

A nighttime photograph of a city skyline reflected in a body of water. In the foreground, several boats are docked in a marina. The city buildings in the background are lit up, with their lights reflecting on the water. The sky is a deep blue, suggesting dusk or dawn. The overall mood is serene and urban.

2009 Comprehensive Annual Financial Report

City of Tacoma, Washington

For the Fiscal Year Ended December 31, 2009



2009 Comprehensive Annual Financial Report

of the City of Tacoma, Washington
for the Year Ended December 31, 2009

Prepared by Department of Finance
Robert K. Biles, Director of Finance



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SECTION 1

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS

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City of Tacoma
Finance Department

June 16, 2010

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

The comprehensive annual financial report of the City of Tacoma, Washington (the City), for the year ended December 31, 2009, is hereby submitted in accordance with City Charter and state statutes. Both the City Charter and state statutes require that the City issue annually a report on its financial position and activity. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management based upon a comprehensive framework of internal control that it has established to provide 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.

Generally Accepted Accounting Principles (GAAP) in the United States of America requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). 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.

The City is required to undergo an independent, annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this independent, single audit, including a schedule of expenditures of federal awards, the State Auditor's Office reports on the internal control structure and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, if any, are included in a separately issued report.

CITY OF TACOMA PROFILE

The City was incorporated on January 7, 1884. The City Charter, under which it 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 including police and fire protection, electrical generation and distribution, water distribution, wastewater and surface water services, solid waste services and many others.

The name Tacoma stems from the Indian name for Mt. Rainier, "Tacobet," 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. Its boundaries encompass approximately 47.8 square miles of land and 11.4 miles of waterfront. Lying between sea level and 440 feet above sea level, Tacoma averages 37 inches of rainfall each year with an average low temperature in January of 35.9 degrees Fahrenheit and an average high temperature in August of 75.6 degrees Fahrenheit. The estimated population in 2009 was 203,400, an increase of 5.1% since the 2000 census count of 193,556.

The Tacoma Community Redevelopment Authority, the Foss Waterway Development Authority, and the Greater Tacoma Regional Convention Center Public Facilities District are included as component units and are discretely presented within the City's annual financial statements.

The Tacoma City Council adopts a biennial budget for all governmental funds types, except capital projects, grants, and debt service funds which are adopted for the life of the project, grant or debt issue.

The biennial budget process begins in June of even numbered years using the City Council's long-term strategic plan, goals, and priorities as a starting point. Revenue forecasts are prepared and city departments begin budget preparation. After a period of review and update, a preliminary budget is presented to the City Council. 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 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 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.

All budgets are controlled at the fund level, and the legal level of budgetary control is at the fund level.

FACTORS AFFECTING THE CITY'S FINANCIAL CONDITION

Economic Overview

Pierce County enjoys a diverse economy influenced by its ideal location in the central Puget Sound region. Important industry sectors include the military, healthcare, manufacturing (aerospace, plastics, machinery, food products, and electronics) and wholesale distribution.

Tacoma shares in this good fortune in that it has one of the few ports on the West Coast with a large inventory of waterfront land available for development. Created by Pierce County citizens in 1918, the Port of Tacoma (Port) has 2,400 acres that are used for shipping terminal activity and warehouse, distributing, and manufacturing. The Port is a leading North American seaport, handling more than \$36 billion in annual trade in 2008. The Port is the seventh largest container port in North America and is considered an "economic engine" for the region.

Government is the largest regional employment sector with the area's major U.S. Military installations (Joint Base Lewis-McChord and Madigan Army Medical Center) heavily contributing to the workforce. Other large government employers include local public schools, Washington State, Pierce County, and higher education institutions.

Another large regional employment sector is the healthcare industry. Two of the largest employers in the Tacoma area are Franciscan Health System and the Multicare Health System. Multicare Health System, which operates Tacoma General, Allenmore and Mary Bridge Children's Hospitals, is the county's largest private employer.

Although the diversity of the region's economic base has served it well in the past and is expected to help it recover from the effects of the current recession, the Puget Sound area is not immune from the impacts being felt by the rest of the nation. Retail sales are down 4.2% for the first four months of 2010 compared to the same

period in 2009. The average year-to-date unemployment rate for the Tacoma metropolitan area was 10.8% as of March 2010 compared to 9.6% and 5.4% for March 2009 and 2008, respectively.

Relevant Financial Policies

Financial and Budget Policy Statements are presented on pages 22-27 of the 2009-10 Biennial Budget, which can be found on the City's website at www.cityoftacoma.org. In accordance with the Reserve Policies, the reserve is being used to mitigate the effects of the current economic downturn.

Long-term financial planning is discussed in several of the Policy Statements, including strategic planning, debt, rate projections, and budget and contingency policies.

Revenue Limitation

State law allows the City to levy a 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 growth. In no event may the annual levy exceed the \$3.60 per \$1,000 of assessed value rate limit. During 2009, the City levied at the statutory limitation of \$2.35 per \$1,000 of assessed value.

