (Loss) Before Contributions & Transfers	<u>19,417</u>	<u>23,719</u>	<u>10,183</u>	<u>20,306</u>
Capital Contributions	-	7,887	19,800	11,989
Transfers In	2,194	2,568	1,828	8,880
Transfers Out	<u>(7,176)</u>	<u>(12,177)</u>	<u>(8,729)</u>	<u>(42,085)</u>
Change in Net Position	<u>14,435</u>	<u>21,997</u>	<u>23,082</u>	<u>(910)</u>
Net Position, January 1	74,298	502,778	652,595	875,995
Prior Period Adjustment	-	-	-	-
Change in Accounting Principle	-	49	-	796
Net Position, January 1 restated	<u>74,298</u>	<u>502,827</u>	<u>652,595</u>	<u>876,791</u>
Net Position, December 31	<u>\$ 88,733</u>	<u>\$ 524,824</u>	<u>\$ 675,677</u>	<u>\$ 875,881</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, 2022

(amounts expressed in thousands)

Page 2 of 2

	Enterprise Funds		Total Internal Service Funds
	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 70,074	\$ 837,953	\$ 72,133
Interfund Insurance Premiums	-	-	107,295
Lease Revenue	59	2,989	-
Other Operating Revenue	589	42,358	-
Total Operating Revenue	<u>70,722</u>	<u>883,300</u>	<u>179,428</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	35,635	244,223	45,754
Personal Benefits			
Supplies	2,430	169,188	3,536
Services	28,612	185,106	112,059
Taxes	781	29,459	-
Administration/Interfund payment for service			
Depreciation	10,654	117,199	6,407
Lease Amortization	18	128	182
Total Operating Expenses	<u>78,130</u>	<u>745,303</u>	<u>167,938</u>
Operating Income (Loss)	<u>(7,408)</u>	<u>137,997</u>	<u>11,490</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest Revenue	929	(4,460)	1,376
Interest Revenue-Lease Activities	10	1,216	
Operating Contributions	6,356	12,664	153
Other Non-Operating Revenues	949	2,489	315
Gain (Loss) on Sale of Capital Assets	(319)	384	160
Unrealized Net Gain(Loss) on Fair Value Investment	(1,651)	(26,443)	(3,237)
Interest Expense	(2,017)	(38,406)	-
Interest Expense-Lease Activities	(12)	(19)	(11)
Other Non-Operating Expenses	(294)	(773)	(3)
External Contributions	-	(14,481)	-
Total Non-Operating Revenues (Expenses)	<u>3,951</u>	<u>(67,829)</u>	<u>(1,247)</u>
Income (Loss) Before Contributions & Transfers	<u>(3,457)</u>	<u>70,168</u>	<u>10,243</u>
Capital Contributions	-	39,676	-
Transfers In	13,468	28,938	3,691
Transfers Out	<u>(6,167)</u>	<u>(76,334)</u>	<u>-</u>
Change in Net Position	<u>3,844</u>	<u>62,448</u>	<u>13,934</u>
Net Position, January 1	219,178	2,324,844	71,275
Prior Period Adjustment	73	73	1,181
Change in Accounting Principle	-	845	-
Net Position, January 1 restated	<u>219,251</u>	<u>2,325,762</u>	<u>72,456</u>
Net Position, December 31	<u>\$ 223,095</u>	<u>\$ 2,388,210</u>	<u>\$ 86,390</u>

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

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

NET CHANGE IN NET POSITION - TOTAL ENTERPRISE FUNDS	\$	62,448
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.		9,880
 NET POSITION OF BUSINESS ACTIVITIES	 \$	 <u>72,328</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, 2022  
(amounts expressed in thousands)  
Page 1 of 4

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Solid Waste Fund #4200	Wastewater Fund #4300	Water Fund #4600	Power Fund #4700
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 90,492	\$ 131,705	\$ 118,036	\$ 575,523
Receipts from interfund services provided	-	-	-	-
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	(34,174)	(39,365)	(24,354)	(217,529)
Payments to employees	(24,356)	(38,403)	(34,011)	(142,278)
Payments for taxes	(1,562)	(2,230)	(6,177)	(22,123)
Payments for interfund services used	-	-	-	-
Other operating or non-operating revenues	-	-	-	(711)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>30,400</u>	<u>51,707</u>	<u>53,494</u>	<u>192,882</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	2,194	2,568	2,143	8,880
Grants and contributions received	902	520	-	-
Payments paid on noncapital debts	(332)	(451)	-	(1,000)
Transfer to other funds	(7,176)	(12,177)	(8,729)	(42,085)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(4,412)</u>	<u>(9,540)</u>	<u>(6,586)</u>	<u>(34,205)</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Proceeds received from long term debts	15,156	9,306	-	-
Proceeds received from capital debts	-	97,839	-	70,000
Proceeds from sales of capital assets	39	17	179	568
Contributions and donations	-	3,127	10,482	11,695
Acquisitions and constructions of capital assets	(6,757)	(61,280)	(41,166)	(77,509)
Principal paid on capital debts	(3,140)	(12,412)	(14,745)	(5,945)
Interest and issuance costs paid on capital debts	(2,538)	(12,834)	(17,794)	(23,520)
Transfers to other funds	-	-	-	-
Other Long-Term Liabilities	-	(60)	(168)	(336)
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>2,760</u>	<u>23,703</u>	<u>(63,212)</u>	<u>(25,047)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	(1,284)	(3,360)	(2,688)	(6,562)
Change in fair value of investment	-	-	-	-
Other Non-Operating Revenues	(1,855)	(891)	(1,199)	(7,288)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(3,139)</u>	<u>(4,251)</u>	<u>(3,887)</u>	<u>(13,850)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>25,609</u>	<u>61,619</u>	<u>(20,191)</u>	<u>119,780</u>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>57,226</u>	<u>164,011</u>	<u>206,986</u>	<u>299,235</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 82,835</u>	<u>\$ 225,630</u>	<u>\$ 186,795</u>	<u>\$ 419,015</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, 2022  
(amounts expressed in thousands)  
Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ 65,561	\$ 981,317	\$ 18,292
Receipts from interfund services provided	-	-	76,726
Contribution received - employee/employer	-	-	105,248
Payments to suppliers	(21,706)	(337,128)	(40,726)
Payments to employees	(37,904)	(276,952)	(147,575)
Payments for taxes	(779)	(32,871)	(1,693)
Payments for interfund services used	(6,325)	(6,325)	(458)
Other operating or non-operating revenues	361	(350)	(72)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(792)</u>	<u>327,691</u>	<u>9,742</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	8,995	24,780	3,452
Grants and contributions received	6,166	7,588	117
Payments paid on noncapital debts	-	(1,783)	-
Transfer to other funds	(2,775)	(72,942)	(1)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>12,386</u>	<u>(42,357)</u>	<u>3,568</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	4,473	4,473	239
Proceeds received from long term debts	-	24,462	-
Proceeds received from capital debts	1,076	168,915	-
Proceeds from sales of capital assets	-	803	272
Contributions and donations	490	25,794	-
Acquisitions and constructions of capital assets	(8,178)	(194,890)	(2,358)
Principal paid on capital debts	(8,135)	(44,377)	-
Interest and issuance costs paid on capital debts	(2,227)	(58,913)	-
Transfers to other funds	(3,430)	(3,430)	-
Other Long-Term Liabilities	-	(564)	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>(15,931)</u>	<u>(77,727)</u>	<u>(1,847)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	930	(12,964)	1,381
Change in fair value of investment	(1,651)	(1,651)	(3,236)
Other Non-Operating Revenues	-	(11,233)	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(721)</u>	<u>(25,848)</u>	<u>(1,855)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(5,058)</u>	<u>181,759</u>	<u>9,608</u>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>69,870</u>	<u>797,328</u>	<u>106,769</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 64,812</u>	<u>\$ 979,087</u>	<u>\$ 116,377</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, 2022  
(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
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 23,843	\$ 40,349	\$ 25,893	\$ 55,320
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation and amortization expenses	6,853	19,267	28,400	52,121
(Increase) decrease in accounts receivable	2,411	1,385	2,604	(5,290)
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in inventories	-	(226)	(2,122)	(1,225)
(Increase) decrease in prepaid items	-	(45)	637	-
(Increase) decrease in other assets	-	-	168	3,491
Increase (decrease) in deposit payable	26	4	47	1,335
Increase (decrease) in accounts payable	1,325	(4,196)	-	(397)
Increase (decrease) in accrued wages payable	10	67	11	372
Increase (decrease) in compensated absences	(26)	31	-	430
Increase (decrease) in intergovernmental payable	-	30	-	-
Increase (decrease) in deferred revenues	-	205	-	-
Increase (decrease) in other current liabilities	60	(234)	2,183	9,963
Increase (decrease) long term liabilities	(4,102)	(4,947)	(4,327)	76,334
Miscellaneous non-operating revenues (expenses)	-	17	-	428
Prior Period Adjustment	-	-	-	-
Total adjustments	6,557	11,358	27,601	137,562
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 30,400</b>	<b>\$ 51,707</b>	<b>\$ 53,494</b>	<b>\$ 192,882</b>
 <b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	3,820	10,814	294

*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, 2022  
(amounts expressed in thousands)  
Page 4 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (7,408)	\$ 137,997	\$ 11,490
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation and amortization expenses	10,672	117,313	6,589
(Increase) decrease in accounts receivable	2,074	3,184	203
(Increase) decrease in intergovernmental receivables	-	-	(85)
(Increase) decrease in inventories	(117)	(3,690)	(74)
(Increase) decrease in prepaid items	710	1,302	586
(Increase) decrease in other assets	(371)	3,288	581
Increase (decrease) in deposit payable	(5,879)	(4,467)	-
Increase (decrease) in accounts payable	1,474	(1,794)	(1,900)
Increase (decrease) in accrued wages payable	(10)	450	2,733
Increase (decrease) in compensated absences	77	512	(2,322)
Increase (decrease) in intergovernmental payable	2	32	-
Increase (decrease) in deferred revenues	217	422	-
Increase (decrease) in other current liabilities	(79)	11,893	(3,406)
Increase (decrease) long term liabilities	(2,010)	60,948	(5,834)
Miscellaneous non-operating revenues (expenses)	(663)	(218)	-
Prior Period Adjustment	73	73	1,181
Total adjustments	6,616	189,694	(1,748)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (792)</b>	<b>\$ 327,691</b>	<b>\$ 9,742</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	14,928	-

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

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2022  
(amounts expressed in thousands)

	Custodial Forfeitures Fund	Pension Trust Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 60	2,675
Investments	-	46,935
Equities	-	741,144
Fixed income	-	684,818
Real estate	-	125,707
Venture capital and partnerships	-	485,095
Securities lending collateral	-	73,999
Due From Other Governments	-	2,272
Interest and Dividends	-	3,467
Investment Sales	-	6,746
Capital Assets, net of accumulated depreciation	-	6
Total Assets	60	2,172,864
DEFERRED OUTFLOW OF RESOURCES	-	-
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	-	-
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	-	2,245
Accrued Wages and Benefits Payable	-	112
Deposits payable	60	-
Investments Purchase Payable	-	167,735
Other Current Liabilities	-	5
Total Current Liabilities	60	170,097
Noncurrent Liabilities		
Accrued Employee Leave Benefits	-	341
Total Noncurrent Liabilities	-	341
Total Liabilities	60	170,438
DEFERRED INFLOW OF RESOURCES		
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	-	-
<b>NET POSITION</b>		
Net position restricted for pensions and other purposes	\$ -	2,002,426

*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, 2022  
(amounts expressed in thousands)

	Custodial Forfeitures Fund	Pension Trust Fund
<b>ADDITIONS</b>		
Employer Contributions	\$ -	33,992
Member Contributions	-	29,886
Other Contributions	-	(24)
Total Contributions	-	63,854
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	-	(209,919)
Interest and Dividends	-	39,914
Total Investment Income	-	(170,005)
Less Investment Expenses:		
Investment Management Fees	-	(8,128)
Securities Lending - Agent Fees	-	(93)
Securities Lending - Broker Rebates	-	(1,189)
Total Investment Expense	-	(9,410)
Net Investment Income	-	(179,415)
 Total Additions	-	(115,561)
<b>DEDUCTIONS</b>		
Wages and Benefit Payments	-	1,300
Healthcare Benefit Payments	-	101,513
Refunds of Contributions	-	3,777
Administrative Expense	-	1,035
Total Deductions	-	107,625
 Net Increase (Decrease)	-	(223,186)
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>		
Net position - beginning	-	2,225,612
Net position - ending	\$ -	2,002,426

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



## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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## Notes to the Financial Statements For the Year Ended December 31, 2022

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### Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Effective for the fiscal year 2022, the City applied the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

**GASB Statement No. 87 – Leases.** The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Where applicable the City has made the required adjustments as prescribed by GASB Statement #87 as of December 31, 2022.

**GASB Statement No. 91 – Conduit Debt Obligations.** The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The GASB statement was implemented and there's no effect on the City's financial statements as a result of this statement.

**GASB Statement No. 92 – Omnibus 2020.** The primary objective of this statement is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Where applicable the City has applied the effective accounting and financial reporting provisions as prescribed by GASB Statement No. 92.

**GASB Statement No. 93 - Replacement of Interbank Offered Rates (LIBOR).** The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR effective after fiscal year end 6/15/22. The GASB statement was implemented and there's no effect on the City's financial statements as a result of this statement.

**GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.** The primary objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component unit in fiduciary fund financial statement; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meets the definition of a pension plan and for benefits provided through those plans. The GASB statement was implemented and there's no effect on the City's financial

## Notes to the Financial Statements For the Year Ended December 31, 2022

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statements as a result of this statement.

### 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, Water, Wastewater, Stormwater, Solid Waste and Rail.

The accompanying financial statements present the City and its component units.

Component units are required to be blended if the component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit/burden relationship between the primary government and the component unit or (2) management of the primary government has operational responsibility for the component unit. Additionally, per GASB Statement No. 80 a component unit should be included using blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member. A component unit should be presented as blended when the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Discretely presented component units are separate legal entities for which the City is financially accountable and there is a financial benefit/burden relationship with the City. Exclusion of these entities would cause the City's financial statements to be misleading or incomplete. To be presented as a discretely presented component unit all of the following criteria must be met:

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

For related party transactions refer to Note 3 Section G.

#### *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

## Notes to the Financial Statements For the Year Ended December 31, 2022

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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.

### *Joint Ventures:*

#### **Tacoma-Pierce County Health Department (TPCHD)**

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,

## Notes to the Financial Statements For the Year Ended December 31, 2022

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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 TPHCD is included in Note 7 Section E. The City of Tacoma, however, does not report an equity interest in the Government-wide financial statements.

### **B. Government-wide and fund financial statements**

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

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

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

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

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

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

The City uses encumbrance accounting. Purchase orders, contracts and other commitments are recorded

## Notes to the Financial Statements For the Year Ended December 31, 2022

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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.

The City reports the following major governmental funds:

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

## Notes to the Financial Statements For the Year Ended December 31, 2022

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The City reports the following major proprietary funds:

- The Solid Waste fund (#4200) provides solid waste collection and disposal services for residential and commercial customers. Services include recycling, long-haul to an outside landfill, and disposal in the City owned landfill.
- The Wastewater and Stormwater (Sewer) fund (#4300-01) accounts for the planning, design, construction, operation, and maintenance of the wastewater and stormwater 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.

The City reports the following major fiduciary funds:

- The Tacoma Employees' Retirement System (#6100) is a cost-sharing, multiple-employer defined benefit public employee pension plan, covering a majority of the employees of the City of Tacoma, and three Member Public Agencies.
- The Custodian Forfeiture fund (#6331) accounts for deposits being held in trust until various court cases are adjudicated.

### 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

## Notes to the Financial Statements For the Year Ended December 31, 2022

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total levy is recognized as revenue in the government-wide financial statements, regardless of when collected.

Utility receivables are shown net of an allowance for uncollectables. The uncollectable amount is established based on an analysis of historical experience. Allowances for other receivables are not utilized because the amounts are not material.

Notes and contracts receivable signed between the City and/or the Tacoma Community Redevelopment Authority (TCRA) and various parties represent economic development efforts of either a business nature or with homeowners. A large majority of the Power utility notes and contracts receivable represent energy conservation efforts between the City and homeowners or businesses.

### **3. Inventories and prepaid items**

Inventories for proprietary funds are valued at first-in/first out, moving average cost method, or lower of cost or market, depending on the fund. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items accounted for under the consumption method and are expensed over the period the services are provided rather than when purchased.

### **4. Restricted assets**

Restricted assets in the enterprise funds are monies which are restricted by legal or contractual requirements. These assets are generally intended for either construction of capital assets or for the repayment of debt. See Note 3 Section F for further information.

### **5. Capital assets**

Capital assets; which include land, property, plant, equipment, construction in progress and intangible assets (assets right of use), 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.



## Notes to the Financial Statements For the Year Ended December 31, 2022

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The estimated useful lives for all City assets are:

Property, plant, and equipment	3-100 years
Water Plant	13-60 years
Power Plant	2-62 years
Parks	33 years
Library materials	5 years
Intangibles	3-25 years
Infrastructure	5-60 years

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

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

### **7. *Deferred Outflows and Deferred Inflows of Resources***

Deferred Outflows of Resources - Deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then. Deferred outflows of resources consist of losses on refunding of bonds, deferred outflows of resources related to pensions, and deferred outflows of resources related to post employment benefits other than pensions.

Deferred Inflows of Resources - Deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. Deferred inflows of resources consist of inflows for rate stabilization, deferred inflows of resources related to pensions, deferred inflows of resources related to post employment benefits other than pensions, and deferred inflows of resources related to leases as a result of implementation of GASB Statement No. 87, Leases.

### **8. *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.

### **9. *Long-term obligations***

In the government-wide financial statements and the proprietary fund financial statements, long-

## Notes to the Financial Statements For the Year Ended December 31, 2022

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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.

### 10. Fund balance

#### *Fund balance*

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

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

## Notes to the Financial Statements For the Year Ended December 31, 2022

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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 H.

### ***Fund 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.

### **11. Leases**

Leases are recognized in accordance with GASB Statement No. 87, Leases.

#### **City as a Lessee:**

The city is a lessee for noncancelable leases. The city recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements. The city recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the city initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized using the straight - line basis/effective interest method over its useful life.

Governmental funds recognize a capital outlay and other financing source at the commencement of a new lease. Lease payments in governmental funds are reported as debt service principal and debt service interest expenditures.

Key estimates and judgements related to lease include how the city determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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- The city uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the city generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the city is reasonably certain to exercise.

The city monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

### City as a Lessor:

The city is a lessor for noncancelable leases. The city recognizes a lease receivable and a deferred inflow of resources in the government - wide and fund financial statements. The city recognizes right of use asset with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the city initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measure as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the straight - line basis/effective interest method.

Key estimates and judgements related to lease include how the city determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The city uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are compose of fixed payments from the lessee.

The city monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. 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 to the Financial Statements For the Year Ended December 31, 2022

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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 \$1,228,079 for 2022.

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

The following governmental and proprietary funds had deficit net position.

Third Party Liability Claims Fund has a net position deficit of \$24.0 million, a decrease of \$5.9 million over the prior year, due to the decreases in liability claims and increase charge for service revenues.

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)	(24,009)
	\$ (24,009)

### 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 \$100,964,800.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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**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 2022, there was no significant loss potential, and there were no significant or recurring violations of administrative, legal or contractual provisions.

**Investment committee guidelines:** The City's Investment Committee, composed of the Mayor, the Finance Director and the City Treasurer, recommended the following portfolio mix guidelines. These guidelines are intended to limit risk and generate a competitive return on investments. The Committee recognizes that daily transactions may misalign this mix.

1. **U.S. Treasury Bills, Certificates, Notes and Bonds:** Portfolio mix guidelines allow for a maximum of 100% of the total portfolio to be invested in these securities.
2. **U.S. Government Agency Securities:** Portfolio mix guidelines suggest a maximum of 90% of the total portfolio with no more than 50% of the total portfolio per agency.
3. **Supranational Agency Bonds:** U.S. dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment: (1) the Supranational is rated within one of the two highest rating categories of a NRSRO; and the institution has the United States government as its largest shareholder. No more than 10% of the Portfolio may be invested in Supranational Agency obligations with no more than 5% being invested in obligations of a single Supranational Agency.
4. **Bankers Acceptances:** City investment policy allows for purchases of bankers acceptances from the top 50 world banks as published by American Banker. A maximum of 20% of the total portfolio may be invested in bankers' acceptances with no more than 5% of the total portfolio in any one bank.
5. **Commercial Paper:** Portfolio mix guidelines require the highest rating by at least two nationally recognized rating agencies for purchase with no more than 10% of the portfolio invested in commercial paper with an additional limit of no more than 5% in any one issuer.
6. **Repurchase Agreements:** Portfolio mix guidelines suggest repurchase agreements be limited to maximum of 25% of the total portfolio. The fair 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 2022.
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.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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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, 2022

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.

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, 2022, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments  
December 31, 2022  
(amounts expressed in thousands)

Reconciliation of Cash and Investments:

Investments (less Component Units)	\$ 3,518,380
Treasurer's Cash, net	100,696
Petty Cash Funds	269
Sub-total	<u>3,619,345</u>
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	1,648
TCRA - External Cash	5,171
Public Facilities District (PFD)	3,616
Sub-total (Component Units)	<u>10,435</u>
Total	<u>\$ 3,629,780</u>

## Notes to the Financial Statements For the Year Ended December 31, 2022

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	\$ 1,189,776
Restricted cash and cash equivalents	269,137
Total Primary Government	<u>1,458,913</u>
Component Units	
TCRA	6,819
GTRCC PFD	<u>3,616</u>
Total Component Units	10,435
Fiduciary Funds	
Cash and cash equivalents	2,735
Investments at fair value	46,935
Pension Trust	<u>2,110,762</u>
Total Fiduciary Funds	<u>2,160,432</u>
Total cash and investments	<u>\$ 3,629,780</u>

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

Investments:	Fair Value at 12/31/2022
Financial Institutions	
WA State Local Government Investment Pool	\$ 26,063
Government Agencies (various)	1,339,884
Equity in Pool Transferred to Component Units	<u>(7,999)</u>
Total Investments with Financial Institutions	1,357,948
Pension Trust	
Equities	741,144
Fixed Income	684,818
Real Estate	125,707
Venture Capital & Partnerships	485,095
Short Term Bill & Notes	44,201
Other Assets	553
Cash and Cash Equivalents	4,915
Securities Lending Collateral	<u>73,999</u>
Total Other Investments - Pension Trust	<u>2,160,432</u>
Total	<u>\$ 3,518,380</u>

### 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



## Notes to the Financial Statements For the Year Ended December 31, 2022

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 \$25,657,974 with the State Treasurer's Local Government Investment Pool and \$69,727,732 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	\$ 69,727,732	\$ 69,727,732	\$ -	\$ -	\$ -	\$ -
Bank Demand Deposits & State Pool	26,052,685	26,052,685	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	11,410,948	4,906,480	6,504,468	-	-	-
Fixed Rate Non-Callable Agency Securities	333,300,266	200,824,024	78,171,242	49,587,668	4,717,332	-
Fixed Rate Callable Agency Securities	222,111,642	34,449,550	187,662,092	-	-	-
Totals	\$ 662,603,273	\$ 335,960,471	\$ 272,337,802	\$ 49,587,668	\$ 4,717,332	\$ -
Percent of Total		50.70%	41.10%	7.48%	0.71%	0.00%

#### 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 2022 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	\$ 95,780,417	FDIC & PDPC	\$ 95,780,417	\$ -	\$ -	\$ -
Fixed Rate Non-Callable Municipal Securities	11,410,948	A	-	7,469,828	3,941,120	-
Fixed Rate Non-Callable Agency Securities	309,387,834	AAA	-	289,712,834	-	19,675,000
Fixed Rate Callable Agency Securities	222,111,642	AAA	-	222,111,642	-	-
Total	\$ 638,690,841		\$ 95,780,417	\$ 519,294,304	\$ 3,941,120	\$ 19,675,000

#### 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.

The following, which are more than 5%, are Financial, State Government, or Government Sponsored Agencies.

## Notes to the Financial Statements For the Year Ended December 31, 2022

Issuer	Investment Type	Amount Reported	Percentage
Washington State	Municipal Securities	\$ n/a	n/a
Federal Farm Credit Bank	Agency Securities	88,004,778	6.6%
Federal Home Loan Bank	Agency Securities	237,560,950	17.7%
Federal Home Mortgage Corporation	Agency Securities	139,337,678	10.4%
Federal National Mortgage Association	Agency Securities	76,599,354	5.7%
Total		<u>\$ 541,502,760</u>	

### 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, 2022

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			
	12/31/2022	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 683,653,733	\$ -	\$ 683,653,733	\$ -
Supranational Securities	19,561,285	-	19,561,285	-
Municipal Bonds	20,114,218	-	20,114,218	-
Agency Securities	555,411,908	-	555,411,908	-
Money Market	404,711	404,711	-	-
Corporate Securities	61,142,820	-	61,142,820	-
<b>Total</b>	<b>\$ 1,340,288,675</b>	<b>\$ 404,711</b>	<b>\$ 1,339,883,964</b>	<b>\$ -</b>

## B. Receivables

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

(amounts expressed in thousands)

Accounts Receivable (amounts expressed in thousands)	Trans Capital Non-Major				
	General Fund	& Engineering Fund	Governmental Funds	Solid Waste Fund	Waste Water Fund
Accounts Receivable (net short-term)	\$ 10,510	\$ 23	\$ 36,446	\$ 7,006	\$ 16,779
Due from Other Governments	16,005	2,095	14,516	-	1,184
Leases Receivable (net short-term)	-	-	8	-	316
Leases Receivable (net long-term)	-	-	-	-	4,126
Notes and Contracts Receivable (net short-term)	-	-	-	-	199
Notes and Contracts Receivable (net long-term)	-	-	-	-	447
<b>TOTAL</b>	<b>\$ 26,515</b>	<b>\$ 2,118</b>	<b>\$ 50,970</b>	<b>\$ 7,006</b>	<b>\$ 23,051</b>

Accounts Receivable (amounts expressed in thousands)	Non-Major Internal				Total
	Water Fund	Power Fund	Enterprise Funds	Service Funds	
Accounts Receivable (net short-term)	\$ 13,131	\$ 83,078	\$ 8,955	\$ 292	\$ 176,220
Due from Other Governments	2,461	-	172	85	36,518
Leases Receivable (net short-term)	-	3,209	468	-	4,001
Leases Receivable (net long-term)	-	49,243	-	-	53,369
Notes and Contracts Receivable (net short-term)	-	-	-	-	199
Notes and Contracts Receivable (net long-term)	-	2,671	8,199	-	11,317
<b>TOTAL</b>	<b>\$ 15,592</b>	<b>\$ 138,201</b>	<b>\$ 17,794</b>	<b>\$ 377</b>	<b>\$ 281,624</b>

## Notes to the Financial Statements For the Year Ended December 31, 2022

### C. Capital assets

Capital asset activity for the year-ended December 31, 2022 was as follows:

(amounts expressed in thousands)

Governmental activities	Beg Bal	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 39,628	\$ 2,393	\$ (122)	\$ 41,899
Art	3,018	-	-	3,018
Construction work in progress	52,199	20,202	(35,084)	37,317
Total capital assets, not being depreciated	<u>94,845</u>	<u>22,595</u>	<u>(35,206)</u>	<u>82,234</u>
Capital assets, being depreciated or amortized:				
Property, plant, and equipment	322,987	14,553	(25,545)	311,995
Infrastructure	1,499,425	29,046	-	1,528,471
Right-of-use	-	10,086	-	10,086
Total capital assets, being depreciated or amortized	<u>1,822,412</u>	<u>53,685</u>	<u>(25,545)</u>	<u>1,850,552</u>
Less accumulated depreciation and amortization:				
Property, plant, and equipment	(208,248)	(13,676)	30,637	(191,287)
Infrastructure	(917,398)	(28,868)	(5,289)	(951,555)
Right-of-use	-	(535)	-	(535)
Total accumulated depreciation and amortization	<u>(1,125,646)</u>	<u>(43,079)</u>	<u>25,348</u>	<u>(1,143,377)</u>
Governmental activities, capital assets (net of accumulated depreciation or amortization)	<u>\$ 791,611</u>	<u>\$ 33,201</u>	<u>\$ (35,403)</u>	<u>\$ 789,409</u>

## Notes to the Financial Statements For the Year Ended December 31, 2022

Business activities	Beg Bal Restated	Increases	Decreases	End Bal
Capital assets not being depreciated:				
Land	\$ 165,932	\$ 844	\$ (90)	\$ 166,686
Construction work in progress	135,213	201,165	(266,475)	69,903
Total capital assets, not being depreciated	<u>301,145</u>	<u>202,009</u>	<u>(266,565)</u>	<u>236,589</u>
Capital assets, being depreciated or amortized				
Property, plant, and equipment	4,855,172	270,456	(29,124)	5,096,504
Right of use	1,360	596	-	1,956
Total capital assets, being depreciated or amortized	<u>4,856,532</u>	<u>271,052</u>	<u>(29,124)</u>	<u>5,098,460</u>
Less accumulated depreciation and amortization:				
Property, plant, and equipment	(2,144,657)	(117,329)	32,446	(2,229,540)
Right of use	(179)	(162)	-	(341)
Total accumulated depreciation and amortization	<u>(2,144,836)</u>	<u>(117,491)</u>	<u>32,446</u>	<u>(2,229,881)</u>
Business activities, capital assets (net of accumulated depreciation)	<u>\$ 3,012,841</u>	<u>\$ 355,570</u>	<u>\$ (263,243)</u>	<u>\$ 3,105,168</u>

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

### Governmental Activities:

General Government	\$ 1,076
Public Safety	2,882
Transportation	30,132
Economic Environment	822
Social Services	3
Culture and Recreation	1,740
Capital Assets held by Internal Services funds which are charged to various functions based on their usage of the assets	<u>6,422</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 43,077</u>

## Notes to the Financial Statements For the Year Ended December 31, 2022

### Business-type activities:

Permit	\$ 34
Mountain Rail	783
Parking Garage	1,308
Convention Center	1,752
Baseball Park	1,401
Tacoma Dome	1,670
Performing Arts	1,110
TPU Fleet *	166
Solid Waste	6,853
Waste Water	19,267
Tacoma Rail	2,614
Water	28,414
Power	52,121
Total depreciation and amortization expense - business-type activities	<u>\$ 117,493</u>

\*Internal Service fund that solely supports Business-type activities

### Right-of-Use assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The City is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. This recognition is new for the current fiscal year due to the implementation of GASB 87.

Lease right-of-use activity for the year ended December 2022 was as follows:

<b>Governmental activities</b>	Beg Bal			
	Restated	Increases	Decreases	End Bal
Land	\$ -	\$ 48	\$ -	\$ 48
Property, plant, and equipment	-	10,038	-	10,038
Total leased assets	<u>-</u>	<u>10,086</u>	<u>-</u>	<u>10,086</u>
Less accumulated amortization				
Land	-	(22)	-	(22)
Property, plant, and equipment	-	(513)	-	(513)
Total accumulated amortization	<u>-</u>	<u>(535)</u>	<u>-</u>	<u>(535)</u>
Total leased assets, net of accumulated amortization	<u>\$ -</u>	<u>\$ 9,551</u>	<u>\$ -</u>	<u>\$ 9,551</u>

## Notes to the Financial Statements For the Year Ended December 31, 2022

<b>Business activities</b>	Beg Bal			End Bal
	Restated	Increases	Decreases	
Right of use				
Land	\$ 353	\$ -	\$ -	\$ 353
Buildings	320	596	-	916
Telecommunications	687	-	-	687
Total leased assets	<u>1,360</u>	<u>596</u>	<u>-</u>	<u>1,956</u>
Less accumulated amortization:				
Land	(39)	(39)	-	(78)
Property, plant, and equipment	(71)	(89)	-	(160)
Telecommunications	(69)	(34)	-	(103)
Total accumulated amortization	<u>(179)</u>	<u>(162)</u>	<u>-</u>	<u>(341)</u>
Total leased assets, net of accumulated amortization	<u>\$ 1,181</u>	<u>\$ 434</u>	<u>\$ -</u>	<u>\$ 1,615</u>

### D. Leases

The City is involved in various leasing arrangements for land, buildings, telecommunications, and equipment. With the implementation of GASB Statement No. 87 Leases, effective the year ended December 31, 2022, all existing and newly acquired leases during the current year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions. With this implementation, a respective receivable or payable is recognized.

#### Lease receivables and Deferred Inflows of Resources – Leases

##### ***Governmental Activities:***

Tacoma Public Library signed a lease on February 1, 2022, for a workspace that will be made available to essential service providers at a lower cost. The initial 24-month lease period began on February 1st, 2022, and will last through January 31st, 2024, with an option of extension. The calculation of the net present value of lease receivables did not include the renewal term in the lease duration due to uncertainty. For the duration of the contract, lease requires monthly revenues of \$600. On January 1st, 2022, a \$14,092 initial lease receivable was recorded; as of December 31st, 2022, the lease receivable was \$7,698. As of January 1, 2022, \$14,092 initial deferred inflows was recorded; as of December 31, 2022, the deferred inflows totaled \$7,633.

On March 9, 2016, Tacoma Regional Convention and Visitors Bureau entered into a lease agreement for 2,239 square feet southernmost space located within the first level of the Greater Tacoma Convention & Trade Center building. The first lease term began on March 9, 2016, and lasted for sixty (60) months, concluding on March 9, 2021. There was also an option to renew the lease, extending the actual length by two further periods of forty-eight (48) months. The initial option for renewal has been exercised and the new lease period expires on April 1, 2025. The lease period was adjusted to account for the second renewal option when determining the lease receivable's net present value. In determining the net present value of the lease receivable, a stated discount rate of 2.80% in the agreement was used. The monthly lease revenue was \$5,144 as of December 31, 2022. The Consumer Price Index (CPI) for the Seattle/Tacoma area will be used to determine the monthly rate increase for each year that follows. At the beginning of 2022, a \$517,946 initial lease receivable was recorded; as of December 31, 2022, the lease receivable was \$464,877. Deferred inflows were initially reported as \$517,946 at the beginning of 2022, and as of December 31, 2022, deferred inflows balance is \$446,505.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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### ***Business Activities:***

On February 8, 1966, Power entered into a lease agreement related to the recreational use of existing Cushman project reservoirs for private development of individual tracts on or near the reservoirs. The lease term started on March 1, 1966, for ninety-nine (99) years and will end on February 28, 2065.

The annual rental payment will be increased every five years in accordance with the Consumer Price Index - CPI (All Urban Consumers – Seattle – Tacoma – Bremerton). The basis for this increase is the annual rent for the base year of the lease, which was \$40,000 in 1966. A monthly receipt of \$30,463 from January 1, 2021 to end of lease term, February 28, 2065, is applied to calculate the net present value of the lease receivable in the absence of future CPI. An initial lease receivable was recorded in the amount of \$10.2 million as of January 1, 2021, and as of December 31, 2022, the lease receivable is \$9.9 million. An initial deferred inflows was recorded in the amount of \$10.2 million as of January 1, 2021, and as of December 31, 2022, the deferred inflows is \$9.8 million.

On April 1, 2020, Tacoma Power entered into an Indefeasible Right of Use (IRU) agreement with Rainier Connect and Rainier Connect took operational control of the telecommunications network. The lease term started on April 1, 2020, for twenty (20) years and will end on March 31, 2040. This agreement may be renewed for up to two additional terms of ten (10) years each. The renewal period was not included in the lease period in calculating the net present value of lease receivables due to uncertainty. Monthly IRU fee range is from \$208,333 to \$250,000 in the first five year of the lease period. Each subsequent year following the fifth year, the IRU fee will be adjusted on the anniversary of the Effective Date to reflect the Consumer Price Index Increase. If there is no Consumer Price Index Increase (i.e., there is deflation during the relevant period), there shall be no reduction in the IRU fee from the prior year. An initial lease receivable was recorded in the amount of \$45.9 million as of January 1, 2021, and as of December 31, 2022, the lease receivable is \$42.5 million. An initial deferred inflows was recorded in the amount of \$45.9 million as of January 1, 2021, and as of December 31, 2022, the deferred inflows is \$41.2 million.

The Wastewater and Stormwater Management division entered into a lease agreement related to buildings for office and lab space. The lease term starts on July 1, 2021, for sixty-two (62) months and will end on August 31, 2026. There are two (2) five year options to extend the lease term. Lease requires monthly payments of \$23,555 for the term of the agreement with an annual increase of 3% to occur on the anniversary of the commencement date. An estimate of increase rate of 3% is applied for the extension period. An initial lease receivable was recorded in the amount of \$4.7 million as of January 1, 2021, and as of December 31, 2022, the lease receivable is \$4.6 million. An initial deferred inflows was recorded in the amount of \$4.7 million as of January 1, 2021, and as of December 31, 2022, the deferred inflows is \$4.3 million.

For those leases where the interest rate was not specified in the lease agreement, the City calculated the net present value of the lease receivable using its average incremental borrowing rate of 2.264% as of December 31, 2021.

### Lease Liability

### ***Governmental Activities:***

On March 1, 2012, the City entered into a lease agreement for the use of the aquatic land commonly known as Commencement Bay for Maritime Security Operations and fireboat moorage. The lease term started on March 1, 2012 for twelve (12) years and will end on February 29, 2024 with no renewal option. The annual rent as of December 31, 2022 was \$21,579. An initial lease liability was recorded in the amount of \$47,869 as of January 1, 2022 and as of December 31, 2022, the lease liability is \$27,409.



## Notes to the Financial Statements For the Year Ended December 31, 2022

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The value of the right to use asset as of December 31, 2022 was \$47,869 with accumulated amortization of \$22,093.

On March 1, 2019 the City entered into a lease agreement for the lease of filtered water dispensers. The lease term started on March 1, 2019, and will end on February 28, 2024 for a full contract amount not to exceed \$62,137. An initial lease liability was recorded in the amount of \$24,639 as of January 1, 2022, and as of December 31, 2022, the lease liability is \$13,392. The value of the right to use asset as of December 31, 2022, was \$24,639 with accumulated amortization of \$11,372.

On November 6, 2020, the City entered into a lease agreement for the use of approximately 0.52 acres of First Christian Church property along with the use of three (3) standard parking stalls and one (1) handicapped parking stall to establish and manage a micro shelter site for persons experiencing homelessness. The lease term started on November 6, 2020, and will end on July 31, 2023, with a renewal option. The City is required to make a monthly payment of \$3,000. An initial lease liability was recorded in the amount of \$56,044 as of January 1, 2022, and as of December 31, 2022, the lease liability is \$20,842. The value of the right to use asset as of December 31, 2022, was \$56,044 with accumulated amortization of \$35,396.

On January 1, 2009, the City entered into a lease agreement for the use of portions of the County-City Building together with nine (9) reserved parking stalls. The lease term started on January 1, 2009 for forty-five (45) years and will end on December 31, 2054 with no renewal option. The annual rent as of December 31, 2022 was \$35,059. An initial lease liability was recorded in the amount of \$46,710 as of January 1, 2022 and as of December 31, 2022, the lease liability is \$9,928 million. The value of the right to use asset as of December 31, 2022 was \$9,627 million with accumulated amortization of \$300,851.

On January 1, 2022, the City entered into a lease agreement for the use of South Sound 911 premises for emergency management. The lease term started on January 1, 2022 for five (5) years and will end on December 31, 2026 with no renewal option. The annual rent as of December 31, 2022 was \$43,838. The annual rate for each succeeding year will increase by amount of the Consumer Price Index for the Seattle/Tacoma area (CPI). An initial lease liability was recorded in the amount of \$219,977 as of January 1, 2022 and as of December 31, 2022, the lease liability is \$180,289. The value of the right to use asset as of December 31, 2022 was \$175,981 with accumulated amortization of \$43,995.

On December 3, 2014, the City entered into a master service agreement with Optic Fusion that included an embedded lease of storage space. The initial lease term started on December 3, 2014, for five (5) years ending on December 2, 2019 with a renewal option to extend the effective term of the lease for additional five (5) years. This renewal option was exercised and the new lease term ends December 3, 2024. The annual rent as of December 31, 2022 was \$11,900. An initial lease liability was recorded in the amount of \$403,439 as of January 1, 2022 and as of December 31, 2022, the lease liability is \$267,600. The value of the right to use asset as of December 31, 2022 was \$265,117 with accumulated amortization of \$138,322.

### ***Business Activities:***

Tacoma Power entered into a real estate lease with for a communication site and associated beams paths at Capital Peak located in Thurston County, Washington. The lease is for ten (10) years which started on August 1, 2013 and will end on July 31, 2023. Tacoma Power is required to make an annual rent of \$12,500 for the period of August 1, 2013 to July 31, 2014. This annual rent will increase by 3% on the first year anniversary and on each anniversary thereafter. Tacoma Power also pays annual road use fee in the amount of \$2,300 during the term on the lease. The road use fee may be adjusted by the State annually on the anniversary date. An initial lease liability was recorded in the amount of \$45,648 as of

## Notes to the Financial Statements For the Year Ended December 31, 2022

January 1, 2021 and as of December 31, 2022, the lease liability is \$10,683. The value of the right to use asset as of December 31, 2022 was \$45,648 with accumulated amortization of \$35,341.

On May 1, 2016, the Tacoma Power entered into a real estate lease with for a communication site property situated in Lewis County, Washington for a period of twenty (20) years started on May 1, 2016 and will end on or before April 30, 2036. Annual rental fee for the 1st year is \$17,500 and the fee will increase by 3% on the anniversary date in the subsequent year of the lease term. An initial lease liability was recorded in the amount of \$306,897 as of January 1, 2021 and as of December 31, 2022, the lease liability is \$277,574. The value of the right to use asset as of December 31, 2022 was \$306,898 with accumulated amortization of \$42,575.

On June 14, 2017, the Tacoma Power entered into a telecommunication lease agreement with for accessing fiber network. The lease is for twenty (20) years from 2017 to 2037. Tacoma Power is required to deposit upon execution of this lease agreement \$181,453 and an annual operations fee of \$31,542 for the first year beginning in 2018. After the first year, the annual rate for each succeeding year will increase by amount of the Consumer Price Index for the Seattle/Tacoma area (CPI). Without the CPI at the time of GASB No. 87 implementation, the annual fee of \$31,542 is used in calculating the net present value of the lease liability. An initial lease liability was recorded in the amount of \$687,005 as of December 31, 2017 and as of December 31, 2022, the lease liability was \$355,687. The value of the right to use asset as of December 31, 2022 was \$687,005 with accumulated amortization of \$103,050.

On August 1, 2020, the Wastewater and Stormwater Management division entered into a commercial real estate lease for 8,900 rentable square feet of a 20,900 square foot building for a lease term of 60 months which will end July 31, 2025. Sewer is required to make an annual rent payment of \$4,895 for the duration of the lease with an annual increase of 2% to occur on the anniversary of the commencement date. In addition to the rent, the City will pay one-twelfth of the pro-rata share of operating costs which the landlord shall provide as soon as possible following the first day of each succeeding calendar year a good faith estimate. An initial lease liability was recorded in the amount of \$266,667 as of January 1, 2021 and as of December 31, 2022, the lease liability is \$156,627. The value of the right to use asset as of December 31, 2022 was \$266,669 with accumulated amortization of \$114,286.

For those leases where the interest rate was not specified in the lease agreement, the City calculated the net present value of the lease receivable using its average incremental borrowing rate of 2.264% as of December 31, 2021.

Lease liability for the year ended December 31, 2022 is as follows:

	Governmental Activity	Business Activities	Total
Beginning balance, January 1, 2022	\$ -	\$ (957)	\$ (957)
Additions	(10,289)	(620)	(10,908)
Reductions	648	168	816
Ending Balance, December 31, 2022	<u>\$ (9,641)</u>	<u>\$ (1,409)</u>	<u>\$ (11,050)</u>

## Notes to the Financial Statements For the Year Ended December 31, 2022

Future annual lease liability as of December 31, 2022, is as follows:

Fiscal Year Ended Dec 31,	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2023	\$ 432	\$ 214	\$ 140	\$ 22
2024	380	205	130	26
2025	252	197	95	23
2026	259	191	58	23
2027	215	186	60	24
2028 - 2032	1,152	854	312	114
2033 - 2037	1,290	716	254	106
2038 - 2042	1,445	562	92	36
2043 - 2047	1,618	389	103	25
2048 - 2052	1,811	195	116	12
2053 - 2057	787	19	49	1
<b>Total</b>	<b>\$ 9,641</b>	<b>\$ 3,727</b>	<b>\$ 1,409</b>	<b>\$ 412</b>

### E. Long-term liabilities

#### *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, 2022 are as follows:

	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2023	9,738	3,382	\$ 2,505	\$ 1,816
2024	9,555	3,563	2,625	1,690
2025	8,829	3,714	2,750	1,559
2026	8,851	3,699	2,890	1,422
2027	8,964	3,569	3,040	1,277
2028-2032	40,549	18,100	17,400	4,285
2033-2037	27,560	6,555	10,488	742
2038-2042	1,445	80	-	-
	<b>\$ 115,491</b>	<b>\$ 42,661</b>	<b>\$ 41,698</b>	<b>\$ 12,790</b>

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:

## Notes to the Financial Statements For the Year Ended December 31, 2022

General obligation bonds outstanding  
(amounts expressed in thousands)

	Interest Rates to Maturity	Outstanding December 31, 2022
Governmental activities	1.12580 - 7.2020%	\$ 115,491
Business-type activities	2.2439 - 3.2066%	\$ 41,698

### ***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, 2022, the amount of LID Special Assessment delinquency was \$495,874. The bond interest rates range from 3.125 to 5.75% and are payable over the next twenty-five years.

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

	Governmental activities Special Assessment Bonds (amounts expressed in thousands)		
	Principal	Interest	Total
2023	\$ 2,300	\$ 1,001	\$ 3,301
2024	-	901	901
2025	-	901	901
2026	-	901	901
2027	-	901	901
2028-2032	-	4,504	4,504
2033-2037	85	4,502	4,587
2038-2042	-	4,490	4,490
2043-2047	16,920	1,254	18,174
Total	\$ 19,305	\$ 19,355	\$ 38,660

### ***Revenue Bonds and Loans***

The City also issues revenue bonds where the City pledges revenue generated by the respective Proprietary Funds, and are issued for construction, acquisition, various system upgrades and infrastructure. 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, please refer to Schedule 15 in the Statistical Section of this document for further information about pledge revenue coverage. 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 \$1.3 billion. During 2022, new debt issues amounted to \$112 million for capital improvements in the Wastewater, Solid Waste, Sewer, and Rail Fund.

Power has pledged future power charges and other revenues, net of operating expenses to repay \$ 482.0 million in revenue bonds issued prior years. The bonds are payable solely from power charges and other revenues and are payable through 2051. Annual principal and interest payments on the bonds are expected to require less than percent of net revenues. The total principal and interest remaining to be

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

paid on the bonds is \$803.9 million. Principal and interest paid for the current year and total pledged revenue were \$28.6 million and \$105.3 million, respectively.

Water has pledged future Water charges and other revenues, net of operating expenses to repay \$ 391.7 million in revenue bonds and loans issued prior years. The bonds and loan are payable solely from Water charges and other revenues and are payable through 2043. Annual principal and interest payments on the bonds are expected to require less than percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$612.4 million. Principal and interest paid for the current year and total pledged revenue were \$32.5 million and \$49.7 million, respectively.

Sewer has pledged future Sewer charges and other revenues, net of operating expenses to repay \$ 354.2 million in revenue bonds and loans issued prior years. The bonds and loan are payable solely from Sewer charges and other revenues and are payable through 2054. Annual principal and interest payments on the bonds are expected to require less than percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$878.4 million. Principal and interest paid for the current year and total pledged revenue were \$21.3 million and \$58.4 million, respectively.

Solid Waste has pledged future Solid Waste charges and other revenues, net of operating expenses to repay \$ 58.6 million in revenue bonds and loans issued prior years. The bonds and loan are payable solely from Solid Waste charges and other revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$79.7 million. Principal and interest paid for the current year and total pledged revenue were \$4.7 million and \$29.9 million, respectively.

Convention Center and Parking has pledged future net of parking Revenue and District contribution, net of operating expenses to repay \$ 5.6 million in revenue bonds issued prior years. The bonds are payable solely from Net parking revenue and District Contribution and are payable through 2024. Annual principal and interest payments on the bonds are expected to require less than percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5.8 million. Principal and interest paid for the current year and total pledged revenue were \$2.9 million and \$7.1 million, respectively.

Business-type activities  
Revenue Bonds and Loans  
(amounts expressed in thousands)

	Principal	Interest	Total
2023	40,025	56,934	96,959
2024	41,713	55,640	97,353
2025	40,132	54,105	94,237
2026	41,569	52,858	94,427
2027	60,293	50,781	111,074
2028-2032	251,773	221,807	473,580
2033-2037	318,704	146,015	464,719
2038-2042	280,840	75,833	356,673
2043-2047	143,816	25,072	168,888
2048-2054	66,594	4,875	71,469
Pending Debt Schedule	10,207	-	10,207
Total	\$ 1,295,666	\$ 743,920	\$ 2,039,586

## Notes to the Financial Statements For the Year Ended December 31, 2022

Changes in long-term liabilities for the year ended December 31, 2022 are as follows:

### Changes in long-term liabilities

#### Governmental activities

Long-term liabilities (amounts expressed in thousands)	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Due within one year
General obligation bonds	\$ 123,081	\$ 2,660	\$ (11,392)	114,350	\$ 9,170
Add: Unamortized premium	761	-	(101)	660	-
Less: Unamortized discount	(95)	-	10	(85)	-
Public works trust fund loans	1,710	-	(570)	1,140	570
Bond anticipation notes	841	-	-	841	841
Special assessment debt	19,595	-	(290)	19,305	-
Claims and judgments	39,013	6,750	(9,535)	36,228	26,563
Total OPEB Liabilities	192,965	67,090	(69,735)	190,320	8,564
Total pension liability-Police and Firefighters'	41,519	-	(1,593)	39,926	3,993
Net pension liability	21,490	-	(21,490)	-	-
Compensated absences	24,498	36,195	(35,335)	25,358	2,535
Total governmental activities - long-term liabilities	\$ 465,379	\$ 112,695	\$ (150,030)	\$ 428,044	\$ 52,236

Long-term liabilities are included as part of the above totals for governmental activities. At year-end, \$6.0 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 \$2.7 million listed above represents accreted interest capitalized to bond principal of existing bonds.

#### Business-Type activities

Long-term liabilities (amounts expressed in thousands)	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Due within one year
Revenue Bonds, Public Works Trust Fund loans	\$ 1,109,904	\$ 99,615	\$ (30,018)	\$ 1,179,501	\$ 29,222
General obligation bonds	44,232	-	(2,533)	41,698	2,505
Add: Unamortized premium	72,804	11,289	(5,734)	78,359	-
Less: Unamortized discount	(11)	-	4	(7)	-
Muckleshoot liability	6,244	160	(325)	6,080	160
State COP Loan	12,270	-	(565)	11,705	570
State Revolving Fund (SRF) Loan	95,935	10,207	(10,406)	95,736	9,952
WIFIA Loan	15,049	1,324	-	16,373	-
WA State Rail Loan	3,329	1,099	(974)	3,454	877
Revolving line of credit	10,000	70,000	-	80,000	-
Environmental liability	2,861	2,089	(1,894)	3,056	2,155
Landfill postclosure care cost liability	13,513	600	(1,980)	12,134	500
Total OPEB liabilities	36,298	37,122	(36,298)	37,122	1,671
Compensated absences	26,900	30,466	(29,534)	27,832	2,784
Net pension liability	47,870	-	(47,870)	-	-
Total business-type activities - long-term liabilities	\$ 1,497,199	\$ 263,972	\$ (168,126)	\$ 1,593,044	\$ 50,395

Note 13 summarizes changes in long-term debt.

### ***Debt issued in 2022***

#### Governmental activities

There is no new bond issue for Governmental Activities in 2022

## Notes to the Financial Statements For the Year Ended December 31, 2022

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### Business-type activities:

In April and September 2022, Tacoma Power took a draw of 50.0 million and in December 2022 a draw of \$20.0 million on the line of credit agreement with Wells Fargo. The balance outstanding is \$80.0 million as of December 31, 2022.

On March 23, 2022, Sewer (Stormwater and Wastewater) issued \$86.4 million in Revenue bonds to provide funds necessary to finance and/or reimburse the City for costs associated with the construction, improvement and equipping of the utility. The outstanding balance of WIFIA loan as of December 31, 2022, is \$16.3 million including \$203,675 of interest was accrued in 2021 & 2022. State revolving Fund loan 2022 DOE EL220451, with an interest rate of 1.6% and a 30-year term, this debt is junior lien and is secured by net operating revenue. \$10.2 million was reimbursed for a portion of costs related to the construction of CTP Electrical Distribution System Replacement projects.

Tacoma Solid Waste issued 2022 Revenue bonds of \$13.2 million with interest rates from 3% to 5%. Principal payments range between \$730,000 to \$1,665,000 between 2022 and 2031. 2022 Revenue Bond was to fund capital improvement in support of environmental sustainability and pay cost of issuance.

In 2022, draws were taken from Washington State loans from the Department of Transportation on East Locomotive Service Facility in the amount of \$840,000, Lincoln Track Upgrade in the amount of \$210,000 and Tacoma Rail Yard Track Upgrades in the amount of \$16,550.

### **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, 2022, 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	\$	25,289
Cash for debt and bond reserve		33,467
Cash for construction		77,578
Cash for other special purposes		132,803
	\$	<u>269,137</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.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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.

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

	Major Funds		Non-major Funds			Total Funds
	General Fund	Transp Capital & Engr	Special Revenue	Debt Service	Capital Project	
<b>Nonspendable:</b>						
Accounts Receivable	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ 25
Economic development programs	-	-	4,021	-	-	4,021
Inventory	1,571	-	1,568	-	-	3,139
Prepays	15	-	-	-	-	15
Trust	-	-	17	-	-	17
<b>Total nonspendable</b>	<b>1,611</b>	<b>-</b>	<b>5,606</b>	<b>-</b>	<b>-</b>	<b>7,217</b>
<b>Restricted:</b>						
Crime Prevention & Safety	192	-	3,638	-	-	3,830
Debt service	-	-	8,813	6,595	1,362	16,770
Grants	-	-	49,733	-	-	49,733
Housing Development	-	-	13,205	-	-	13,205
Library, Culture, Arts, Preservation	-	-	11,524	-	-	11,524
Neighborhoods	-	-	1,436	-	-	1,436
Other capital & purchase	-	-	6,032	-	264	6,296
Public services	33	-	14,225	-	689	14,947
Public Works projects	-	-	14,064	-	26,978	41,042
Sidewalk & Street projects	-	6,234	-	-	22,489	28,723
<b>Total restricted</b>	<b>225</b>	<b>6,234</b>	<b>122,670</b>	<b>6,595</b>	<b>51,782</b>	<b>187,506</b>
<b>Committed:</b>						
Council contingency*	14	-	-	-	-	14
Crime Prevention & Safety	-	-	-	-	4,938	4,938
Library, Culture, Arts, Preservation	-	-	4,707	-	910	5,617
Neighborhoods	-	-	816	-	-	816
Other Capital	-	-	502	-	11	513
Public services	-	-	429	-	-	429
Public Works projects	-	-	30,218	-	87	30,305
<b>Total committed</b>	<b>14</b>	<b>-</b>	<b>36,672</b>	<b>-</b>	<b>5,946</b>	<b>42,632</b>

continued on next page



## Notes to the Financial Statements For the Year Ended December 31, 2022

	Major Funds		Non-major Funds			Total Funds
	General Fund	Transp Capital & Engr	Special Revenue	Debt Service	Capital Project	
Assigned:						
Business & Training Assistance	-	-	350	-	-	350
Council contingency*	759	-	-	-	-	759
Crime Prevention & Safety	-	-	34	-	-	34
Economic development programs	-	-	6,778	-	-	6,778
Library, Culture, Arts, Preservation	-	-	3,417	-	172	3,589
Neighborhoods	-	-	3,181	-	-	3,181
Open Space Properties	-	-	530	-	-	530
Paths & Trails	-	-	419	-	-	419
Police activities	-	-	2,381	-	-	2,381
Public services	-	-	12,369	-	-	12,369
Public Works projects	462	287	5,424	-	358	6,531
Sidewalk & Street projects	-	-	8,263	-	-	8,263
Other purposes	-	-	56	-	-	56
Total assigned	<u>1,221</u>	<u>287</u>	<u>43,202</u>	<u>-</u>	<u>530</u>	<u>45,240</u>
Unassigned:	<u>106,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,177</u>
Total fund balances:	<u>\$109,248</u>	<u>\$ 6,521</u>	<u>\$208,150</u>	<u>\$ 6,595</u>	<u>\$ 58,258</u>	<u>\$388,772</u>

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

### 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 2022:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ -
Pension assets	\$ 248,402,515
Deferred outflows of resources	\$ 121,268,427
Deferred inflows of resources	\$ (210,039,659)
Pension expense/expenditures	\$ (8,552,746)

## Notes to the Financial Statements For the Year Ended December 31, 2022

At December 31, 2022, The City reported the aggregate deferred outflows of resources and deferred inflows of resources for all pension plans as follows:

<b>Total - All Plans</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Difference between expected and actual experience	\$ (5,970,847)	\$ 29,000,022
Net difference between projected and actual earnings	\$ (190,159,218)	\$ -
Changes of assumptions	\$ (6,272,089)	\$ 55,737,658
Changes in employer proportion	\$ (7,637,506)	\$ 2,417,007
Contributions made subsequent to the measurement date	\$ -	\$ 34,113,739
Total	<u>\$ (210,039,659)</u>	<u>\$ 121,268,427</u>

### 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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information and can be obtained by writing to:

Tacoma Employee's Retirement System  
3628 South 35<sup>th</sup> Street  
Tacoma, WA 98409

Or the TERS annual comprehensive financial report may be downloaded from the TERS website at [www.cityoftacoma.org/retirement](http://www.cityoftacoma.org/retirement)

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

At the direction of the City Council, the System is administered by the Board of Administration (the Board) consisting of nine regular members and one alternate member. The members of the Board are the Mayor, who serves as Chair, the Director of Finance; the City Manager (or designee), the Public Utilities Director (or designee), three elected employee representatives, one elected retired representative, and one City resident (not employed by the City) elected by the other eight members. The nine Board members appoint a TERS member, either active or retired, as an alternate Board member. The Board is required by the Tacoma Municipal Code to make annual reports to the City Council on the financial condition of the Retirement System. The Board, subject to City Council approval, appoints the Director who is responsible for managing the daily operations of the System.

**2. Membership:** Substantially all employees of the City of Tacoma are members of the System, with the exception of police officers, firefighter, and Tacoma Rail employees, who are covered by state or federal retirement plans. Other members include employees of the Tacoma-Pierce County Health

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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, 2022, is as follows:

Retirees and beneficiaries		2,695
Terminated vested and other terminated participants		842
Active members:		
City of Tacoma	2,790	
Pierce Transit	12	
South Sound 911	2	
Tacoma-Pierce County Health Department	292	
Total active members		<u>3,096</u>
Total membership		<u><u>6,633</u></u>

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

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

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

**4. Contributions:** The participating employers are responsible for funding the System at a level sufficient to pay obligations and ensure the actuarial and financial soundness of the System. Contribution rates for the employer and the employee are recommended by the Board of Administration and final approval rests with the Tacoma City Council. Currently, the required contribution rate for employees is 9.66% 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 18.97%. The difference of 2.03% 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 18.97% of pay to 19.03% of pay from the prior actuarial valuation. Therefore, the portion of the total 21.00% of pay contribution rate available to amortize the UAAL after Normal Costs are financed decreased from 2.03% of pay at January 1, 2021 (21.00% - 18.97%) to 1.97% of pay at January 1, 2022 (21.00% - 19.03%).

TERS		
Actual Contribution Rates	Employer	Employee*
January – December 2022		

## Notes to the Financial Statements For the Year Ended December 31, 2022

TERS	11.34%	9.66%
TERS UAAL	1.97%	
Administrative Fee	0.80%	
Total	14.11%	9.66%

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

Measurement Date	December 31, 2021
Valuation Date	January 1, 2022
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"> <li>• Level percent</li> <li>• Open periods</li> <li>• 25-year amortization period</li> <li>• 3.25% amortization grown rate</li> </ul>
Asset Valuation Method	4-year smoothing period; Corridor - None
Inflation	2.50%
Salary Increases	Varies by service; details in funding valuation report
Investment Rate of Return	6.75%
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	105% of Male and 100% of the Female PubG-2010 Amount Weighted Mortality Tables, sex distinct. Generational improvements with projection unisex based on Social Security Administration Data from 1957-2017
Active Members:	Employee Mortality
Inactive Members, Retired Members and Beneficiaries:	Healthy Retiree Mortality
Disabled Members:	Disabled Retired Mortality

\*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.

**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.

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

## Notes to the Financial Statements For the Year Ended December 31, 2022

Valuation Date*	Change
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.
2014	The discount rate (investment return assumption) was lowered.
2017	Nearly all economic and non-economic actuarial assumptions were changed.
2018	Contribution rates were increased effective February 2018. Reflected new annuity conversion factors effective January 1, 2020.
2021	Nearly all economic and non-economic actuarial assumptions were changed.
2022	Reflected new annuity conversion factors effective January 1, 2022.

\* Valuations as of January 1.

**7. Target Allocations:** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the System's investment advisors as of December 31, 2022. The target asset allocation is based on the Tacoma Employees' Retirement System Investment Policy Statement dated November 2022.

Asset Class	Target Allocation	Arithmetic Real Rate of Return
Investment Grade Fixed Income	19.5%	2.35%
US Bank / Leveraged Loans	3.0%	3.75%
US Long Gvt Bonds	3.0%	2.38%
High Yield Bonds	6.0%	4.28%
Emerging Market Debt	5.0%	4.04%
Global Equity	34.5%	5.08%
Private Real Estate	10.0%	3.35%
Private Equity	10.0%	7.78%
Master Limited Partnerships	4.0%	5.73%
Infrastructure	5.0%	4.12%
Assumed Inflation - Mean		2.50%
Assumed Inflation - Standard Deviation		0.01
Portfolio 10 year Geometric Rate of Return		7.04%
Portfolio Standard Deviation		11.04%
Long-Term Expected Rate of Return, net of investment expenses		6.75%

**8. Sensitivity Analysis:** The following presents the net pension liability of the System, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Employer's proportionate share of net pension liability	\$97,318,190	(\$146,649,370)	(\$349,958,036)

## Notes to the Financial Statements For the Year Ended December 31, 2022

**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, 2021, the employer recognizes the following amounts:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	(\$5,302,510)	\$11,883,833
Change of assumptions	\$0	\$37,489,708
Net difference between projected and actual investment earnings on pension plan investments	(\$162,328,880)	\$0
Contributions made subsequent to the measurement date	NA	\$31,269,626
Changes in employer proportion	(\$120,942)	\$680
<b>TOTAL</b>	<b>(\$167,752,332)</b>	<b>\$80,643,847</b>

**10. Deferred outflows for contribution subsequent to the measurement date:** The total contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

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

\* Note that the employer reporting date is one year later than the measurement date.

### Year ended December 31:

2022	(\$16,118,394)
2023	(\$48,027,354)
2024	(\$19,912,237)
2025	(\$34,592,641)
2026	\$272,515
Thereafter	\$ 0

**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.

## Notes to the Financial Statements For the Year Ended December 31, 2022

Employer	2021 Employer Contributions	Percentage of Total Contributions	Beginning Net Pension Liability/(Asset)*	Ending Net Pension Asset**
City of Tacoma	\$29,661,962	91.73198%	\$69,360,120	(\$146,649,370)
South Sound 911	28,886	0.08933%	66,116	(142,813)
Pierce Transit	118,753	0.36725%	240,999	(587,117)
Health Department	2,525,862	7.81143%	5,536,404	(12,487,915)
Grand Total	32,335,463	100.00000%	75,203,639	(159,867,215)

\*Based on unrounded contributions from 2020

\*\*Based on unrounded contributions from 2021

### 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](http://www.drs.wa.gov).

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

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

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

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

#### Contributions

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

## Notes to the Financial Statements For the Year Ended December 31, 2022

fiscal year 2022. 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 3.41% in 2022.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
<b>January – Dec 2022</b>		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>

The City of Tacoma's actual contributions to the plan were \$5,775,735.50 for the year ended December 31, 2022.

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, 2022, the state contributed \$81,388,085.00 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$5,487,348.40.

### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2022 with a valuation date of June 30, 2021. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018



## Notes to the Financial Statements For the Year Ended December 31, 2022

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Demographic Experience Study and the 2021 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021, to June 30, 2022, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. 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 their lifetime.

Methods did not change from the prior contribution rate setting June 30, 2019 Actuarial Valuation Report (AVR), however OSA introduced a temporary method change to produce asset and liability measures for the June 30, 2020 AVR. There were also the following assumption changes:

OSA updated the Joint-and-Survivor Factors and Early Retirement Factors in the model. Those factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors provided to DRS for future implementation that reflect current demographic and economic assumptions.

OSA updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.5% (7.4% for LEOFF 2) to 7.0%, and the salary growth assumption was lowered from 3.5% to 3.25%. This action is a result of recommendations from OSA's biennial economic experience study.

### Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0%.

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 7.0% was used to determine the total liability.

### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.0% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data,

## Notes to the Financial Statements For the Year Ended December 31, 2022

considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

### Estimated Rates of Return by Asset Class

The table below summarizes the 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, 2022. The inflation component used to create the table is 2.2% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.4%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	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%, 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%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
LEOFF 1	(\$26,044,990)	(\$29,720,322)	(\$32,907,405)
LEOFF 2	(\$3,317,032)	(\$72,032,830)	(\$128,270,826)

### 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, 2022

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

At June 30, 2022, the City of Tacoma reported its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
LEOFF 1	(\$29,720,322)
LEOFF 2	(\$72,032,830)

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	(\$29,720,322)	(\$72,032,830)
State's proportionate share of the net pension asset associated with the employer	(201,027,522)	(\$46,661,298)
<b>TOTAL</b>	<b>(\$230,747,844)</b>	<b>(\$118,694,128)</b>

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

	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
LEOFF 1	1.03%	1.04%	.01%
LEOFF 2	2.44%	2.65%	.21%

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 2022. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). 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 2022, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

## Notes to the Financial Statements For the Year Ended December 31, 2022

### Pension Expense

For the year ended December 31, 2022, the City of Tacoma recognized pension expense as follows:

	Pension Expense
LEOFF 1	(\$1,499,026)
LEOFF 2	\$11,622,805
<b>TOTAL</b>	<b>\$10,123,779</b>

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

At December 31, 2022, 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	(\$3,710,994)
Changes of assumptions	\$0	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>(\$3,710,994)</b>

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$17,116,190	(\$668,337)
Net difference between projected and actual investment earnings on pension plan investments	\$0	(\$24,119,353)
Changes of assumptions	\$18,247,952	(\$6,272,089)
Changes in proportion and differences between contributions and proportionate share of contributions	\$2,844,113	(\$7,516,564)
Contributions subsequent to the measurement date	\$2,844,113	\$0
<b>TOTAL</b>	<b>\$40,624,583</b>	<b>(\$38,576,343)</b>

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 year ended December 31, 2023. Other amounts reported as

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	LEOFF 1
2023	(\$1,571,717)
2024	(\$1,423,090)
2025	(\$1,779,403)
2026	\$1,063,216
2027	\$ 0
Thereafter	\$ 0

Year ended December 31:	LEOFF 2
2023	(\$8,118,528)
2024	(\$7,109,757)
2025	(\$9,282,134)
2026	\$9,860,394
2027	\$2,425,449
Thereafter	\$11,393,720

#### 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 2022:

Aggregate Pension Amounts	Firefighters' Pension Fund	Police Pension Fund
Total pension liability	\$24,764,964	\$15,160,796

##### 1. Plan description:

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

The plans provide retirement and medical benefits to all police officers, firefighters and their beneficiaries for individuals employed before March 1, 1970, the effective date of LEOFF. The LEOFF laws were subsequently amended by the Pension Reform Act, which took effect October 1, 1977. Through the LEOFF Act, the state undertook to provide the bulk of police and fire pensions; however, the municipalities continue to be responsible for all or part of pension benefits for employees hired before March 1, 1970. The plans are closed plans that provide pension and medical benefits, some of which can be in excess of LEOFF benefits. There are 0 active Police Officer and 0 active Firefighters with prior rights covered under these plans as of December 31, 2022. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 99 for the PRP and 136 for the FRP as of December 31, 2022. There are no terminated employees under either plan who are entitled to benefits but not receiving them.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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

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

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

### 2. *Benefit Provisions*

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

- Pension and medical expenses for police officers and firefighters retired prior to March 1, 1970; continue to be paid in their entirety by the City under the old pension laws.
- Police officers and firefighters hired before, but not retired on March 1, 1970, received at retirement the greater of the pension benefit provided under the old pension laws and under the LEOFF Act. Any excess of the old benefit over the LEOFF benefit is provided by the City. The City also pays the reasonable cost of necessary medical expenses of the retiree for life.
- For police officers and firefighters hired on or after March 1, 1970, and prior to October 1, 1977, the City is obligated for lifetime medical expenses only. The LEOFF system pays the entire retirement allowance.
- Police officers and firefighters hired on or after October 1, 1977, are covered entirely by the LEOFF system with no City obligation for either retirement allowance or medical expenses.
- The benefits are directly correlated to the salaries of active employees. Cost of Living Adjustments (COLAs) provided at the state level do not impact the total pension benefits provided to the members. The City's obligation under the Plan consists of paying the difference between pension and medical benefits provided by LEOFF and those provided by the City's Plan. There were no changes in benefit provisions in the current year.

### 3. *Contributions*

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

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

The General Fund is responsible for the costs of administering the plans and ensuring that the fund has

## Notes to the Financial Statements For the Year Ended December 31, 2022

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adequate cash to pay its obligations each year. The total General Fund contributions to the PRD and FRP were \$4.7 million and \$4.9 million for 2022.

The state contributes 25% of taxes on fire insurance premiums to the FRP and the amount contributed in 2022 was \$546,000.

#### 4. Actuarial Assumptions

The total pension liability (TPL) was determined by an actuarial valuation as of January 1, 2022, projected forward to the measurement date of December 31, 2022. The liability was calculated based on the discount rate and other actuarial assumptions below.

	Firefighter Relief and Pension	Police Relief and Pension
Discount Rate		
Municipal bond rate	3.75%	3.75%
Actuarial Assumptions:		
Valuation Date	January 1, 2022	January 1, 2022
Measurement Date	December 31, 2022	December 31, 2022
Mortality	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017
Actual Cost Method	Entry Age Normal	Entry Age Normal

## Notes to the Financial Statements For the Year Ended December 31, 2022

### 5. Changes in the Total Pension Liability

	Firefighters' Relief Pension Increase <u>(Decrease) Total Pension Liability</u>	Police Relief Pension Increase <u>(Decrease) Total Pension Liability</u>
<b>Balance as of December 31, 2021</b>	\$ 29,150,827	\$ 12,368,467
<b>Changes for the year:</b>		
Service cost	-	-
Interest on Total Pension Liability	562,642	232,667
Effect of plan changes	-	-
Effect of economic/demographic gains or losses	(732,875)	5,437,453
Effect of assumptions changes or inputs	(2,167,984)	(1,400,260)
Benefit payments*	(2,047,646)	(1,477,531)
<b>Net changes</b>	<b>(4,385,863)</b>	<b>2,792,329</b>
<b>Balance as of December 31, 2022</b>	<b><u>24,764,964</u></b>	<b><u>15,160,796</u></b>

\*Benefit payments are estimated based on expected payouts.

### 6. Sensitivity of the Total Pension Liability

The following presents the Total Pension Liability of the City, calculated using the discount rate of 3.75%, as well as what the City's Total Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (2.75%) or one percentage point higher (4.75%) than the current rate.

	<u>1% Decrease</u> <u>2.75%</u>	<u>Current Discount Rate</u> <u>3.75%</u>	<u>1% Increase</u> <u>4.75%</u>
Total pension liability - Fire	\$26,861,281	\$24,764,964	\$22,933,685
Total pension liability - Police	\$16,343,317	\$15,160,796	\$14,121,377

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

Pension expenses of \$(2,884,217) and \$4,269,860 were recognized in 2022 for the FRP and PRP. As of December 31, 2022, 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. There is no effect of changes in assumptions in the current year.

### 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 2022:



## Notes to the Financial Statements For the Year Ended December 31, 2022

### Aggregate OPEB Amounts – All Plans

OPEB liabilities	\$(227,442,102)
OPEB Assets	\$0
Deferred outflows of resources	\$53,923,382
Deferred inflows of resources	\$(33,321,498)
OPEB expense/expenditures	\$10,124,890

#### 1. Plan description:

The City provides the opportunity to receive medical benefits to most of its retirees until the age of 65. Eligibility and the amount of benefits paid by the City for Other Post-Employment Benefits (OPEB) vary by retirement group (TERS, LEOFF 1, LEOFF 2, or Rail). The City charges some early retirees not yet eligible for Medicare a health premium based on the claims experience of both active members and retirees. 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. Eligibility and the amount of benefits paid by the City for OPEB vary by retirement group. Each plan provides medical benefits to eligible retired City employees and beneficiaries.

Benefits per retirement group are as follows:

Medical TERS and LEOFF 2 Upon retirement, members are permitted to receive medical benefits. Retirees pay a blended/composite rate that reflects the costs for both active and retired employees under age 65. Spouses and child dependents are also covered while the employee is under age 65 and the retirees pay the same premium regardless of the number of lives covered.

Medical Rail Retirees and their spouses receive medical benefits through age 65, paid fully by the employer if the employee belongs to one of the following personnel sub-areas:

- BL Engineers
- UTU Switch Crew
- UTU Yardmasters

Other Rail employees and their spouses can purchase medical benefits for the same rates as TERS members.

Medical LEOFF 1 The necessary hospital, medical and nursing care expenses not payable by workers' compensation, Social Security, or other programs are covered for any retired LEOFF 1 member. These expenses are paid both prior to age 65 and afterwards. The City also pays the Medicare Part B premiums for all LEOFF 1 employees who are over age 65. Spouses of LEOFF 1 members are permitted to purchase medical insurance. The premium rates are set specifically for the spouses of LEOFF 1 members and are not subsidized by the City. We therefore do not include liability for LEOFF 1 spouses.

Dental Non-LEOFF 1 retirees are paid in full by the retirees and are not considered in this valuation.

Dental LEOFF 1 retirees are paid by the city and included in this valuation.

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 provisions 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:

## Notes to the Financial Statements For the Year Ended December 31, 2022

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

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, 2022	LEOFF 1 As of January 1, 2022	Total
Inactive employees or beneficiaries currently receiving benefits	291	348	639
Inactive employees entitle to but not yet receiving benefits	584	0	584
Active employees	3,819	1	3,820
<b>Total</b>	<b>4,694</b>	<b>349</b>	<b>5,043</b>

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

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

The valuation date is January 1, 2022 for non-LEOFF 1 members and 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, 2021. 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, 2022. 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.

	Non-LEOFF 1	LEOFF 1
Valuation Date	January 1, 2022	January 1, 2022
Measurement Date	December 31, 2021	December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
The discount rate is based on the index rate for 20-year, tax-exempt general obligation municipal bonds with	2.0%	2.0%

## Notes to the Financial Statements For the Year Ended December 31, 2022

<p>an average rating of AA/Aa or higher. 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. We based the rate on the Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years. Beginning December 31, 2021, the discount rate is rounded to the nearest 1/4%.</p>																																		
<p>Funding Plan</p>	<p>Pay-as-you-go</p>	<p>Pay-as-you-go</p>																																
<p>Medical Cost and Dental Trends Combined.</p> <p>*Dental benefits for non-LEOFF 1 retirees are paid in full by the retirees and are not considered in this valuation.</p>	<table border="1"> <tr> <td>2022</td> <td>5.5%</td> </tr> <tr> <td>2023</td> <td>5.3%</td> </tr> <tr> <td>2024</td> <td>5.0%</td> </tr> <tr> <td>2030</td> <td>4.5%</td> </tr> <tr> <td>2040</td> <td>4.5%</td> </tr> <tr> <td>2050</td> <td>4.4%</td> </tr> <tr> <td>2060</td> <td>4.4%</td> </tr> </table> <p>The trend for year 2022 reflects the percent by which 2023 medical costs are expected to exceed 2022 medical costs. The medical cost rate is assumed to continue grading downward until achieving the ultimate rate of 3.90% in 2073 and beyond. These trend rates assume that, over time, deductibles and out-of-pocket maximums will be periodically increased as medical trends increase.</p>	2022	5.5%	2023	5.3%	2024	5.0%	2030	4.5%	2040	4.5%	2050	4.4%	2060	4.4%	<table border="1"> <thead> <tr> <th></th> <th>Pre-65</th> <th>Post-65</th> </tr> </thead> <tbody> <tr> <td>2022-2023</td> <td>5.00%</td> <td>5.10%</td> </tr> <tr> <td>2023-2024</td> <td>5.30%</td> <td>5.00%</td> </tr> <tr> <td>2024-2025</td> <td>5.00%</td> <td>5.00%</td> </tr> <tr> <td>2025-2026</td> <td></td> <td>4.90%</td> </tr> <tr> <td>2026-2027</td> <td></td> <td>4.80%</td> </tr> </tbody> </table> <p>Grading down to an ultimate rate of 3.90% in 2074.</p> <p>*The youngest member will turn 65 in January 2025; therefore Pre-65 trend rates are not shown beyond 2025 in the table above. Note that after fiscal year ending December 31, 2031, selected years are shown in the table.</p>		Pre-65	Post-65	2022-2023	5.00%	5.10%	2023-2024	5.30%	5.00%	2024-2025	5.00%	5.00%	2025-2026		4.90%	2026-2027		4.80%
2022	5.5%																																	
2023	5.3%																																	
2024	5.0%																																	
2030	4.5%																																	
2040	4.5%																																	
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2060	4.4%																																	
	Pre-65	Post-65																																
2022-2023	5.00%	5.10%																																
2023-2024	5.30%	5.00%																																
2024-2025	5.00%	5.00%																																
2025-2026		4.90%																																
2026-2027		4.80%																																
<p>Long-Term Care Inflation Rate</p>	<p>Not applicable</p>	<p>5.0%</p>																																
<p>Participation Assumption</p>	<p>100% Rail employees eligible for City-paid retiree medical benefits.</p> <p>25% of TERS and LEOFF 2 active employees who are not eligible for benefits paid entirely by the City. 25% of Rail employees who are not eligible for benefits paid entirely by the City are assumed to receive medical benefits.</p>	<p>100% participation</p>																																

**Notes to the Financial Statements  
For the Year Ended December 31, 2022**

	5% of terminate-vested members are assumed to receive retiree medical benefits.	
Experience Study Dates	Social Security Administration data from the most recent 60 years available (1957-2017) (adopted 1/1/2021).	2013-2018
<b>Demographic Assumptions (Eligibility):</b>		
Disability	Five years of service are required for non-service connected disability for TERS and LEOFF 2. Ten years of service are required for non-service connected disability for Rail.	For a duty disability, employee is eligible after six-month waiting period (RCW 41.18.050, [Same, except salary is payable by City during the waiting period. (RCW 41.26.120)])  For non-duty disability, employee is eligible after 90-day waiting period, during which time salary is payable from the Fund. (RCW 41.18.080) [Disabled after six-month waiting period, during which time salary is payable by the City. (RCW 41.26.125)]

## Notes to the Financial Statements For the Year Ended December 31, 2022

	Non-LEOFF 1	LEOFF 1
Retirement	<p>TERS members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits).</p> <ul style="list-style-type: none"> <li>- 30 years of service</li> <li>- 60 years of age</li> <li>- Age + Service = 80 years</li> <li>- Age 55 with 10 service years</li> <li>- Age 40 with 20 service year</li> </ul> <p>Former members who are entitled to a deferred vested pension benefit are also eligible to receive medical benefits after pension benefits commence.</p> <p>LEOFF 2 members are eligible for retiree medical benefits after achieving one of the following:</p> <ul style="list-style-type: none"> <li>- Age 53 with 5 service years</li> <li>- Age 50 with 20 service years</li> </ul> <p>Certain Rail employees and their spouses are entitled to employer-paid retiree medical benefits until age 65 when retiring at age 60 with 30 service years.</p>	<p>Members are eligible to receive lifetime medical benefits upon service retirement after age 50 with at least five years of service. If they are not eligible to retire at time of termination but have 20 years of service credit, they are eligible for medical benefits when pension benefits commence.</p>
<b>Mortality:</b>		
Contributing Members	105% of Male and 100% of Female PubG-2010Amount-Weightd Employee Mortality Tables, projected with a unisex table based on Social Security Administration data from the most recent 60 years available (1957-2017 (adopted 1/1/2021).	The mortality rates are based on the Pub-2010 Safety Mortality Table (headcount-weighted) with generational projection using the ultimate rates in Projection Scale MP-2017, with ages set back one year for males.
Inactive Members, Retired Members, and Beneficiaries	105% of Male and 100% of Female PubG-2010Amount-Weightd Employee Mortality Tables, projected with a unisex table based on Social Security Administration data from the most recent 60 years available (1957-2017 (adopted 1/1/2021).	The mortality rates are based on the Pub-2010 Safety Mortality Table (headcount-weighted) with generational projection using the ultimate rates in Projection Scale MP-2017, with ages set back one year for males.
Disabled Members	105% of Male and 100% of Female PubG-2010Amount-Weightd Employee Mortality Tables, projected with a	The mortality rates are based on a blend of the Pub-2010 Safety Mortality Table and Pub-2010 Contingent Annuitant

## Notes to the Financial Statements For the Year Ended December 31, 2022

	unisex table based on Social Security Administration data from the most recent 60 years available (1957-2017 (adopted 1/1/2021).	table with generational projection using the ultimate rates in Projection Scale MP-2017.
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### 3. Sensitivity Analysis:

The following Total OPEB Liability of the City, based on proportionate share calculations for each of the City's retirement groups, is calculated using the discount rate of 2.00%, 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 (1.00%) or one percentage point higher (3.00%) than the current rate.