MAJOR INITIATIVES

Reclaiming and Redevelopment Project – Thea Foss Waterway

More than 100 years ago the Thea Foss Waterway was a thriving economic hub, but by 1981 business had moved out and left behind primarily vacant lots. Today, the Thea Foss Waterway is a master planned waterfront community in downtown Tacoma. New development along the Foss Waterway is a careful blend of historic and contemporary elements. When full development is complete, it will include parks, a residential community, office and retail along 1.5 miles of the waterway. A public esplanade will run the full length of the project. Currently seven of the 15 development sites are constructed or planned for redevelopment.

Center for Urban Waters

Construction on a new \$40 million 56,000 square foot office and laboratory building that will house the Center for Urban Waters was substantially complete in March 2010. This building will house the Environmental Sciences and research labs for both the City of Tacoma and the State of Washington, as well as an office for the Puget Sound Partnership. The design of the Center for Urban Waters facility won the "2008 Civic Design Award" presented by the American Institute of Architects (AIA) Washington and the City is pursuing LEED Platinum certification for the building.

Pacific Plaza

The South Park Plaza Parking Garage was completed in 2009. The project renovated an existing facility into a state-of-the-art green facility. Project highlights include: a retrofit parking structure with an additional 102 parking stalls to complement the existing 381 stalls; two floors of Class-A office space; and the reconstruction of the public hill climb connecting Pacific Avenue and Commerce Street.

The project was designed to meet LEED Platinum certification, the highest possible rating awarded by the U.S. Green Building Council. As part of the design some of the sustainable features include: a highly visible green roof covering approximately 85 percent of the building; a rainwater collection cistern which will reduce rainwater runoff from the site and will be utilized for water reuse in the facility and irrigation of the green roof; as well as a state-of-the-art heating and cooling system.

Safe & Clean

In 2008, Tacoma citizens teamed up with City staffers to explore ways to bring crime rates down while doing away with debris, junk vehicles and other nuisances. Working within existing City budgets, the partnerships reduced crime by 18 percent comparing June of 2008 to June of 2009 and removed over 500 tons of debris by mid 2009 through community clean-ups alone. The success of the program was carried forward with the introduction of 16 new specialized teams in 2009 that are focusing on bringing crimes rate down even further.

Examples of current teams include: Alley Security, Graffiti Reduction Through Community Based Art, and Car Prowl Prevention.

Cheney Stadium

In 2009, the City sold \$28 million in bonds to help finance improvements to Cheney Stadium, home of the Triple-A Baseball Club, the Tacoma Rainiers. Renovations to the 50-year old stadium are expected to include replacing the grandstand, roof and concourse. New concession stands, seats, suites and restrooms will also be added and the size of the dugouts and bullpens will be increased. The City and the Rainiers have entered into a long-term agreement through September 2041.

AWARDS AND ACKNOWLEDGEMENTS

Awards

We are pleased that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tacoma for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. This is the twenty-first year the City of Tacoma has received this award.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the new reporting standards established by GASB and the GFOA's standards of excellence. We will submit the current report to GFOA to determine its eligibility for another certificate.

Acknowledgements

Thank you for your continuing interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. I also express my appreciation to the City employees for their assistance and cooperation during the year and for providing information for this report. Special appreciation is extended to the employees of the Finance Department, whose dedicated service made this report and the year a success. While a list of the staff who contributed to making this year's CAFR a success can be found on page 6-24, I would like to specifically thank Linda Parks, Mary Mansperger, Su Yi and Min Soo Chun for their work in bringing the final document together.

Respectfully,

ROBERT K. BILES
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tacoma
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