	1% Decrease 1.00%	Discount Rate 2.00%	1% Increase 3.00%
TERS OPEB Liability	\$ 57,887,250	\$ 51,343,781	\$ 45,857,805
LEOFF 1 OPEB Liability	156,622,681	138,918,338	124,075,205
LEOFF 2 OPEB Liability	30,027,035	26,632,833	23,787,171
Rail OPEB Liability	11,891,323	10,547,150	9,420,209
Total City OPEB Liability	\$ 256,428,289	\$ 227,442,102	\$ 203,140,390

The following Total OPEB Liability of the City, based on proportionate share calculations for each of the City's retirement groups, is 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
TERS OPEB Liability	\$ 45,619,667	\$ 51,343,781	\$ 58,113,455
LEOFF 1 OPEB Liability	123,430,885	138,918,338	157,234,712
LEOFF 2 OPEB Liability	23,663,645	26,632,833	30,144,371
Rail OPEB Liability	9,371,290	10,547,150	11,937,791
Total City Liability	\$ 202,085,487	\$ 227,442,102	\$ 257,430,328

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

Changes in the Total OPEB Liability, based on proportionate share calculations for each of the City's retirement groups, are as follows:

## Notes to the Financial Statements For the Year Ended December 31, 2022

	Increase (Decrease) Total Liability				
	TERS	LEOFF1	LEOFF2	Rail	Total
Total OPEB Liability at 01/01/2022	\$51,754,795	\$140,030,399	\$26,846,033	\$10,631,581	\$229,262,808
Changes for the year:					0
Service cost	736,621	1,993,040	382,097	151,318	3,263,076
Interest on total OPEB liability	1,090,382	2,950,192	565,598	223,989	4,830,160
Effect of plan changes					0
Effect of economic/demographic gains or losses	616,128	1,667,027	319,595	126,566	2,729,317
Effect of assumptions changes or inputs	(726,345)	(1,965,236)	(376,767)	(149,207)	(3,217,555)
Expected benefit payments	(2,127,800)	(5,757,083)	(1,103,724)	(437,097)	(9,425,704)
Total OPEB Liability at end of period	\$51,343,781	\$ 138,918,338	\$ 26,632,833	\$ 10,547,150	\$ 227,442,102

The total OPEB liability of \$227,442,102 was determined by an actuarial valuation as of the valuation dates of January 1, 2022, calculated based on the discount rate of 2.0%, and then projected to the measurement date of December 31, 2021.

The City recognized a total OPEB expense of \$10,124,890. The OPEB expense for December 31, 2022 financial reporting period is as follows:

Total City OPEB Expense	
Service cost	\$3,263,076
Interest on OPEB Liability	4,830,160
Effect of plan changes	0
Recognition of Deferred Inflows/Outflows of Resources	
Recognition of economic/demographic gains or losses	(126,383)
Recognition of assumptions changes or inputs	2,158,037
Total OPEB Expense	\$ 10,124,890

The following is the total City OPEB expense broken down for each of the City's retirement groups:

OPEB Expense by Retirement Group	
TERS	\$ 3,863,577
LEOFF 1	4,130,115
LEOFF 2	2,140,827
Rail	(9,629)
Total City OPEB Expense	\$ 10,124,890

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

At December 31, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB, for each retirement group, from the following sources:

	Total City	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 2,602,791	\$ (1,854,944)
Changes of assumptions	19,856,061	(9,259,513)
Changes in proportionate share	19,487,542	(19,487,542)
Difference in contributions	2,719,499	(2,719,499)
Contributions made subsequent to the measurement date	9,257,489	-
Total City Deferred Outflow / Inflows of Resources	\$ 53,923,382	\$ (33,321,498)

	TERS	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 587,565	\$ (418,743)
Changes of assumptions	4,482,395	(2,090,283)
Changes in proportionate share	11,653,164	(1,166,114)
Difference in contributions	190,352	(1,567,645)
Contributions made subsequent to the measurement date	1,144,362	-
Total City Deferred Outflow / Inflows of Resources	\$ 18,057,838	\$ (5,242,785)

	LEOFF 1	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 1,589,747	\$ (1,132,973)
Changes of assumptions	12,127,794	(5,655,576)
Changes in proportionate share	1,615,298	(16,412,306)
Difference in contributions	2,233,037	-
Contributions made subsequent to the measurement date	6,503,598	-
Total City Deferred Outflow / Inflows of Resources	\$ 24,069,474	\$ (23,200,855)

	LEOFF 2	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 304,780	\$ (217,209)
Changes of assumptions	2,325,089	(1,084,263)
Changes in proportionate share	5,697,591	(408,490)
Difference in contributions	296,110	(233,773)
Contributions made subsequent to the measurement date	1,513,358	-
Total City Deferred Outflow / Inflows of Resources	\$ 10,136,928	\$ (1,943,735)



## Notes to the Financial Statements

### For the Year Ended December 31, 2022

	Rail	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 120,699	\$ (86,019)
Changes of assumptions	920,783	(429,390)
Changes in proportionate share	521,489	(1,500,632)
Difference in contributions	-	(918,081)
Contributions made subsequent to the measurement date	96,171	-
Total City Deferred Outflow / Inflows of Resources	\$ 1,659,142	\$ (2,934,123)

Deferred outflows of resources of \$9,257,489 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, 2023.

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.

Measurement Period Ending December 31:					
	TERS	LEOFF1	LEOFF2	Rail	Total City
2022	\$458,635	\$1,240,905	\$237,901	\$94,214	\$2,031,654
2023	156,863	424,417	81,367	32,223	694,870
2024	752,549	2,036,135	390,359	154,590	3,333,634
2025	716,236	1,937,884	371,523	147,131	3,172,773
2026	488,167	1,320,809	253,220	100,280	2,162,476
Thereafter	(11,516)	(31,157)	(5,973)	(2,366)	(51,012)

#### 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(b). 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. Withdrawals from a participant's account are normally available at separation, retirement, disability, or to a beneficiary in the case of an employee's death. As an active employee a withdrawal can be done through in-service withdrawals upon turning age 59 ½ or older, in-service withdrawal within the one-year period of a qualifying birth or adoption, in the form of a hardship withdrawal or through 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 2022 contribution limits are \$20,500 for regular deferral, \$41,000 for pre-retirement and \$27,000 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 \$211 per pay period. Local 26 Police Officers and Fire/Police Professional Public Safety Management Association employees receive an employer contribution of \$238 per pay period. Tacoma Rail employees also receive matching contributions up to 3% per TMC 1.12.115 and applicable collective bargaining agreements.

## Notes to the Financial Statements For the Year Ended December 31, 2022

Benefit Plan	Third Party Administrator	Pre-Tax Employer Contributions	Pre-Tax Employee Contributions	After-Tax Employee Contributions	Total by Plan
457 deferred compensation	MissionSquare	1,956,989	15,062,274	2,699,685	19,718,948
457 deferred compensation	Nationwide	1,810,733	3,367,646	248,330	5,426,709
Total		<u>\$ 3,767,722</u>	<u>\$ 18,429,920</u>	<u>\$ 2,948,015</u>	<u>\$ 25,145,657</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 transfers for the year ended December 31, 2022 is as follows:

Interfund Transfers  
(amounts expressed in thousands)

	Transfer In										Transfer Out Total
	General Fund	Trans Capital & Engineering	Solid Waste Fund	Waste Water Fund	Water Fund	Power Fund	Internal Service Funds	Non-Major Governmental Funds	Non-Major Enterprise Funds		
General Fund	\$ 26	\$ 50	\$ 343	\$ -	\$ -	\$ -	\$ 2,367	\$ 28,896	\$ 7,622	\$ 39,304	
Trans Capital & Engineering	-	-	-	-	-	-	-	2,455	-	2,455	
Solid Waste Fund	5,378	-	-	-	-	-	-	1,798	-	7,176	
Waste Water Fund	8,022	-	-	-	-	-	-	2,982	1,173	12,177	
Water	6,554	-	-	-	-	-	-	2,175	-	8,729	
Power	33,119	-	-	-	-	-	-	8,966	-	42,085	
Non-Major Governmental	5,582	14,526	1,851	2,568	1,828	8,880	1,282	23,394	4,673	64,584	
Non-Major Enterprise	1,949	-	-	-	-	-	42	4,176	-	6,167	
Transfer In Total	<u>\$ 60,630</u>	<u>\$ 14,576</u>	<u>\$ 2,194</u>	<u>\$ 2,568</u>	<u>\$ 1,828</u>	<u>\$ 8,880</u>	<u>\$ 3,691</u>	<u>\$ 74,842</u>	<u>\$ 13,468</u>	<u>\$ 182,677</u>	

The information below provides detail of the interfund transfer transactions:

\$9,573,000 was transferred from the General Fund to General Fund for Contingency & Pension.

\$50,000 was transferred from the General Fund to Trans Capital & Engineering Fund for Enhancing VZ Active Transportation.

\$343,000 was transferred from the General Fund to Trans Capital & Engineering Fund for Blight Truck.

\$2,367,000 was transferred from the General Fund to Internal Service Funds for police officers' services and vehicles.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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\$28,896,116 was transferred from the General Fund to Non-Major Governmental Funds for grant matches, debt service, capital projects, non-capital projects and regular operations.

\$7,622,547 was transferred from the General Fund to Non-Major Funds for contributions to support debt service payments, capital projects and regular operations.

\$2,455,280 was transferred from the General Fund to Non-Major Enterprise Funds for capital projects.

\$5,377,946 was transferred from Solid Waste Fund to General Fund for Gross Earnings Tax

\$1,798,393 was transferred from the Solid Waste Fund to Non-Major Governmental Funds for Gross Earnings Tax.

\$8,022,005 was transferred from the Wastewater Fund to General Fund for Gross Earnings Tax.

\$2,982,198 was transferred from the Wastewater Fund to Non-Major Governmental Funds for Gross Earnings Tax

\$1,172,500 was transferred from the Wastewater Fund to Non-Major Enterprise Fund for operations of PDS Development Service.

\$6,553,964 was transferred from the Water Fund to General Fund for Gross Earnings Tax.

\$2,174,956 was transferred from the Water Fund to Non-Major Governmental Funds for Gross Earnings Tax.

\$33,119,616 was transferred from the Power Fund to General Fund for Gross Earnings Tax.

\$8,965,675 was transferred from the Power Fund to Non-Major Governmental Funds for Gross Earnings Tax.

\$5,582,046 was transferred from the Non-Major Governmental Funds to General Fund to reimburse capital projects.

\$14,525,961 was transferred from the Non-Major Governmental Funds to Trans Capital & Engineering for capital projects.

\$1,850,786 was transferred from the Non-Major Governmental Funds to Solid Waste for Federal grants.

\$2,568,549 was transferred from the Non-Major Governmental Funds to Wastewater Fund for Federal grants.

\$1,828,348 was transferred from the Non-Major Governmental Funds to Water Fund for Federal grants.

\$8,878,481 was transferred from the Non-Major Governmental Funds to Power Fund for Federal Grants.

\$1,282,296 was transferred from the Non-Major Governmental Funds to Internal Services Funds for ROCU staffs and purchasing vehicles.

\$23,393,721 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, 2022

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\$4,672,735 was transferred from the Non-Major Governmental Funds to Non-Major Enterprise Funds for debt service payments.

\$1,949,375 was transferred from the Non-Major Governmental Funds to General Fund for Gross Earnings Tax.

\$41,589 was transferred from the Non-Major Enterprise Funds to the Internal Service Funds for vehicle purchasing.

\$4,175,406 was transferred from the Non-Major Enterprise Funds to Non-Major Governmental Funds for Gross Earnings Tax.

### Note 7 – OTHER INFORMATION

#### A. 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 two-month 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 Tacoma Public Utility ("TPU") Self Insurance Claim Fund. Moneys 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 Revised Code of Washington in RCW 35.21.085(2). The General Government of the City carries a supplemental liability policy with a \$20 million limit and a \$5 million self-insurance retention except a limit of \$10 million is maintained for Law Enforcement Liability. This policy is renewable on May 15 of each year. TPU carries separate supplemental liability policies with total limits of \$57.5 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 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 \$1.25 million retention for each occurrence. 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.

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 \$10.96M. Settlement payments were within amounts available for coverage for the last three years—2022, 2021, and 2020.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Balance 01/01	\$ 35,525	\$ 33,131	\$ 35,663	\$ 3,487	\$ 4,158	\$ 3,870	\$ 3,070	\$ 3,099	4034
New Claims	138	84	106	2,212	1,295	1,566	1,179	1,140	2679
Adjustments to Claims	2,012	7,137	2,677	1,371	2,431	2,734	(666)	(648)	(2,709)
Claims Payment	(4,049)	(4,827)	(5,315)	(4,468)	(4,397)	(4,012)	(711)	(521)	(905)
Balance 12/31	\$ 33,626	\$ 35,525	\$ 33,131	\$ 2,602	\$ 3,487	\$ 4,158	\$ 2,873	\$ 3,070	\$ 3,099

### B. 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, 2021 financial statements, prior period adjustments were made.

Governmental Funds:	Description
General Fund # 0010	Beginning net position increased by \$87,616 from no reversal of accrual for Leave Severance and credit memo to FWDA fund
Transportation Capital & Engineering # 1060	Beginning net position decreased by \$550,238 from reclassing capital assets to expenditures and credit memo to vendor
Special Funds #1140, #1185, and # 1195	Beginning net position increased by \$639,210 from correcting grant revenues, reclassing capital asset to expenditures, and missing expenditures

## Notes to the Financial Statements For the Year Ended December 31, 2022

Enterprise Funds:	Description
Parking Fund # 4140	Beginning net position increased by \$83,139 from refund of Sales taxes and B&O taxes
Performing Art Fund # 4190	Beginning net position decreased by \$9,732 from correcting revenues to previous year
Wastewater Fund # 4300	Beginning net position increased by \$49,344 from GASB 87 change in accounting principle
Water Fund # 4600	Beginning net position decreased by \$231 from GASB 87 change in accounting principle
Power Fund # 4700	Beginning net position increased by \$796,052 from GASB 87 change in accounting principle
Tacoma Training & Employment Program Fund # 5086	Beginning net position increased by \$75,000 from correcting revenues to previous year
Communications Equipment Fund # 5540	Beginning net position decreased by \$260,529 from missing capital asset purchase
Workers Compensation Fund # 5570	Beginning net position decreased by \$171,533 from missing tax & assessment expenses.
Health Benefit Fund # 64XX	Beginning net position increased by \$1,537,799 from previous year's claim expenses
Governmental Activities PPA	Beginning net position decreased by \$153,000 from Internal Service allocation correction

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

Government-wide Statements  
(amounts expressed in thousands)

Activity	Amount	Description
Governmental	\$ 1,205,025	General Fund, Transportation Capital & Engineering, Public Work Paths & Trails, Neighborhood & Community Services, Tacoma Training & Employment, Communications Equipment, Workers Compensation, and Health Benefits
Business	918,572	Parking, Performing Arts, Waste Water, Water, and Power
Total	<u>\$ 2,123,597</u>	

## Notes to the Financial Statements For the Year Ended December 31, 2022

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### C. Segment Information

The following are the two 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
Assets:		
Current assets	\$ 1,677	\$ 3,054
Accounts receivable (net)	291	130
Prepayments	44	104
Restricted assets	-	3,132
Capital assets (net)	44,326	49,666
Net pension assets	474	952
Other non-current assets	-	29
Total assets	<u>46,812</u>	<u>57,067</u>
Deferred outflow of resources	261	2,610
Liabilities:		
Current liabilities	2,095	5,024
Non-current liabilities	1,543	44,684
Total liabilities	<u>3,638</u>	<u>49,708</u>
Deferred inflow of resources	566	1,102
Net position		
Net investment in capital assets	40,980	3,569
Restricted	3	4,084
Unrestricted	1,886	1,214
Total Net Position	<u>\$ 42,869</u>	<u>\$ 8,867</u>

## Notes to the Financial Statements For the Year Ended December 31, 2022

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

	Parking Garage Fund #4140	Convention Center Fund #4165
Operating revenues	\$ 3,863	\$ 2,801
Depreciation expense	1,290	1,752
Other operating expenses	3,644	5,656
Operating income	(1,071)	(4,607)
Nonoperating revenues (expenses)		
Interest revenue	29	99
Interest expense	(139)	(1,839)
Other nonoperating revenues (expenses)	(9)	4,947
Transfers	2,784	3,911
Change in net position	1,594	2,511
Beginning net position	41,192	6,356
Prior period adjustments	83	-
Ending net position	<u>\$ 42,869</u>	<u>\$ 8,867</u>

### CONDENSED STATEMENT OF CASH FLOW

	Parking Garage Fund #4140	Convention Center Fund #4165
Net cash provided (used) by:		
Operating activities	\$ (177)	\$ (2,706)
Noncapital financing activities	3,996	5,137
Capital and related financing activities	(3,120)	(1,655)
Investing activities	19	(87)
Net increase (decrease)	718	689
Beginning cash and cash equivalents	959	5,497
Ending cash and cash equivalents	<u>\$ 1,677</u>	<u>\$ 6,186</u>

- Parking Garage fund (#4140) accounts for the City's parking facilities.
- Convention Center fund (#4165) accounts for activities associated with operating the Convention Center.

#### D. Tax expense – Utility Funds

The tax expense shown in the statements for Enterprise Funds consists primarily of an 8.0% tax upon gross earnings for Tacoma Water, Tacoma Rail, Stormwater, Wastewater, 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%.



## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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#### E. 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 venture 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.

<b>Joint Venture</b>		<b>HEALTH</b>
(amounts expressed in thousands)		<b>DEPARTMENT</b>
Balance Sheet Date		<u>12/31/2021</u>
Total Assets	\$	27,869
Capital Assets (net of accumulated depreciation)		1,753
Deferred Outflows		7,684
Total Liabilities		10,629
Non-current Liabilities		5,850
Deferred Inflows		1,187
Total Net Position		19,640
Total Revenues		91,324
Total Expenditures/Expenses		87,278
Net Increase/(Decrease) in Net Assets		4,046
City Contribution	\$	-

Additional information about the entity can be obtained from separately published financial statements by contacting the Tacoma/Pierce County Health Department, Christopher Schuler, Business Support Services, 3629 South D Street, Tacoma, WA 98418-6813.

#### Note 8 – CLAIMS, JUDGEMENTS AND COMMITMENTS

##### A. Claims

From time to time, claims have been filed against the City involving tort actions for such things as defective sidewalks, automobile accidents, claims of false arrest, etc.; all of which are in a sense routine in nature and common to all local governments. In those instances, when material, where it has been determined that it is probable that a claim will be paid by the City, the expenditure/expense and the related liability are reported in the statements of the appropriate fund in the year when such a determination is made. See Note 7B for risk management information.

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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, 2022. 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
11th Street Bridge Demolition		5,360,803	(5,360,803)
15th Street Transient Moorage Dock Replacement	736,450	562,416	174,034
2021 Stripping Contract	598,251	652,377	(54,126)
56th and Cirque Drive Corridor Improvements Phase 2	6,639,949	5,924,359	715,590
Asphalt Plant Auger Replacement	195,517	187,101	8,416
E. 64th Street, Phase 1, Pacific to McKinley	7,929,245	7,905,422	23,823
East Locomotive Servicing Facility	3,873,766	1,899,724	1,974,042
East Portland Avenue Improvements	2,674,558	2,629,745	44,813
Foss Waterways Site 10, 12 and Municipal Dock Bulkhead	3,267,490	2,782,976	484,514
I-5/S. 56th Interchange ADA Compliance	1,046,485	923,325	123,160
New Security Gate at Theater on the Square	27,170		27,170
On-Call Nuisance Abatements 2022-2024	273,405	113,401	160,003
On-Call Securing Properties, 2022-2024		167,073	(167,073)
Planter Strip Landscape		91,022	(91,022)
Revitalizing Tacoma's Brewery District	6,605,605	6,477,163	128,442
Rialto Theater Fence Security		41,476	(41,476)
Rialto Theater Security Electrical Improvements	25,750	26,876	(1,126)
Sidewalk Replacement, Puyallup Tribal Lands Rebid		145,135	(145,135)
Sidewalk Replacement, West End PWK-00714-03	215,250	209,506	5,744
South 21st and Fawcett Improvements Project	6,889,462	6,183,631	705,831
South Tacoma Way Underground Utility		131,620	(131,620)
South Yakima Ave Traffic Signal Improvements	1,677,619	256,071	1,421,548
Speed Limit Changes	259,260	259,260	-
Stability Site at 82nd and Pacific Ave	149,594	119,992	29,602
Street Initiative Package #14	4,824,847	4,913,618	(88,770)
Streets Initiative Package #13	2,789,820	3,090,397	(300,578)
Streets Initiative Package #33	467,467	571,026	(103,559)
Taylor Way Rehabilitation	23,644,969	21,499,084	2,145,885
TEMS 4 - S 69th & Proctor - Civil		228,254	(228,254)
TPU Admin Complex Street Improvements	1,149,549	1,214,202	(64,653)
	<u>\$75,961,478</u>	<u>\$74,567,055</u>	<u>\$ 1,394,422</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, 2022

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### 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 2022 and now expires March 24, 2023.

Long-term plans for the closed capped areas of the Tacoma Landfill include recreational facilities, such as trails and playfields, as well as other governmental facilities, such as greenhouses for grounds maintenance operations. All development on the Tacoma Landfill site must be designed to accommodate differential settlement and allow for continued functioning of the environmental remediation systems.

The Division reported \$12,133,832 as landfill post-closure care liability as of December 31, 2022 based on 100% use of the total capacity of the Tacoma Landfill. This compares to \$13,513,313 at December 31, 2021 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 retains on-going post-closure care liability and will be responsible for the costs of additional work if migration of pollutants from the site is not completely

## Notes to the Financial Statements

### For the Year Ended December 31, 2022

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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.

#### 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 – Cedar Grove Composting, Inc*** - In December 2022 the Division entered into a five (5) year agreement with Cedar Grove Composting, Inc 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, Cedar Grove will charge a rate of \$59.50 per ton for the organic waste it receives from the Division. The price may be adjusted beginning on the first anniversary of the effective date of the Contract and annually on each anniversary of the effective date thereafter (each an "Adjustment Date"), Cedar Grove will receive an adjustment to the then-current per-ton rate multiplied by one hundred percent (100%) of the Consumer Price Index Increase. "Consumer Price Index Increase" means the increase in the Consumer Price Index for All Urban Consumers (CPI-U) of the Seattle-Tacoma-Bellevue area, as computed and published by the U.S. Bureau of Labor. 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 2032.

***Solid Waste (#4200) General Legal Matters*** - 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.

***Wastewater and Stormwater (#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

## Notes to the Financial Statements For the Year Ended December 31, 2022

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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 a periodic basis in perpetuity. The first long-term monitoring event is scheduled to occur in 2023. The results of this monitoring through the years may result in additional limited maintenance efforts in the future. Included in the estimated liabilities as of December 31, 2022, are estimated costs of \$100,000 and \$25,000 that will be incurred in the year 2023 and 2024, respectively.

***Wastewater and Stormwater (#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 2028. Regularly scheduled monitoring is planned for 2023 and 2028. It is expected that another long-term Monitoring Plan will be developed following completion of monitoring under the current plan. Because contaminated material is left in place under caps in the waterway, some level of periodic monitoring will continue in perpetuity. Erosion in two areas was identified and requires maintenance to protect the integrity of the remedy. The basis of design evaluation began in 2021, design is currently being completed, and construction of the maintenance project is planned for 2023/2024. Ongoing monitoring may result in additional limited maintenance efforts in the future. Included in the estimated liabilities as of December 31, 2022, are estimated costs of \$1,750,000 and \$50,000 that will be incurred in the year 2023 and 2024, 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 Stormwater (#4300-01) Coal-Gas Site Agreed Order*** - In 1993 the City, through the Environmental Services Department, became a party to an agreed order with the State Department of Ecology under MTCA (RCW 70.105D.050(1)) for the initial steps of 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 2018, the City and other potentially liable parties entered a new Agreed Order with Ecology which will 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. Work under this order has commenced.

***Wastewater and Stormwater (#4300-01) General Legal Matters*** - 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.

***Tacoma Rail (#4500) General Legal Matters*** - Tacoma Rail is involved in various litigations in the normal course of business. In the opinion of management, the ultimate outcome of these claims will not have a material effect on Tacoma Rail's financial position beyond amounts already accrued as of December 31, 2022.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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**Tacoma Rail (#4500) Operation of City of Tacoma, Department of Public Works (“Public Works”, Mountain Division** - Public Works owns approximately 142 miles of track, called Mountain Division, that connects to Tacoma Rail track in Tacoma, Washington. Tacoma Rail is under contract with Public Works to perform as its operator through 2023. The agreement states that Public Works would fund Tacoma Rail for any operations on the Mountain Division.

**Tacoma Water (#4600) Capital Improvements** – The financial requirement for Tacoma Water’s 2021-2022 biennial Capital Improvement program is approximately \$79.3 million and Tacoma Water has substantial contractual commitments relating to the program. At December 31, 2022 the remaining financial requirement for Capital Improvement Programs relating to the current biennium is \$21 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 2021/2022 biennial Capital Improvement Program is approximately \$149.9 million. As of December 31, 2022, the remaining financial requirement for the 2021/2022 biennial Capital budget was approximately \$24.0 million.

**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 through an Agreed Order with the Department of Ecology to provide remedial action. Per the Agreed Order, a Remedial Investigation is in progress and a Feasibility Study and Draft Cleanup Plan will be completed, anticipated by June, 2025. Liability in the amount of \$375,000 has been recognized as the known cost for the site investigation progress in 2022.

**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.

## Notes to the Financial Statements For the Year Ended December 31, 2022

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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.

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.

On November 5, 2021, the City received a Withdrawal Liability Demand Letter from the Plan. The actuaries for the Plan determined that the withdrawal liability attributed to City of Tacoma is \$44,325,881 in total, but the liability was recorded for 20-year limitation liability of \$17,863,052 in accordance with Section 4219 (c) of the Employee Retirement Income Security Act (ERISA), 20 U.S.C. 1399(c). Each operating division recorded the respective liability based on its proportionate share of the 20-year limitation liability as of December 31, 2021. The initial \$337,619 payment was due on or before January 1, 2022 which was comprised of \$169,829 attributable to the partial withdrawal and \$167,790 attributable to the complete withdrawal. Subsequent payments will be due quarterly. The partial withdrawal quarterly payment will continue until 80 quarterly payments are made for a total of \$13,586,320 while the last quarterly installment for the complete withdrawal will be due on April 1, 2028, for a total of \$4,276,732, the last payment amount will be \$81,982.

On January 26, 2022, the City submitted an appeal over the liability calculation subject to the Employee Retirement Income Security Act of 1974 (ERISA). The outcome of the appeal is uncertain at the time of the report issuance and may affect the liability amount.

### ***Grants***

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

## Notes to the Financial Statements For the Year Ended December 31, 2022

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### Note 10 – TAX ABATEMENTS

As of December 31, 2022, 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 2022 is 0.011440024 of assessed value. The City of Tacoma receives 19.812% of that tax.

#### 2. *Special Valuation Property Tax Exemption*

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

Criteria: Property owners may obtain a reduced tax assessment by submitting an application at the conclusion of project construction. The applicant must be the owner of the property, and the property must be listed on the Tacoma Register of Historic Places or be a historically contributing property within a local historic overlay zone. In addition, the project must meet the Secretary of Interior's Standards for Rehabilitation of Historic Buildings and must not adversely affect the building's historically significant, character defining elements. Exterior modifications must be approved by the Tacoma Landmarks Preservation Commission. The project investment expenditures must be a minimum of 25% of the assessed value of current improvements on the property over a 24-month consecutive period. The reduced assessment begins the tax year following the approval. This program is jointly processed and administered by the City's Historic Preservation Program and the Pierce County Assessor. The property owner's assessed value will be adjusted to reflect this exemption. The property tax abatement is determined by a percentage of assessed value. In Pierce County, the tax rate in 2022 is 0.011440024 of assessed value. The City of Tacoma receives 19.812% of that tax.

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



## Notes to the Financial Statements For the Year Ended December 31, 2022

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### 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, 2022, is:

<u>Tax Abatement Program</u>	Amount of Taxes Abated (in thousands)
Multifamily Property Tax Exemption	\$ 1,347
Special Value Tax Exemption	\$ 137
Future Nonprofit Low-Income Housing	\$ 1,700

### Note 11 – SUBSEQUENT EVENTS

In February 2023 Resolution 41130 was approved to authorize the execution of a Quit Claim Deed and Master Utility Easement Agreement for sale of the remaining available Tacoma Rail Mountain Division (TRMW) right-of-way and operations situated outside of the City limits to Rainier Rail, LLC., a Class III Common Carrier railroad, transference of associated common carrier obligations consistent with Surface Transportation Board protocols, and approval of Purchase and Sale Agreement No. 3323 for consideration of \$2,210,000 to be deposited into the Tacoma Rail Mountain Division Fund 4120.

The Purchase and Sale Agreement outlines that Rainier Rail, LLC will be assigned federal/state grant encumbrances applicable to the subject railroad, the City will indemnify against claims related to environmental conditions near Lake Kapowsin, and the City will receive a Master Utilities Easement Agreement for existing and future City utilities in the subject railroad right-of-way.

## Notes to the Financial Statements For the Year Ended December 31, 2022

In April 2023, the City began the process to issue LTGO Refunding Bonds to refund on a current basis all or a portion of the 2013 LTGO Refunding Bonds. Proceeds of these bonds were used to refund prior obligations issued for the purpose of acquiring, constructing, and equipping the Greater Tacoma Convention Center and related parking. It is anticipated the first reading of the bond ordinance will be May 2023 and the bond closing and delivery of bond proceeds will be June 2023.

### NOTE 12 – UNIQUE AND UNUSUAL TRANSACTION

The City received opioid settlement proceeds from Washington State's settlement agreement with the nation's three largest opioid distributors. The City expects to receive approximately \$6.4 million of the \$518 million national settlement, with payments received annually over a seventeen-year period. In 2022, the City received its first payment of \$525,749.

### Note 13 – DETAIL OF CHANGES IN LONG-TERM DEBT BY DEBT ISSUE

NAME AND PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT		AMOUNT		
					O/S 01-01-22	ISSUED 2022	REDEEMED 12/31/2022	O/S 12/31/2022	
<b>GENERAL OBLIGATION BONDS, LOANS, &amp; NOTES</b>									
Unlimited General Obligation Bonds									
2021 Refunding (2010A)	04/13/21	2021 - 2022	3,675	1.2580	\$ 2,485	\$ -	\$ 2,485	\$ -	
Subtotal Unlimited (Voted)					2,485	-	2,485	-	
Limited General Obligation Bonds									
2009A Improvement - Cheney	12/17/09	2011 - 2035	15,380	5.8600	12,850	-	460	12,390	
2009E Improvement - Multiple Projects	12/17/09	2026 - 2035	13,526	5.7500	13,526	-	-	13,526	
2009E Accreted Interest	12/18/09	2026 - 2036	13,526	5.7500	12,950	1,531	-	14,481	
2009F Improvement - Cheney & Env Remed	12/17/09	2023 - 2026	6,681	7.2020	6,681	-	-	6,681	
2009F Accreted Interest	12/18/09	2023 - 2027	6,681	7.2020	8,811	1,129	-	9,940	
2010C Refunding Bonds (2001, 2007, 2009)	11/10/10	2015 - 2022	7,355	3.8076	1,040	-	1,040	-	
2010D Improvement - Capital	11/10/10	2015 - 2033	30,225	5.0399	21,005	-	1,450	19,555	
2010E Improvement - Capital	11/10/10	2015 - 2040	9,130	5.7155	2,930	-	290	2,640	
2013 Refunding (2001, 2004)	03/05/13	2015 - 2034	44,170	3.1768	32,950	-	1,895	31,055	
2015A Refunding (2006A, 2006B, 2007)	12/29/15	2016 - 2036	12,735	3.2066	10,535	-	500	10,035	
2015B Refunding (2006A, 2006B, 2007)	12/29/15	2016 - 2027	20,215	2.8933	7,520	-	4,030	3,490	
2017 Improvement - Tacoma Dome	12/12/17	2019 - 2037	25,295	3.2114	21,280	-	1,065	20,215	
2021A Refunding (2009B, 2010B)	04/13/21	2021 - 2035	4,555	2.2439	3,830	-	710	3,120	
2021B Refunding (2009C)	04/13/21	2034	4,475	2.2158	4,475	-	-	4,475	
2021C Refunding (2010E)	04/13/21	2021 - 2040	4,555	2.7447	4,445	-	-	4,445	
Subtotal Limited (Councilmanic)					164,828	2,660	11,440	156,048	
Washington State Public Works Trust Fund Loan									
CTED PWTF No. 04-691-068 Capital Improvement	06/02/04	2004 - 2024	4,500	0.5000	1,711	-	570	1,141	
Subtotal Washington State Loan (Councilmanic)					1,711	-	570	1,141	
Total General Obligation Bonds, Loans, & Notes					\$ 169,024	\$ 2,660	\$ 14,495	\$ 157,189	

## Notes to the Financial Statements For the Year Ended December 31, 2022

NAME AND PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT		REDEEMED 12/31/2022	AMOUNT O/S 12/31/2022
					O/S 01-01-22	ISSUED 2022		
<b>ENTERPRISE REVENUE BONDS, LOANS, &amp; NOTES</b>								
<b>Greater Tacoma Convention Center</b>								
2010 Revenue & Refunding Tac CC & Parking (2004)	11/10/10	2015 - 2024	5,015	3.7656	1,765	-	555	1,210
2015 Revenue & Refunding Tac CC & Parking (2004)	08/14/15	2015 - 2024	20,453	2.3304	6,552	-	2,144	4,408
Subtotal Convention Center					8,317	-	2,699	5,618
<b>Wastewater Utility</b>								
State Revolving Fund Loan #40006A Tmmt Plant Upgrade	09/19/03	2008 - 2028	53,491	1.5000	19,717	-	2,910	16,807
State Revolving Fund Loan #40006B Tmmt Plant Upgrade	09/20/03	2009 - 2028	21,687	2.6000	8,571	-	1,226	7,345
2015 Sewer Revenue & Refunding	03/18/15	2016 - 2045	109,300	3.5358	98,820	-	2,055	96,765
2016A Sewer Revenue & Refunding	06/15/16	2016 - 2038	31,855	2.8277	26,060	-	1,165	24,895
2018 Sewer Revenue Waste I Improvement	11/28/19	2019 - 2048	43,460	3.9387	40,855	-	930	39,925
2018 Sewer Revenue Waste II Improvement	11/28/19	2019 - 2031	6,115	3.0387	6,090	-	495	5,595
State Revolving Fund Loan #0166 Tmmt Plant Upgrade	11/08/21	2021 - 2041	2,627	1.2000	2,555	-	117	2,438
WiFiA Loan Tmmt Plant Upgrade	12/01/21	2026 - 2054	15,049	1.2000	15,049	1,323	-	16,372
2022 Sewer Revenue Improvement	04/07/22	2022 - 2051	59,110	3.3515	-	59,110	190	58,920
State Revolving Fund Loan #EL220451	09/30/22		14,611	1.6000	-	10,207	-	10,207
Subtotal Wastewater					217,717	70,640	9,088	279,269
<b>Surface Water Utility</b>								
DOE SFR Loan L-1000007 Plant Upgrade	02/07/06	2011 - 2030	474	2.9000	252	-	25	227
2018 Sewer Revenue Bonds Surface I Improvement	11/28/19	2019 - 2048	26,930	3.9387	25,315	-	575	24,740
2018 Sewer Revenue Bonds Surface II Improvement	11/28/19	2019 - 2031	24,440	3.0387	24,345	-	1,975	22,370
2022 Surface Water Revenue Bonds Capital Improvement	04/07/22	2022 - 2051	27,315	3.5548	-	27,315	295	27,020
Subtotal Surface Water					49,912	27,315	2,870	74,357
<b>Solid Waste Utility</b>								
2015 Solid Waste Revenue Bonds Improvement	03/18/15	2017 - 2025	21,095	2.1375	10,330	-	2,410	7,920
2016A Solid Waste Revenue & Refunding Bonds	06/15/16	2031 - 2036	23,200	3.4260	23,200	-	-	23,200
2016B Solid Waste Revenue & Refunding Bonds	06/15/16	2026 - 2031	15,025	2.9985	15,025	-	-	15,025
Solid Waste Revenue Bonds, 2022	04/07/22	2022 - 2031	13,190	2.1788	-	13,190	730	12,460
Subtotal Solid Waste					48,555	13,190	3,140	58,605
<b>Electric System</b>								
2010B Electric System Rev Bonds (BABS)	07/27/10	2031 - 2035	147,070	3.9071	147,070	-	-	147,070
2010C Electric System Rev Bonds (CREBS)	07/27/10	2027	24,185	1.9235	24,185	-	-	24,185
2013A Electric System Revenue & Refunding Bonds	06/13/13	2014 - 2042	181,610	3.3869	88,655	-	-	88,655
2013B Electric System Revenue Refunding Bonds	06/13/13	2014 - 2030	35,620	3.3427	35,620	-	3,795	31,825
2017 Electric System Revenue Bonds Capital Improvement	09/01/17	2022 - 2046	70,575	3.5702	70,575	-	2,150	68,425
2021 Electric System Revenue Bonds Refunding of Bank Not	09/14/21	2036 - 2051	121,855	2.8590	121,855	-	-	121,855
Subtotal Electric System					487,960	-	5,945	482,015
<b>Water System</b>								
PW-02-691-056 Construction	04/15/02	2004 - 2022	10,000	0.5000	532	-	532	-
PW-04-691-PRE-101 Construction	03/19/04	2006 - 2024	1,000	0.5000	161	-	53	108
2005 Water Sys Ref & Rev Bonds 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	1,853	-	371	1,482
2009 Water Sys Rev Bonds (Taxable BABS) Capital Imp	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	3,821	-	546	3,275
DM07-952-015 Construction	03/31/10	2010 - 2028	4,040	1.5000	1,506	-	215	1,291
PW-DWSRF 09-952-074 Construction	04/09/10	2013 - 2032	6,379	1.0000	4,038	-	367	3,671
2010B Water Sys Rev Bonds (BABS) Construction	08/24/10	2024 - 2040	74,985	5.5636	74,985	-	-	74,985
2010A Water RWSS Revenue Bonds Construction	08/24/10	2013 - 2024	3,595	3.2460	1,030	-	330	700
2010B Water RWSS Revenue Bonds (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	3,333	-	303	3,030
PW-DWSRF 11-952-035 Construction	06/30/11	2016 - 2035	6,060	1.5000	1,458	-	122	1,336
PW-DWSRF 11-952-036 Construction	06/30/11	2016 - 2035	6,060	1.5000	4,242	-	303	3,939
PC 12-951-017 Construction	07/01/11	2011 - 2031	10,000	0.5000	5,555	-	556	4,999
PW-DWSRF 12-952-088 Construction	01/22/13	2017 - 2036	12,120	1.5000	8,484	-	606	7,878
2013 Water Sys Rev Ref Bonds (RWSS) Refinance	04/16/13	2013 - 2032	64,795	3.1477	54,030	-	1,985	52,045
2013 Water Sys Rev Ref Bonds 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	8,484	-	606	7,878
PW-DWSRF-10-952-031 Construction	03/26/14	2015 - 2034	6,060	1.5000	3,959	-	305	3,654
PW-DWSRF-13-952-167 Construction	11/06/14	2015 - 2037	12,120	1.5000	8,484	-	606	7,878
2015A Water Sys Ref Bonds Refinance	05/12/15	2017 - 2025	16,645	1.9926	7,560	-	1,755	5,805
DM15-952-033 Construction	06/01/14	2016 - 2034	12,120	1.5000	8,930	-	638	8,292
2020 Water Refunding Bonds	05/14/20	2020 - 2023	14,467	1.7107	8,668	-	4,548	4,120
Subtotal Water System					406,493	-	14,747	391,746