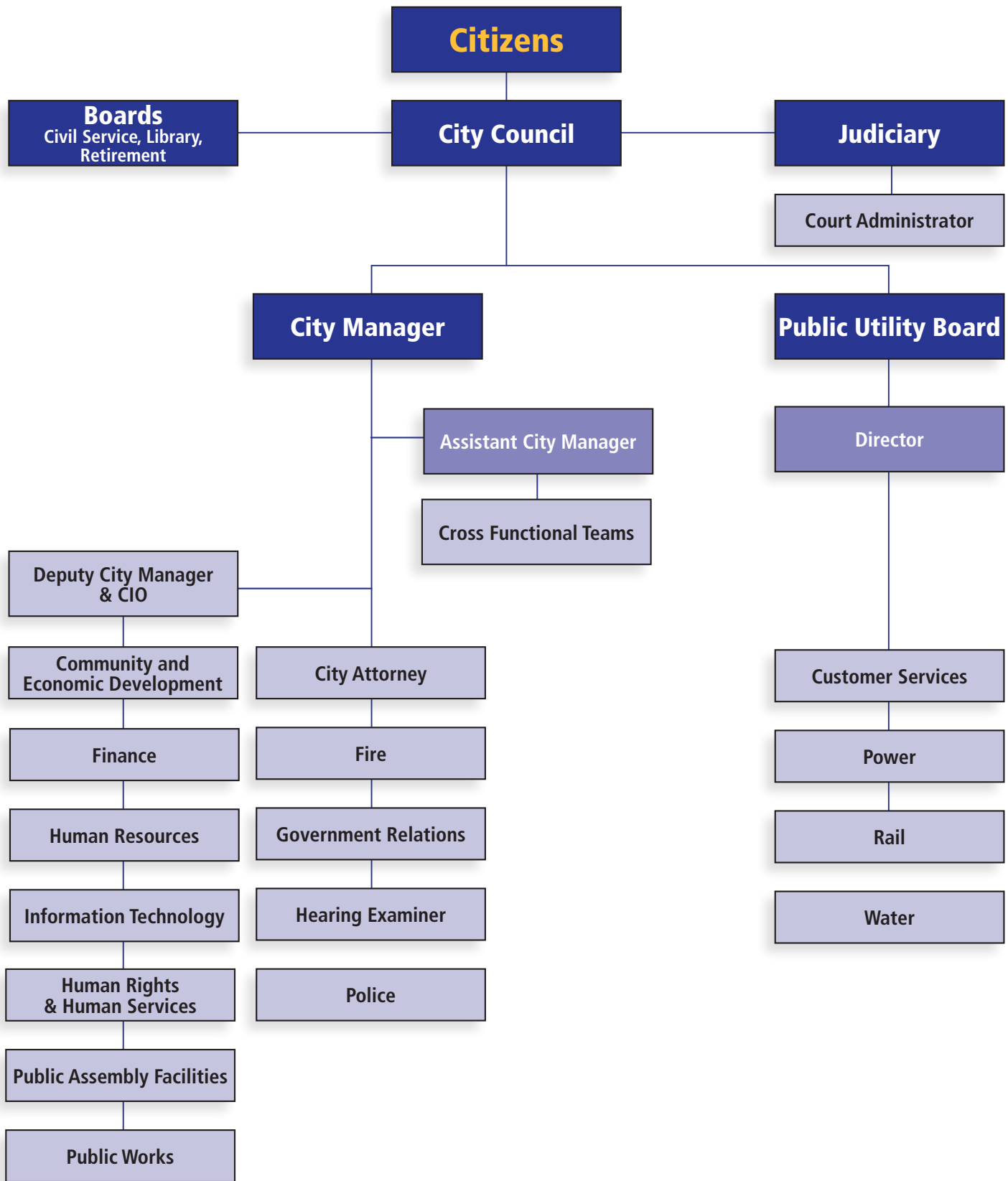
President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

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City of Tacoma Organizational Chart





2009 Tacoma City Council



MAYOR
BILL BAARMSA



DEPUTY MAYOR
SPIRO MANTHOU



JULIE
ANDERSON



JAKE
FEY



CONNIE
LADENBURG



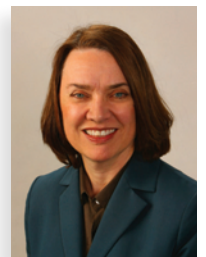
MIKE
LONERGAN



MARILYN
STRICKLAND



RICK
TALBERT



LAUREN
WALKER



CITY MANAGER
ERIC A. ANDERSON

Finance Department
747 Market Street, Room 132
Tacoma, Washington 98402-3773
www.cityoftacoma.org/finance

City Officials as of January 1, 2010

<u>COUNCIL MEMBERS</u>		<u>EXPIRATION OF TERM</u>
Marilyn Strickland	Mayor	Dec. 31, 2013
Jake Fey	Deputy Mayor	Dec. 31, 2013
David Arthur Boe		Dec. 31, 2011
Marty Campbell		Dec. 31, 2013
Joe Lonergan		Dec. 31, 2013
Spiro Manthou		Dec. 31, 2011
Ryan Mello		Dec. 31, 2011
Lauren Walker		Dec. 31, 2011
Victoria Woodards		Dec. 31, 2013
City Manager		Eric A. Anderson
Deputy City Manager/Chief Information Officer		Rey Arellano
Assistant City Manager		Tansy D. Hayward
Director of Finance		Robert K. Biles
City Treasurer		Morgan D. Jacobson
City Attorney		Elizabeth Pauli
City Clerk		Doris Sorum
Director of Human Rights and Human Services		John Briehl
Police Chief		Don Ramsdell
Director of Public Assembly Facilities		Mike Combs
Director of Tacoma Public Library		Susan Odencrantz
Director of Community and Economic Development Department		Ryan Petty
Hearing Examiner		Rodney Kerslake
Director of Information Technology		Michelle Lewis-Hodges
Municipal Court Administrator		Yvonne Pettus
Retirement Systems Director		Monica Butler
Director of Human Resources		Joy St. Germain
Fire Chief		Ron Stephens
Director of Public Works		Dick McKinley
Director of Public Utilities		William A. Gaines
Tacoma Power Superintendent		Gary D. Armfield
Tacoma Water Superintendent		John Kirner
Tacoma Rail Superintendent		Dale King
Chief Assistant City Attorney		William Fosbre

City Officials as of January 1, 2010

City Manager	Eric A. Anderson
Chief Assistant City Attorney	William Fosbre
Chief Information Officer/Assistant City Manager	Rey Arellano
City Attorney	Elizabeth Pauli
City Clerk	Doris Sorum
City Treasurer	Morgan D. Jacobson
Director of Community and Economic Development Department	Ryan Petty
Director of Finance	Robert K. Biles
Director of Human Resources	Joy St. Germain
Director of Human Rights and Human Services	John Briehl
Director of Information Technology	Michelle Lewis-Hodges
Director of Public Assembly Facilities	Mike Combs
Director of Public Utilities	William A. Gaines
Director of Public Works	Richard McKinley
Director of Tacoma Public Library	Susan Odencrantz
Fire Chief	Ron Stephens
Hearing Examiner	Rodney Kerslake
Municipal Court Administrator	Yvonne Pettus
Police Chief	Don Ramsdell
Retirement Systems Director	Monica Butler
Tacoma Power Superintendent	Gary D. Armfield
Tacoma Rail Superintendent	Dale King
Tacoma Water Superintendent	John Kirner