## Notes to the Financial Statements For the Year Ended December 31, 2022

NAME AND PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT		REDEEMED D 2022	AMOUNT	
					O/S 01-01-22	ISSUED 2022		O/S 12/31/2022	
<b>Tacoma Rail</b>									
WA State Rail Loan RR00407 2009 Capital Improvement	08/04/09	2010 - 2024	26	0.0000	5	-	2	3	
WA State Rail Loan RR00408 2009 Capital Improvement	08/04/09	2011 - 2025	249	0.0000	66	-	17	49	
WA State Rail Loan RRB-1007 Capital Improvement	12/06/11	2013 - 2022	450	0.0000	45	-	45	-	
WA State Rail Loan RRB-1010 Capital Improvement	03/28/12	2013 - 2022	612	0.0000	61	-	61	-	
WA State Rail Loan RRB-1011 Capital Improvement	03/28/12	2013 - 2022	349	0.0000	35	-	35	-	
WA State Rail Loan RRB-1026 Capital Improvement	09/06/12	2014 - 2023	347	0.0000	69	-	35	34	
WA State Rail Loan RRB-1030 Capital Improvement	09/06/12	2014 - 2023	364	0.0000	73	-	36	37	
WA State Rail Loan RRB-1045 Capital Improvement	08/01/13	2015 - 2024	823	0.0000	185	-	62	123	
WA State Rail Loan RRB-1046 Capital Improvement	08/01/13	2015 - 2024	250	0.0000	75	-	25	50	
WA State Rail Loan RRB-1052 Capital Improvement	10/24/13	2016 - 2025	366	0.0000	146	-	37	109	
WA State Rail Loan RRB-1053 Capital Improvement	10/24/13	2016 - 2025	773	0.0000	310	-	77	233	
WA State Rail Loan RRB-1054 Capital Improvement	10/24/13	2016 - 2025	1,015	0.0000	442	-	111	331	
WA State Rail Loan RRB-1055 Capital Improvement	10/08/13	2016 - 2025	516	0.0000	206	-	52	154	
WA State Rail Loan RRB-1086 Capital Improvement	10/27/15	2016 - 2025	1,037	0.0000	364	-	91	273	
WA State Rail Loan RRB-1108 Capital Improvement	07/03/17	2017 - 2026	311	0.0000	156	-	31	125	
WA State Rail Loan RRB-1109 Capital Improvement	09/29/16	2017 - 2026	121	0.0000	61	-	12	49	
WA State Rail Loan RRB-1110 Capital Improvement	09/08/16	2017 - 2026	406	0.0000	202	-	41	161	
WA State Rail Loan RRB-1111 Capital Improvement	01/06/17	2017 - 2026	370	0.0000	185	-	37	148	
WA State Rail Loan RRB-1112 Capital Improvement	12/06/16	2017 - 2026	150	0.0000	75	-	15	60	
WA State Rail Loan RRB-1225 Capital Improvement	06/30/20	2021 - 2029	233	0.0000	210	-	23	187	
WA State Rail Loan RRB-1226 Capital Improvement	12/30/20	2021 - 2029	125	0.0000	360	-	40	320	
WA State Rail Loan RRB-1269 Capital Improvement	11/29/22	2022 - 2031	868	0.0000	-	868	89	779	
WA State Rail Loan RRB-1275 Capital Improvement	11/29/22	2023 - 2032	318	0.0000	-	210	-	210	
WA State Rail Loan RRB-1276 Capital Improvement	11/29/22	2023 - 2032	465	0.0000	-	17	-	17	
Subtotal Tacoma Rail					3,331	1,095	974	3,452	
<b>Lease Revenue</b>									
1990 Lease Revenue Bonds Construction	03/15/90	1992-2022	36,250	9.3476	1,730	-	1,730	-	
1992 Lease Revenue Bonds Construction	12/15/92	1993-2022	4,695	7.4769	205	-	205	-	
Subtotal Lease Revenue					1,935	-	1,935	-	
Total Revenue Bonds					\$ 1,224,220	\$ 112,240	\$ 41,398	\$ 1,295,062	
Total General Obligation & Revenue Bonds					\$ 1,393,244	\$ 114,900	\$ 55,893	\$ 1,452,251	
<b>Lease Revenue</b>									
1990 Lease Revenue Bonds Construction	03/15/90	1992-2022	36,250	9.3476	1,730	-	1,730	-	
1992 Lease Revenue Bonds Construction	12/15/92	1993-2022	4,695	7.4769	205	-	205	-	
Subtotal Lease Revenue					1,935	-	1,935	-	
Total Revenue Bonds					\$ 1,224,220	\$ 112,240	\$ 41,398	\$ 1,295,062	
Total General Obligation & Revenue Bonds					\$ 1,393,244	\$ 114,900	\$ 55,893	\$ 1,452,251	
<b>SPECIAL ASSESSMENT BONDS</b>									
<b>Local Improvement District Bonds</b>									
District #64 Bonds Construction	04/05/16		2,341	3.2500	1,380	-		1,380	
District #65 Bonds Construction	04/29/13	2043	30,999	5.7500	15,075	-		15,075	
District #66 Bonds Construction	12/19/19	2047	4,011	3.1250	3,140	-	290	2,850	
Subtotal LID Bonds/Notes					19,595	-	290	19,305	
<b>Bond Anticipation Notes</b>									
Revolving Line of Credit LID Construction	07/01/16	At CLID Issue \$15mm Max		Floating	841	-		841	
Subtotal Bond Anticipation Notes					841	-	-	841	
Total Special Assessment Bonds					\$ 20,436	\$ -	\$ 290	\$ 20,146	
Wells Fargo Revolving Line of Credit Capital Improvement	10/01/21	10/1/2024 \$150mm Max		0.5000	10,000	70,000		80,000	
Subtotal Wells Fargo Revolving Line of Credit					10,000	70,000	-	80,000	
Local Agent Site Lease, Series 2020C	07/21/20	2021 - 2040	12,795	2.1197	12,270	-	565	11,705	
Subtotal Local Agent Site Lease					12,270	-	565	11,705	
<b>Total All Bonds, Loans, and Notes</b>					<b>\$ 1,435,950</b>	<b>\$ 184,900</b>	<b>\$ 56,748</b>	<b>\$ 1,564,102</b>	

Notes related to debt increases:

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



## Required Supplementary Information

## LEOFF 1

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

	Fiscal Years Ended June 30				
	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability(asset) as a percentage	1.03%	1.03%	1.03%	1.05%	1.07%
Employer's proportionate share of net pension liability(asset)	(35,295,141)	(19,497,420)	(20,428,571)	(19,103,856)	(16,163,187)
State's proportionate share of the net pension liability(asset) associated with the employer	(238,735,457)	(131,880,066)	(138,178,348)	(129,218,006)	(109,327,398)
Total	(274,030,598)	(151,377,486)	(158,606,919)	(148,321,862)	(125,490,585)
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	187.45%	146.88%	148.78%	144.42%	135.96%
	2016	2015	2014	2013	2012
Employer's proportion of the net pension liability(asset) as a percentage	1.08%	1.09%	-	-	-
Employer's proportionate share of net pension liability(asset)	(11,098,437)	(13,178,851)	-	-	-
State's proportionate share of the net pension liability(asset) associated with the employer	(75,069,549)	(89,141,418)	-	-	-
Total	(86,167,986)	(102,320,269)	-	-	-
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	123.74%	127.36%	N/A	N/A	N/A

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

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

	Fiscal Years Ended June 30				
	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability(asset) as a percentage	2.44%	2.50%	2.38%	2.47%	2.59%
Employer's proportionate share of net pension liability(asset)	(141,804,064)	(51,021,624)	(55,232,023)	(50,235,694)	(35,974,279)
State's proportionate share of the net pension liability (asset) associated with the employer	(91,479,101)	(32,634,464)	(36,169,575)	(32,526,664)	(23,335,843)
<b>Total</b>	<b>(233,283,165)</b>	<b>(83,656,088)</b>	<b>(91,401,598)</b>	<b>(82,762,358)</b>	<b>(59,310,122)</b>
Covered payroll	82,311,046	75,426,288	71,393,403	79,762,242	77,370,718
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-172.28%	-67.64%	-77.36%	-62.98%	-46.50%
Plan fiduciary net position as a percentage the total pension liability	142.00%	115.83%	119.43%	118.50%	113.36%
	2016	2015	2014	2013	2012
Employer's proportion of the net pension liability(asset) as a percentage	2.48%	2.47%	-	-	-
Employer's proportionate share of net pension liability(asset)	(14,416,299)	(25,352,743)	-	-	-
State's proportionate share of the net pension liability (asset) associated with the employer	(9,398,378)	(16,763,253)	-	-	-
<b>Total</b>	<b>(23,814,677)</b>	<b>(42,115,996)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Covered payroll	77,913,215	72,486,494	-	-	-
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-18.50%	-34.98%	-	-	-
Plan fiduciary net position as a percentage the total pension liability	106.04%	111.67%	-	-	-

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

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

	Fiscal Year Ended December 31				
	2021	2020	2019	2018	2017
Contractually required employer contribution	\$4,982,250	\$4,892,925	\$4,687,724	\$4,448,565	\$4,025,059
Contributions in relation to the contractually required employer contribution	(4,982,250)	(4,892,925)	(4,687,724)	(4,448,565)	(4,025,059)
Employer contribution deficiency (excess)	0	0	0	0	0
Covered payroll	\$97,146,418	\$93,760,283	\$90,117,849	\$84,770,897	\$78,198,160
Employer contribution as a percentage of covered payroll	5.13%	5.22%	5.20%	5.25%	5.15%
	2016	2015	2014	2013	2012
Contractually required employer contribution	\$4,026,349	\$3,716,978	-	-	-
Contributions in relation to the contractually required employer contribution	(4,026,349)	(3,716,978)	-	-	-
Employer contribution deficiency (excess)	0	0	-	-	-
Covered payroll	\$79,849,106	\$73,603,497	-	-	-
Employer contribution as a percentage of covered payroll	5.04%	5.05%	-	-	-

\*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				
	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability(asset) as a percentage	91.73%	92.23%	92.40%	92.39%	92.46%
Employer's proportion share of net pension liability(asset)	(146,649,370)	69,360,120	(18,606,284)	117,009,191	(39,323,299)
Covered payroll (1)	261,569,330	252,515,159	246,403,836	233,555,537	223,371,667
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-56.07%	27.47%	-7.55%	50.10%	-17.60%
Plan fiduciary net position as a percentage the total pension liability	107.74%	96.22%	101.08%	92.81%	102.53%
	2016	2015	2014	2013	2012
Employer's proportion of the net pension liability(asset) as a percentage	92.48%	92.63%	92.67%	-	-
Employer's proportion share of net pension liability(asset)	92,880,524	86,584,348	(9,606,514)	-	-
Covered payroll (1)	218,669,028	210,616,602	205,085,611	-	-
Employer's proportionate share of net pension liability (asset) as a percentage of its covered payroll	42.48%	41.11%	-4.68%	-	-
Plan fiduciary net position as a percentage the total pension liability	93.91%	93.94%	100.71%	-	-

\*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.

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

Fiscal Year Ended December 31

	2021	2020	2019	2018	2017
Contractually required employer contribution	\$29,661,962	\$28,635,219	\$27,942,195	\$26,414,402	\$24,124,140
Contributions in relation to the contractually required employer contribution	(29,661,962)	(28,635,219)	(27,942,195)	(26,414,402)	(24,124,140)
Employer contribution deficiency (excess)	0	0	0	0	0
Covered payroll	\$261,569,330	\$252,515,159	\$246,403,836	\$233,555,537	\$223,371,667
Employer contribution as a percentage of covered payroll	11.34%	11.34%	11.34%	11.31%	10.80%

	2016	2015	2014	2013	2012
Contractually required employer contribution	\$23,616,255	\$22,746,593	\$22,149,246	-	-
Contributions in relation to the contractually required employer contribution	(23,616,255)	(22,746,593)	(22,149,246)	-	-
Employer contribution deficiency (excess)	0	0	0	-	-
Covered payroll	\$218,669,028	\$210,616,602	\$205,085,611	-	-
Employer contribution as a percentage of covered payroll	10.80%	10.80%	10.80%	-	-

\*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

	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	592	701	957	975	1,058
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	3,587	-	(1,871)	-
Effect of assumption changes or inputs	-	1,972	2,624	(1,076)	622
Benefit payments	(2,117)	(2,101)	(1,968)	(1,952)	(2,100)
Net change in total pension liability	(1,525)	4,159	1,613	(3,924)	(420)
Total pension liability, beginning	30,676	26,517	24,904	28,828	29,248
Total pension liability, ending	29,151	30,676	26,517	24,904	28,828
Covered payroll	-	-	-	-	-
Total pension liability as a % of covered payroll	-	-	-	-	-

	2016	2015	2014	2013	2012
<b>Total Pension Liability</b>					
Service cost	-	-	-	-	-
Interest on total pension liability	-	-	-	-	-
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	-
Benefit payments	-	-	-	-	-
Net change in total pension liability	-	-	-	-	-
Total pension liability, beginning	-	-	-	-	-
Total pension liability, ending	-	-	-	-	-
Covered payroll	-	-	-	-	-

**Firefighters and Police Pension Fund**

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

**Police Relief and Pension Fund**

Fiscal Year Ended December 31

	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	253	371	512	514	573
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	(1,005)	-	(667)	-
Effect of assumption changes or inputs	-	785	1,303	(540)	311
Benefit payments	(1,016)	(1,029)	(1,196)	(1,406)	(1,341)
Net change in total pension liability	(763)	(878)	619	(2,098)	(456)
Total pension liability, beginning	13,132	14,010	13,391	15,490	15,946
Total pension liability, ending	12,368	13,132	14,010	13,391	15,490
Covered payroll	-	-	-	-	-
Total pension liability as a % of covered payroll	-	-	-	-	-
	2016	2015	2014	2013	2012
<b>Total Pension Liability</b>					
Service cost	-	-	-	-	-
Interest on total pension liability	-	-	-	-	-
Effect of plan changes	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	-
Benefit payments	-	-	-	-	-
Net change in total pension liability	-	-	-	-	-
Total pension liability, beginning	-	-	-	-	-
Total pension liability, ending	-	-	-	-	-
Covered payroll	-	-	-	-	-
Total pension liability as a % of covered payroll	-	-	-	-	-

\*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				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 3,263	\$ 2,576	\$ 2,338	\$ 3,302	\$ 3,010
Interest on total OPEB liability	4,830	5,662	8,272	7,562	7,866
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	2,729	374	(3,650)	54	-
Effect of assumption changes or inputs	(3,218)	21,022	6,839	(18,945)	9,060
Expected benefit payments	(9,426)	(8,793)	(9,490)	(8,671)	(8,352)
Net change in total OPEB liability	(1,821)	20,841	4,309	(16,698)	11,584
Total OPEB liability, beginning	229,263	208,422	204,113	220,811	209,227
Total OPEB liability, ending	227,442	229,263	208,422	204,113	220,811
Covered-employee payroll	\$ 403,783	\$ 380,095	\$ 369,912	\$ 350,507	\$ 330,788
Total OPEB liability as a % of covered-employee payroll	56.33%	60.32%	56.34%	58.23%	66.75%

	Measurement Period Ended December 31				
	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>					
Service cost	-	-	-	-	-
Interest on total OPEB liability	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	-
Expected benefit payments	-	-	-	-	-
Net change in total OPEB liability	-	-	-	-	-
Total OPEB liability, beginning	-	-	-	-	-
Total OPEB liability, ending	-	-	-	-	-
Covered-employee payroll	-	-	-	-	-
Total OPEB liability as a % of covered-employee payroll	-	-	-	-	-

**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				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 2,013	\$ 1,503	\$ 1,367	-	-
Interest on total OPEB liability	537	535	800	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	1,987	(615)	-	-	-
Effect of assumption changes or inputs	(224)	5,133	(1,009)	-	-
Expected benefit payments	(1,308)	(1,211)	(1,353)	-	-
Net change in total OPEB liability	3,006	5,345	(195)	-	-
Total OPEB liability, beginning	23,976	18,631	18,826	-	-
Total OPEB liability, ending	26,982	23,976	18,631	18,826	-
Covered-employee payroll	\$ 285,145	\$ 273,789	\$ 266,662	252,789	-
Total OPEB liability as a % of covered-employee payroll	9.46%	8.76%	6.99%	7.45	-

	Measurement Period Ended December 31				
	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>					
Service cost	-	-	-	-	-
Interest on total OPEB liability	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	-
Expected benefit payments	-	-	-	-	-
Net change in total OPEB liability	-	-	-	-	-
Total OPEB liability, beginning	-	-	-	-	-
Total OPEB liability, ending	-	-	-	-	-
Covered-employee payroll	-	-	-	-	-
Total OPEB liability as a % of covered-employee payroll	-	-	-	-	-

**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				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ -	\$ -	\$ -	-	-
Interest on total OPEB liability	3,881	4,678	6,799	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	(2,945)	-	(3,650)	-	-
Effect of assumption changes or inputs	(2,772)	14,429	8,681	-	-
Expected benefit payments	(6,911)	(6,610)	(7,237)	-	-
Net change in total OPEB liability	(8,747)	12,497	4,593	-	-
Total OPEB liability, beginning	186,492	173,996	169,403	-	-
Total OPEB liability, ending	177,745	186,492	173,996	169,403	-
Covered-employee payroll	-	-	-	-	-
Total OPEB liability as a % of covered-employee payroll	-	-	-	-	-

	Measurement Period Ended December 31				
	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>					
Service cost	-	-	-	-	-
Interest on total OPEB liability	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	-
Expected benefit payments	-	-	-	-	-
Net change in total OPEB liability	-	-	-	-	-
Total OPEB liability, beginning	-	-	-	-	-
Total OPEB liability, ending	-	-	-	-	-
Covered-employee payroll	-	-	-	-	-
Total OPEB liability as a % of covered-employee payroll	-	-	-	-	-

**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				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 800	\$ 637	\$ 571	-	-
Interest on total OPEB liability	293	301	463	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	3,812	1,506	-	-	-
Effect of assumption changes or inputs	(30)	1,253	(577)	-	-
Expected benefit payments	(1,159)	(881)	(790)	-	-
Net change in total OPEB liability	3,716	2,816	(333)	-	-
Total OPEB liability, beginning	13,596	10,780	11,113	-	-
Total OPEB liability, ending	17,311	13,596	10,780	11,113	-
Covered-employee payroll	\$ 107,293	\$ 94,586	\$ 91,575	\$ 86,516	-
Total OPEB liability as a % of covered-employee payroll	16.13%	14.37%	11.77%	12.85%	-

	Measurement Period Ended December 31				
	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>					
Service cost	-	-	-	-	-
Interest on total OPEB liability	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	-
Expected benefit payments	-	-	-	-	-
Net change in total OPEB liability	-	-	-	-	-
Total OPEB liability, beginning	-	-	-	-	-
Total OPEB liability, ending	-	-	-	-	-
Covered-employee payroll	-	-	-	-	-
Total OPEB liability as a % of covered-employee payroll	-	-	-	-	-



**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				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 451	\$ 437	\$ 400	-	-
Interest on total OPEB liability	119	148	210	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	(125)	(518)	-	-	-
Effect of assumption changes or inputs	(192)	206	(256)	-	-
Expected benefit payments	(49)	(90)	(109)	-	-
Net change in total OPEB liability	205	183	245	-	-
Total OPEB liability, beginning	5,198	5,015	4,770	-	-
Total OPEB liability, ending	5,404	5,198	5,015	4,770	-
Covered-employee payroll	\$ 11,344	\$ 11,720	\$ 11,675	\$ 11,202	-
Total OPEB liability as a % of covered-employee payroll	47.63%	44.36%	42.96%	42.58%	-

	Measurement Period Ended December 31				
	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>					
Service cost	-	-	-	-	-
Interest on total OPEB liability	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	-
Expected benefit payments	-	-	-	-	-
Net change in total OPEB liability	-	-	-	-	-
Total OPEB liability, beginning	-	-	-	-	-
Total OPEB liability, ending	-	-	-	-	-
Covered-employee payroll	-	-	-	-	-
Total OPEB liability as a % of covered-employee payroll	-	-	-	-	-

## 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 ACFR.

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 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 5-12 to 5-40.

**Note 2 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 3 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. The discount rate was 2.0% at the December 31, 2021 measurement date.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 127,725	\$ 130,033	\$ 130,367	\$ 334
Retail Sales & Use	104,582	122,244	160,732	38,488
Business	107,673	107,192	92,222	(14,970)
Excise	3,365	9,983	4,136	(5,847)
Other	906	737	2,014	1,277
Licenses and Permits	13,068	12,750	5,931	(6,819)
Intergovernmental	22,623	1,077	16,554	15,477
Charges for Services	6,962	5,562	19,147	13,585
Fines and Forfeitures	1,088	1,089	2,340	1,251
Investment Earnings	2,949	4,659	(1,312)	(5,971)
Miscellaneous	-	2,378	1,317	(1,061)
Total Revenues	<u>390,941</u>	<u>397,704</u>	<u>433,448</u>	<u>35,744</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	79,569	84,438	63,270	(21,168)
Public Safety	318,200	324,437	325,020	583
Natural and Economic Environment	11,463	15,904	11,329	(4,575)
Social Service	17,497	15,754	19,250	3,496
Culture and Recreation	31,230	33,010	28,120	(4,890)
Debt Service	-	-	355	355
Capital Outlay	-	-	10,498	10,498
Total Expenditures	<u>457,959</u>	<u>473,543</u>	<u>457,842</u>	<u>(15,701)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(67,018)</u>	<u>(75,839)</u>	<u>(24,394)</u>	<u>51,445</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	4	487	483
Insurance Recoveries	-	27	26	(1)
Capital Lease Revenue	-	-	8,066	8,066
Transfers In	98,960	119,899	112,477	(7,422)
Transfers Out	(50,966)	(71,128)	(80,547)	(9,419)
Total Other Financing Sources and Uses	<u>47,994</u>	<u>48,802</u>	<u>40,509</u>	<u>(8,293)</u>
Net Change in Fund Balances	(19,024)	(27,037)	16,115	43,152
Fund Balances - January 1	19,024	23,336	91,492	68,156
Prior Period Adjustment	-	-	648	648
Fund Balance - January 1, Restated	19,024	23,336	92,140	68,804
Fund Balances -December 31	<u>\$ -</u>	<u>\$ (3,701)</u>	<u>\$ 108,255</u>	<u>\$ 111,956</u>

**Perspective Difference Reconciliation**

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

108,255

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	773
Deferred Compensation Fund	6
Police Pension Fund	(146)
Firefighter Pension Fund	338
Payroll Clearing Fund	22
<b>TOTAL FUND BALANCE - GENERAL FUND</b>	<u>109,248</u>
<b>BALANCE SHEET FOR GOVERNMENTAL FUNDS</b>	<u>\$ 109,248</u>



## ***Non-Major Governmental Funds***

The City of Tacoma has six types of Non-Major Governmental Funds.

### **Special Revenue Funds**

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

### **Debt Service Funds**

Debt Service Funds accounts for the payment and accumulation of resources or both the principal and interest of long-term debt. The City of Tacoma has 7 different debt service funds.

### **Capital Project Funds**

Capital Project Funds account for the financial resources used in acquisition or construction of major capital facilities. The City has 6 different capital project funds.

### **Enterprise Funds**

Enterprise Funds are used when an 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.

### **Internal Service Funds**

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

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

December 31, 2022

(amounts expressed in thousands)

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 195,006	\$ 4,458	\$ 58,197	\$ 257,661
Accounts Receivables (Net)	23,361	18,826	788	42,975
Due From Other Governmental Units	7,668	-	319	7,987
Inventory	1,567	-	-	1,567
Prepaid Expenses	10	-	-	10
Lease Receivable	8	-	-	8
Total Assets	<u>227,620</u>	<u>23,284</u>	<u>59,304</u>	<u>310,208</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	<u>227,620</u>	<u>23,284</u>	<u>59,304</u>	<u>310,208</u>
<b>LIABILITIES</b>				
Accounts Payable	9,147	-	1,046	10,193
Customer Deposit	139	-	-	139
Other Liabilities Payable	2,162	-	-	2,162
Unearned Revenue	1,005	-	-	1,005
Total Liabilities	<u>12,453</u>	<u>-</u>	<u>1,046</u>	<u>13,499</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	7,010	16,689	-	23,699
Deferred Inflows related to Leases	8	-	-	8
Total Deferred Inflow of Resources	<u>7,018</u>	<u>16,689</u>	<u>-</u>	<u>23,707</u>
<b>FUND BALANCE</b>				
Nonspendable	5,606	-	-	5,606
Restricted	122,669	6,595	51,782	181,046
Committed	36,672	-	5,946	42,618
Assigned	43,202	-	530	43,732
Unassigned	-	-	-	-
Total Fund Balance	<u>208,149</u>	<u>6,595</u>	<u>58,258</u>	<u>273,002</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 227,620</u>	<u>\$ 23,284</u>	<u>\$ 59,304</u>	<u>\$ 310,208</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENT FUNDS**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Total Nonmajor Governmental
<b>REVENUES</b>				
Taxes:				
Property	\$ 16,346	\$ 1,568	\$ -	\$ 17,914
Retail Sales & Use	36,161	-	500	36,661
Business	2,508	-	-	2,508
Excise	2,985	-	14,864	17,849
Licenses and permits	699	-	-	699
Intergovernmental	79,014	-	1,299	80,313
Charges for Services	14,027	-	-	14,027
Fines and Penalties	4,974	1,128	-	6,102
Investment Earnings	(3,139)	11	(889)	(4,017)
Miscellaneous	1,225	2,849	2,643	6,717
Total Revenues	<u>154,800</u>	<u>5,556</u>	<u>18,417</u>	<u>178,773</u>
<b>EXPENDITURES</b>				
Current:				
General Government	674	6	19	699
Public Safety	47,220	-	223	47,443
Transportation	39,023	-	-	39,023
Natural and Economic Environment	10,697	-	-	10,697
Social Services	7,138	-	-	7,138
Culture and Recreation	5,874	-	35	5,909
Debt Service:				
Principal	63	12,252	-	12,315
Interest	28	4,420	-	4,448
Capital Outlay	5,520	-	5,557	11,077
Total Expenditures	<u>116,237</u>	<u>16,678</u>	<u>5,834</u>	<u>138,749</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>38,563</u>	<u>(11,122)</u>	<u>12,583</u>	<u>40,024</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	-	-	-
Sale of Capital Assets	2	-	-	2
Insurance Recoveries	5	-	-	5
Lease Revenue	1,354	-	-	1,354
Transfers In	50,542	13,181	11,119	74,842
Transfers Out	(51,810)	(5)	(12,769)	(64,584)
Total Other Financing Sources (Uses)	<u>93</u>	<u>13,176</u>	<u>(1,650)</u>	<u>11,619</u>
Net Change in Fund Balance	<u>38,656</u>	<u>2,054</u>	<u>10,933</u>	<u>51,643</u>
Fund Balance - Beginning	168,854	4,541	47,325	220,720
Prior Period Adjustment	639	-	-	639
Fund Balance - Beginning, Restated	<u>169,493</u>	<u>4,541</u>	<u>47,325</u>	<u>221,359</u>
Fund Balance - Ending	<u>\$ 208,149</u>	<u>\$ 6,595</u>	<u>\$ 58,258</u>	<u>\$ 273,002</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 22 different special revenue funds. These funds include everything from the Fire Department Fund to the Library Fund, to the Tourism Fund.

#### **Court Special Revenue Fund (#1020)**

Accounts for costs associated with the court system.

#### **Contingency Fund (#1030)**

Accounts for Council approved projects. This fund is rolled into the General Fund for reporting but budgeted separately.

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

Accounts for Motor vehicle Fuel tax revenues.

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

Accounts for maintenance of City streets.

#### **Transportation Benefit District (#1070)**

Accounts for revenues and disbursement to the City of funds collected within the Transportation Benefit District. These funds are transferred to the Public Works Street fund for the maintenance of City streets.

#### **Streets Initiative Fund (#1085)**

Accounts for resources collected from Propositions 3 & A and expenditures for street repairs identified in the Infrastructure Maintenance Plan.

#### **Fire Department Fund (#1090)**

Accounts for expenditures related to the specific revenues or grants for fire services.

#### **Property Management/Street Vacation Fund (#1100)**

Accounts for costs associated with Public Works Facilities and Street Rights-of-way.

#### **Local Improvement Guarantee Fund (#1110)**

Provides for the guarantee of Local Improvement Bond obligations.

#### **Public Works Paths and Trails Fund (#1140)**

Was created for the purpose of creating and maintaining paths and trails within the City of Tacoma

#### **Building and Land Use Services Fund (#1145)**

Was created for the purpose of managing code violations and preserving historical buildings.

#### **Fire Department EMS Fund (#1155)**

Accounts for costs associated with the emergency management.

#### **Tourism Fund (#1180)**

Was created to promote use of the convention center and to promote tourism for the City.

#### **Neighborhood and Community Service Fund (#1185)**

Accounts for neighborhood and community services to protect human rights and provide services to improve neighborhoods and households.

#### **Community and Economic Development Fund (#1195)**

Was created to promote economic development for the City.

#### **Library Fund (#1200)**

Accounts for costs associated with the operations of the Library system.

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

Accounts for activities which provide opportunities to qualified small businesses doing business within the City.

**Police Fund (#1267)**

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

**Municipal Cable Fund (#1431)**

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

**Local Employment Apprenticeship Program Fund (#1500)**

Accounts for activities for the Local Employment Apprenticeship Program.

**Traffic Enforcement, Engineering, and Education Fund (#1650)**

Manages the "red light" traffic camera program.

**American Rescue Plan Act Fund (#1700)**

Accounts for the grant awards from the Department of Treasury and related expenditures.

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

December 31, 2022

(amounts expressed in thousands)

Page 1 of 6

	Courts Special Revenue # 1020	Transportation Revenue # 1050	Public Works Street # 1065	Transportation Benefit District # 1070
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 622	\$ 5,802	\$ 10,223	\$ 6,489
Accounts Receivables (Net)	-	3	1,046	1,728
Due From Other Governmental Units	-	589	2	-
Inventory	-	-	1,567	-
Prepaid Expenses	-	-	-	-
Lease receivable	-	-	-	-
Total Assets	622	6,394	12,838	8,217
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	622	6,394	12,838	8,217
<b>LIABILITIES</b>				
Accounts Payable	-	-	643	1
Customer Deposit	-	-	-	-
Other Liabilities Payable	1	-	531	-
Unearned Revenue	392	-	-	-
Total Liabilities	393	-	1,174	1
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Deferred Inflows related to Leases	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	1,567	-
Restricted	195	5,848	-	8,216
Committed	-	470	4,748	-
Assigned	34	76	5,349	-
Unassigned	-	-	-	-
Total Fund Balance	229	6,394	11,664	8,216
Total Liabilities, Deferred Inflows and Fund Balance	\$ 622	\$ 6,394	\$ 12,838	\$ 8,217

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

December 31, 2022

(amounts expressed in thousands)

Page 2 of 6

	Streets Initiative # 1085	Fire Department # 1090	Property Management Street Vacation # 1100	Local Improvement Guarantee # 1110
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 32,517	\$ 1,834	\$ 5,311	\$ 5,378
Accounts Receivables (Net)	1,245	293	-	-
Due From Other Governmental Units	131	103	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Lease receivable	-	-	-	-
Total Assets	33,893	2,230	5,311	5,378
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	33,893	2,230	5,311	5,378
<b>LIABILITIES</b>				
Accounts Payable	262	110	-	-
Customer Deposit	-	-	126	-
Other Liabilities Payable	81	41	3	773
Unearned Revenue	288	-	-	-
Total Liabilities	631	151	129	773
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Deferred Inflows related to Leases	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	1,143	1,436	4,605
Committed	24,999	901	806	-
Assigned	8,263	35	2,940	-
Unassigned	-	-	-	-
Total Fund Balance	33,262	2,079	5,182	4,605
Total Liabilities, Deferred Inflows and Fund Balance	\$ 33,893	\$ 2,230	\$ 5,311	\$ 5,378

**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 3 of 6

	Public Works Paths & Trails # 1140	Building & Land Use Services # 1145	Fire Department EMS # 1155	Tourism # 1180
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 454	\$ 1,324	\$ 21,905	\$ 3,745
Accounts Receivables (Net)	-	1,649	1,591	463
Due From Other Governmental Units	-	-	349	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Lease receivable	-	-	-	-
Total Assets	454	2,973	23,845	4,208
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	454	2,973	23,845	4,208
<b>LIABILITIES</b>				
Accounts Payable	35	27	521	-
Customer Deposit	-	-	-	-
Other Liabilities Payable	-	-	656	-
Unearned Revenue	-	-	-	-
Total Liabilities	35	27	1,177	-
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	480	-
Deferred Inflows related to Leases	-	-	-	-
Total Deferred Inflow of Resources	-	-	480	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	-	12,664	4,208
Committed	-	-	-	-
Assigned	419	2,946	9,524	-
Unassigned	-	-	-	-
Total Fund Balance	419	2,946	22,188	4,208
Total Liabilities, Deferred Inflows and Fund Balance	\$ 454	\$ 2,973	\$ 23,845	\$ 4,208

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

December 31, 2022

(amounts expressed in thousands)

Page 4 of 6

	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200	Historically Underutilized Business # 1236
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,824	\$ 29,468	\$ 7,668	\$ 125
Accounts Receivables (Net)	7,092	7,782	-	-
Due From Other Governmental Units	3,325	2,926	89	-
Inventory	-	-	-	-
Prepaid Expenses	-	10	-	-
Lease receivable	-	-	8	-
Total Assets	18,241	40,186	7,765	125
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	18,241	40,186	7,765	125
<b>LIABILITIES</b>				
Accounts Payable	2,679	2,547	-	14
Customer Deposit	-	-	13	-
Other Liabilities Payable	5	15	3	3
Unearned Revenue	-	325	-	-
Total Liabilities	2,684	2,887	16	17
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	6,530	-	-	-
Deferred Inflows related to Leases	-	-	8	-
Total Deferred Inflow of Resources	6,530	-	8	-
<b>FUND BALANCE</b>				
Nonspendable	-	4,022	17	-
Restricted	8,237	25,665	503	-
Committed	31	205	4,502	-
Assigned	759	7,407	2,719	108
Unassigned	-	-	-	-
Total Fund Balance	9,027	37,299	7,741	108
Total Liabilities, Deferred Inflows and Fund Balance	\$ 18,241	\$ 40,186	\$ 7,765	\$ 125

**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	LEAP # 1500	Traffic Enforce Engineering & Education # 1650
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,492	\$ 6,119	\$ 271	\$ 1,691
Accounts Receivables (Net)	7	15	-	447
Due From Other Governmental Units	154	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	-
Lease receivable	-	-	-	-
Total Assets	2,653	6,134	271	2,138
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	-	-	-	-
Total Assets and Deferred Outflows	2,653	6,134	271	2,138
<b>LIABILITIES</b>				
Accounts Payable	144	92	24	133
Customer Deposit	-	-	-	-
Other Liabilities Payable	-	-	5	45
Unearned Revenue	-	-	-	-
Total Liabilities	144	92	29	178
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Deferred Inflows related to Leases	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	2,088	6,032	-	-
Committed	-	10	-	-
Assigned	421	-	242	1,960
Unassigned	-	-	-	-
Total Fund Balance	2,509	6,042	242	1,960
Total Liabilities, Deferred Inflows and Fund Balance	\$ 2,653	\$ 6,134	\$ 271	\$ 2,138

**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 6 of 6

	American Rescue Plan Act # 1700	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 43,744	\$ 195,006
Accounts Receivables (Net)	-	23,361
Due From Other Governmental Units	-	7,668
Inventory	-	1,567
Prepaid Expenses	-	10
Lease receivable	-	8
Total Assets	43,744	227,620
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
	-	-
Total Assets and Deferred Outflows	43,744	227,620
<b>LIABILITIES</b>		
Accounts Payable	1,915	9,147
Customer Deposit	-	139
Other Liabilities Payable	-	2,162
Unearned Revenue	-	1,005
Total Liabilities	1,915	12,453
<b>DEFERRED INFLOW OF RESOURCES</b>		
Unavailable Revenue	-	7,010
Deferred Inflows related to Leases	-	8
Total Deferred Inflow of Resources	-	7,018
<b>FUND BALANCE</b>		
Nonspendable	-	5,606
Restricted	41,829	122,669
Committed	-	36,672
Assigned	-	43,202
Unassigned	-	-
Total Fund Balance	41,829	208,149
Total Liabilities, Deferred Inflows and Fund Balance	\$ 43,744	\$ 227,620



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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

Page 1 of 6

	Courts Special Revenue # 1020	Transportation Revenue # 1050	Public Works Street # 1065	Transportation Benefit District # 1070
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	7,379
Business	-	-	987	-
Excise	-	-	-	2,985
License and Permits	-	66	-	-
Intergovernmental	102	4,332	194	-
Charges for Services	-	166	975	-
Fines and penalties	2	-	-	-
Investment Earnings	-	(95)	(160)	(27)
Miscellaneous	-	-	16	-
<b>Total Revenues</b>	<b>104</b>	<b>4,469</b>	<b>2,012</b>	<b>10,337</b>
<b>EXPENDITURES</b>				
Current:				
General Government	96	-	-	-
Public Safety	-	-	-	-
Transportation	-	26	26,108	4
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>96</b>	<b>26</b>	<b>26,108</b>	<b>4</b>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<b>8</b>	<b>4,443</b>	<b>(24,096)</b>	<b>10,333</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	2	-
Insurance Recoveries	-	-	-	-
Lease Revenue	-	-	-	-
Transfers In	-	18	28,105	-
Transfers Out	-	(3,803)	(3,879)	(9,693)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(3,785)</b>	<b>24,228</b>	<b>(9,693)</b>
<b>Net Change in Fund Balance</b>	<b>8</b>	<b>658</b>	<b>132</b>	<b>640</b>
Fund Balance - Beginning	221	5,736	11,532	7,576
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	221	5,736	11,532	7,576
<b>Fund Balance - Ending</b>	<b>\$ 229</b>	<b>\$ 6,394</b>	<b>\$ 11,664</b>	<b>\$ 8,216</b>

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

For the Year Ended December 31, 2022

(amounts expressed in thousands)

Page 2 of 6

	Streets Initiative # 1085	Fire Department # 1090	Property Management Street Vacation # 1100	Local Improvement Guarantee # 1110
<b>REVENUES</b>				
Taxes:				
Property	\$ 4,454	\$ -	\$ -	\$ -
Retail Sales & Use	466	-	-	-
Business	1,521	-	-	-
Excise	-	-	-	-
License and Permits	-	-	99	-
Intergovernmental	-	863	-	-
Charges for Services	-	341	-	-
Fines and penalties	-	-	-	-
Investment Earnings	(519)	(36)	(65)	18
Miscellaneous	-	15	-	-
<b>Total Revenues</b>	<b>5,922</b>	<b>1,183</b>	<b>34</b>	<b>18</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	180	12
Public Safety	-	902	-	-
Transportation	12,885	-	-	-
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	525	-	-
<b>Total Expenditures</b>	<b>12,885</b>	<b>1,427</b>	<b>180</b>	<b>12</b>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<b>(6,963)</b>	<b>(244)</b>	<b>(146)</b>	<b>6</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	5	-	-	-
Lease Revenue	-	-	-	-
Transfers In	20,017	68	-	5
Transfers Out	(5,939)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>14,083</b>	<b>68</b>	<b>-</b>	<b>5</b>
Net Change in Fund Balance	7,120	(176)	(146)	11
Fund Balance - Beginning	26,142	2,255	5,328	4,594
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	26,142	2,255	5,328	4,594
Fund Balance - Ending	\$ 33,262	\$ 2,079	\$ 5,182	\$ 4,605

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

For the Year Ended December 31, 2022

(amounts expressed in thousands)

Page 3 of 6

	Public Works Paths & Trails # 1140	Building & Land Use Services # 1145	Fire Department EMS # 1155	Tourism # 1180
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ 11,892	\$ -
Retail Sales & Use	-	-	-	5,203
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	-	-	-
Intergovernmental	-	-	16,036	-
Charges for Services	-	263	9,524	-
Fines and penalties	-	75	-	-
Investment Earnings	(3)	(20)	(358)	(62)
Miscellaneous	-	24	1	-
<b>Total Revenues</b>	<b>(3)</b>	<b>342</b>	<b>37,095</b>	<b>5,141</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	329	32,899	-
Transportation	-	-	-	-
Natural and Economic Environment	-	-	-	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	298	-	7	-
<b>Total Expenditures</b>	<b>298</b>	<b>329</b>	<b>32,906</b>	<b>-</b>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<b>(301)</b>	<b>13</b>	<b>4,189</b>	<b>5,141</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Lease Revenue	-	-	-	-
Transfers In	815	-	104	-
Transfers Out	(40)	-	(417)	(4,473)
<b>Total Other Financing Sources (Uses)</b>	<b>775</b>	<b>-</b>	<b>(313)</b>	<b>(4,473)</b>
<b>Net Change in Fund Balance</b>	<b>474</b>	<b>13</b>	<b>3,876</b>	<b>668</b>
Fund Balance - Beginning	360	2,933	18,312	3,540
Prior period adjustment	(415)	-	-	-
Fund Balance - Beginning, Restated	(55)	2,933	18,312	3,540
<b>Fund Balance - Ending</b>	<b>\$ 419</b>	<b>\$ 2,946</b>	<b>\$ 22,188</b>	<b>\$ 4,208</b>

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

For the Year Ended December 31, 2022

(amounts expressed in thousands)

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	Neighborhood & Community Services # 1185	Community & Economic Development # 1195	Library # 1200	Historically Underutilized Business # 1236
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	7,386	15,727	-	-
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	-	-	-
Intergovernmental	19,156	7,354	159	-
Charges for Services	44	1,867	148	192
Fines and penalties	-	-	-	-
Investment Earnings	(321)	(447)	(120)	-
Miscellaneous	617	171	362	-
<b>Total Revenues</b>	<b>26,882</b>	<b>24,672</b>	<b>549</b>	<b>192</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	2	-	-
Public Safety	221	1,406	-	-
Transportation	-	-	-	-
Natural and Economic Environment	4,367	5,870	-	191
Social Services	7,138	-	-	-
Culture and Recreation	-	5,604	270	-
Debt Service:				
Principal	35	-	-	-
Interest	1	-	-	-
Capital Outlay	57	1,578	69	-
<b>Total Expenditures</b>	<b>11,819</b>	<b>14,460</b>	<b>339</b>	<b>191</b>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<b>15,063</b>	<b>10,212</b>	<b>210</b>	<b>1</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Lease Revenue	57	-	6	-
Transfers In	190	1,044	8	-
Transfers Out	(15,402)	(2,500)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(15,155)</b>	<b>(1,456)</b>	<b>14</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(92)</b>	<b>8,756</b>	<b>224</b>	<b>1</b>
Fund Balance - Beginning	8,066	28,542	7,517	107
Prior period adjustment	1,053	1	-	-
Fund Balance - Beginning, Restated	9,119	28,543	7,517	107
<b>Fund Balance - Ending</b>	<b>\$ 9,027</b>	<b>\$ 37,299</b>	<b>\$ 7,741</b>	<b>\$ 108</b>

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

For the Year Ended December 31, 2022

(amounts expressed in thousands)

Page 5 of 6

	Police Special Revenue # 1267	Municipal Cable # 1431	LEAP # 1500	Traffic Enforce Engineering & Education # 1650
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Retail Sales & Use	-	-	-	-
Business	-	-	-	-
Excise	-	-	-	-
License and Permits	-	534	-	-
Intergovernmental	333	-	-	-
Charges for Services	167	66	274	-
Fines and penalties	585	-	-	4,312
Investment Earnings	(41)	(98)	(5)	(30)
Miscellaneous	18	1	-	-
<b>Total Revenues</b>	<b>1,062</b>	<b>503</b>	<b>269</b>	<b>4,282</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	384	-	-
Public Safety	1,011	-	-	3,279
Transportation	-	-	-	-
Natural and Economic Environment	-	-	269	-
Social Services	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	28
Interest	-	-	-	27
Capital Outlay	18	-	-	1,291
<b>Total Expenditures</b>	<b>1,029</b>	<b>384</b>	<b>269</b>	<b>4,625</b>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<b>33</b>	<b>119</b>	<b>-</b>	<b>(343)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Lease Revenue	-	-	-	1,291
Transfers In	-	-	-	-
Transfers Out	-	(1,785)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,785)</b>	<b>-</b>	<b>1,291</b>
<b>Net Change in Fund Balance</b>	<b>33</b>	<b>(1,666)</b>	<b>-</b>	<b>948</b>
Fund Balance - Beginning	2,476	7,708	242	1,012
Prior period adjustment	-	-	-	-
Fund Balance - Beginning, Restated	2,476	7,708	242	1,012
<b>Fund Balance - Ending</b>	<b>\$ 2,509</b>	<b>\$ 6,042</b>	<b>\$ 242</b>	<b>\$ 1,960</b>

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

For the Year Ended December 31, 2022

(amounts expressed in thousands)

Page 6 of 6

	American Rescue Plan Act # 1700	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>		
Taxes:		
Property	\$ -	\$ 16,346
Retail Sales & Use	-	36,161
Business	-	2,508
Excise	-	2,985
License and Permits	-	699
Intergovernmental	30,485	79,014
Charges for Services	-	14,027
Fines and penalties	-	4,974
Investment Earnings	(750)	(3,139)
Miscellaneous	-	1,225
<b>Total Revenues</b>	<b>29,735</b>	<b>154,800</b>
<b>EXPENDITURES</b>		
Current:		
General Government	-	674
Public Safety	7,173	47,220
Transportation	-	39,023
Natural and Economic Environment	-	10,697
Social Services	-	7,138
Culture and Recreation	-	5,874
Debt Service:		
Principal	-	63
Interest	-	28
Capital Outlay	1,677	5,520
<b>Total Expenditures</b>	<b>8,850</b>	<b>116,237</b>
Excess (Deficiency) of Revenues OVER EXPENDITURES	20,885	38,563
<b>OTHER FINANCING SOURCES (USES)</b>		
Sales of Capital Assets	-	2
Insurance Recoveries	-	5
Lease Revenue	-	1,354
Transfers In	168	50,542
Transfers Out	(3,879)	(51,810)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,711)</b>	<b>93</b>
 Net Change in Fund Balance	 17,174	 38,656
Fund Balance - Beginning	24,655	168,854
Prior period adjustment	-	639
Fund Balance - Beginning, Restated	24,655	169,493
Fund Balance - Ending	\$ 41,829	\$ 208,149

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	136	136	170	34
Fines and Penalties	8	8	4	(4)
Total Revenues	<u>144</u>	<u>144</u>	<u>174</u>	<u>30</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	170	170	127	(43)
Total Expenditures	<u>170</u>	<u>170</u>	<u>127</u>	<u>(43)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(26)</u>	<u>(26)</u>	<u>47</u>	<u>73</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(26)</u>	<u>(26)</u>	<u>47</u>	<u>73</u>
Fund Balances - January 1	26	26	182	156
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229</u>	<u>\$ 229</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	(15)	(15)
Total Revenues	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>(15)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	550	496	408	(88)
Total Expenditures	<u>550</u>	<u>496</u>	<u>408</u>	<u>(88)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(550)</u>	<u>(496)</u>	<u>(423)</u>	<u>73</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	550	496	300	(196)
Total Other Financing Sources (Uses)	<u>550</u>	<u>496</u>	<u>300</u>	<u>(196)</u>
Net Change in Fund Balances	-		(123)	(123)
Fund Balances - January 1	-		896	896
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773</u>	<u>\$ 773</u>



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	200	200	168	(32)
Intergovernmental	6,743	6,628	8,779	2,151
Charges for Services	-	115	196	81
Investment Earnings	66	66	(113)	(179)
Total Revenues	<u>7,009</u>	<u>7,009</u>	<u>9,030</u>	<u>2,021</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	<u>226</u>	<u>1,935</u>	<u>27</u>	<u>(1,908)</u>
Total Expenditures	<u>226</u>	<u>1,935</u>	<u>27</u>	<u>(1,908)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>6,783</u>	<u>5,074</u>	<u>9,003</u>	<u>3,929</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	18	18
Transfers Out	(6,448)	(7,210)	(7,149)	61
Total Other Financing sources and Uses	<u>(6,448)</u>	<u>(7,210)</u>	<u>(7,131)</u>	<u>79</u>
Net Change in fund Balances	<u>335</u>	<u>(2,136)</u>	<u>1,872</u>	<u>4,008</u>
Fund Balances - January 1		<u>2,136</u>	<u>4,522</u>	<u>2,386</u>
Fund Balance -December 31	<u>\$ 335</u>	<u>\$ -</u>	<u>\$ 6,394</u>	<u>\$ 6,394</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	52,960	31,889	(21,071)
Charges for Services	-	100	164	64
Investment Earnings	-	-	(46)	(46)
Miscellaneous	-	-	80	80
Total Revenues	<u>-</u>	<u>53,060</u>	<u>32,087</u>	<u>(20,973)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	200	200	10,630	10,430
Natural and Economic Environment	-	-	-	-
Social Service	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Other Costs	-	-	31	31
Capital Outlay	28,916	87,476	40,324	(47,152)
Total Expenditures	<u>29,116</u>	<u>87,676</u>	<u>50,985</u>	<u>(36,691)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(29,116)</u>	<u>(34,616)</u>	<u>(18,898)</u>	<u>15,718</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers In	29,116	35,805	20,511	(15,294)
Transfers Out	-	-	(2,455)	(2,455)
Total Other Financing Sources (Uses)	<u>29,116</u>	<u>35,805</u>	<u>18,056</u>	<u>(17,749)</u>
Net Change in Fund Balances	<u>-</u>	<u>1,189</u>	<u>(842)</u>	<u>(2,031)</u>
Fund Balances - January 1	-	(792)	7,915	8,707
Prior Period Adjustment			(550)	
Fund Balance - January 1, Restated			<u>7,365</u>	
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 397</u>	<u>\$ 6,523</u>	<u>\$ 6,126</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, 2022  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Business	\$ 1,707	\$ 1,706	\$ 2,099	\$ 393
Intergovernmental	-	-	536	536
Charges for Services	750	944	1,982	1,038
Investment Earnings	212	212	(174)	(386)
Miscellaneous	371	114	20	(94)
Total Revenues	<u>3,040</u>	<u>2,976</u>	<u>4,463</u>	<u>1,487</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	52,135	54,857	47,587	(7,270)
Total Expenditures	<u>52,135</u>	<u>54,857</u>	<u>47,587</u>	<u>(7,270)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(49,095)</u>	<u>(51,881)</u>	<u>(43,124)</u>	<u>8,757</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	2	2
Insurance Recoveries	-	-	135	135
Transfers In	49,621	52,614	53,046	432
Transfers Out	(526)	(2,223)	(4,670)	(2,447)
Total Other Financing Sources (Uses)	<u>49,095</u>	<u>50,391</u>	<u>48,513</u>	<u>(1,878)</u>
Net Change in Fund Balances	-	(1,490)	5,389	6,879
Fund Balance - January 1	-	2,413	6,364	3,951
Prior Period Adjustment			(89)	(89)
Fund Balance - January 1, Restated			<u>6,275</u>	<u>3,862</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 923</u>	<u>\$ 11,664</u>	<u>\$ 10,741</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, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 12,922	\$ 12,922	\$ 14,191	\$ 1,269
Excise	5,796	5,796	6,094	298
Investment Earnings	-	-	(52)	(52)
Total Revenues	<u>18,718</u>	<u>18,718</u>	<u>20,233</u>	<u>1,515</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	-	-	5	5
Total Expenditures	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>18,718</u>	<u>18,718</u>	<u>20,228</u>	<u>1,510</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(19,507)	(21,244)	(19,349)	1,895
Total Other Financing Sources (Uses)	<u>(19,507)</u>	<u>(21,244)</u>	<u>(19,349)</u>	<u>1,895</u>
Net Change in Fund Balances	<u>(789)</u>	<u>(2,526)</u>	<u>879</u>	<u>3,405</u>
Fund Balances - January 1	789	2,526	7,337	4,811
Prior Period Adjustment	-	-	-	-
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,216</u>	<u>\$ 8,216</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STREET INITIATIVE SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 8,651	\$ 8,811	\$ 8,838	\$ 27
Retail Sales & Use	401	526	744	218
Business	2,762	2,823	2,828	5
Investment Earnings	336	336	(657)	(993)
Total Revenues	<u>12,150</u>	<u>12,496</u>	<u>11,753</u>	<u>(743)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	40,397	34,980	25,767	(9,213)
Total Expenditures	<u>40,397</u>	<u>34,980</u>	<u>25,767</u>	<u>(9,213)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(28,247)</u>	<u>(22,484)</u>	<u>(14,014)</u>	<u>8,470</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance Recoveries			5	5
Transfers In	29,207	30,957	35,538	4,581
Transfers Out	(960)	(8,473)	(9,422)	(949)
Total Other Financing Sources (Uses)	<u>28,247</u>	<u>22,484</u>	<u>26,121</u>	<u>3,637</u>
Net Change in Fund Balances	-	-	12,107	12,107
Fund Balances - January 1	-	1	21,155	21,154
Prior Period Adjustment			-	-
Fund Balance - January 1, Restated	-	1	21,155	21,154
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 33,262</u>	<u>\$ 33,261</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,092	\$ 1,719	\$ 1,995	\$ 276
Charges for Services	-	1,331	629	(702)
Investment Earnings	-	29	(44)	(73)
Miscellaneous	126	122	70	(52)
Total Revenues	<u>3,218</u>	<u>3,201</u>	<u>2,650</u>	<u>(551)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	3,428	3,618	2,239	(1,379)
Debt Service				
Principal	142	142	-	(142)
Interest and Other Costs	15	15	-	(15)
Capital Outlay	-	-	562	562
Total Expenditures	<u>3,585</u>	<u>3,775</u>	<u>2,801</u>	<u>(974)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(367)</u>	<u>(574)</u>	<u>(151)</u>	<u>423</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	287	230	(57)
Transfers Out	-	-	(83)	(83)
Total Other Financing Sources (Uses)	<u>-</u>	<u>287</u>	<u>147</u>	<u>(140)</u>
Net Change in Fund Balances	<u>(367)</u>	<u>(287)</u>	<u>(4)</u>	<u>283</u>
Fund Balances - January 1	367	287	2,083	1,796
Prior Period Adjustment			(38)	(38)
Fund Balance - January 1, Restated	<u>367</u>	<u>287</u>	<u>2,045</u>	<u>1,758</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,041</u>	<u>\$ 2,041</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, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Licenses and Permits	\$ 371	\$ 371	\$ 894	\$ 523
Investment Earnings	72	72	(92)	(164)
Total Revenues	<u>443</u>	<u>443</u>	<u>802</u>	<u>359</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	641	642	326	(316)
Total Expenditures	<u>641</u>	<u>642</u>	<u>326</u>	<u>(316)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(198)</u>	<u>(199)</u>	<u>476</u>	<u>675</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(198)</u>	<u>(199)</u>	<u>476</u>	<u>675</u>
Fund Balances - January 1	198	199	4,706	4,507
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>198</u>	<u>199</u>	<u>4,706</u>	<u>4,507</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,182</u>	<u>\$ 5,182</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, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	37	49	50	1
Total Revenues	<u>37</u>	<u>49</u>	<u>50</u>	<u>1</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	37	49	21	(28)
Total Expenditures	<u>37</u>	<u>49</u>	<u>21</u>	<u>(28)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	8	8
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>37</u>	<u>37</u>
Fund Balances - January 1			4,568	4,568
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,605</u>	<u>\$ 4,605</u>



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PATHS & TRAILS SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ 300	\$ 18,133	\$ -	\$ (18,133)
Investment Earnings	-	-	(6)	(6)
Total Revenues	<u>300</u>	<u>18,133</u>	<u>(6)</u>	<u>(18,139)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	-	-	-	-
Debt Service				-
Interest and Other Costs	-	-	-	-
Capital Outlay	7,352	18,133	634	(17,499)
Total Expenditures	<u>7,352</u>	<u>18,133</u>	<u>634</u>	<u>(17,499)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(7,052)</u>	<u>-</u>	<u>(640)</u>	<u>(640)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	7,052	7,052	1,032	(6,020)
Transfers Out	-	-	(40)	(40)
Total Other Financing Sources (Uses)	<u>7,052</u>	<u>7,052</u>	<u>992</u>	<u>(6,060)</u>
Net Change in Fund Balances	<u>-</u>	<u>7,052</u>	<u>352</u>	<u>(6,700)</u>
Fund Balances - January 1	-	-	482	482
Prior Period Adjustment	-	-	(415)	(415)
Fund Balance - January 1, Restated	-	-	67	67
Fund Balance -December 31	<u>\$ -</u>	<u>\$ 7,052</u>	<u>\$ 419</u>	<u>\$ (6,633)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BUILDING & LAND USE SERVICES SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Charges for Services	\$ 307	\$ 307	\$ 378	\$ 71
Fines and Penalties	288	288	166	(122)
Investment Earnings	75	75	(27)	(102)
Miscellaneous	-	-	24	24
Total Revenues	670	670	541	(129)
<b>EXPENDITURES:</b>				
Current:				
Public Safety	-	-	454	454
Natural and Economic Environment	1,261	1,261	-	(1,261)
Total Expenditures	1,261	1,261	454	(807)
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<b>(591)</b>	<b>(591)</b>	<b>87</b>	<b>678</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(591)	(591)	87	678
Fund Balances - January 1	591	591	2,859	2,268
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	591	591	2,859	2,268
Fund Balance -December 31	\$ -	\$ -	\$ 2,946	\$ 2,946

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

**FIRE EMS SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 23,105	\$ 23,505	\$ 23,601	\$ 96
Intergovernmental	33,830	28,681	24,713	(3,968)
Charges for Services	5,642	8,050	13,886	5,836
Investment Earnings	309	309	(469)	(778)
Miscellaneous	-	-	17	17
Total Revenues	<u>62,886</u>	<u>60,545</u>	<u>61,748</u>	<u>1,203</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	65,960	63,751	56,618	(7,133)
Capital Outlay	-	-	1,011	1,011
Total Expenditures	<u>65,960</u>	<u>63,751</u>	<u>57,629</u>	<u>(6,122)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(3,074)</u>	<u>(3,206)</u>	<u>4,119</u>	<u>7,325</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	240	240
Transfers Out	(6,481)	(2,400)	(2,400)	-
Total Other Financing Sources (Uses)	<u>(6,481)</u>	<u>(2,400)</u>	<u>(2,160)</u>	<u>240</u>
Net Change in Fund Balances	<u>(9,555)</u>	<u>(5,606)</u>	<u>1,959</u>	<u>7,565</u>
Fund Balances - January 1	<u>9,555</u>	<u>5,606</u>	<u>20,229</u>	<u>14,623</u>
Prior Period Adjustment	-	-	-	-
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,188</u>	<u>\$ 22,188</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TOURISM SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 6,717	\$ 6,717	\$ 9,337	\$ 2,620
Investment Earnings	42	42	(92)	(134)
Miscellaneous	-	-	-	-
Total Revenues	<u>6,759</u>	<u>6,759</u>	<u>9,245</u>	<u>2,486</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and Recreation	-	-	1	1
Total Expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>6,759</u>	<u>6,759</u>	<u>9,244</u>	<u>2,485</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(9,599)</u>	<u>(9,599)</u>	<u>(9,279)</u>	<u>320</u>
Total Other Financing Sources (Uses)	<u>(9,599)</u>	<u>(9,599)</u>	<u>(9,279)</u>	<u>320</u>
Net Change in Fund Balances	<u>(2,840)</u>	<u>(2,840)</u>	<u>(35)</u>	<u>2,805</u>
Fund Balances - January 1	<u>2,840</u>	<u>2,840</u>	<u>4,243</u>	<u>1,403</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,208</u>	<u>\$ 4,208</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, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 11,202	\$ 12,960	\$ 14,202	\$ 1,242
Intergovernmental	762	26,515	27,706	1,191
Charges for Services	-	400	123	(277)
Investment Earnings	158	158	(363)	(521)
Miscellaneous	-	150	692	542
Total Revenues	<u>12,122</u>	<u>40,183</u>	<u>42,360</u>	<u>2,177</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	-	-	856	856
Natural and Economic Environment	1,509	14,191	11,366	(2,825)
Social Service	12,400	15,268	13,295	(1,973)
Debt Service				
Principal	-	-	35	35
Interest and Other Costs	-	-	1	1
Capital Outlay	-	-	57	57
Total Expenditures	<u>13,909</u>	<u>29,459</u>	<u>25,610</u>	<u>(3,849)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(1,787)</u>	<u>10,724</u>	<u>16,750</u>	<u>6,026</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital Lease Revenue	-	-	57	
Transfers In	-	-	418	418
Transfers Out	-	(16,279)	(17,795)	(1,516)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(16,279)</u>	<u>(17,320)</u>	<u>(1,041)</u>
Net Change in Fund Balances	<u>(1,787)</u>	<u>(5,555)</u>	<u>(570)</u>	<u>4,985</u>
Fund Balances - January 1	1,787	5,555	8,544	2,989
Prior Period Adjustment	-	-	1,053	1,053
Fund Balance - January 1, Restated	<u>1,787</u>	<u>5,555</u>	<u>9,597</u>	<u>4,042</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,027</u>	<u>\$ 9,027</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, 2022  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Retail Sales & Use	\$ 12,949	\$ 22,295	\$ 27,201	\$ 4,906
Intergovernmental	12,437	18,810	14,817	(3,993)
Charges for Services	3,188	5,115	3,532	(1,583)
Investment Earnings	-	135	(448)	(583)
Miscellaneous	-	-	200	200
Total Revenues	<u>28,574</u>	<u>46,355</u>	<u>45,302</u>	<u>(1,053)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	3	3
Public Safety	3,565	3,994	2,737	(1,257)
Natural and Economic Environment	15,997	28,619	13,118	(15,501)
Culture and Recreation	12,897	17,077	9,592	(7,485)
Capital Outlay	-	-	1,956	1,956
Total Expenditures	<u>32,459</u>	<u>49,690</u>	<u>27,406</u>	<u>(22,284)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(3,885)</u>	<u>(3,335)</u>	<u>17,896</u>	<u>21,231</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	1,988	1,988
Transfers In	-	1,180	1,724	544
Transfers Out	-	(4,719)	(2,500)	2,219
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,539)</u>	<u>1,212</u>	<u>4,751</u>
Net Change in Fund Balances	<u>(3,885)</u>	<u>(6,874)</u>	<u>19,108</u>	<u>25,982</u>
Fund Balances - January 1	3,885	6,874	18,395	11,521
Prior Period Adjustment	-	-	(204)	(204)
Fund Balance - January 1, Restated	<u>3,885</u>	<u>6,874</u>	<u>18,191</u>	<u>11,317</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,299</u>	<u>\$ 37,299</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 248	\$ 159	\$ (89)
Charges for Services	1	202	484	282
Investment Earnings	106	122	(158)	(280)
Miscellaneous	66	60	706	646
Total Revenues	<u>173</u>	<u>632</u>	<u>1,191</u>	<u>559</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and Recreation	795	1,056	411	(645)
Capital Outlay	-	-	78	78
Total Expenditures	<u>795</u>	<u>1,056</u>	<u>489</u>	<u>(567)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(622)</u>	<u>(424)</u>	<u>702</u>	<u>1,126</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	200	533	8	(525)
Transfers Out	-	(117)	-	117
Total Other Financing Sources (Uses)	<u>200</u>	<u>416</u>	<u>8</u>	<u>(408)</u>
Net Change in Fund Balances	<u>(422)</u>	<u>(8)</u>	<u>710</u>	<u>718</u>
Fund Balances - January 1	<u>422</u>	<u>8</u>	<u>7,031</u>	<u>7,023</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,741</u>	<u>\$ 7,741</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, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Charges for Services	\$ 482	\$ 482	\$ 298	\$ (184)
Total Revenues	<u>482</u>	<u>482</u>	<u>298</u>	<u>(184)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	482	482	106	(376)
Natural and Economic Environment	-	-	191	191
Total Expenditures	<u>482</u>	<u>482</u>	<u>297</u>	<u>(185)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Fund Balances - January 1	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ 108</u>



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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Intergovernmental	\$ 561	\$ 561	\$ 678	\$ 117
Charges for Services	190	190	358	168
Fines and Penalties	740	740	1,177	437
Investment Earnings	52	52	(51)	(103)
Miscellaneous	10	10	27	17
Total Revenues	<u>1,553</u>	<u>1,553</u>	<u>2,189</u>	<u>636</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety	1,849	1,849	1,842	(7)
Capital Outlay	-	-	18	18
Total Expenditures	<u>1,849</u>	<u>1,849</u>	<u>1,860</u>	<u>11</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(296)</u>	<u>(296)</u>	<u>329</u>	<u>625</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(296)</u>	<u>(296)</u>	<u>329</u>	<u>625</u>
Fund Balances - January 1	296	296	2,258	1,962
Prior Period Adjustment			(78)	(78)
Fund Balance - January 1, Restated	296	296	2,180	1,884
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,509</u>	<u>\$ 2,509</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MUNICIPAL TV SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Licenses and Permits	\$ 724	\$ 724	\$ 1,065	\$ 341
Charges for Services	-	-	130	130
Investment Earnings	72	72	(128)	(200)
Miscellaneous	-	-	1	1
Total Revenues	<u>796</u>	<u>796</u>	<u>1,068</u>	<u>272</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	500	796	523	(273)
Total Expenditures	<u>500</u>	<u>796</u>	<u>523</u>	<u>(273)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>296</u>	<u>-</u>	<u>545</u>	<u>545</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	(296)	(1,900)	(1,786)	114
Total Other Financing Sources (Uses)	<u>(296)</u>	<u>(1,900)</u>	<u>(1,786)</u>	<u>114</u>
Net Change in Fund Balances	<u>-</u>	<u>(1,900)</u>	<u>(1,241)</u>	<u>659</u>
Fund Balances - January 1	-	1,900	7,283	5,383
Prior Period Adjustment	-	-	-	-
Fund Balance - January 1, Restated	<u>-</u>	<u>1,900</u>	<u>7,283</u>	<u>5,383</u>
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,042</u>	<u>\$ 6,042</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 53	\$ 53
Charges for Services	445	445	373	(72)
Investment Earnings	7	7	(7)	(14)
Total Revenues	<u>452</u>	<u>452</u>	<u>419</u>	<u>(33)</u>
<b>EXPENDITURES:</b>				
Current:				
Natural and Economic Environment	678	678	420	(258)
Total Expenditures	<u>678</u>	<u>678</u>	<u>420</u>	<u>(258)</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(226)</u>	<u>(226)</u>	<u>(1)</u>	<u>225</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	170	170	-	(170)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>170</u>	<u>170</u>	<u>-</u>	<u>(170)</u>
Net Change in Fund Balances	<u>(56)</u>	<u>(56)</u>	<u>(1)</u>	<u>55</u>
Fund Balances - January 1	56	56	243	187
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242</u>	<u>\$ 242</u>

**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, 2022  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Fines and Penalties	\$ 5,906	\$ 6,466	\$ 8,130	\$ 1,664
Investment Earnings	19	19	(32)	(51)
Total Revenues	<u>5,925</u>	<u>6,485</u>	<u>8,098</u>	<u>1,613</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Public Safety	7,215	7,257	6,567	(690)
Principal	-	-	28	28
Interest and Other Costs	-	-	27	27
Capital Outlay	-	-	1,291	1,291
Total Expenditures	<u>7,215</u>	<u>7,257</u>	<u>7,913</u>	<u>656</u>
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	<u>(1,290)</u>	<u>(772)</u>	<u>185</u>	<u>957</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets			-	-
Insurance Recoveries			-	-
Capital Lease Revenue	-	-	1,291	1,291
Transfers In	1,234	675	-	(675)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,234</u>	<u>675</u>	<u>1,291</u>	<u>616</u>
Net Change in Fund Balances	<u>(56)</u>	<u>(97)</u>	<u>1,476</u>	<u>1,573</u>
Fund Balances - January 1	56	97	484	387
Fund Balance - January 1, Restated	56	97	484	387
Fund Balance -December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,960</u>	<u>\$ 1,960</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**AMERICAN RESCUE PLAN ACT**

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Intergovernmental	\$ -	\$ 61,000	\$ 60,970	\$ (30)
Investment Earnings	-	-	(592)	(592)
Total Revenues	-	61,000	60,378	(622)
<b>EXPENDITURES:</b>				
Current:				
General Government	-	54,525	-	(54,525)
Public Safety	-	-	7,471	7,471
Capital Outlay	-	-	5,281	5,281
Total Expenditures	-	54,525	12,752	(41,773)
<b>Excess (Deficiency) of Revenues OVER EXPENDITURES</b>	-	6,475	47,626	41,151
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	61,000	168	(60,832)
Transfers Out	-	(6,475)	(5,965)	510
Total Other Financing Sources (Uses)	-	54,525	(5,797)	(60,322)
Net Change in Fund Balances	-	61,000	41,829	(19,171)
Fund Balances - January 1	-	-	-	-
Fund Balance -December 31	\$ -	\$ 61,000	\$ 41,829	\$ (19,171)

### ***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.

**LTGO Bonds (#2043)**

Accounts for the debt service of 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, 2022

(amounts expressed in thousands)

Page 1 of 3

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15	\$ 288	\$ -
Receivables:			
Accounts Receivables (Net)	-	-	-
Total Assets	<u>15</u>	<u>288</u>	<u>-</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
Total Assets and Deferred Outflows	<u>15</u>	<u>288</u>	<u>-</u>
<b>LIABILITIES</b>			
Liabilities:			
Other Liabilities Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable Revenue	18	-	-
Total Deferred Inflow of Resources	<u>18</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted	(3)	288	-
Total Fund Balance	<u>(3)</u>	<u>288</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 15</u>	<u>\$ 288</u>	<u>\$ -</u>

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

December 31, 2022  
(amounts expressed in thousands)  
Page 2 of 3

	2009 LTGO Bonds #2040	2010 LTGO Bonds #2041	2017 LTGO Bonds #2043
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 653	\$ 292
Receivables:			
Accounts Receivables (Net)	-	-	55
Total Assets	<u>-</u>	<u>653</u>	<u>347</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
Total Assets and Deferred Outflows	<u>-</u>	<u>653</u>	<u>347</u>
<b>LIABILITIES</b>			
Liabilities:			
Other Liabilities Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable Revenue	-	-	26
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>26</u>
<b>FUND BALANCE</b>			
Restricted	-	653	321
Total Fund Balance	<u>-</u>	<u>653</u>	<u>321</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ -</u>	<u>\$ 653</u>	<u>\$ 347</u>



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

December 31, 2022

(amounts expressed in thousands)

Page 3 of 3

	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,210	\$ 4,458
Receivables:		
Accounts Receivables (Net)	<u>18,771</u>	<u>18,826</u>
Total Assets	<u>21,981</u>	<u>23,284</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
	-	-
Total Assets and Deferred Outflows	<u>21,981</u>	<u>23,284</u>
<b>LIABILITIES</b>		
Liabilities:		
Other Liabilities Payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Unavailable Revenue	<u>16,645</u>	<u>16,689</u>
Total Deferred Inflow of Resources	<u>16,645</u>	<u>16,689</u>
<b>FUND BALANCE</b>		
Restricted	<u>5,336</u>	<u>6,595</u>
Total Fund Balance	<u>5,336</u>	<u>6,595</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 21,981</u>	<u>\$ 23,284</u>

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

For the Year Ended December 31, 2022

(amounts expressed in thousands)

Page 1 of 3

	Voted Bonds #2010	Non-Voted Bonds #2035	PWTF Loans #2038
<b>REVENUES</b>			
Taxes:			
Property Taxes	\$ -	\$ -	\$ -
Fines and Penalties	-	-	-
Investment Earnings	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
General Government	-	-	-
Debt Service:			
Principal	-	3,400	570
Interest	-	100	9
Total Expenditures	<u>-</u>	<u>3,500</u>	<u>579</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>-</u>	<u>(3,500)</u>	<u>(579)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	3,500	579
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,500</u>	<u>579</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	(3)	288	-
Fund Balance - Ending	<u>\$ (3)</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, 2022

(amounts expressed in thousands)

Page 2 of 3

	2009 LTGO Bonds #2040	2010 LTGO Bonds #2041	2017 LTGO Bonds #2043
<b>REVENUES</b>			
Taxes:			
Property Taxes	\$ -	\$ -	\$ 1,568
Fines and Penalties	-	-	-
Investment Earnings	-	1	61
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>1</u>	<u>1,629</u>
<b>EXPENDITURES</b>			
General Government	-	-	-
Debt Service:			
Principal	460	3,410	4,122
Interest	758	1,461	1,082
Total Expenditures	<u>1,218</u>	<u>4,871</u>	<u>5,204</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(1,218)</u>	<u>(4,870)</u>	<u>(3,575)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,218	5,240	2,644
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>1,218</u>	<u>5,240</u>	<u>2,644</u>
Net Change in Fund Balance	<u>-</u>	<u>370</u>	<u>(931)</u>
Fund Balance - Beginning	<u>-</u>	<u>283</u>	<u>1,252</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 653</u>	<u>\$ 321</u>

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

For the Year Ended December 31, 2022

(amounts expressed in thousands)

Page 3 of 3

	Consolidated LID Bonds #7999	Total Nonmajor Debt Service Funds
<b>REVENUES</b>		
Taxes:		
Property Taxes	\$ -	\$ 1,568
Fines and Penalties	1,128	1,128
Investment Earnings	(51)	11
Miscellaneous	2,849	2,849
Total Revenues	<u>3,926</u>	<u>5,556</u>
<b>EXPENDITURES</b>		
General Government	6	6
Debt Service:		
Principal	290	12,252
Interest	1,010	4,420
Total Expenditures	<u>1,306</u>	<u>16,678</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>2,620</u>	<u>(11,122)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	-	13,181
Transfers Out	(5)	(5)
Total Other Financing Sources (Uses)	<u>(5)</u>	<u>13,176</u>
Net Change in Fund Balance	<u>2,615</u>	<u>2,054</u>
Fund Balance - Beginning	2,721	4,541
Fund Balance - Ending	<u>\$ 5,336</u>	<u>\$ 6,595</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts			Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium	Actual Results 2021-2022 Biennium	
<b>REVENUES:</b>				
Taxes:				
Property	\$ 5,441	\$ 5,461	\$ 195	\$ (5,266)
Total Revenues	<u>5,441</u>	<u>5,461</u>	<u>195</u>	<u>(5,266)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	4,675	5,150	5,150	-
Interest and Other Costs	766	311	76	(235)
Total Expenditures	<u>5,441</u>	<u>5,461</u>	<u>5,226</u>	<u>(235)</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(5,031)</u>	<u>(5,031)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	3,756	3,756
Transfers Out	-	-	(135)	(135)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>3,621</u>	<u>3,621</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,410)</u>	<u>(1,410)</u>
Fund Balances - January 1	-	-	1,407	1,407
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ (3)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**NON VOTED DEBT SERVICE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	7,530	7,960	3,400	(4,560)
Interest and Other Costs	948	583	100	(483)
Total Expenditures	<u>8,478</u>	<u>8,543</u>	<u>3,500</u>	<u>(5,043)</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(8,478)</u>	<u>(8,543)</u>	<u>(3,500)</u>	<u>5,043</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	8,478	8,543	3,500	(5,043)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>8,478</u>	<u>8,543</u>	<u>3,500</u>	<u>(5,043)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	288	288
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288</u>	<u>\$ 288</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC WORKS TRUST FUND LOANS**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	1,141	1,141	570	(571)
Interest and Other Costs	31	20	9	(11)
Total Expenditures	1,172	1,161	579	(582)
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<b>(1,172)</b>	<b>(1,161)</b>	<b>(579)</b>	<b>582</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,172	1,161	579	(582)
Total Other Financing Sources and Uses	1,172	1,161	579	(582)
Net Change in Fund Balances	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**2009 LTGO REFUNDING (SERIES A-F) DEBT SERVICE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	4	4
Total Revenues	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	690	870	9,165	8,295
Interest and Other Costs	2,499	2,423	4,213	1,790
Total Expenditures	<u>3,189</u>	<u>3,293</u>	<u>13,378</u>	<u>10,085</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(3,189)</u>	<u>(3,293)</u>	<u>(13,374)</u>	<u>(10,081)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	2,500	2,500
Transfers In	3,189	3,293	10,867	7,574
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>3,189</u>	<u>3,293</u>	<u>13,367</u>	<u>10,074</u>
Net Change in Fund Balances	-	-	(7)	(7)
Fund Balance - January 1	-	-	7	7
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**2010 LTGO BONDS DEBT SERVICE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	2	2
Total Revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	5,681	5,987	12,520	6,533
Interest and Other Costs	3,766	3,307	3,168	(139)
Total Expenditures	<u>9,447</u>	<u>9,294</u>	<u>15,688</u>	<u>6,394</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(9,447)</u>	<u>(9,294)</u>	<u>(15,686)</u>	<u>(6,392)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	9,447	9,294	16,319	7,025
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>9,447</u>	<u>9,294</u>	<u>16,319</u>	<u>7,025</u>
Net Change in Fund Balances	-	-	633	633
Fund Balance - January 1	-	-	20	20
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 653</u>	<u>\$ 653</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**2013 LTGO BOND DEBT SERVICE FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ 4,185	\$ 4,185
Investment Earnings	-	-	108	108
Total Revenues	<u>-</u>	<u>-</u>	<u>4,293</u>	<u>4,293</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	1	1
Debt Service				
Principal	2,020	2,105	7,046	4,941
Interest and Other Costs	1,443	1,359	1,370	11
Total Expenditures	<u>3,463</u>	<u>3,464</u>	<u>8,417</u>	<u>4,953</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(3,463)</u>	<u>(3,464)</u>	<u>(4,124)</u>	<u>(660)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	17,262	17,262
Transfers In	3,463	3,464	5,247	1,783
Transfers Out	-	-	(18,134)	(18,134)
Total Other Financing Sources and Uses	<u>3,463</u>	<u>3,464</u>	<u>4,375</u>	<u>911</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>251</u>	<u>251</u>
Fund Balance - January 1	-	-	70	70
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ 321</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CONSOLIDATED LID BOND REDEMPTION FUND**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Fines and Penalties	-	-	2,283	2,283
Investment Earnings	-	-	(58)	(58)
Miscellaneous	-	-	3,802	3,802
Total Revenues	<u>-</u>	<u>-</u>	<u>6,027</u>	<u>6,027</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	6	6
Debt Service				
Principal	-	-	730	730
Interest and Other Costs	-	-	2,035	2,035
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,771</u>	<u>2,771</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>3,256</u>	<u>3,256</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	(8)	(8)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(8)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>3,248</u>	<u>3,248</u>
Fund Balance - January 1	-	-	2,088	2,088
Prior Period Adjustment	-	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,336</u>	<u>\$ 5,336</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.

**Real Estate Excise Tax Fund (#3210)**

Accounts for revenues for capital projects.

**Capital Projects Fund (#3211)**

Accounts for the various capital expenditures.