City Officials as of January 1, 2010

Boards

Board of Building Appeals

	Expiration of Term
James A. Anderson, P.E.	
Glen L. Garrett	April 2009
Mark B. (Brandy) Smith, P.E.	April 2011
Rory Connally, AIA	January 2011
Roland M. Kroll, P.E., S.E.	May 2010
Richard A. Hultz, P.E.	September 2010
Charly Mitchel	March 2012

Board of Ethics

		Expiration of Term
Julie Myers	Chair	December 2009
Stan Betts	Vice Chair	December 2010
Andrew Austin		December 2009
Susan Jensen		December 2008
Joseph Keller		December 2009

Civil Service Board

		Expiration of Term
Charles McKenna	Chair	December 2009
Denise Greer	Vice Chair	December 2011
Beckie Summers*		May 2013
Dan Sexton		December 2013
Artee Young		December 2013

* Not Elected, Selected by Employees and Management

Public Utility Board

		Expiration of Term
Laura Fox	Chair	June 2013
Peter Thein	Vice Chair	June 2012
Bob Casey	Secretary	June 2011
David Nelson	Board Member	June 2010
Woody Jones	Board Member	June 2012

Tacoma Community Redevelopment Authority Board

		Expiration of Term
Edward D. "Curt" Curtis	President	April 2011
Walt Patterson	Vice President	November 2009
W. Michael Buchanan	Treasurer	June 2010
Lucy Clifthorne, Esq.	Secretary	June 2010
John Oldham		June 2010
C. Tyler Shillito		June 2011
Jonathan Phillips		October 2010
Tess Colby		November 2010

City Officials as of January 1, 2010

Committees and Commissions

Citizens Recognition Committee

Ann Mumford	Expiration of Term
Susan Wagner	August 2010
Darren Pen	August 2010
Angela Zurcher	August 2010
Tony Anderson, Vice Chair	August 2011
Laurie Beck, Chair	August 2011
Mark Dodson	August 2011
Jenny Harris	August 2011
Holly Hulscher	August 2011
Marion Weed	August 2011
Amanda Westbrooke	August 2011

Human Rights Commission

Amy Bates	Expiration of Term
Andrew Campbell	May 2009
Elaine Hilton	March 2010
Pat McIntyre	May 2010
Dan McKown	March 2010
Joyce Miles	March 2010
Fred Schuneman	April 2009
Jacki Skaught	April 2010
Stephanie Taylor	July 2010
Aimee Welch	March 2010
Ok Sun Wilson	March 2010
Teri Wood	September 2011
	May 2010

Human Services Commission

Edwina Magrum	Chair	Expiration of Term
Allen Ratcliffe	Vice Chair	April 2011
Becky Fontaine		April 2011
Catherine Ushka-Hall		April 2011
Chris Fuson		April 2010
Chris Thompson		April 2010
Ethan Wing		April 2010
Gloria Morehouse		April 2009
Julian Bray		April 2011
Katherine Elliot		April 2009
Ronald Dowd		April 2010
Sharen Wilhelm		April 2009

City Officials as of January 1, 2010

Joint Municipal Action Committee

Connie Ladenburg
 Jake Fey
 Tim Reid
 Victoria Woodards
 Debbie Winskill
 Kurt Miller
 Tim Farrell

Expiration of Term

Landmarks Preservation Commission

Mark McIntire
 Ken House
 Imad Al Janabi
 Fred King
 Ross Buffington
 Megan Luce
 Philip Hill
 Pamela Sundell
 Ha Pham
 Kathryn Longwell

Expiration of Term

December 2009
 December 2009
 December 2009
 December 2010
 December 2010
 December 2010
 December 2010
 December 2011
 December 2011
 December 2011

Planning Commission

Scott Morris
 David Arthur Boe
 Peter Elswick
 Sean Gaffney
 Kevin Briske
 Robert T. deGrouchy
 Jeremy C. Doty
 Thomas C. O'Connor
 Kimberly Freeman

Chair
 Vice Chair

Expiration of Term

December 2010
 December 2010
 December 2011
 December 2009
 December 2008
 December 2010
 December 2009
 December 2011
 December 2010

Sustainable Tacoma Commission

Bill Anderson
 Joanne Buselmeier
 Tony Warfield
 Bliss Moore
 Dr. Jane Moore
 Elaine Ott
 Ken Schmidt
 Dale Anderson
 Louise Bray
 Philip Coughlan
 James Gawel

Expiration of Term

April 2010
 April 2010
 April 2010
 April 2011
 April 2011
 April 2011
 April 2011
 April 2012
 April 2012
 April 2012
 April 2012

City Officials as of January 1, 2010

Tacoma Area Commission on Disabilities

Dan Eberle		Expiration of Term	March 2011
JoAnne Fritsche			May 2011
Nancy Hogan			May 2011
Esther Bennett			December 2010
Michel Raymond			September 2011
Stan Smith			January 2011
Lois Stark			December 2010
Ron Stone			December 2010
Debra Walker			December 2010