**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, 2022

(amounts expressed in thousands)

Page 1 of 2

	Capital Revenue #3210	Capital Projects #3211	2009 LTGO Capital Projects #3218
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 48,088	\$ 8,398	\$ 91
Accounts Receivables (Net)	782	-	-
Due From Other Governmental Units	-	319	-
Total Assets	<u>48,870</u>	<u>8,717</u>	<u>91</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
Total Assets and Deferred Outflows	<u>48,870</u>	<u>8,717</u>	<u>91</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts Payable	-	1,043	-
Total Liabilities	<u>-</u>	<u>1,043</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable Revenue	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	44,216	5,852	91
Committed	4,310	1,636	-
Assigned	344	186	-
Unassigned	-	-	-
Total Fund Balance	<u>48,870</u>	<u>7,674</u>	<u>91</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 48,870</u>	<u>\$ 8,717</u>	<u>\$ 91</u>

**COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECT FUNDS**

December 31, 2022

(amounts expressed in thousands)

Page 2 of 2

	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Total Nonmajor Capital Projects Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 264	\$ 1,356	\$ 58,197
Accounts Receivables (Net)	-	6	788
Due From Other Governmental Units	-	-	319
Total Assets	<u>264</u>	<u>1,362</u>	<u>59,304</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
	-	-	-
Total Assets and Deferred Outflows	<u>264</u>	<u>1,362</u>	<u>59,304</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts Payable	<u>3</u>	-	<u>1,046</u>
Total Liabilities	<u>3</u>	-	<u>1,046</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	261	1,362	51,782
Committed	-	-	5,946
Assigned	-	-	530
Unassigned	-	-	-
Total Fund Balance	<u>261</u>	<u>1,362</u>	<u>58,258</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 264</u>	<u>\$ 1,362</u>	<u>\$ 59,304</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

Page 1 of 2

	Capital Revenue #3210	Capital Projects #3211	2009 LTGO Capital Projects #3218
<b>REVENUES</b>			
Taxes:			
Retail Sales & Use	\$ 500	\$ -	\$ -
Excise	14,864	-	-
Intergovernmental	-	1,299	-
Investment Earnings	(775)	(109)	(1)
Miscellaneous	-	2,637	-
Total Revenues	<u>14,589</u>	<u>3,827</u>	<u>(1)</u>
<b>EXPENDITURES</b>			
General Government	9	10	-
Public Safety	-	223	-
Culture and Recreation	-	35	-
Capital Outlay	-	5,557	-
Total Expenditures	<u>9</u>	<u>5,825</u>	<u>-</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>14,580</u>	<u>(1,998)</u>	<u>(1)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	5,641	5,478	-
Transfers Out	(12,378)	(391)	-
Total Other Financing Sources (Uses)	<u>(6,737)</u>	<u>5,087</u>	<u>-</u>
Net Change in Fund Balance	<u>7,843</u>	<u>3,089</u>	<u>(1)</u>
Fund Balance - Beginning	41,027	4,585	92
Fund Balance - Beginning, Restated	41,027	4,585	92
Fund Balance - Ending	<u>\$ 48,870</u>	<u>\$ 7,674</u>	<u>\$ 91</u>

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

For the Year Ended December 31, 2022

(amounts expressed in thousands)

Page 2 of 2

	2010 LTGO Capital Projects #3220	LID Interim Capital Projects #7070	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>			
Taxes:			
Retail Sales & Use	\$ -	\$ -	\$ 500
Excise	-	-	14,864
Intergovernmental	-	-	1,299
Investment Earnings	(4)	-	(889)
Miscellaneous	-	6	2,643
Total Revenues	<u>(4)</u>	<u>6</u>	<u>18,417</u>
<b>EXPENDITURES</b>			
General Government	-	-	19
Public Safety	-	-	223
Culture and Recreation	-	-	35
Capital Outlay	-	-	5,557
Total Expenditures	<u>-</u>	<u>-</u>	<u>5,834</u>
Excess (Deficiency) of Revenues OVER EXPENDITURES	<u>(4)</u>	<u>6</u>	<u>12,583</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	11,119
Transfers Out	-	-	(12,769)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,650)</u>
Net Change in Fund Balance	<u>(4)</u>	<u>6</u>	<u>10,933</u>
Fund Balance - Beginning	265	1,356	47,325
Fund Balance - Beginning, Restated	265	1,356	47,325
Fund Balance - Ending	<u>\$ 261</u>	<u>\$ 1,362</u>	<u>\$ 58,258</u>



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**REAL ESTATE EXCISE TAX FUND**

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales & Use	1,580	1,152	1,000	(152)
Excise	12,300	22,332	32,415	10,083
Investment Earnings	-	660	(885)	(1,545)
Miscellaneous	1,256	141	-	(141)
Total Revenues	<u>15,136</u>	<u>24,285</u>	<u>32,530</u>	<u>8,245</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	3	-	17	17
Debt Service				
Principal	2,934	-	-	-
Interest and Other Costs	-	-	-	-
Total Expenditures	<u>2,937</u>	<u>-</u>	<u>17</u>	<u>17</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>12,199</u>	<u>24,285</u>	<u>32,513</u>	<u>8,228</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Long Term Debt	-	-	-	-
Transfers In	141	5,306	6,601	1,295
Transfers Out	(13,526)	-	(20,240)	(20,240)
Total Other Financing Sources and Uses	<u>(13,385)</u>	<u>5,306</u>	<u>(13,639)</u>	<u>(18,945)</u>
Net Change in Fund Balances	<u>(1,186)</u>	<u>29,591</u>	<u>7,843</u>	<u>(21,748)</u>
Fund Balance - January 1	3,074	30,129	41,027	10,898
Fund Balance - December 31	<u>\$ 1,888</u>	<u>\$ 59,720</u>	<u>\$ 48,870</u>	<u>\$ (10,850)</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

	Budget Amounts		Actual Results 2021-2022 Biennium	Variance
	Original (GAAP Basis) 2021-2022 Biennium	Final Adopted (GAAP Basis) 2021-2022 Biennium		
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Business	-	-	-	-
Excise	-	-	-	-
Other	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	1,299	1,299
Charges for Services	-	-	-	-
Fines and Penalties	-	-	-	-
Special Assessments	-	-	-	-
Investment Earnings	202	202	(125)	(327)
Miscellaneous	-	-	2,651	2,651
Total Revenues	<u>202</u>	<u>202</u>	<u>3,825</u>	<u>3,623</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	3,202	3,202	84	(3,118)
Public Safety	-	-	223	-
Culture and Recreation	-	-	83	83
Capital Outlay	-	-	8,085	-
Debt Service				
Principal	-	-	-	-
Interest and Other Costs	-	-	-	-
Total Expenditures	<u>3,202</u>	<u>3,202</u>	<u>8,475</u>	<u>5,273</u>
<b>Excess (Deficiency of Revenues OVER EXPENDITURES</b>	<u>(3,000)</u>	<u>(3,000)</u>	<u>(4,650)</u>	<u>(1,650)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	14,830	14,830	9,781	(5,049)
Transfers Out	-	-	(1,351)	(1,351)
Total Other Financing Sources and Uses	<u>14,830</u>	<u>14,830</u>	<u>8,430</u>	<u>(6,400)</u>
Net Change in Fund Balances	<u>11,830</u>	<u>11,830</u>	<u>3,089</u>	<u>(8,741)</u>
Fund Balance - January 1	-	600	4,585	3,985
Fund Balance - December 31	<u>\$ 11,830</u>	<u>\$ 12,430</u>	<u>\$ 7,674</u>	<u>\$ (4,756)</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 Theater.

### **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, 2022  
(amounts expressed in thousands)  
Page 1 of 6

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 19,064	\$ 902	\$ 1,677	\$ 3,054
Accounts Receivables (Net)	3,077	358	291	130
Due From Other Governmental Units	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	-	44	104
Restricted Cash:				
Debt Service	-	-	-	997
Other	-	-	-	2,135
Leases Receivable				468
Advance to Other Funds				
Total Current Assets	<u>22,141</u>	<u>1,260</u>	<u>2,012</u>	<u>6,888</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	-	-
Net Pension Asset	4,494	-	474	952
Other non-current assets	-	-	-	29
Right to Use Lease Assets			596	
Less: Accumulated Amortization			(18)	
Capital Assets:				
Land	-	1,007	11,176	15,086
Buildings and Equipment	306	25,968	56,074	69,454
Construction in Progress	-	169	26	72
Less: Accumulated Depreciation	(273)	(13,093)	(22,950)	(34,946)
Total Capital Assets (Net of A/D)	<u>33</u>	<u>14,051</u>	<u>44,326</u>	<u>49,666</u>
Total Noncurrent Assets	<u>4,527</u>	<u>14,051</u>	<u>45,378</u>	<u>50,647</u>
Total Assets	<u>26,668</u>	<u>15,311</u>	<u>47,390</u>	<u>57,535</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	-	-	2,086
Deferred Outflow Related to Pensions	2,471	-	261	524
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>2,471</u>	<u>-</u>	<u>261</u>	<u>2,610</u>

**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 2 of 6

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 384	\$ 11,164	\$ 736	\$ 3,025
Accounts Receivables (Net)	501	884	86	236
Due From Other Governmental Units	-	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	47	126	50	-
Restricted Cash:				
Debt Service	365	-	-	-
Other	-	7,218	873	-
Leases Receivable				
Advance to Other Funds				
Total Current Assets	<u>1,297</u>	<u>19,392</u>	<u>1,745</u>	<u>3,261</u>
Noncurrent Assets:				
Long-Term Contracts and Notes	-	-	8,199	-
Net Pension Asset	-	789	-	-
Other non-current assets	-	-	873	-
Right to Use Lease Assets				
Less: Accumulated Amortization				
Capital Assets:				
Land	224	6,161	2,087	-
Buildings and Equipment	39,869	70,190	34,343	-
Construction in Progress	-	846	30	-
Less: Accumulated Depreciation	(19,335)	(33,991)	(22,316)	-
Total Capital Assets (Net of A/D)	<u>20,758</u>	<u>43,206</u>	<u>14,144</u>	<u>-</u>
Total Noncurrent Assets	<u>20,758</u>	<u>43,995</u>	<u>23,216</u>	<u>-</u>
Total Assets	<u>22,055</u>	<u>63,387</u>	<u>24,961</u>	<u>3,261</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow from Bond Refunding	-	-	-	-
Deferred Outflow Related to Pensions	-	434	-	-
Deferred Outflow Related to OPEB	-	-	-	-
Total Deferred Outflow of Resources	<u>-</u>	<u>434</u>	<u>-</u>	<u>-</u>

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

December 31, 2022

(amounts expressed in thousands)

Page 3 of 6

	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 11,312	\$ 1,916	\$ 53,234
Accounts Receivables (Net)	3,392	-	8,955
Due From Other Governmental Units	172	-	172
Inventory	1,299	-	1,299
Prepaid Expenses	2,626	-	2,997
Restricted Cash:			
Debt Service	-	-	1,362
Other	-	-	10,226
Leases Receivable			468
Advance to Other Funds			
Total Current Assets	<u>18,801</u>	<u>1,916</u>	<u>78,713</u>
Noncurrent Assets:			
Long-Term Contracts and Notes	-	-	8,199
Net Pension Asset	-	-	6,709
Other non-current assets	-	-	902
Right to Use Lease Assets			596
Less: Accumulated Amortization			(18)
Capital Assets:			
Land	172	-	35,913
Buildings and Equipment	59,727	-	355,931
Construction in Progress	5,140	-	6,283
Less: Accumulated Depreciation	(28,448)	-	(175,352)
Total Capital Assets (Net of A/D)	<u>36,591</u>	<u>-</u>	<u>222,775</u>
Total Noncurrent Assets	<u>36,591</u>	<u>-</u>	<u>239,163</u>
Total Assets	<u>55,392</u>	<u>1,916</u>	<u>317,876</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow from Bond Refunding	-	-	2,086
Deferred Outflow Related to Pensions	-	-	3,690
Deferred Outflow Related to OPEB	1,659	-	1,659
Total Deferred Outflow of Resources	<u>1,659</u>	<u>-</u>	<u>7,435</u>

**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 4 of 6

	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	27	86	264	598
Interest Payable	-	-	-	156
Due to Other Funds				
Due to Other Governments	8	-	-	-
Customer Deposits	114	330	-	699
Interfund Payables				
Environment Liabilities - Current				
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	121	-	2	13
Bonds Payable - Current	-	-	1,802	3,475
Advance from Other Funds				
Leases Liability, Current			13	
Payable From Restricted Assets:				
Interest Payable				
Deposits and Other Payable				
Unearned Revenues	-	-	-	-
Other Current Liabilities	395	-	27	83
Total Current Liabilities	<u>665</u>	<u>416</u>	<u>2,108</u>	<u>5,024</u>
Noncurrent Liabilities:				
Unearned Revenue	-	-	-	-
Compensated Absences	1,089	-	22	116
Leases Liability			570	
Other non-current liabilities	-	-	-	-
Loans Payable	-	-	-	-
Bonds Payable	-	-	1,521	44,568
Total OPEB Liability	-	-	-	-
Net Pension Liability	-	-	-	-
Total Noncurrent Liabilities	<u>1,089</u>	<u>-</u>	<u>2,113</u>	<u>44,684</u>
Total Liabilities	<u>1,754</u>	<u>416</u>	<u>4,221</u>	<u>49,708</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Bond Refunding	-	-	23	12
Deferred Inflow Related to Pensions	5,141	-	543	1,090
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflow related to Leases				446
Deferred Inflows of Resources	<u>5,141</u>	<u>-</u>	<u>566</u>	<u>1,548</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	33	14,051	41,558	3,569
Restricted				
Capital Purchase	-	-	-	2,135
Debt Service	-	-	3	997
Culture and Recreation	-	-	-	-
Environment Service & Program	3,808	-	-	-
Inspections	1,097	-	-	-
Pension	4,494	-	474	952
Reserves	5,157	-	-	-
Unrestricted	<u>7,655</u>	<u>844</u>	<u>829</u>	<u>1,236</u>
Total Net Position	<u>\$ 22,244</u>	<u>\$ 14,895</u>	<u>\$ 42,864</u>	<u>\$ 8,889</u>

**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
Page 5 of 6

	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	-	1,294	432	-
Interest Payable	-	-	-	-
Due to Other Funds				
Due to Other Governments	-	-	-	-
Customer Deposits	2	7,218	-	-
Interfund Payables				
Environment Liabilities - Current				
Loans Payable - Current	-	-	-	-
Compensated Absences - Current	-	37	-	-
Bonds Payable - Current	-	-	-	-
Advance from Other Funds				
Leases Liability, Current				
Payable From Restricted Assets:				
Interest Payable				
Deposits and Other Payable				(27)
Unearned Revenues	-	268	-	(27)
Other Current Liabilities	-	70	-	-
Total Current Liabilities	<u>2</u>	<u>8,887</u>	<u>432</u>	<u>(27)</u>
Noncurrent Liabilities:				
Unearned Revenue	-	-	-	-
Compensated Absences	-	332	-	-
Leases Liability				
Other non-current liabilities	-	-	-	2,358
Loans Payable	-	-	-	-
Bonds Payable	-	-	-	-
Total OPEB Liability	-	-	-	-
Net Pension Liability	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>332</u>	<u>-</u>	<u>2,358</u>
Total Liabilities	<u>2</u>	<u>9,219</u>	<u>432</u>	<u>2,331</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Bond Refunding	-	-	-	-
Deferred Inflow Related to Pensions	-	903	-	-
Deferred Inflow Related to OPEB	-	-	-	-
Deferred Inflow related to Leases				
Deferred Inflows of Resources	<u>-</u>	<u>903</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	20,758	43,207	14,145	-
Restricted				
Capital Purchase	322	882	-	-
Debt Service	866	-	-	-
Culture and Recreation	-	2,621	-	-
Environment Service & Program	-	-	-	-
Inspections	-	-	-	-
Pension	-	789	-	-
Reserves	-	-	-	-
Unrestricted	<u>107</u>	<u>6,200</u>	<u>10,384</u>	<u>930</u>
Total Net Position	<u>\$ 22,053</u>	<u>\$ 53,699</u>	<u>\$ 24,529</u>	<u>\$ 930</u>



**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
December 31, 2022  
(amounts expressed in thousands)  
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	Tacoma Rail Belt Line Division #4500	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	2,058	23	4,782
Interest Payable	-	-	156
Due to Other Funds	-	-	-
Due to Other Governments	-	-	8
Customer Deposits	-	-	8,363
Interfund Payables	-	-	-
Environment Liabilities - Current	-	-	-
Loans Payable - Current	877	-	877
Compensated Absences - Current	149	-	322
Bonds Payable - Current	-	-	5,277
Advance from Other Funds	-	-	-
Leases Liability, Current	-	-	13
Payable From Restricted Assets:	-	-	-
Interest Payable	-	-	-
Deposits and Other Payable	100	-	100
Unearned Revenues	-	-	241
Other Current Liabilities	1,464	-	2,039
Total Current Liabilities	<u>4,648</u>	<u>23</u>	<u>22,178</u>
Noncurrent Liabilities:			
Unearned Revenue	-	-	-
Compensated Absences	1,338	-	2,897
Leases Liability	-	-	570
Other non-current liabilities	3,908	-	6,266
Loans Payable	2,577	-	2,577
Bonds Payable	-	-	46,089
Total OPEB Liability	10,547	-	10,547
Net Pension Liability	-	-	-
Total Noncurrent Liabilities	<u>18,370</u>	<u>-</u>	<u>68,946</u>
Total Liabilities	<u>23,018</u>	<u>23</u>	<u>91,124</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Bond Refunding	-	-	35
Deferred Inflow Related to Pensions	-	-	7,677
Deferred Inflow Related to OPEB	2,934	-	2,934
Deferred Inflow related to Leases	-	-	446
Deferred Inflows of Resources	<u>2,934</u>	<u>-</u>	<u>11,092</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	33,136	-	170,457
Restricted	-	-	-
Capital Purchase	-	-	3,339
Debt Service	-	-	1,866
Culture and Recreation	-	-	2,621
Environment Service & Program	-	-	3,808
Inspections	-	-	1,097
Pension	-	-	6,709
Reserves	-	1,893	7,050
Unrestricted	<u>(2,037)</u>	<u>-</u>	<u>26,148</u>
Total Net Position	<u>\$ 31,099</u>	<u>\$ 1,893</u>	<u>\$ 223,095</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

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	Permit Services #4110	Tacoma Rail Mountain Division #4120	Parking #4140	Convention Center #4165
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 19,286	\$ 2,188	\$ 3,863	\$ 2,733
Lease Revenue				59
Other Operating Revenue	-	-	-	21
Total Operating Revenues	<u>19,286</u>	<u>2,188</u>	<u>3,863</u>	<u>2,813</u>
<b>OPERATING EXPENSES:</b>				
Salaries and Benefits	13,069	548	975	2,328
Personnel Benefits				
Supplies	361	96	23	112
Service	4,058	1,858	2,598	3,141
Taxes	-	1	22	75
Depreciation	34	783	1,290	1,752
Lease Amortization			18	
Other Operating Expenses	-	-	-	-
Total Operating Expenses	<u>17,522</u>	<u>3,286</u>	<u>4,926</u>	<u>7,408</u>
Operating Income (Loss)	<u>1,764</u>	<u>(1,098)</u>	<u>(1,063)</u>	<u>(4,595)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest Revenue	233	8	29	99
Interest Revenue-Lease Activities				10
Tax Revenues	-	-	-	-
Operating Contributions	-	-	-	5,137
Other Non-Operating Revenues	45	40	1	-
Gain (Loss) on Sale of Capital Assets	-	-	-	(4)
Unrealized net gain(loss) in fair value investment	(529)	(26)	(10)	(186)
Interest Expense	-	-	(140)	(1,839)
Interest Expense-Lease Activities			(12)	
Other Non-Operating Expenses	-	-	-	-
External Contributions	-	-	-	-
Total Non-Operating Revenue (Expense)	<u>(251)</u>	<u>22</u>	<u>(132)</u>	<u>3,217</u>
Income (Loss) Before Contributions & Transfers	<u>1,513</u>	<u>(1,076)</u>	<u>(1,195)</u>	<u>(1,378)</u>
Transfers In	1,926	401	3,996	4,473
Transfers Out	(42)	-	(1,212)	(562)
Total Contributions and Transfers	<u>1,884</u>	<u>401</u>	<u>2,784</u>	<u>3,911</u>
Change in Net Position	3,397	(675)	1,589	2,533
Net Position, January 1	18,847	15,570	41,192	6,356
Prior Period Adjustment	-	-	83	-
Net Position, January 1 restated	18,847	15,570	41,275	6,356
Net Position, December 31	<u>\$ 22,244</u>	<u>\$ 14,895</u>	<u>\$ 42,864</u>	<u>\$ 8,889</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

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	Cheney Stadium #4170	Tacoma Dome #4180	Performing Arts #4190	Union Station #4450
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 159	\$ 9,714	\$ -	\$ -
Lease Revenue				
Other Operating Revenue	546	22	-	-
Total Operating Revenues	<u>705</u>	<u>9,736</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>				
Salaries and Benefits	-	2,612	2	-
Personnel Benefits				
Supplies	-	301	26	-
Service	93	5,959	1,338	4
Taxes	-	148	-	-
Depreciation	1,401	1,670	1,110	-
Lease Amortization				
Other Operating Expenses	-	-	-	-
Total Operating Expenses	<u>1,494</u>	<u>10,690</u>	<u>2,476</u>	<u>4</u>
Operating Income (Loss)	<u>(789)</u>	<u>(954)</u>	<u>(2,476)</u>	<u>(4)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>				
Interest Revenue	9	266	103	13
Interest Revenue-Lease Activities				
Tax Revenues	-	-	-	-
Operating Contributions	-	-	242	-
Other Non-Operating Revenues	418	1	-	37
Gain (Loss) on Sale of Capital Assets	-	9	-	-
Unrealized net gain(loss) in fair value investment	(16)	(435)	(46)	-
Interest Expense	-	-	-	(38)
Interest Expense-Lease Activities				
Other Non-Operating Expenses	-	-	-	-
External Contributions	-	-	-	-
Total Non-Operating Revenue (Expense)	<u>411</u>	<u>(159)</u>	<u>299</u>	<u>12</u>
Income (Loss) Before Contributions & Transfers	<u>(378)</u>	<u>(1,113)</u>	<u>(2,177)</u>	<u>8</u>
Transfers In	697	-	1,975	-
Transfers Out	(1,353)	(399)	-	-
Total Contributions and Transfers	<u>(656)</u>	<u>(399)</u>	<u>1,975</u>	<u>-</u>
Change in Net Position	(1,034)	(1,512)	(202)	8
Net Position, January 1	23,087	55,211	24,741	922
Prior Period Adjustment	-	-	(10)	-
Net Position, January 1 restated	23,087	55,211	24,731	922
Net Position, December 31	<u>\$ 22,053</u>	<u>\$ 53,699</u>	<u>\$ 24,529</u>	<u>\$ 930</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

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	Tacoma Rail Belt Line Division #4500	Low Income Assistance #4805	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 32,131	\$ -	\$ 70,074
Lease Revenue			59
Other Operating Revenue	-	-	589
Total Operating Revenues	<u>32,131</u>	<u>-</u>	<u>70,722</u>
<b>OPERATING EXPENSES:</b>			
Salaries and Benefits	16,101	-	35,635
Personnel Benefits			
Supplies	1,511	-	2,430
Service	9,563	-	28,612
Taxes	535	-	781
Depreciation	2,614	-	10,654
Lease Amortization			18
Other Operating Expenses	-	-	-
Total Operating Expenses	<u>30,324</u>	<u>-</u>	<u>78,130</u>
Operating Income (Loss)	<u>1,807</u>	<u>-</u>	<u>(7,408)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>			
Interest Revenue	145	24	929
Interest Revenue-Lease Activities			10
Tax Revenues	-	-	-
Operating Contributions	190	787	6,356
Other Non-Operating Revenues	407	-	949
Gain (Loss) on Sale of Capital Assets	(324)	-	(319)
Unrealized net gain(loss) in fair value investment	(346)	(57)	(1,651)
Interest Expense	-	-	(2,017)
Interest Expense-Lease Activities			(12)
Other Non-Operating Expenses	(28)	(266)	(294)
External Contributions	-	-	-
Total Non-Operating Revenue (Expense)	<u>44</u>	<u>488</u>	<u>3,951</u>
Income (Loss) Before Contributions & Transfers	<u>1,851</u>	<u>488</u>	<u>(3,457)</u>
Transfers In	-	-	13,468
Transfers Out	(2,599)	-	(6,167)
Total Contributions and Transfers	<u>(2,599)</u>	<u>-</u>	<u>7,301</u>
Change in Net Position	(748)	488	3,844
Net Position, January 1	31,847	1,405	219,178
Prior Period Adjustment	-	-	73
Net Position, January 1 restated	31,847	1,405	219,251
Net Position, December 31	<u>\$ 31,099</u>	<u>\$ 1,893</u>	<u>\$ 223,095</u>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)  
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	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 18,409	\$ 1,987	\$ 3,927
Payments to suppliers	(2,374)	(1,654)	(2,432)
Payments to employees	(14,527)	(545)	(1,228)
Payments for taxes	-	(35)	(16)
Payments for interfund services used	(1,844)	(127)	(404)
Other operating or non-operating revenues	(1)	444	(1)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(337)</b>	<b>70</b>	<b>(154)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	1,926	401	3,996
Grants and contributions received	-	-	-
Payments paid on noncapital debts	-	-	-
Transfer to other funds	(42)	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>1,884</b>	<b>401</b>	<b>3,996</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	-
Proceeds received from capital debts	-	-	-
Contributions and donations	44	-	-
Acquisitions and constructions of capital assets	-	(116)	(20)
Principal paid on capital debts	-	-	(1,754)
Interest and issuance costs paid on capital debts	-	-	(157)
Transfers to other funds	-	-	(1,212)
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>44</b>	<b>(116)</b>	<b>(3,143)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	234	8	29
Change in fair value of investment	(529)	(26)	(10)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(295)</b>	<b>(18)</b>	<b>19</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,296</b>	<b>337</b>	<b>718</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>17,768</b>	<b>565</b>	<b>959</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 19,064</b>	<b>\$ 902</b>	<b>\$ 1,677</b>
	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2022  
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	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,329	\$ 584	\$ 3,066
Payments to suppliers	(1,886)	(100)	(4,488)
Payments to employees	(2,623)	-	(2,743)
Payments for taxes	(73)	-	(130)
Payments for interfund services used	(533)	(3)	(772)
Other operating or non-operating revenues	70	546	22
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(2,716)</b>	<b>1,027</b>	<b>(5,045)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	-	697	-
Grants and contributions received	5,137	-	-
Payments paid on noncapital debts	-	-	-
Transfer to other funds	-	(134)	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>5,137</b>	<b>563</b>	<b>-</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	4,473	-	-
Proceeds received from capital debts	-	-	9
Contributions and donations	-	-	-
Acquisitions and constructions of capital assets	(72)	-	(948)
Principal paid on capital debts	(3,476)	-	-
Interest and issuance costs paid on capital debts	(2,018)	-	-
Transfers to other funds	(562)	(1,219)	(399)
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>(1,655)</b>	<b>(1,219)</b>	<b>(1,338)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	99	9	266
Change in fair value of investment	(186)	(16)	(435)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(87)</b>	<b>(7)</b>	<b>(169)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>679</b>	<b>364</b>	<b>(6,552)</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>5,497</b>	<b>385</b>	<b>24,934</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 6,176</b>	<b>\$ 749</b>	<b>\$ 18,382</b>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)  
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	Performing Arts #4190	Union Station #4450	Tacoma Rail Belt Line Div #4500
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2	\$ 3,007	\$ 32,304
Payments to suppliers	(1,290)	(10)	(7,495)
Payments to employees	(2)	-	(16,236)
Payments for taxes	-	-	(525)
Payments for interfund services used	(90)	-	(2,552)
Other operating or non-operating revenues	(872)	37	382
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(2,252)</b>	<b>3,034</b>	<b>5,878</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	1,975	-	-
Grants and contributions received	242	-	-
Payments paid on noncapital debts	-	-	-
Transfer to other funds	-	-	(2,599)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>2,217</b>	<b>-</b>	<b>(2,599)</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	-
Proceeds received from capital debts	-	-	1,067
Contributions and donations	-	-	446
Acquisitions and constructions of capital assets	(627)	-	(6,395)
Principal paid on capital debts	-	(1,935)	(970)
Interest and issuance costs paid on capital debts	-	(52)	-
Transfers to other funds	-	(38)	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>(627)</b>	<b>(2,025)</b>	<b>(5,852)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	103	13	145
Change in fair value of investment	(46)	-	(346)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>57</b>	<b>13</b>	<b>(201)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(605)</b>	<b>1,022</b>	<b>(2,774)</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>2,214</b>	<b>2,003</b>	<b>14,086</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 1,609</b>	<b>\$ 3,025</b>	<b>\$ 11,312</b>
	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2022  
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	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ (54)	\$ 65,561
Payments to suppliers	23	(21,706)
Payments to employees	-	(37,904)
Payments for taxes	-	(779)
Payments for interfund services used	-	(6,325)
Other operating or non-operating revenues	(266)	361
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(297)</b>	<b>(792)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer from other funds	-	8,995
Grants and contributions received	787	6,166
Payments paid on noncapital debts	-	-
Transfer to other funds	-	(2,775)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>787</b>	<b>12,386</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	-	4,473
Proceeds received from capital debts	-	1,076
Contributions and donations	-	490
Acquisitions and constructions of capital assets	-	(8,178)
Principal paid on capital debts	-	(8,135)
Interest and issuance costs paid on capital debts	-	(2,227)
Transfers to other funds	-	(3,430)
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>(15,931)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interests and dividends received	24	930
Change in fair value of investment	(57)	(1,651)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(33)</b>	<b>(721)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>457</b>	<b>(5,058)</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>1,459</b>	<b>69,870</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 1,916</b>	<b>\$ 64,812</b>



**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2022  
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	Permit Service #4110	Tacoma Rail Mountain Div #4120	Parking #4140
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 1,764	\$ (1,098)	\$ (1,063)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	34	783	1,308
(Increase) decrease in accounts receivable	(573)	(6)	(16)
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	1	50	(9)
(Increase) decrease in other assets	-	-	(375)
(Increase) decrease in deposits payable	2	285	-
Increase (decrease) in accounts payable	(88)	55	(202)
Increase (decrease) in accrued wages payable	36	-	(81)
Increase (decrease) in compensated absences	24	-	(10)
Increase (decrease) in intergovernmental payable	2	-	-
Increase (decrease) in deferred revenues	-	-	-
Increase (decrease) in other current liabilities	-	1	(7)
Increase (decrease) in notes, contracts, and lease payable	-	-	-
Increase (decrease) long term liabilities	(1,538)	-	219
Miscellaneous non-operating revenues (expenses)	(1)	-	(1)
Prior Period Adjustment	-	-	83
Total adjustments	(2,101)	1,168	909
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (337)</b>	<b>\$ 70</b>	<b>\$ (154)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2022  
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	Convention Center #4165	Cheney Stadium #4170	Tacoma Dome #4180
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (4,595)	\$ (789)	\$ (954)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1,752	1,401	1,670
(Increase) decrease in accounts receivable	(414)	-	(466)
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	(26)	(9)	(41)
(Increase) decrease in other assets	-	4	-
(Increase) decrease in deposits payable	132	2	(6,300)
Increase (decrease) in accounts payable	287	-	1,017
Increase (decrease) in accrued wages payable	21	-	-
Increase (decrease) in compensated absences	21	-	15
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in deferred revenues	(5)	-	222
Increase (decrease) in other current liabilities	2	-	18
Increase (decrease) in notes, contracts, and lease payable	446	-	-
Increase (decrease) long term liabilities	(337)	-	(248)
Miscellaneous non-operating revenues (expenses)	-	418	22
Prior Period Adjustment	-	-	-
Total adjustments	1,879	1,816	(4,091)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (2,716)</b>	<b>\$ 1,027</b>	<b>\$ (5,045)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)  
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	Performing Arts #4190	Union Station #4450	Tacoma Rail Belt Line Div #4500
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (2,476)	\$ (4)	\$ 1,807
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1,110	-	2,614
(Increase) decrease in accounts receivable	11	3,038	554
(Increase) decrease in inventories	-	-	(117)
(Increase) decrease in prepaid items	(10)	-	754
(Increase) decrease in other assets	-	-	-
(Increase) decrease in deposits payable	-	-	-
Increase (decrease) in accounts payable	(5)	-	387
Increase (decrease) in accrued wages payable	-	-	14
Increase (decrease) in compensated absences	-	-	27
Increase (decrease) in intergovernmental payable	-	-	-
Increase (decrease) in deferred revenues	-	-	-
Increase (decrease) in other current liabilities	-	(37)	(56)
Increase (decrease) in notes, contracts, and lease payable	-	-	-
Increase (decrease) long term liabilities	-	-	(106)
Miscellaneous non-operating revenues (expenses)	(872)	37	-
Prior Period Adjustment	(10)	-	-
Total adjustments	224	3,038	4,071
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (2,252)</b>	<b>\$ 3,034</b>	<b>\$ 5,878</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	-

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended December 31, 2022  
(amounts expressed in thousands)  
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	Low Income Assistant #4805	Total Nonmajor Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ -	\$ (7,408)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:		
Operating Activities:		
Depreciation expenses	-	10,672
(Increase) decrease in accounts receivable	(54)	2,074
(Increase) decrease in inventories	-	(117)
(Increase) decrease in prepaid items	-	710
(Increase) decrease in other assets	-	(371)
(Increase) decrease in deposits payable	-	(5,879)
Increase (decrease) in accounts payable	23	1,474
Increase (decrease) in accrued wages payable	-	(10)
Increase (decrease) in compensated absences	-	77
Increase (decrease) in intergovernmental payable	-	2
Increase (decrease) in deferred revenues	-	217
Increase (decrease) in other current liabilities	-	(79)
Increase (decrease) in notes, contracts, and lease payable	-	446
Increase (decrease) long term liabilities	-	(2,010)
Miscellaneous non-operating revenues (expenses)	(266)	(663)
Prior Period Adjustment	-	73
Total adjustments	(297)	6,616
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (297)</b>	<b>\$ (792)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Contribution of capital assets	-	-

### ***Non-Major Internal Service Funds***

Internal Service funds are used to report the financing of goods and/or services administered from one department/agency to another department/agency. These transactions follow a cost reimbursement basis and include funds such as the Worker's Compensation Fund, Health Benefits Trust Fund, as well as 13 other funds.

**Finance Department Fund (#5007)**

Accounts for the operation of the Finance Division

**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.

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

Provides computer and system support and other internal services for all City departments.