Tacoma Arts Commission

Phillip Hill	Chair	Expiration of Term	February 2011
Margaret Payne	Vice Chair		September 2009
Jan Brazzell			December 2011
Rachel Cardwell			November 2011
Robin Echtle			October 2012
Sarah Idstrom			September 2009
Janice Karroll			December 2011
Traci Kelly			September 2009
William LaVergne			October 2012
Janet Matzke			July 2011
Kristi Nebel			March 2011
Michael Reynolds			November 2011
Donald Kacky			September 2009
Jacqueline Peterson			January 2011
Michael Sweeney			October 2012
Julie Anderson	City Council Liason		
Lauren Walker	City Council Liason Alternate		

City Officials as of January 1, 2010

Other

Citizen Review Panel

Trisha King Stargel	Expiration of Term	December 2011
John Lafond		December 2009
Timothy Gillete		December 2010
Mary McDougal		December 2009

Tacoma Housing Authority

Ken Miller	Expiration of Term	August 2011
Dr. Arthur C. Banks		August 2010
Stanley Rumbaugh		August 2012
Greg Mowat		August 2009
Janis Flauding		August 2013

Tacoma Urban Network

Gregory Tanbara	Chair	Expiration of Term	September 2009
Shelly Maluo	Treasurer		December 2010
Marty Cambell			April 2011
Marilyn Levinsohn			August 2011
Beverly Bowen-Bennett			June 2009
Al Ratcliffe			March 2011
Dr. George Tanbara			December 2009
Karen Smitherman			April 2011
Melissa Louise Porter			November 2009
John Breihl			July 2011
Theron Dixon			November 2010
Miguel Villahermosa			February 2011
Tom Strickland			April 2011
Linda Nguyen			April 2011

Municipal Court Judges

Elizabeth E. Verhey	Expiration of Term	January 2011
Arthur J. Emery		January 2011
David B. Ladenburg		January 2011

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SECTION 2

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS—NON MAJOR FUNDS

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Washington State Auditor Brian Sonntag

INDEPENDENT AUDITOR'S REPORT

June 16, 2010

Mayor and City Council
City of Tacoma
Tacoma, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Tacoma, Pierce County, Washington, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Power, Sewer, and Water funds, which are presented as major funds and represent 85 percent, 90 percent, and 86 percent, respectively, of all the assets, net assets and revenues of the business-type activities. We also did not audit the financial statement of the Solid Waste fund which represents 5 percent, .5 percent and 10 percent, respectively, of the assets, net assets and revenues of the business-type activities, and 8 percent, .6 percent and 11 percent, respectively, of the assets, net assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Power, Sewer, Water and Solid Waste funds is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Power, Sewer, Water and Solid Waste funds were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of

Tacoma, Pierce County, Washington, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will also issue our report dated, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2-3 through 2-12, pension trust information on pages 4-1 through 4-4 and budgetary comparison on pages 4-5 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining statements and other supplementary information on pages 5-1 through 5-105 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with a large initial "B" and "S".

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Tacoma, we offer readers of the City of Tacoma's financial statements this narrative overview and analysis of the financial activities of the City of Tacoma for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages 1-1 to 1-4 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Total assets exceeded the City's liabilities by \$2.4 billion. Of this amount, \$309.1 million were reported as unrestricted net assets; amounts which are available for use to meet the City's on-going obligations to citizens and creditors.
- The City's net assets increased by \$50.2 million. This increase is due to an increase in the capital assets in the Business Activities.
- Tacoma Power reported a change in net assets of \$40.3 million, down \$33.2 million from 2008.
- Tacoma Water reported change in net assets of \$8.6 million, down \$3.6 million from 2008.

Overview of the Financial Statements

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

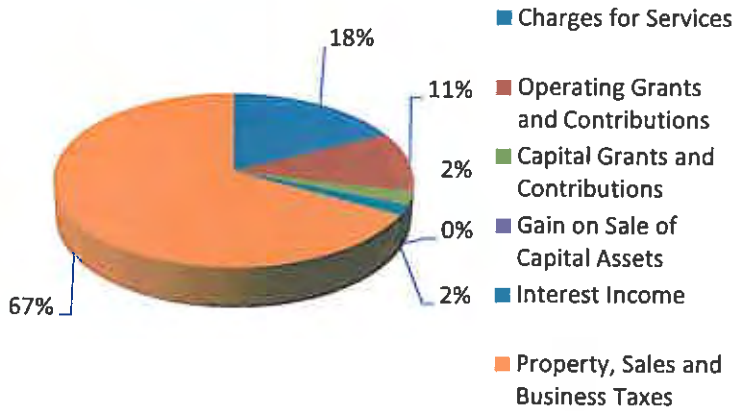
Government-wide Financial Statements

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

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

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Governmental Activities



Business Activities

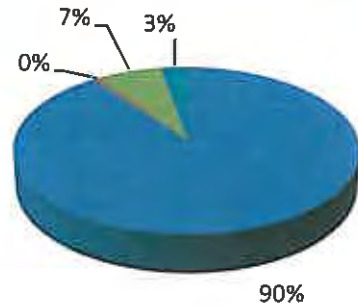


Figure 1. Comparison of Governmental and Business Activity Revenues

Both the Statement of Net Assets and the Statement of Activities differentiate the functions of general government from the functions of business-type activities. Governmental activities reflect the City’s basic functions such as general government, public safety, public works, economic environment/development, and culture and recreation and are primarily supported by taxes and intergovernmental revenues. Business-type activities, primarily utilities, are intended to recover most if not all of their costs through user fees and charges for services. The government-wide financial statements can be found on pages 3-2 to 3-5 of this report.

Governmental Activities Expenses

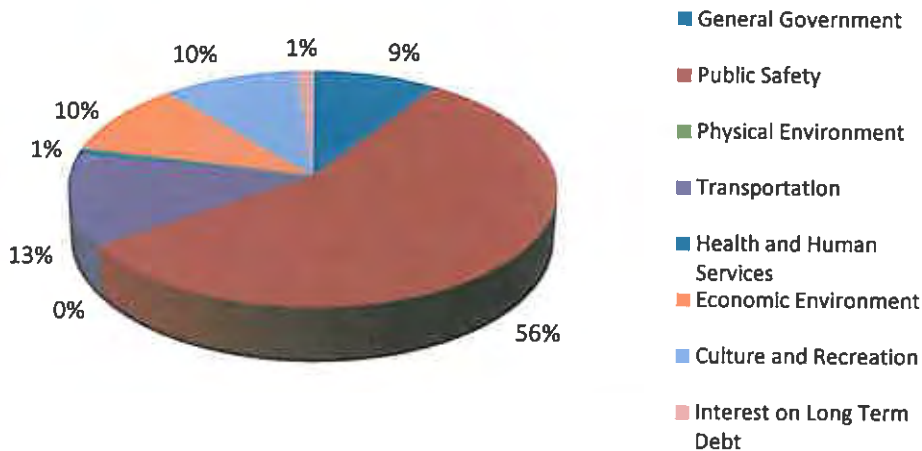


Figure 2. Governmental Activities Expenses

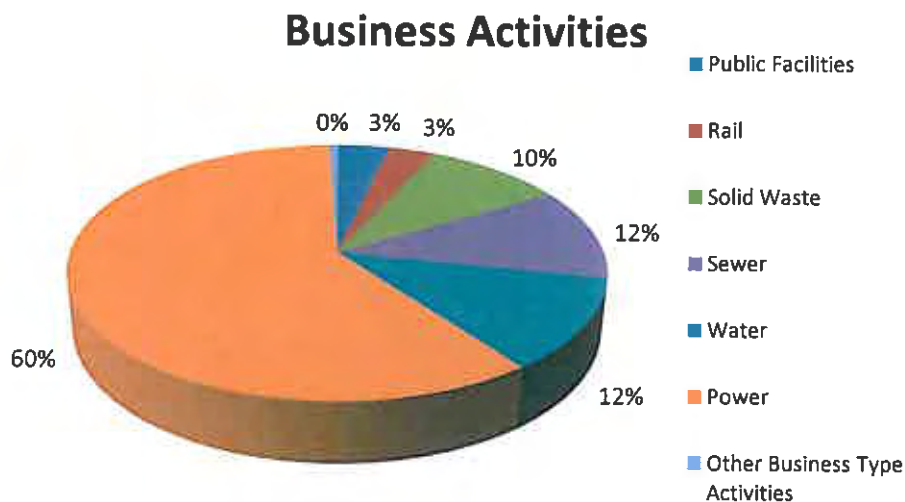


Figure 3. Business Activities Expenses

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Tacoma, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Tacoma can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

The focus of the governmental fund statements is on major funds. A fund is considered major if it represents at least 10% of the assets, liabilities, revenues or expenditures of its fund category and at least 5% of the corresponding totals for the governmental and business-type activities combined. All other governmental funds are combined and presented as a single column in the respective governmental fund statements. Individual fund data for each of these combined non-major funds is provided in the form of combining statements elsewhere in this report.

The City of Tacoma adopts a biennial budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

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

Proprietary Funds

There are two types of proprietary funds – internal service and enterprise - both of which the City of Tacoma uses. Internal service funds are used to accumulate and allocate costs internally among the City of Tacoma's various functions. Because these services primarily benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Enterprise funds account for various utilities which provide services such as power, water, sewer, and solid waste collection. The service area for these utilities is generally broader than the corporate limits of the City. The activities in these funds are primarily supported by user fees and are presented as business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 3-10 to 3-21 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Tacoma's programs. The accounting used by the fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund statements can be found on pages 3-22 to 3-23 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 3-24 to 3-75 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also contains certain required supplementary information (RSI) concerning the City of Tacoma's budget. Required supplementary information can be found on pages 4-1 to 4-5 of this report.

Combining Statements – Non-Major funds

The combining statements referred to earlier in connection with Non-Major governmental funds, internal service funds, and fiduciary funds can be found on pages 5-1 to 5-105 of this report.