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

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, 2022  
(amounts expressed in thousands)  
Page 1 of 8

	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2	\$ 143	\$ 1,891
Accounts Receivables (Net)	20	-	-
Due From Other Governmental Units	-	-	-
Inventories	-	-	598
Prepaid Expenses	-	-	-
Total Current Assets	<u>22</u>	<u>143</u>	<u>2,489</u>
Noncurrent Assets:			
Net Pension Assets	-	-	1,352
Right to Use Lease Assets			
Less: Accumulated Amortization			
Capital Assets:			
Land	-	-	-
Property, Plant and Equipment	-	-	3,974
Construction in Progress	-	-	2
Less: Accumulated Depreciation	-	-	(3,182)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>794</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>2,146</u>
Total Assets	<u>22</u>	<u>143</u>	<u>4,635</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow Related to Pensions	<u>-</u>	<u>-</u>	<u>743</u>

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

December 31, 2022

(amounts expressed in thousands)

Page 2 of 8

	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 122	\$ 14,578	\$ 268	\$ 7,191
Accounts Receivables (Net)	-	32	148	60
Due From Other Governmental Units	85	-	-	-
Inventories	-	677	278	-
Prepaid Expenses	6	85	-	14
Total Current Assets	213	15,372	694	7,265
Noncurrent Assets:				
Net Pension Assets	-	1,678	49	323
Right to Use Lease Assets	-	-	-	-
Less: Accumulated Amortization	-	-	-	-
Capital Assets:				
Land	-	-	11	-
Property, Plant and Equipment	-	67,992	1,233	6,293
Construction in Progress	-	180	-	-
Less: Accumulated Depreciation	-	(44,911)	(577)	(5,459)
Total Capital Assets (Net of A/D)	-	23,261	667	834
Total Noncurrent Assets	-	24,939	716	1,157
Total Assets	213	40,311	1,410	8,422
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	-	923	27	178

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

December 31, 2022

(amounts expressed in thousands)

Page 3 of 8

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 9,683	\$ 2,242	\$ 4,851	\$ 3,806
Accounts Receivables (Net)	-	-	-	-
Due From Other Governmental Units	-	-	-	-
Inventories	-	-	-	-
Prepaid Expenses	-	-	-	82
Total Current Assets	9,683	2,242	4,851	3,888
Noncurrent Assets:				
Net Pension Assets	85	-	-	702
Right to Use Lease Assets	-	-	-	48
Less: Accumulated Amortization	-	-	-	(22)
Capital Assets:				
Land	-	-	-	346
Property, Plant and Equipment	-	-	-	22,539
Construction in Progress	-	-	-	34
Less: Accumulated Depreciation	-	-	-	(17,689)
Total Capital Assets (Net of A/D)	-	-	-	5,230
Total Noncurrent Assets	85	-	-	5,958
Total Assets	9,768	2,242	4,851	9,846
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	47	-	-	386



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

December 31, 2022

(amounts expressed in thousands)

Page 4 of 8

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 29,187	\$ 30,919	\$ 11,494	\$ 116,377
Accounts Receivables (Net)	32	-	-	292
Due From Other Governmental Units	-	-	-	85
Inventories	78	-	-	1,631
Prepaid Expenses	876	-	-	1,063
Total Current Assets	<u>30,173</u>	<u>30,919</u>	<u>11,494</u>	<u>119,448</u>
Noncurrent Assets:				
Net Pension Assets	18,102	-	-	22,291
Right to Use Lease Assets	623	-	-	671
Less: Accumulated Amortization	(182)	-	-	(204)
Capital Assets:				
Land	-	-	-	357
Property, Plant and Equipment	24,438	12	-	126,481
Construction in Progress	312	-	-	528
Less: Accumulated Depreciation	(18,938)	(6)	-	(90,762)
Total Capital Assets (Net of A/D)	<u>5,812</u>	<u>6</u>	<u>-</u>	<u>36,604</u>
Total Noncurrent Assets	<u>24,355</u>	<u>6</u>	<u>-</u>	<u>59,362</u>
Total Assets	<u>54,528</u>	<u>30,925</u>	<u>11,494</u>	<u>178,810</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow Related to Pensions	<u>9,954</u>	<u>-</u>	<u>-</u>	<u>12,258</u>

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

December 31, 2022  
(amounts expressed in thousands)  
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	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>LIABILITIES</b>			
Current Liabilities:			
Current Payables	-	-	171
Compensated Absences - Current	-	-	30
Deposits	-	-	-
Leases Payable, current	-	-	-
Claims and Judgements - Current	-	-	-
Other Liabilities Payable	-	-	411
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>612</u>
Noncurrent Liabilities			
Compensated Absences	-	-	267
Claims and Judgements - Noncurrent	-	-	-
Other LT Liabilities Payable	-	-	2,742
Leases Payable, noncurrent	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>3,009</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,621</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Pensions	-	-	1,546
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	-	794
Restricted For:			
Capital Purchases			
Debt Service			
Utility Donations & System Development			
Culture and Recreation			
Self Insurance	-	-	-
Environment Service & Program			
Inspection			
Pensions	-	-	1,352
Reserves			
Unrestricted	22	143	(1,935)
Total Net Position	<u>\$ 22</u>	<u>\$ 143</u>	<u>\$ 211</u>

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

December 31, 2022

(amounts expressed in thousands)

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	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	7	251	82	15
Compensated Absences - Current	-	26	2	19
Deposits	-	-	-	-
Leases Payable, current	-	-	-	-
Claims and Judgements - Current	-	-	-	-
Other Liabilities Payable	-	640	7	24
Total Current Liabilities	7	917	91	58
Noncurrent Liabilities				
Compensated Absences	-	239	15	170
Claims and Judgements - Noncurrent	-	-	-	-
Other LT Liabilities Payable	-	4,314	-	-
Leases Payable, noncurrent	-	-	-	-
Total Noncurrent Liabilities	-	4,553	15	170
Total Liabilities	7	5,470	106	228
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	-	1,920	56	369
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	23,261	667	834
Restricted For:				
Capital Purchases				
Debt Service				
Utility Donations & System Development				
Culture and Recreation				
Self Insurance	-	-	-	-
Environment Service & Program				
Inspection				
Pensions	-	1,678	49	323
Reserves				
Unrestricted	206	8,905	559	6,846
Total Net Position	\$ 206	\$ 33,844	\$ 1,275	\$ 8,003

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

December 31, 2022  
(amounts expressed in thousands)  
Page 7 of 8

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	93	28	896	192
Compensated Absences - Current	-	-	-	11
Deposits	-	-	-	-
Leases Payable, current				23
Claims and Judgements - Current	23,961	-	2,602	-
Other Liabilities Payable	7	-	-	59
<b>Total Current Liabilities</b>	<b>24,061</b>	<b>28</b>	<b>3,498</b>	<b>285</b>
Noncurrent Liabilities				
Compensated Absences	-	-	-	102
Claims and Judgements - Noncurrent	9,665	-	-	-
Other LT Liabilities Payable	-	-	-	-
Leases Payable, noncurrent	-	-	-	6
<b>Total Noncurrent Liabilities</b>	<b>9,665</b>	<b>-</b>	<b>-</b>	<b>108</b>
<b>Total Liabilities</b>	<b>33,726</b>	<b>28</b>	<b>3,498</b>	<b>393</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	98	-	-	803
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	5,256
Restricted For:				
Capital Purchases				
Debt Service				
Utility Donations & System Development				
Culture and Recreation				
Self Insurance	-	-	-	-
Environment Service & Program				
Inspection				
Pensions	85	-	-	702
Reserves				
Unrestricted	(24,094)	2,214	1,353	3,078
<b>Total Net Position</b>	<b>\$ (24,009)</b>	<b>\$ 2,214</b>	<b>\$ 1,353</b>	<b>\$ 9,036</b>

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

December 31, 2022  
(amounts expressed in thousands)  
Page 8 of 8

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>LIABILITIES</b>				
Current Liabilities:				
Current Payables	1,958	6,975	6	10,674
Compensated Absences - Current	545	-	-	633
Deposits	50	-	-	50
Leases Payable, current	180	-	-	203
Claims and Judgements - Current	-	-	-	26,563
Other Liabilities Payable	1,585	12,761	2,867	18,361
Total Current Liabilities	<u>4,318</u>	<u>19,736</u>	<u>2,873</u>	<u>56,484</u>
Noncurrent Liabilities				
Compensated Absences	4,907	-	-	5,700
Claims and Judgements - Noncurrent	-	-	-	9,665
Other LT Liabilities Payable	-	-	-	7,056
Leases Payable, noncurrent	268	-	-	274
Total Noncurrent Liabilities	<u>5,175</u>	<u>-</u>	<u>-</u>	<u>22,695</u>
Total Liabilities	<u>9,493</u>	<u>19,736</u>	<u>2,873</u>	<u>79,179</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pensions	<u>20,707</u>	<u>-</u>	<u>-</u>	<u>25,499</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	6,253	6	-	37,071
Restricted For:				
Capital Purchases				-
Debt Service				-
Utility Donations & System Development				-
Culture and Recreation				-
Self Insurance	-	-	8,621	8,621
Environment Service & Program				-
Inspection				-
Pensions	18,102	-	-	22,291
Reserves				-
Unrestricted	<u>9,927</u>	<u>11,183</u>	<u>-</u>	<u>18,407</u>
Total Net Position	<u>\$ 34,282</u>	<u>\$ 11,189</u>	<u>\$ 8,621</u>	<u>\$ 86,390</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

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	Finance Department #5007	BSIP Project #5027	TPU Fleet Services #5050
<b>OPERATING REVENUES</b>			
Charges for Services	\$ -	\$ -	\$ 3,160
Interfund Insurance Premiums	-	-	-
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>3,160</u>
<b>OPERATING EXPENSES</b>			
Salaries & Benefits	-	-	470
Personal Benefits			
Supplies	-	-	41
Service	-	-	1,011
Lease Amortization			
Depreciation and Amortization	-	-	166
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>1,688</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>1,472</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest Revenue	-	-	13
Operating Contributions			
Other Non-Operating Revenues	-	-	14
Gain (Loss) on Sale of Capital Assets	-	-	(3)
Unrealized Gain(loss) on FMV of Investments	-	-	(27)
Interest Expense-Lease Activities			
Other Non-Operating Expenses	-	-	-
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>(3)</u>
Income (Loss) Before Contributions	-	-	1,469
Transfers In	-	-	-
Transfers Out	-	-	-
Change in Net Position	<u>-</u>	<u>-</u>	<u>1,469</u>
Net Position, January 1	22	143	(1,258)
Prior Period Adjustment	-	-	-
Net Position, January 1 restated	22	143	(1,258)
Total Net Position - Ending	<u>\$ 22</u>	<u>\$ 143</u>	<u>\$ 211</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

Page 2 of 4

	Tacoma Training & Employment Program #5086	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communications Equipment #5540
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 71	\$ 3,146	\$ 1,491	\$ 2,237
Interfund Insurance Premiums	-	-	-	-
Total Operating Revenues	<u>71</u>	<u>3,146</u>	<u>1,491</u>	<u>2,237</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	-	13	180	755
Personal Benefits	-	-	-	-
Supplies	-	200	961	(140)
Service	154	1,381	101	1,123
Lease Amortization	-	-	-	-
Depreciation and Amortization	-	4,385	31	320
Total Operating Expenses	<u>154</u>	<u>5,979</u>	<u>1,273</u>	<u>2,058</u>
Operating Income (Loss)	<u>(83)</u>	<u>(2,833)</u>	<u>218</u>	<u>179</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	1	158	4	88
Operating Contributions	85	-	-	-
Other Non-Operating Revenues	-	8	-	168
Gain (Loss) on Sale of Capital Assets	-	154	9	-
Unrealized Gain(loss) on FMV of Investments	(3)	(397)	(11)	(201)
Interest Expense-Lease Activities	-	-	-	-
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>83</u>	<u>(77)</u>	<u>2</u>	<u>55</u>
Income (Loss) Before Contributions	-	(2,910)	220	234
Transfers In	-	3,360	-	-
Transfers Out	-	-	-	-
Change in Net Position	-	450	220	234
Net Position, January 1	131	33,394	1,055	8,030
Prior Period Adjustment	75	-	-	(261)
Net Position, January 1 restated	206	33,394	1,055	7,769
Total Net Position - Ending	<u>\$ 206</u>	<u>\$ 33,844</u>	<u>\$ 1,275</u>	<u>\$ 8,003</u>

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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

Page 3 of 4

	Third Party Liability Claims #5550	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700
<b>OPERATING REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 5,370
Interfund Insurance Premiums	10,181	535	4,295	-
Total Operating Revenues	<u>10,181</u>	<u>535</u>	<u>4,295</u>	<u>5,370</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	185	-	6	1,495
Personal Benefits				
Supplies	-	-	-	482
Service	3,976	142	5,966	2,978
Lease Amortization				
Depreciation and Amortization	-	-	-	302
Total Operating Expenses	<u>4,161</u>	<u>142</u>	<u>5,972</u>	<u>5,257</u>
Operating Income (Loss)	<u>6,020</u>	<u>393</u>	<u>(1,677)</u>	<u>113</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	90	27	74	46
Operating Contributions			9	
Other Non-Operating Revenues	-	-	-	6
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Unrealized Gain(loss) on FMV of Investments	(250)	(63)	(145)	(102)
Interest Expense-Lease Activities				
Other Non-Operating Expenses	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>(160)</u>	<u>(36)</u>	<u>(62)</u>	<u>(50)</u>
Income (Loss) Before Contributions	5,860	357	(1,739)	63
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Net Position	<u>5,860</u>	<u>357</u>	<u>(1,739)</u>	<u>63</u>
Net Position, January 1	(29,869)	1,857	3,263	8,973
Prior Period Adjustment	-	-	(171)	-
Net Position, January 1 restated	(29,869)	1,857	3,092	8,973
Total Net Position - Ending	<u>\$ (24,009)</u>	<u>\$ 2,214</u>	<u>\$ 1,353</u>	<u>\$ 9,036</u>



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

For the Year Ended December 31, 2022  
(amounts expressed in thousands)

Page 4 of 4

	General Government Internal Services #5800	Health Benefits #64XX	Self-Insurance Claims #4800	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 56,658	\$ -	\$ -	\$ 72,133
Interfund Insurance Premiums	1	90,765	1,518	107,295
Total Operating Revenues	<u>56,659</u>	<u>90,765</u>	<u>1,518</u>	<u>179,428</u>
<b>OPERATING EXPENSES</b>				
Salaries & Benefits	42,639	11	-	45,754
Personal Benefits				
Supplies	1,985	7	-	3,536
Service	4,774	89,841	612	112,059
Lease Amortization	182			182
Depreciation and Amortization	1,202	1	-	6,407
Total Operating Expenses	<u>50,782</u>	<u>89,860</u>	<u>612</u>	<u>167,938</u>
Operating Income (Loss)	<u>5,877</u>	<u>905</u>	<u>906</u>	<u>11,490</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>				
Interest Revenue	358	374	143	1,376
Operating Contributions	59			153
Other Non-Operating Revenues	119	-	-	315
Gain (Loss) on Sale of Capital Assets	-	-	-	160
Unrealized Gain(loss) on FMV of Investments	(845)	(871)	(322)	(3,237)
Interest Expense-Lease Activities	(11)			(11)
Other Non-Operating Expenses	(3)	-	-	(3)
Total Non-Operating Revenues (Expenses)	<u>(323)</u>	<u>(497)</u>	<u>(179)</u>	<u>(1,247)</u>
Income (Loss) Before Contributions	5,554	408	727	10,243
Transfers In	331	-	-	3,691
Transfers Out		-	-	-
Change in Net Position	<u>5,885</u>	<u>408</u>	<u>727</u>	<u>13,934</u>
Net Position, January 1	28,397	9,243	7,894	71,275
Prior Period Adjustment	-	1,538	-	1,181
Net Position, January 1 restated	28,397	10,781	7,894	72,456
Total Net Position - Ending	<u>\$ 34,282</u>	<u>\$ 11,189</u>	<u>\$ 8,621</u>	<u>\$ 86,390</u>

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

For year ended December 31, 2022  
(amounts expressed in thousands)

Page 1 of 8

	Finance Department #5007	BSIP Project #5027	TPU Fleet Service #5050	Tacoma Training & Employment Program #5086
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 21	\$ -	\$ 2,731	\$ -
Receipts from interfund services provided	-	-	3,195	71
Contribution received - employee/employer	-	-	-	-
Payments to suppliers	-	-	(3,511)	(238)
Payments to employees	-	-	(3,357)	-
Payments for taxes	(20)	-	-	-
Payments for interfund services used	-	-	(105)	-
Other operating or non-operating revenues	-	-	11	75
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>1</u>	<u>-</u>	<u>(1,036)</u>	<u>(92)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	-
Grants and contributions received	-	-	-	85
Transfer to other funds	-	-	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Proceeds from sales of capital assets	-	-	(3)	-
Acquisitions and constructions of capital assets	-	-	(181)	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>(184)</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	-	-	17	1
Change in fair value of investment	-	-	(27)	(3)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>(2)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>1</u>	<u>-</u>	<u>(1,230)</u>	<u>(9)</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	1	143	3,121	131
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2</u>	<u>\$ 143</u>	<u>\$ 1,891</u>	<u>\$ 122</u>

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

For year ended December 31, 2022  
(amounts expressed in thousands)

Page 2 of 8

	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540	Third Party Liabilities Claims #5550
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 3,149	\$ 1,379	\$ 2,440	\$ -
Receipts from interfund services provided	4,930	177	-	-
Contribution received - employee/employer	-	-	-	10,181
Payments to suppliers	(2,590)	(1,030)	(1,008)	(5,862)
Payments to employees	(4,632)	(237)	(843)	(220)
Payments for taxes	(1)	(12)	-	-
Payments for interfund services used	(105)	(6)	(16)	-
Other operating or non-operating revenues	7	-	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>758</b>	<b>271</b>	<b>573</b>	<b>4,099</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	3,121	-	-	-
Grants and contributions received	-	-	-	-
Transfer to other funds	-	-	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>3,121</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	239	-	-	-
Proceeds from sales of capital assets	266	9	-	-
Acquisitions and constructions of capital assets	(1,288)	(204)	(521)	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>(783)</b>	<b>(195)</b>	<b>(521)</b>	<b>-</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	158	4	88	90
Change in fair value of investment	(397)	(11)	(201)	(249)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(239)</b>	<b>(7)</b>	<b>(113)</b>	<b>(159)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,857</b>	<b>69</b>	<b>(61)</b>	<b>3,940</b>
CASH AND CASH EQUIVALENTS, JANUARY 1	11,721	199	7,252	5,743
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 14,578	\$ 268	\$ 7,191	\$ 9,683

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

For year ended December 31, 2022  
(amounts expressed in thousands)

Page 3 of 8

	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700	GG Internal Services #5800
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipt from customers and users	\$ 535	\$ -	\$ 5,371	\$ 1,148
Receipts from interfund services provided	-	-	222	68,131
Contribution received - employee/employer	-	4,302	-	-
Payments to suppliers	(16)	(4,589)	(3,347)	(17,702)
Payments to employees	(142)	-	(1,946)	(49,336)
Payments for taxes	-	(1,629)	(29)	(2)
Payments for interfund services used	-	-	(75)	(151)
Other operating or non-operating revenues	-	(172)	7	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>377</u>	<u>(2,088)</u>	<u>203</u>	<u>2,088</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	-	331
Grants and contributions received	-	9	-	23
Transfer to other funds	-	-	-	(1)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>9</u>	<u>-</u>	<u>353</u>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-
Acquisitions and constructions of capital assets	-	-	(85)	(79)
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>(85)</u>	<u>(79)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interests and dividends received	27	74	46	359
Change in fair value of investment	(63)	(145)	(102)	(845)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(36)</u>	<u>(71)</u>	<u>(56)</u>	<u>(486)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>341</u>	<u>(2,150)</u>	<u>62</u>	<u>1,876</u>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>1,901</u>	<u>7,001</u>	<u>3,744</u>	<u>27,311</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 2,242</u>	<u>\$ 4,851</u>	<u>\$ 3,806</u>	<u>\$ 29,187</u>

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

For year ended December 31, 2022  
(amounts expressed in thousands)

Page 4 of 8

	Health Benefits #64XX	Self Insurance Claims #4800	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from customers and users	\$ -	\$ 1,518	\$ 18,292
Receipts from interfund services provided	-	-	76,726
Contribution received - employee/employer	90,765	-	105,248
Payments to suppliers	(23)	(810)	(40,726)
Payments to employees	(86,862)	-	(147,575)
Payments for taxes	-	-	(1,693)
Payments for interfund services used	-	-	(458)
Other operating or non-operating revenues	-	-	(72)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>3,880</b>	<b>708</b>	<b>9,742</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	-	-	3,452
Grants and contributions received	-	-	117
Transfer to other funds	-	-	(1)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>3,568</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	239
Proceeds from sales of capital assets	-	-	272
Acquisitions and constructions of capital assets	-	-	(2,358)
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(1,847)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interests and dividends received	374	143	1,381
Change in fair value of investment	(871)	(322)	(3,236)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(497)</b>	<b>(179)</b>	<b>(1,855)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,383</b>	<b>529</b>	<b>9,608</b>
CASH AND CASH EQUIVALENTS, JANUARY 1	27,536	10,965	106,769
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 30,919	\$ 11,494	\$ 116,377

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

For year ended December 31, 2022  
(amounts expressed in thousands)

Page 5 of 8

	Finance Department #5007	BSIP Project #5027	TPU Fleet Service #5050	Tacoma Training & Employment Program #5086
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ -	\$ -	\$ 1,472	\$ (83)
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	166	-
(Increase) decrease in accounts receivable	1	-	-	-
(Increase) decrease in intergovernmental receivables	-	-	-	(85)
(Increase) decrease in inventories	-	-	(122)	-
(Increase) decrease in prepaid items	-	-	-	(6)
(Increase) decrease in other assets	-	-	-	-
Increase (decrease) in accounts payable	-	-	(1,945)	7
Increase (decrease) in accrued wages	-	-	(6)	-
Increase (decrease) in compensated absences	-	-	31	-
Increase (decrease) in other current liabilities	-	-	11	-
Increase (decrease) long term liabilities	-	-	(643)	-
Prior period adjustments	-	-	-	75
Total adjustments	<u>1</u>	<u>-</u>	<u>(2,508)</u>	<u>(9)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1,036)</u>	<u>\$ (92)</u>
	-	-	-	-
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	-	-	-

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

For year ended December 31, 2022  
(amounts expressed in thousands)

Page 6 of 8

	Public Works Equipment Rental #5400	Asphalt Plant #5453	Communication Equipment #5540	Third Party Liabilities Claims #5550
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (2,833)	\$ 218	\$ 179	\$ 6,020
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	4,385	31	320	-
(Increase) decrease in accounts receivable	-	(112)	35	-
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in inventories	(63)	110	-	-
(Increase) decrease in prepaid items	(23)	-	(14)	-
(Increase) decrease in other assets	-	-	428	-
Increase (decrease) in accounts payable	95	33	(23)	13
Increase (decrease) in accrued wages	17	4	19	-
Increase (decrease) in compensated absences	26	7	-	-
Increase (decrease) in other current liabilities	99	(5)	-	(4,443)
Increase (decrease) long term liabilities	(945)	(15)	(110)	2,509
Prior period adjustments	-	-	(261)	-
Total adjustments	<u>3,591</u>	<u>53</u>	<u>394</u>	<u>(1,921)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 758</u>	<u>\$ 271</u>	<u>\$ 573</u>	<u>\$ 4,099</u>
	-	-	-	-
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	-	-	-

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

For year ended December 31, 2022  
(amounts expressed in thousands)

Page 7 of 8

	Unemployment Compensation #5560	Workers Compensation #5570	Facilities #5700	GG Internal Services #5800
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 393	\$ (1,677)	\$ 113	\$ 5,877
Adjustments to reconcile operating income (loss) to net cash provided (used) by:				
Operating Activities:				
Depreciation expenses	-	-	302	1,384
(Increase) decrease in accounts receivable	-	7	1	271
(Increase) decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in inventories	-	-	-	1
(Increase) decrease in prepaid items	-	352	(71)	348
(Increase) decrease in other assets	-	-	-	153
Increase (decrease) in accounts payable	(16)	281	53	93
Increase (decrease) in accrued wages	-	-	11	2,688
Increase (decrease) in compensated absences	-	-	(1)	(2,385)
Increase (decrease) in other current liabilities	-	(886)	28	(140)
Increase (decrease) long term liabilities	-	6	(233)	(6,202)
Prior period adjustments	-	(171)	-	-
Total adjustments	<u>(16)</u>	<u>(411)</u>	<u>90</u>	<u>(3,789)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 377</u>	<u>\$ (2,088)</u>	<u>\$ 203</u>	<u>\$ 2,088</u>
	-	-	-	-
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	-	-	-	-



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

For year ended December 31, 2022  
(amounts expressed in thousands)

Page 8 of 8

	Health Benefits #64XX	Self Insurance Claims #4800	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 905	\$ 906	\$ 11,490
Adjustments to reconcile operating income (loss) to net cash provided (used) by:			
Operating Activities:			
Depreciation expenses	1	-	6,589
(Increase) decrease in accounts receivable	-	-	203
(Increase) decrease in intergovernmental receivables	-	-	(85)
(Increase) decrease in inventories	-	-	(74)
(Increase) decrease in prepaid items	-	-	586
(Increase) decrease in other assets	-	-	581
Increase (decrease) in accounts payable	(494)	3	(1,900)
Increase (decrease) in accrued wages	-	-	2,733
Increase (decrease) in compensated absences	-	-	(2,322)
Increase (decrease) in other current liabilities	1,930	-	(3,406)
Increase (decrease) long term liabilities	-	(201)	(5,834)
Prior period adjustments	1,538	-	1,181
Total adjustments	<u>2,975</u>	<u>(198)</u>	<u>(1,748)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 3,880</u>	<u>\$ 708</u>	<u>\$ 9,742</u>
	-	-	-
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Contribution of capital assets	-	-	-

**City of Tacoma**  
**Special Assessment Billings and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ending 31-Dec</b>	<b>Assessments Levied</b>	<b>Assessments Collected</b>	<b>Total Assessments Outstanding</b>
2013	31,566,484.00	898,967.39	32,115,220.61
2014	1,642,736.00	2,465,027.43	31,292,929.18
2015	669,088.00	757,231.72	31,204,785.46
2016	-	2,929,619.00	28,275,165.96
2017	-	3,617,601.03	24,657,564.93
2018	-	3,296,348.87	21,361,216.06
2019	9,025,367.79	7,651,747.00	22,734,836.85
2020	-	2,639,374.20	20,095,462.65
2021	-	953,020.41	19,142,442.24
2022	-	2,850,487.62	16,291,954.62

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



# SECTION 3

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## STATISTICAL SECTION

### FINANCIAL TRENDS

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

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

### REVENUE CAPACITY

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

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

### DEBT CAPACITY

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

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

### DEMOGRAPHIC AND ECONOMIC INFORMATION

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

16. DEMOGRAPHIC AND ECONOMIC STATISTICS
17. PRINCIPAL EMPLOYERS

### OPERATING INFORMATION

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

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

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

	2013	2014	2015	2016	2017
<b>Governmental activities</b>					
Net investment in capital assets	\$ 681,794	\$ 669,951	\$ 678,872	\$ 673,093	\$ 666,530
Restricted	74,670	79,630	110,825	113,897	168,280
Unrestricted	(25,296)	(20,567)	(17,920)	(35,177)	(68,583)
<b>Total governmental activities net position</b>	<b>731,168</b>	<b>729,014</b>	<b>771,777</b>	<b>751,813</b>	<b>766,227</b>
<b>Business-type activities</b>					
Net investment in capital assets	1,508,950 <sup>(1)</sup>	1,515,858	1,620,194	1,613,805	1,636,652
Restricted	112,925	121,369	127,008	124,289	129,836
Unrestricted	256,481	307,104	258,962	287,195	301,616
<b>Total business-type activities net position</b>	<b>1,878,356</b>	<b>1,944,331</b>	<b>2,006,164</b>	<b>2,025,289</b>	<b>2,068,104</b>
<b>Primary government</b>					
Net investment in capital assets	2,190,744	2,185,809	2,299,066	2,286,898	2,303,182
Restricted	187,595	200,999	237,833	238,186	298,116
Unrestricted	231,185	286,537	241,042	252,018	233,033
<b>Total primary government net position</b>	<b>\$ 2,609,524</b>	<b>\$ 2,673,345</b>	<b>\$ 2,777,941</b>	<b>\$ 2,777,102</b>	<b>\$ 2,834,331</b>

(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**

	2018	2019	2020	2021	2022
<b>Governmental activities</b>					
Net investment in capital assets	\$ 634,650	\$ 628,205	\$ 620,972	\$ 646,034	\$ 656,183
Restricted	179,780	194,244	213,926	325,466	334,353
Unrestricted	(97,026)	(99,133)	(84,216)	(104,663)	(57,234)
<b>Total governmental activities net position</b>	<b>717,404</b>	<b>723,316</b>	<b>750,682</b>	<b>866,837</b>	<b>933,302</b>
<b>Business-type activities</b>					
Net investment in capital assets	1,671,671	1,699,160	1,700,269	1,722,339	1,716,964
Restricted	211,427	177,563	171,938	158,482	231,034
Unrestricted	295,681	334,523	394,377	449,152	455,221
<b>Total business-type activities net position</b>	<b>2,178,779</b>	<b>2,211,246</b>	<b>2,266,584</b>	<b>2,329,973</b>	<b>2,403,219</b>
<b>Primary government</b>					
Net investment in capital assets	2,306,321	2,327,365	2,321,241	2,368,373	2,373,147
Restricted	391,207	371,807	385,864	483,948	565,387
Unrestricted	198,655	235,390	310,161	344,489	397,987
<b>Total primary government net position</b>	<b>\$ 2,896,183</b>	<b>\$ 2,934,562</b>	<b>\$ 3,017,266</b>	<b>\$ 3,196,810</b>	<b>\$ 3,336,521</b>

**Changes in Net Position  
Last Ten Fiscal Years  
Table 2**

(accrual basis of accounting)  
(amounts expressed in thousands)  
Page 1 of 4

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

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Table 2**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**  
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	2018	2019	2020	2021	2022
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government	\$ 39,791	\$ 44,839	\$ 28,171	\$ 44,056	\$ 25,352
Public Safety	154,794	188,233	188,563	168,546	236,506
Utilities	-	-	-	-	-
Transportation	78,066	95,718	75,468	47,414	76,017
Social Services	7,425	6,167	6,818	14,368	17,726
Natural & Econ Environment	25,864	25,435	28,745	29,618	12,240
Culture and Recreation	15,380	24,249	19,276	20,417	21,217
Interest on long-term debt	6,680	16,261	7,719	9,531	7,170
<b>Total governmental activities expense</b>	<b>328,000</b>	<b>400,902</b>	<b>354,760</b>	<b>333,949</b>	<b>396,229</b>
<b>Business-type activities:</b>					
Public Assembly Facilities	-	-	-	-	-
Rail	-	-	-	-	-
Solid Waste	55,544	61,534	63,262	64,787	65,792
Sewer (Waste Water)	91,802	104,565	108,263	102,481	103,029
Water	96,565	101,075	107,093	103,268	101,687
Power	406,741	481,736	435,080	441,413	437,711
Other business-type funds	70,862	82,286	76,545	75,496	80,883
Total business-type activities	<b>721,514</b>	<b>831,196</b>	<b>790,243</b>	<b>787,445</b>	<b>789,102</b>
<b>Total primary government expenses</b>	<b>\$ 1,049,514</b>	<b>\$ 1,232,098</b>	<b>\$ 1,145,003</b>	<b>\$ 1,121,394</b>	<b>\$ 1,185,331</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for services:					
General government	\$ 24,223	\$ 25,512	\$ 22,850	\$ 16,967	\$ 20,562
Public Safety	14,734	17,729	15,548	18,554	15,334
Utilities	-	-	-	-	-
Transportation	5,087	1,911	2,533	1,273	1,337
Social Services	9	21	476	154	135
Natural & Econ Environment	2,410	1,906	2,370	1,899	2,504
Culture and Recreation	325	2,867	3,468	694	3,147
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:	44,865	55,031	47,185	72,197	94,762
Capital grants and contributions	18,304	4,122	10,775	24,603	10,630
<b>Total governmental activities program revenues</b>	<b>109,957</b>	<b>109,099</b>	<b>105,205</b>	<b>136,341</b>	<b>148,411</b>
<b>Business-type activities:</b>					
Charges for services:					
Tacoma Venues and Events	*	*	*	*	*
Rail	*	*	*	*	*
Solid Waste	69,541	73,580	75,863	83,797	88,148
Sewer (Waste Water)	118,606	119,257	122,927	124,804	131,637
Water	103,364	104,365	105,391	112,172	120,113
Power	458,960	462,673	462,707	470,952	480,528
Other business-type funds	72,889	84,779	63,944	78,179	78,027
Operating grants and contributions:	-	-	-	-	-
Capital grants and contributions	52,194	50,369	38,277	35,331	39,676
Total business-type activities program revenues	<b>875,554</b>	<b>895,023</b>	<b>869,109</b>	<b>905,235</b>	<b>938,129</b>
<b>Total primary government program revenues</b>	<b>\$ 985,511</b>	<b>\$ 1,004,122</b>	<b>\$ 974,314</b>	<b>\$ 1,041,576</b>	<b>\$ 1,086,540</b>
Net (expense)/revenue					
Governmental activities	\$ (218,043)	\$ (291,803)	\$ (249,555)	\$ (197,608)	\$ (247,818)
Business-type activities	154,040	63,827	78,866	117,790	149,027
<b>Total primary government net expense</b>	<b>\$ (64,003)</b>	<b>\$ (227,976)</b>	<b>\$ (170,689)</b>	<b>\$ (79,818)</b>	<b>\$ (98,791)</b>



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

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	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes:					
Property taxes	\$ 62,487	\$ 64,204	\$ 67,313	\$ 78,886	\$ 74,479
Excise taxes	-	5,359 (1)	12,096	13,900	12,881
Sales taxes	45,743	47,976	81,772	58,970	71,634
Business taxes	103,631	63,969	36,325	49,440	51,043
Unrestricted investment earnings	297	2,044	2,000	2,141	2,134
Gain on sale of capital assets	136	46	(103)	175	293
Transfers	(2,153)	44,853	43,572	48,973	51,452
<b>Total governmental activities</b>	<b>210,141</b>	<b>228,451</b>	<b>242,975</b>	<b>252,485</b>	<b>263,916</b>
<b>Business-type activities:</b>					
Taxes	-	-	-	-	1,702
Unrestricted investment earnings	3,063	1,130	3,965	6,223	5,591
Gain on sale of capital assets	(184)	644	4,679	782	4,650
Transfers	2,153	(44,853)	(43,572)	(48,973)	(51,452)
<b>Total business-type activities</b>	<b>5,032</b>	<b>(43,079)</b>	<b>(34,928)</b>	<b>(41,968)</b>	<b>(39,509)</b>
<b>Total primary government</b>	<b>\$ 215,173</b>	<b>\$ 185,372</b>	<b>\$ 208,047</b>	<b>\$ 210,517</b>	<b>\$ 224,407</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 9,849	\$ (28,924)	\$ 37,760	\$ 45,873	\$ (16,098)
Business-type activities	43,345	26,827	40,356	114,531	29,853
<b>Total primary government</b>	<b>\$ 53,194</b>	<b>\$ (2,097)</b>	<b>\$ 78,116</b>	<b>\$ 160,404</b>	<b>\$ 13,755</b>

(1) 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)**

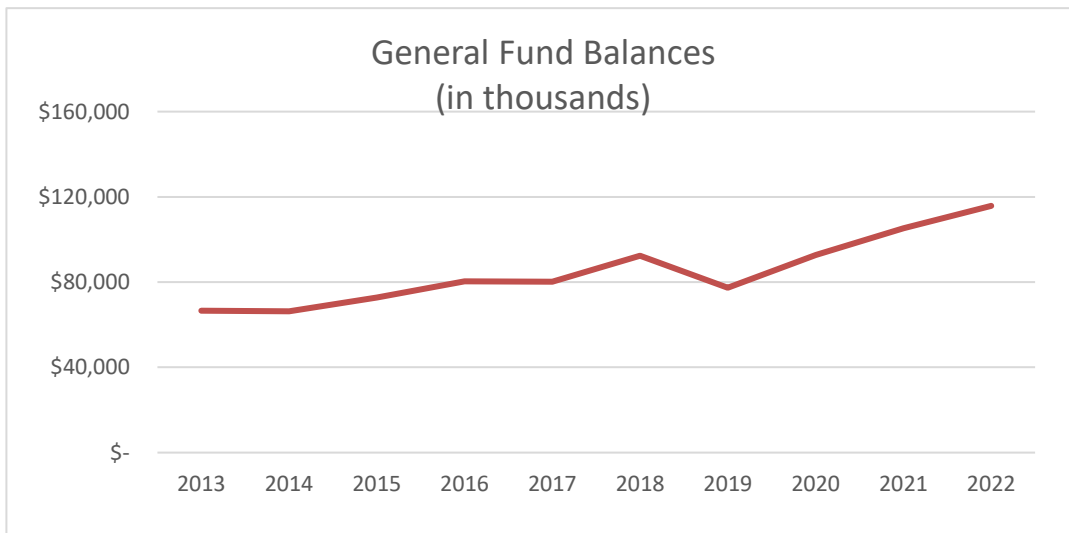
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	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes:					
Property taxes	\$ 74,918	\$ 77,970	\$ 81,388	\$ 81,783	\$ 79,119
Excise taxes	15,665	15,320	14,747	23,340	21,319
Sales taxes	76,153	81,132	77,718	106,635	120,772
Business taxes	53,249	53,563	52,042	46,381	50,768
Unrestricted investment earnings	5,028	9,473	4,992	(988)	(6,945)
Gain on sale of capital assets	1,233	366	498	2,353	643
Transfers	49,459	52,627	231,385	53,569	47,396
<b>Total governmental activities</b>	<b>275,705</b>	<b>290,451</b>	<b>462,770</b>	<b>313,073</b>	<b>313,072</b>
<b>Business-type activities:</b>					
Taxes	1,387	-	-	-	-
Unrestricted investment earnings	10,848	24,682	18,509	(3,885)	(29,687)
Gain on sale of capital assets	3,250	107	4,836	3,101	384
Transfers	(49,459)	(52,627)	23,345	(53,569)	(47,396)
<b>Total business-type activities</b>	<b>(33,974)</b>	<b>(27,838)</b>	<b>46,690</b>	<b>(54,353)</b>	<b>(76,699)</b>
<b>Total primary government</b>	<b>\$ 241,731</b>	<b>\$ 262,613</b>	<b>\$ 509,460</b>	<b>\$ 258,720</b>	<b>\$ 236,373</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 40,896	\$ 213,215	\$ 213,215	\$ 115,465	\$ 65,254
Business-type activities	51,028	125,556	125,556	63,437	72,328
<b>Total primary government</b>	<b>\$ 91,924</b>	<b>\$ 338,771</b>	<b>\$ 338,771</b>	<b>\$ 178,902</b>	<b>\$ 137,582</b>

\* Amounts included with "NonMajor 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**

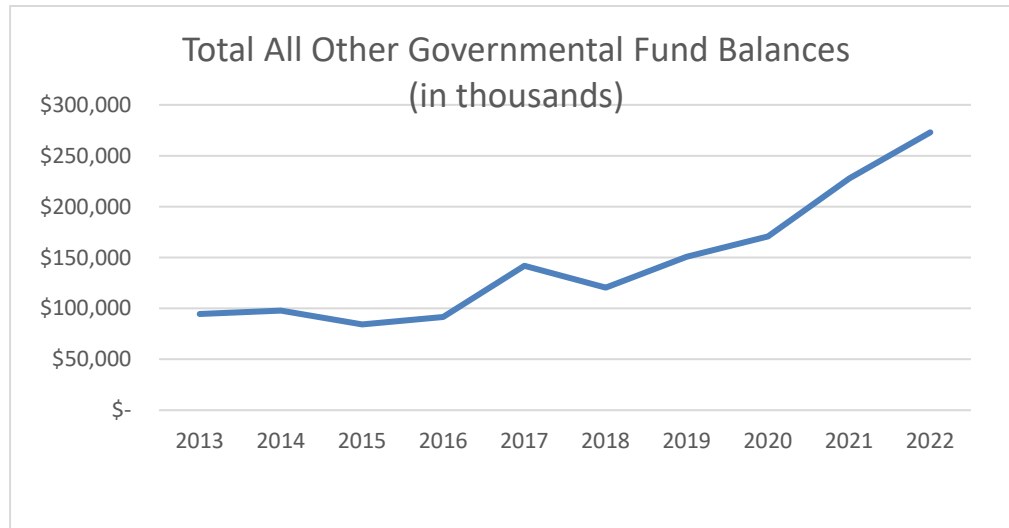
	2013	2014	2015	2016	2017
<b>General Fund</b>					
Nonspendable	\$ 15,961	\$ 15,026	\$ 9,933	\$ 7,774	\$ 3,630
Restricted	9	9	9	476	352
Committed	-	-	-	-	52
Committed - Council Contingencies	982	973	732	584	647
Assigned	6,364	1,949	5,580	2,592	7,974
Unassigned	43,178	48,343	56,517	68,922	67,559
<b>Total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



**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
Table 3  
(modified accrual basis of accounting)  
(amounts expressed in thousands)  
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	2018	2019	2020	2021	2022
<b>General Fund</b>					
Nonspendable	\$ 3,915	\$ 4,074	\$ 3,720	\$ 1,519	\$ 1,611
Restricted	388	395	376	369	6,461
Committed (1)	588	710	896	916	14
Committed - Council Contingencies	-	-	-	-	-
Assigned	3,148	1,992	1,826	1,247	1,508
Unassigned	84,377	70,115	85,993	101,228	106,177
<b>Total General Fund</b>	<b>\$ 92,416</b>	<b>\$ 77,286</b>	<b>\$ 92,811</b>	<b>\$ 105,279</b>	<b>\$ 115,771</b>
<b>All other governmental funds</b>					
Nonspendable	\$ 1,404	\$ 1,423	\$ 1,453	\$ 6,599	\$ 5,606
Restricted	97,006	116,757	139,833	147,998	181,046
Committed	7,680	15,651	10,505	40,431	42,618
Assigned	14,206	17,027	18,885	32,590	43,732
Unassigned (3)	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 120,293</b>	<b>\$ 150,858</b>	<b>\$ 170,676</b>	<b>\$ 227,618</b>	<b>\$ 273,002</b>

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

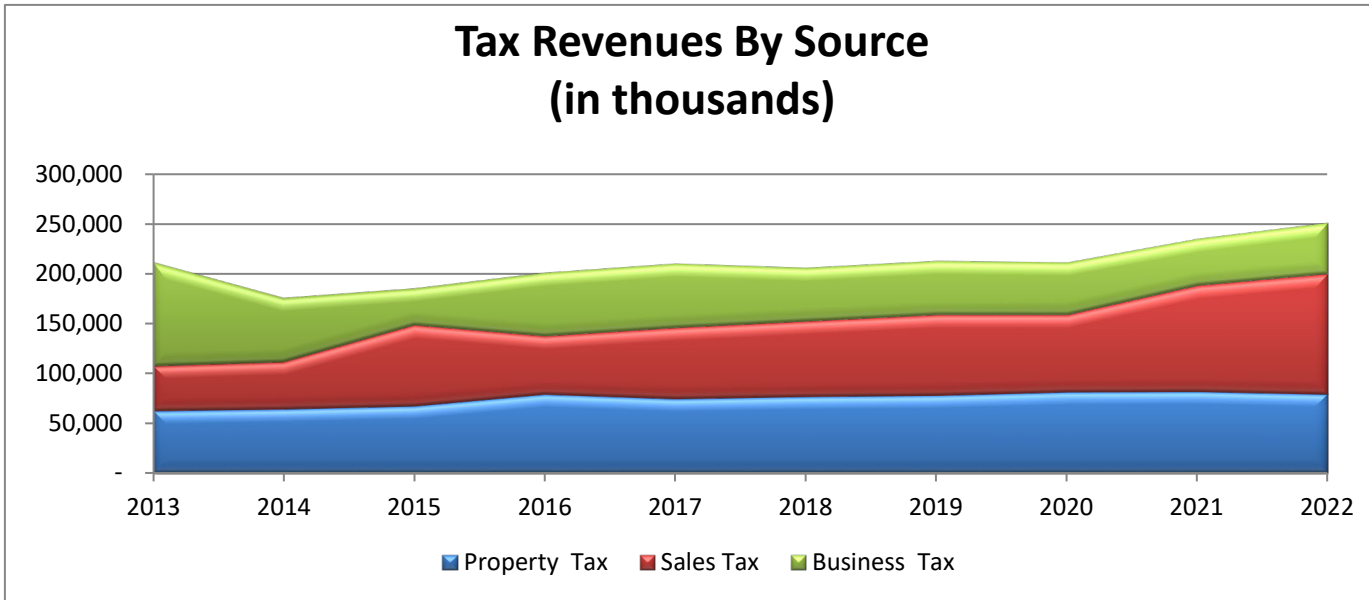
(1) Limited General Obligation Bonds 2013 were issued to refund the 2001 and 2004 LTGO Bonds.