Statistical Section

This section provides financial trends, revenue and debt capacity, and demographic and economic information about the City's operations. The Statistical Section can be found on pages 6-1 to 6-24 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a government's financial position. The City's total assets exceeded liabilities by \$2.4 billion at December 31, 2009. Eighty-one percent of the total net assets reflect the City's investment in capital, less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; thus, they do not represent resources available for future spending. Thirteen percent of the City's net assets are unrestricted, meaning they are available for meeting the City's ongoing obligations. The remaining six percent of the net assets are restricted for other purposes such as debt redemption and new capital construction. General government net assets represent 32% of the total and business-type net assets represent 68% of the total.

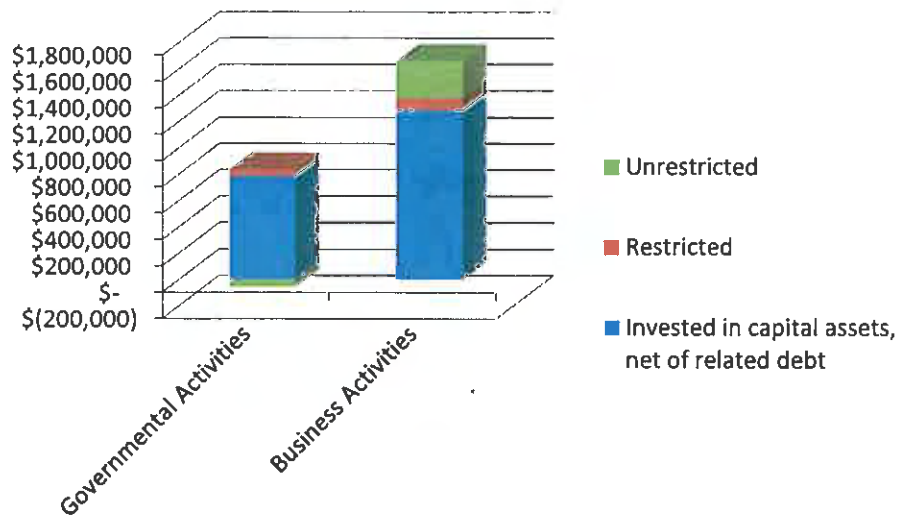


Figure 4. Comparison of Net Assets, By Activity Type (Amounts expressed in thousands)

Statement of Net Assets

For the Year Ended December 31, 2009

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 248,029	\$ 256,246	\$ 910,075	\$ 859,120	\$ 1,158,104	\$ 1,115,366
Capital assets	787,640	803,036	2,178,822	2,081,181	2,966,462	2,884,217
Total assets	\$ 1,035,669	\$ 1,059,282	\$ 3,088,897	\$ 2,940,301	\$ 4,124,566	\$ 3,999,583
Current and other liabilities	\$ 87,092	\$ 87,332	\$ 238,999	\$ 254,163	\$ 326,091	\$ 341,495
Long-term liabilities outstanding	169,879	112,069	1,192,204	1,159,862	1,362,083	1,271,931
Total liabilities	\$ 256,971	\$ 199,401	\$ 1,431,203	\$ 1,414,025	\$ 1,688,174	\$ 1,613,426
Net Assets:						
Invested in capital assets, net of related debt	\$ 697,653	\$ 716,586	\$ 1,286,616	\$ 1,202,761	\$ 1,984,269	\$ 1,919,347
Restricted	48,852	23,144	94,139	54,137	142,991	77,281
Unrestricted	32,193	120,151	276,939	269,378	309,132	389,529
Total net assets	\$ 778,698	\$ 859,881	\$ 1,657,694	\$ 1,526,276	\$ 2,436,392	\$ 2,386,157

Table 1. Summary Statement of Net Assets

The City's net assets increased \$50.2 million. This increase is due to an increase in the capital assets in the Business Activities. See the accompanying notes to the financial statements for more information on changes in capital assets.

Restricted cash in the governmental activities increased \$25.7 million from LTGO Bonds issued in 2009 for \$48.9 million. The proceeds of these funds are to be used for the Cheney Stadium renovations and other capital projects.

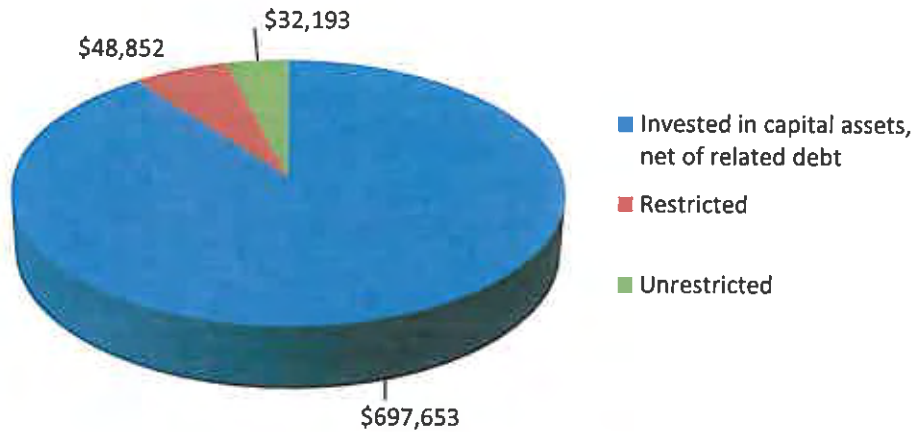


Figure 5. Composition of Net Assets--Governmental Activities (Amounts expressed in thousands)