**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Table 4**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**  
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Revenues	2018	2019	2020	2021	2022
Taxes	\$ 221,697	\$ 229,023	\$ 225,562	\$ 259,939	\$ 276,462
Licenses and permits	11,520	11,025	10,330	3,286	4,772
Intergovernmental revenue	60,399	55,972	54,777	91,297	99,567
Charges for goods and services	22,131	21,298	21,445	27,517	23,671
Fines and forfeitures	5,616	6,868	7,018	6,455	7,645
Investment Earnings	3,789	6,741	3,617	(525)	(5,277)
Miscellaneous revenues	4,120	10,755	8,454	2,283	7,457
<b>Total revenues</b>	<b>329,272</b>	<b>341,682</b>	<b>331,203</b>	<b>390,252</b>	<b>414,297</b>
<b>Expenditures</b>					
General government	52,092	40,023	34,946	36,854	28,475
Public Safety	168,146	183,612	185,607	194,033	229,279
Physical environment	-	-	-	-	-
Transportation	47,614	44,697	41,146	35,783	48,233
Natural & Economic environment	25,528	24,836	28,875	19,704	16,720
Social Services	7,696	6,068	6,763	14,656	17,889
Culture and recreation	13,701	21,317	17,192	18,198	20,015
Capital outlay	44,654	24,389	22,888	35,340	34,455
Debt Service:					
Principal retirement	13,988	22,629	13,630	30,214	12,502
Interest and fiscal charges	8,874	8,806	8,109	6,763	4,635
<b>Total Expenditures</b>	<b>382,293</b>	<b>376,377</b>	<b>359,156</b>	<b>391,545</b>	<b>412,203</b>
Excess of revenues over (under) expenditures	(53,021)	(34,695)	(27,953)	(1,293)	2,094
<b>Other financing sources (uses)</b>					
Sale of capital asset	988	86	-	2,002	475
Transfers in	134,776	133,577	127,397	136,405	150,048
Transfers out	(90,933)	(89,671)	(69,769)	(87,417)	(106,343)
Insurance recoveries	71	34	278	161	5
Capital lease revenue	-	-	-	-	9,420
Issuance of debt	2,209	6,219	2,349	19,762	-
Payment to escrow - refunded bonds	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Discount on issuance of debt	-	-	-	-	-
<b>Total other financing sources &amp; uses</b>	<b>47,111</b>	<b>50,245</b>	<b>60,255</b>	<b>70,913</b>	<b>53,605</b>
<b>Net change in fund balances</b>	<b>\$ (5,910)</b>	<b>\$ 15,550</b>	<b>\$ 32,302</b>	<b>\$ 69,620</b>	<b>\$ 55,699</b>
Debt service as a percentage of noncapital expenditures	6.8%	8.9%	6.5%	10.4%	4.5%

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

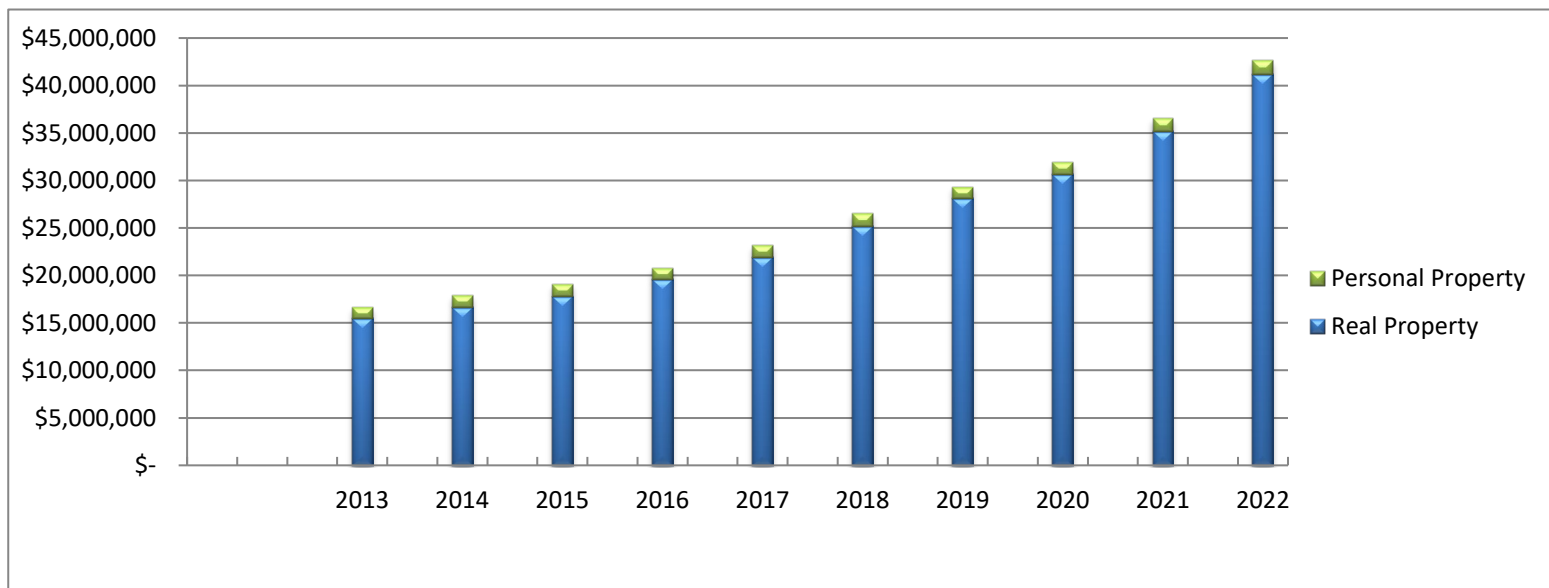
<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Business Tax</u>	<u>Total</u>
2013	62,487	45,743	103,631	211,861
2014	64,204	47,976	63,969 (1)	176,149
2015	67,313	81,772	36,325	185,410
2016	78,886	58,970	63,340	201,196
2017	74,479	71,634	63,924	210,037
2018	76,630	76,153	53,249	206,032
2019	77,970	81,132	53,563	212,665
2020	81,388	77,718	52,042	211,148
2021	81,783	106,635	46,381	234,799
2022	79,119	120,772	50,768	250,659



(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
2013	15,420,785	1,172,721	16,593,505	3.90	(1,636,501)	3.62%	83,806
2014	16,647,219	1,239,951	17,887,170	3.71	579,561	7.80%	89,436
2015	17,752,477	1,263,026	19,015,504	3.79	1,293,665	6.31%	93,672
2016	19,549,115	1,217,185	20,766,301	3.59	1,128,333	9.21%	100,807
2017	21,876,770	1,302,320	23,179,090	3.31	2,412,789	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	29,314,693	2.74	2,763,568	10.41%	140,971
2020	30,599,224	1,324,626	31,923,850	2.58	2,609,157	8.90%	145,971
2021	35,137,511	1,415,484	36,552,995	2.26	4,629,145	14.50%	167,138
2022	41,183,414	1,499,134	42,682,548	1.95	6,129,553	16.77%	193,309





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

<b>Fiscal Year End December 31</b>	<b>City of Tacoma</b>	<b>Tacoma School District #10</b>	<b>Pierce County</b>	<b>Port of Tacoma</b>	<b>Metro Park District</b>	<b>Washington State</b>	<b>Total</b>
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
2021	2.26	4.36	0.88	0.15	0.84	2.66	11.15
2022	1.95	3.87	0.75	0.13	1.08	2.31	10.09

"CITY" TAX RATE BREAKDOWN:

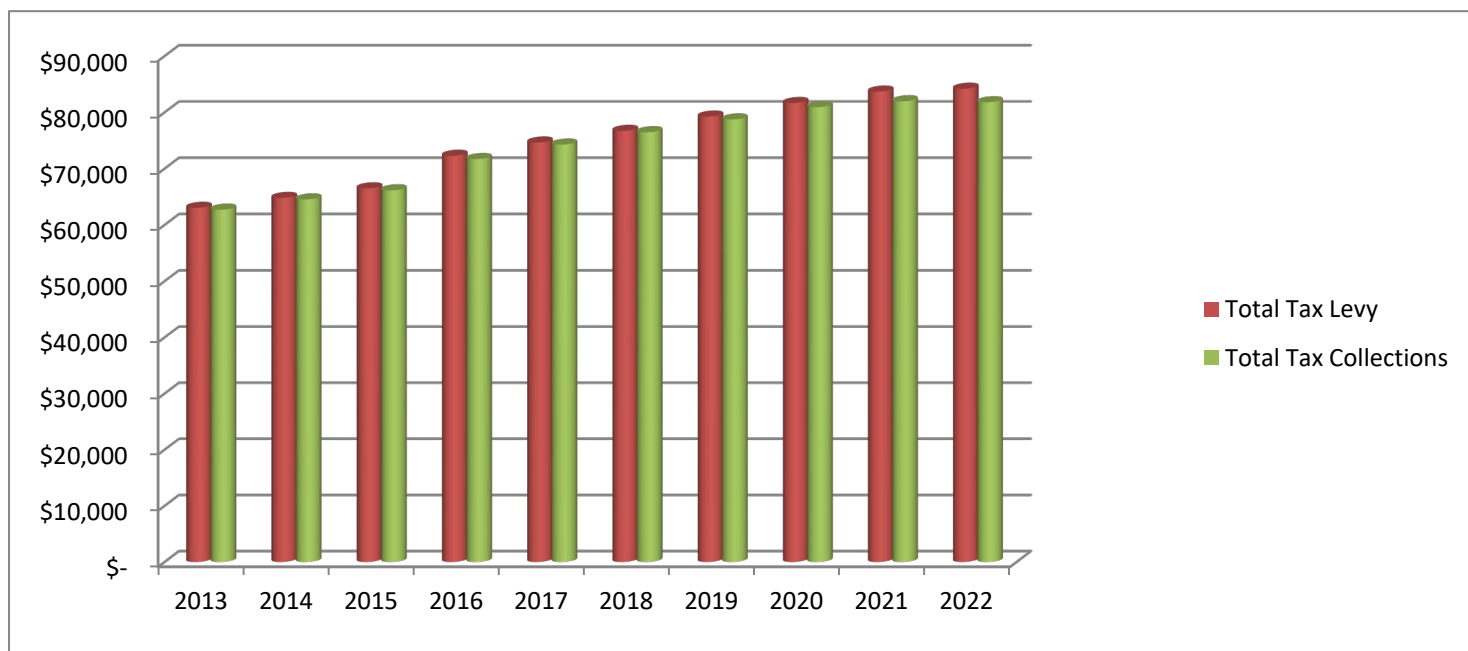
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund	\$2.17	\$2.04	\$1.86	1.67
Councilmanic Nonvoted Bonds	0.09	0.09	0.04	0.00
EMS Levy	0.38	0.36	0.32	0.28
G.O. Bonds	0.1	0.09	0.04	0.00
<b>TOTAL CITY</b>	<u><u>\$2.74</u></u>	<u><u>\$2.58</u></u>	<u><u>\$2.26</u></u>	<u><u>1.95</u></u>

- 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
2013	\$ 63,031	\$ 60,795	96.45%	\$ 1,916	\$ (317)	\$ 62,711	99.49%	\$ 1	0.00%
2014	\$ 64,789	\$ 62,855	97.01%	\$ 1,678	\$ (254)	\$ 64,533	99.60%	\$ -	0.00%
2015	\$ 66,494	\$ 64,839	97.51%	\$ 1,307	\$ (348)	\$ 66,146	99.48%	\$ -	0.00%
2016	\$ 72,290	\$ 70,280	97.22%	\$ 1,429	\$ (571)	\$ 71,709	99.20%	\$ 10	0.01%
2017	\$ 74,638	\$ 72,855	97.61%	\$ 1,420	\$ (362)	\$ 74,275	99.51%	\$ 1	0.00%
2018	\$ 76,710	\$ 75,191	98.02%	\$ 1,283	\$ (217)	\$ 76,474	99.69%	\$ 19	0.02%
2019	\$ 79,244	\$ 77,522	97.83%	\$ 1,221	\$ (301)	\$ 78,743	99.37%	\$ 200	0.25%
2020	\$ 81,656	\$ 79,678	97.58%	\$ 1,259	\$ (309)	\$ 80,937	99.12%	\$ 410	0.50%
2021	\$ 83,683	\$ 81,972	97.96%	\$ -	\$ (117)	\$ 81,972	97.96%	\$ 1,594	1.90%
2022	\$ 84,192	\$ 81,801	97.16%	\$ -	\$ (418)	\$ 81,801	97.16%	\$ 1,973	2.34%

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



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

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2022**

<u>TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AEG PRESENTS LLC	Entertainment Management
CLICK CABLE TV	Wired Telecommunications Carriers
COMCAST CABLE COMMUNICATION MANAGE	Cable Telecommunications
HUSKY TERMINAL AND STEVEDORING LLC	Marine Cargo Handling
METROPOLITAN PARK DIST	Zoos and Botanical Gardens/Park
MULTICARE HEALTH SYSTEM	General Medical and Surgical Hospitals
PUGET SOUND ENERGY INC	Electric Power/Natural Gas Distribution
ST JOSEPH HOSPITAL	General Medical and Surgical Hospitals
US OIL & REFINING CO	Petroleum Refineries
VERIZON WIRELESS	Wireless Telecommunications Carriers

2022 Aggregate B&O Tax of Top Ten Taxpayers (in thous \$20,394

**TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2013**

<u>TAXPAYERS</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	Cellular
Comcast of Tacoma, Inc.	Telecommunications
Multicare Health System	Medical
Puget Sound Energy Inc.	Natural Gas
Qwest Corporation	Telecommunications
Sprint PCS	Telecommunications
St Joseph Hospital	Medical
T Mobile West Corporation	Cellular
US Oil Trading LLC	Petroleum Refinery
Verizon Wireless	Cellular

2013 Aggregate B&O Tax of Top Ten Taxpayers (in thous \$16,648

- 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 2022**

<u>TAXPAYERS</u>	<u>RANK</u>	<u>2022 ASSESSED VALUE</u>	<u>PERCENTAGE TOTAL ASSESSED VALUE</u>
Puget Sound Energy/Gas	1	\$ 267,899	15.2%
US Oil and Refining Co	2	261,905	14.8%
Tacoma Mall Partnership	3	249,683	14.2%
Rocktenn CP LLC	4	230,423	13.1%
Westbridges Apartments Property Owner LLC	5	153,606	8.7%
IPT Tacoma Logistics Center LLC	6	129,766	7.4%
DCT Blair Logistics Center LLC	7	123,804	7.0%
Prologis Targeted US Logistic Fund LP	8	118,638	6.7%
Point Rustom Rainier Building LLC	9	115,526	6.6%
Targa Sound Terminal LLC	10	112,433	6.4%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$ 1,763,683</u>	<u>100%</u>

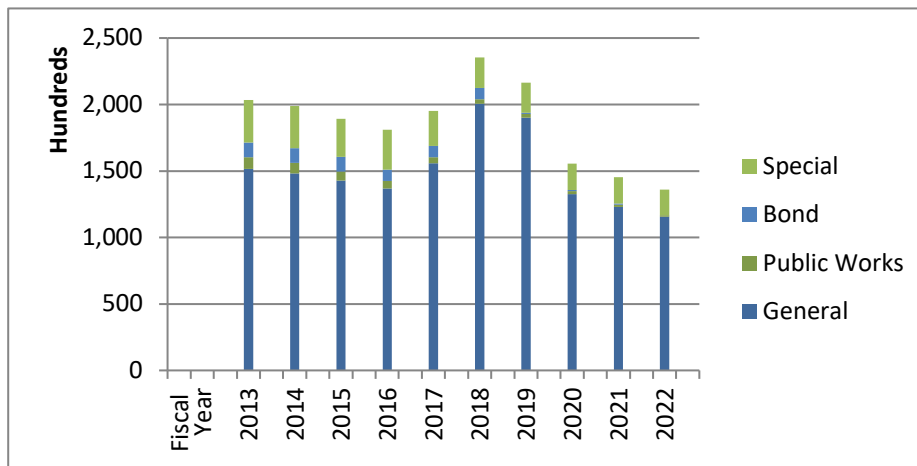
**TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2013**

<u>TAXPAYERS</u>	<u>RANK</u>	<u>2013 ASSESSED VALUE</u>	<u>PERCENTAGE TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$ 188,237	24.5%
US Oil and Refining Co	3	106,372	13.8%
CSC of Tacoma LLC	2	75,951	9.9%
Puget Sound Energy/Gas	7	73,043	9.5%
AT&T Mobility LLC	4	69,691	9.1%
Qwest Corporation	6	59,596	7.7%
Simpson Lumber Company LLC	5	59,153	7.7%
Simpson Tacoma Kraft Co	8	50,358	6.5%
ERP Operating LP	9	44,565	5.8%
Fairfield Fairways WA LLC	10	42,442	5.5%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$ 769,408</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**

<b>Governmental Activities</b>						
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Unamortized Premium/ Discounts</b>	<b>Public Works Trust Fund Loan</b>	<b>Bond Anticipation Notes</b>	<b>Special Assessment Bonds</b>	<b>Capital Leases</b>
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	-
2021	123,082	666	1,711	841	19,595	-
2022	115,491	660	1,141	841	19,305	-

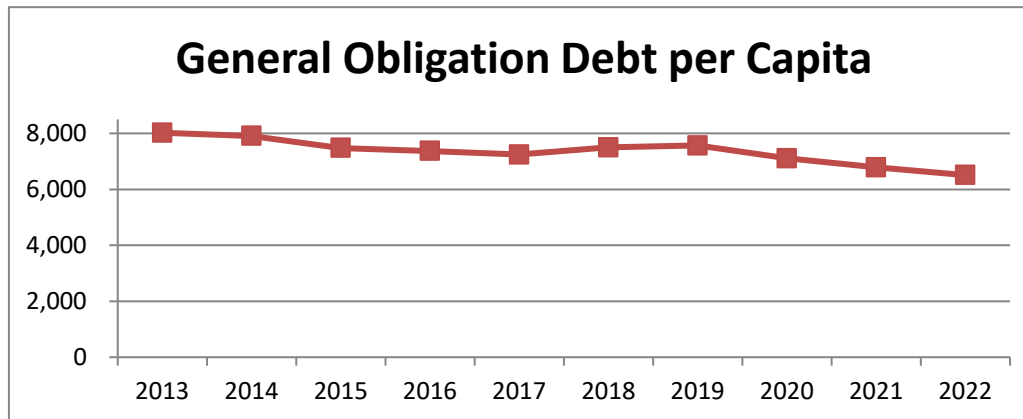
(4) A new special assessment bond for Point Ruston was issued for \$30,999



**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			
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	-	1,572,630	3.24%	7,108
2021	1,220,889	44,232	72,793	-	1,483,809	2.87%	6,785
2022	1,179,501	41,698	78,359	-	1,436,997	3%	6,508

(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)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund (1)</b>	<b>Total</b>	<b>% of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
2013	213,773	1,024	212,749	1.19%	1,066
2014	210,166	1,597	208,569	1.10%	1,043
2015	202,899	1,652	201,247	1.06%	1,004
2016	194,216	2,184	192,032	0.93%	953
2017	210,652	2,173	208,479	0.90%	1,003
2018	200,511	2,253	198,258	0.75%	899
2019	189,994	2,328	187,666	0.63%	900
2020	132,485	2,455	130,030	0.41%	628
2021	167,314	2,817	164,497	0.45%	752
2022	157,189	2,256	154,933	0.36%	702

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

(1) Debt service fund balance can be found in the Combining Statements - Non-Major Funds section.

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

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

**Computation of Direct and Overlapping Debt of Governmental Activities  
As of December 31**

**Table 12  
(dollar amounts expressed in thousands)**

	<b>Net Bonded Debt Outstanding (1)</b>	<b>Percentage Applicable To City (2)</b>	<b>City Residents Share of Debt</b>
City of Tacoma	169,024	100%	169,024
<b><u>OVERLAPPING DEBT</u></b>			
Tacoma School District #10	896,955	94.0%	843,030
Metropolitan Park District	127,323	98.1%	124,918
Port of Tacoma	128,787	22.6%	29,168
Pierce County	102,915	22.6%	23,309
Franklin Pierce School District	123,655	0.5%	605
Fife School District	136,240	9.5%	12,992
Clover Park School District	97,245	2.0%	1,967
University Place School District	25,256	3.6%	916
<b>TOTAL OVERLAPPING DEBT</b>	<b><u>1,638,376</u></b>		<b><u>1,036,905</u></b>
<b>GRAND TOTAL</b>	<b><u><u>1,807,400</u></u></b>		<b><u><u>1,205,929</u></u></b>
Population			220,800
Direct and Overlapping Debt per Capita			5.46

(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**

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

**Legal Debt Margin Calculation for Fiscal Year 2022  
(amounts expressed in thousands)**

Assessed Value	\$ 43,161,358
Debt Limit (7.5% of assessed value)	3,237,102
Debt Applicable to Limit:	
General Obligation bonds and loans	157,189
Capital leases	-
Less: Assets available from Debt Svc Fund	29
Total Net Debt Applicable to Limit	<u>157,218</u>
Legal Debt Margin	<u><u>\$ 3,079,884</u></u>

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Assessed Value of Property	\$ 26,551,125	\$ 29,781,935	\$ 32,426,115	\$ 37,098,458	43,161,358
Debt Limit, 7.5% of Assessed Value	1,991,334	2,233,645	2,431,959	2,782,384	3,237,102
Total Net Debt Applicable to Limit	205,189	194,176	182,869	169,443	157,218
<b>Legal Debt Margin</b>	<b><u>\$ 1,786,145</u></b>	<b><u>\$ 2,039,469</u></b>	<b><u>\$ 2,249,089</u></b>	<b><u>\$ 2,612,941</u></b>	<b><u>\$ 3,079,884</u></b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.3%	8.7%	7.5%	6.1%	4.9%

CITY OF TACOMA, WASHINGTON  
TABLE 14  
COMPUTATION OF CONSTITUTIONAL LIMIT OF INDEBTEDNESS  
as of December 31, 2022

As provided in the Revised Code of Washington (RCW) Title 39 Chapter 36, the percentage limits for the various sections are layered cumulative totals. The total General Purpose Indebtedness cannot exceed 2.5% of the Total Taxable Property Value (PV); General and Utility Purpose Indebtedness cannot exceed 5.0% PV; and General, Utility and Open Space and Parks Facilities Indebtedness cannot exceed 7.5% PV. Non-voted General Purpose Indebtedness may be up to 1.5% PV only if Voted General Purpose Indebtedness does not exceed 1% PV. The limits for General Purpose debt cannot exceed 2.5% PV. However, Utility and Open Space Indebtedness may exceed 2.5% PV for the section and reduce the General Purpose Indebtedness available by an equivalent amount. 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 2023) (PV)	\$ 43,161,357,947
<b>GENERAL PURPOSE INDEBTEDNESS</b>		
Non-Voted General Purpose Indebtedness and Capital Leases		
	Legal Limit 1.5% of Total Taxable Property Value	\$ 647,420,369
Indebtedness (Liabilities)		
Non-Voted General Obligation Bonds	\$	187,730,885
Capital Leases Payable		-
Less Assets Available		-
	Indebtedness Incurred - Non-Voted General Purposes	\$ 187,730,885
	Remaining Legally Available Non-Voted Debt Capacity - General Purposes	\$ 459,689,484
Less Required Reserve (10% of Non-Voted Debt Capacity)		\$ (64,742,037)
	Available Non-Voted Debt Capacity - net of Required Reserve	\$ 394,947,447
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)		
	Legal Limit 2.5% of Total Taxable Property Value	\$ 1,079,033,949
Less:	Indebtedness Incurred - Non-Voted General Purposes	(187,730,885)
		\$ 891,303,064
Indebtedness (Liabilities)		
Voted General Obligation Bonds	\$	-
Less Assets Available		(28,700)
	Indebtedness Incurred - Voted General Purposes	\$ (28,700)
	Total Remaining Debt Capacity - General Purposes	\$ 891,331,763
<b>UTILITY PURPOSE INDEBTEDNESS</b>		
Indebtedness For Utility Purposes With 3/5 Vote of the People		
	Legal Limit 2.5% of Total Taxable Property Value	\$ 1,079,033,949
	Remaining Debt Capacity - Utility Purposes	\$ 1,079,033,949
<b>OPEN SPACES AND PARKS FACILITIES INDEBTEDNESS</b>		
Indebtedness For Open Space And Parks Facilities With 3/5 Vote of the People		
	Legal Limit 2.5% of Total Taxable Property Value	\$ 1,079,033,949
	Remaining Debt Capacity - Open Spaces and Parks Facilities	\$ 1,079,033,949
<b>SUMMARY</b>		
Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value	\$ 3,237,101,846
Less: Indebtedness Incurred - General Purposes	0.4349%	\$ 187,702,185
Less: Indebtedness Incurred - Utility Purposes		\$ -
Less: Indebtedness Incurred - Open Space And Parks Facilities		\$ -
	Remaining Debt Capacity	7.0651% \$ 3,049,399,661



**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
2013	85,740	54,574	31,166	720	6,266	4.46
2014	90,232	59,284	30,948	750	6,237	4.43
2015	97,810	60,945	36,865	780	8,031	4.18
2016	104,280	67,210	37,070	4,390	8,069	2.98
2017	110,041	67,359	42,682	4,830	7,859	3.36
2018	115,817	62,052	53,765	5,025	7,538	4.28
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
2021	123,712	76,031	47,681	9,588	7,275	2.83
2022	129,172	70,733	58,439	7,680	11,680	3.02

Power Revenue Bonds						
Fiscal Year	Power Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2021	472,122	376,437	95,685	7,215	21,556	3.33
2022	478,366	373,087	105,279	6,240	23,538	3.54

Solid Waste Revenue Bonds						
Fiscal Year	Solid Waste Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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	2.05
2017 *	67,894	49,616	18,278	4,645	2,915	2.16
2018	69,111	48,743	20,368	2,060	2,662	4.31
2019	75,357	54,917	20,440	2,160	2,559	4.53
2020	77,324	55,791	21,533	2,270	2,451	4.56
2021	83,491	58,161	25,330	2,315	2,406	5.37
2022	89,051	59,156	29,895	3,140	2,722	5.10

\*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
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
2021	113,860	63,706	50,154	6,172	12,101	2.74
2022	112,331	62,587	49,744	6,275	11,954	2.73

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
2013	27,923	22,785	5,138	212	49	19.69
2014	30,482	25,493	4,989	223	37	19.73
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
2021	N/A	N/A	N/A	N/A	N/A	N/A
2022	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
2013	3,339	2,928	6,267	2,817	2.22
2014	4,283	3,063	7,346	2,817	2.61
2015	4,591	3,310	7,901	3,129	2.53
2016	4,740	3,524	8,264	2,922	2.83
2017	5,201	3,818	9,019	2,928	3.08
2018	4,531	4,162	8,693	2,925	2.97
2019	4,324	4,363	8,687	2,924	2.97
2020	1,503	4,582	6,085	2,922	2.08
2021	885	5,415	6,300	2,923	2.16
2022	1,306	5,744	7,050	2,922	2.41

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
2013	3,339	311	10.74
2014	4,300	311	13.83
2015	4,591	346	13.27
2016	4,740	323	14.67
2017	5,201	323	14.68
2018	4,531	323	16.09
2019	4,324	323	14.01
2020	1,503	323	4.65
2021	885	323	2.74
2022	1,306	323	4.04

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

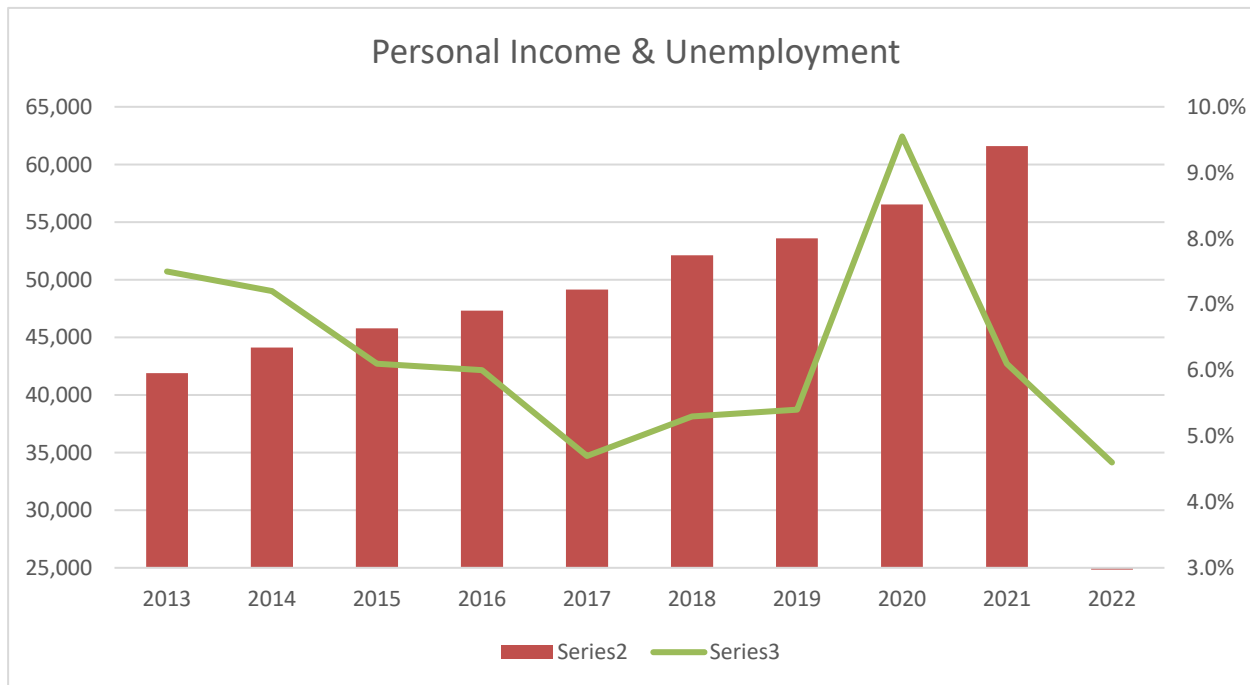
**Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Table 16**

<b>Fiscal Year Ended December 31</b>	<b>Tacoma Population (1)</b>	<b>County Personal Income (2) (Thousands)</b>	<b>Tacoma Per Capita Personal Income (3)</b>	<b>Tacoma School Enrollment (4)</b>	<b>Tacoma Unemployment % Rate (5)</b>
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	51,664,015	56,532	29,168	9.6%
2021	218,700	57,004,972	61,580	28,778	6.1%
2022	220,800	Unavailable	Unavailable	28,455	4.6%

**SOURCES:**

- (1) Washington State Office of Financial Management
- (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 2020)
- (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).



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

**TOP TEN EMPLOYERS FOR 2020 (PIERCE COUNTY) - DATA NOT AVAILABLE FOR 2022 AT TIME OF PRINTING**

	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
Joint Base Lewis McChord	54,000	5.7%	Military
Multicare Health System	8,264	0.9%	Health Care
State of Washington	7,859	0.8%	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	0.3%	Government
Puyallup School District	2,711	0.3%	Education
Bethel School District	2,689	0.3%	Education
Safeway & Albertsons	2,153	0.2%	Retail
<b>Total</b>	<b>93,934</b>	<b>9.9%</b>	

2022 Pierce County Population            946,310

**TOP TEN EMPLOYERS FOR 2013 (PIERCE COUNTY)**

<u>EMPLOYEERS</u>	EMPLOYEES	PERCENTAGE OF TOTAL COUNTY POPULATION	TYPE OF BUSINESS
Joint Base Lewis McChord	63,502	7.8%	Military
Local Public School Districts (K-12)	13,133	1.6%	Education
MultiCare Health System	6,776	0.8%	Health Care
Washington State Employees	6,209	0.8%	Public Sector
Franciscan Health System	5,814	0.7%	Health Care
Pierce County Government	2,873	0.4%	Public Sector
Fred Meyer Store	2,324	0.3%	Retail
Washington State Higher Education	2,196	0.3%	Education
City of Tacoma	2,125	0.3%	Public Sector
Walmart	2,102	0.3%	Retail
<b>Total</b>	<b>107,054</b>	<b>13.2%</b>	

2013 Pierce County Population            811,681

**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

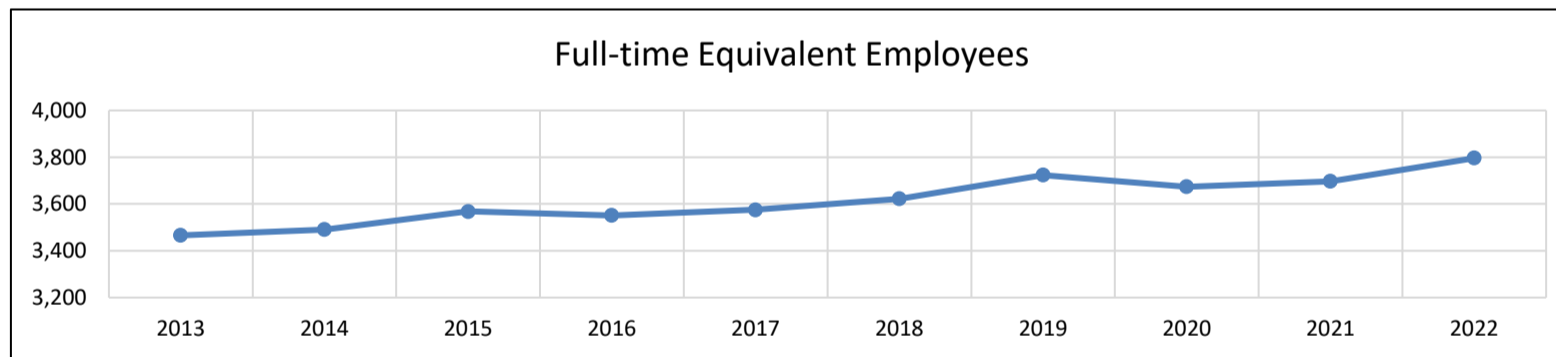
**Sources:**

Economic Development Board for Tacoma-Pierce County



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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General government</b>	265	268	285	286	286	290	311	288	293	313
Police	370	361	370	369	376	383	400	391	358	372
Fire	376	389	406	401	398	396	417	453	476	463
<b>Economic Environment</b>										
Community & Economic Development	26	26	26	27	30	22	26	26	25	34
Planning and Development Services	51	59	60	29	59	62	84	83	96	96
Hearing Examiner	3	3	3	3	3	3	3	3	3	3
Human Rights Human Services	54	48	41	41	37	31	30	29	26	29
<b>Culture and Recreation</b>	159	158	171	171	166	178	188	178	165	173
<b>Transportation</b>										
Public Works	707	713	718	732	735	765	754	750	746	747
<b>Information Systems</b>	109	109	116	111	117	121	123	117	121	129
<b>Retirement</b>	10	10	10	9	9	9	9	8	9	10
<b>Tacoma Public Utilities</b>										
Administration	10	10	11	12	12	13	17	17	19	20
Customer Service	140	143	148	150	158	146	164	163	161	157
Rail	107	115	116	113	115	118	118	115	112	106
Power	839	839	851	860	837	838	830	792	809	863
Water	240	239	236	237	237	247	250	260	278	281
<b>Total</b>	<b>3,466</b>	<b>3,490</b>	<b>3,568</b>	<b>3,551</b>	<b>3,575</b>	<b>3,622</b>	<b>3,724</b>	<b>3,673</b>	<b>3,697</b>	<b>3796</b>





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

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Public Safety</b>					
<i>Police</i>					
Crimes Against Person	4,379	4,319	4,376	4,443	4,569
Crimes Against Property	21,534	20,573	20,531	21,229	22,881
<i>Fire</i>					
Incidents	39,244	41,094	45,266	46,783	47,510
<i>Utilities</i>					
Power customers	171,506	172,531	174,562	176,784	177,153
Power service units - MWH	7,050,749	7,602,630	6,510,290	7,302,235	7,588,005
Water customers	97,854	98,608	99,943	100,731	101,871
Water service units	23,886,864	24,553,529	26,087,248	24,610,996	24,097,864
Wastewater customers	60,758	61,348	75,732 (1)	76,268	76,859
Surface Water customers	70,459	70,512	70,611	70,703	70,834
Solid Waste customers	58,265	59,308	60,262	60,646	60,971
<i>Rail</i>					
Miles of track	57.5	57.5	57.5	48.5	48.5
Number of cars switched	138,410	108,137	102,173	124,467	107,130
<i>Parking Garages</i>					
Number of parking stalls - garages	2,362	2,362	2,282	2,282	2,122
Number of parking stalls - surface lots	108	98	98	98	98
Number of on-street metered spaces	1,403	1,800	1,800	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**  
**Table 19**  
**Page 2 of 2**

<b>Function</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Public Safety</b>					
<i>Police</i>					
Crimes Against Person	4,345	4,718	4,429	5,280	5,881
Crimes Against Property	19,976	21,248	21,386	24,784	29,774
<i>Fire</i>					
Incidents	48,263	49,596	46,411	53,222	49,172
<i>Utilities</i>					
Power customers	177,723	182,000	183,000	184,000	188,000
Power service units - MWH	6,774,459	6,103,954	6,937,268	6,501,588	6,892,166
Water customers	103,116	105,663	107,871	108,165	108,897
Water service units	24,764,924	24,354,862	24,981,235	26,122,668	24,348,628
Wastewater customers	76,790	77,398	79,297	79,297	78,146
Surface Water customers	71,057	71,193	71,235	71,318	71,606
Solid Waste customers	61,242	61,534	61,908	62,332	62,523
<i>Rail</i>					
Miles of track	48.5	48.5	48.5	48.5	48.5
Number of cars switched	108,719	114,036	95,964	97,029	86,207
<i>Parking Garages</i>					
Number of parking stalls - garages	2,122	2,128	2,248	2,248	2248
Number of parking stalls - surface lots	98	104	284	302	302
Number of on-street metered spaces	1,800	1,800	1,800	1,800	1800

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

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Public Safety</b>					
<i>Police</i>					
Number of Stations	6	6	6	6	6
Vehicles:					
Marked Cars	290	282	265	265	267
Unmarked Cars-(includes seized vehicles)	125	106	110	112	115
Motorcycles	16	16	15	10	14
<i>Fire</i>					
Number of Stations	15	15	15	15	16
Pumpers	13	13	13	13	15.5
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	2	2	3	3	3
Squad Vehicles	1.5	1.5	1.5	1.5	1.5
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
Ambulances					
Transportation					
<i>Streets</i>					
Miles of Paved Streets	642.52	642.52	642.52	746.6	746.6 (1)
Miles of Unpaved Streets	208.10	208.10	208.10	10.80	10.80 (1)
<b>Total</b>	<b>850.62</b>	<b>850.62</b>	<b>850.62</b>	<b>850.62</b>	<b>757.4</b>

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

Data supplied by named departments

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

<b>Function</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Public Safety</b>					
<i>Police</i>					
Number of Stations	6	6	5	5	5
Vehicles:					
Marked Cars	260	254	161	234	227
Unmarked Cars-(includes seized vehicles)	112	153	109	118	150
Motorcycles	14	18	15	15	13
<i>Fire</i>					
Number of Stations	16	16	16	16	16
Pumpers	15.5	16	16	16	16
Trucks	4	4	4	4	4
Rescue Vehicles	5	5	5	5	5
Fireboats	3	3	3	2	2
Squad Vehicles	0	0	0	0	0
Training Towers	1	1	1	1	1
Fire Rating	3	3	3	3	3
Ambulances					4
<b>Transportation</b>					
<i>Streets</i>					
Miles of Paved Streets	746.1	746.1	746.1	746.1	746.1
Miles of Unpaved Streets	11.3	11.3	11.3	11.3	11.3
<b>Total</b>	<b>757.4</b>	<b>757.4</b>	<b>757.4</b>	<b>757.4</b>	<b>757.4</b>

**Contributing Staff  
Table 21**

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The following individuals contributed to the successful completion of the City of Tacoma's 2022 Comprehensive Annual Financial Report:

**COORDINATING AND SUPERVISORY STAFF**

Andy Cherullo, Finance Director  
 Susan Calderon, CPA, Assistant Finance Director  
 Polly Wainaina, CPA, Financial Services Division Manager  
 Michael San Soucie, CPA, City Treasurer  
 Diana Kerin-Tate, Financial Services Manager  
 Thu Pham, Financial Services Manager  
 Su Yi, Principal Financial Services Analyst  
 Catherine Marx, Retirement System Assistant Director

**STATISTICAL SECTION**

Monicah Wanyoike, Accountant

**DESIGN, LAYOUT and PRINTING**

Donna Ruby, Financial Assistant  
 Print NW

**IMAGES**

Cover photograph courtesy of City of Tacoma, Media & Communications

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 Van Chung, CPA  
 Ghassan Diab  
 Eun Joo Ebenhoh, CPA  
 Mylene Malabanan  
 Mary Mansperger  
 Imelda Marquez  
 David Ness  
 Linh Nguyen  
 Louis Nguyen, MBA  
 Lori Noel  
 Christopher Piercey  
 Dorothy Russ  
 Emilee Sibbett  
 Tran Trang  
 Monicah Wanyoike  
 Ty Williams  
 Jayson Yucker