City of Tacoma, Washington
Changes in Net Assets

(Amounts expressed in thousands)	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues						
Charges for services	\$ 38,574	\$ 37,282	\$ 589,299	\$ 627,693	\$ 627,873	\$ 664,975
Operating grants and contributions	24,245	12,516	3,821	11,252	28,066	23,768
Capital grants and contributions	5,058	8,244	43,784	35,600	48,842	43,844
General revenues						
Property taxes	62,564	58,498	-	-	62,564	58,498
Other taxes	85,308	96,720	-	1,715	85,308	98,435
Other	40,426	9,271	(15,823)	22,575	24,603	31,846
Total revenue	<u>\$ 256,175</u>	<u>\$ 222,531</u>	<u>\$ 621,081</u>	<u>\$ 698,835</u>	<u>\$ 877,256</u>	<u>\$ 921,366</u>
Expenditures						
General government	\$ 27,788	\$ 24,504	\$ -	\$ -	\$ 27,788	\$ 24,504
Public safety	168,059	143,922	-	-	168,059	143,922
Physical environment	-	622	-	-	-	622
Transportation	37,608	53,007	-	-	37,608	53,007
Health and human services	2,369	2,051	-	-	2,369	2,051
Economic development	30,332	26,947	-	-	30,332	26,947
Culture and recreation	30,052	22,815	-	-	30,052	22,815
Interest on long-term debt	3,777	3,905	-	-	3,777	3,905
Public assembly facilities	-	-	19,051	18,562	19,051	18,562
Rail	-	-	16,986	20,286	16,986	20,286
Solid waste	-	-	51,563	52,530	51,563	52,530
Sewer	-	-	61,681	55,121	61,681	55,121
Water	-	-	61,769	58,685	61,769	58,685
Power	-	-	317,481	334,180	317,481	334,180
Other business-type funds	-	-	3,017	6,922	3,017	6,922
Total expenses	<u>\$ 299,985</u>	<u>\$ 277,773</u>	<u>\$ 531,548</u>	<u>\$ 546,286</u>	<u>\$ 831,533</u>	<u>\$ 824,059</u>
Increase/(Decrease) in net assets before transfers	(43,810)	(55,242)	89,533	152,549	45,723	97,307
Transfers	-	35,212	-	(35,212)	-	-
Increase/(Decrease) in net assets	<u>\$ (43,810)</u>	<u>\$ (20,030)</u>	<u>\$ 89,533</u>	<u>\$ 117,337</u>	<u>\$ 45,723</u>	<u>\$ 97,307</u>
Net assets—January 1, 2009	859,881	883,895	1,526,277	1,408,158	2,386,158	2,292,053
Prior Period Adjustments	(37,373)	(3,984)	41,884	781	4,511	(3,203)
Net assets—January 1, 2009	<u>822,508</u>	<u>879,911</u>	<u>1,568,161</u>	<u>1,408,939</u>	<u>2,390,669</u>	<u>2,288,850</u>
Net assets—December 31, 2009	<u>\$ 778,698</u>	<u>\$ 859,881</u>	<u>\$ 1,657,694</u>	<u>\$ 1,526,276</u>	<u>\$ 2,436,392</u>	<u>\$ 2,386,157</u>

Table 2. Changes in Net Assets

The governmental activities net assets decreased by \$81.2 million in 2009 due to a decrease in assets of \$23.6 million and an increase of \$57.6 million in liabilities.

Business activities' net assets increased by \$131.4 million in 2009, which is \$13.3 million higher than 2008. This is a result of a decrease in expenses of \$14.7 million.

Information on significant outstanding claims can be found in Note 9.

Financial Analysis of the City's Fund Statements

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

Governmental Fund Statements

Fund balance for the City's General Fund decreased by \$14.1 million in 2009. The fund balance for the Non-Major governmental funds, which include debt service funds, capital projects funds, and special revenue funds, increased by \$34.9 million. The General Fund's balance decreased due to lower tax revenues, lower intergovernmental revenues and increased expenditures.

Proprietary Fund Statements

The total net assets for enterprise funds' decreased \$87.3 million in 2009. The Power, Water, Solid Waste and Sewer utilities make up the majority of the proprietary funds. Activity in these utilities was the primary driver for the change in the net assets. All four of these utilities had a significant increase in their net assets due to upgrades to existing utility plants or capital contributions.

The internal service funds' net assets decreased by \$6.1 million. This is the result of increased liabilities of \$9.0 million and an increase of \$3.9 million in capital assets.

General Fund Budgetary Highlights

In 2009, the City made budgetary adjustments as part of the 2009-2010 Biennium End Budget Amendment. Budget revisions included \$5.5 million of transfers from other funds to support the General Fund. The City's budget is a two year biennium budget which begins every odd year.

Capital Assets, Infrastructure, Bond Debt Administration

Capital Assets

The City of Tacoma's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities as of December 31, 2009, is \$2.1 billion. This investment in capital assets includes land, construction in process, property, plant and equipment, infrastructure, museum and historical collections, as well as library materials. The vast majority of this amount represents assets held by the City's various utilities and infrastructure.

The following table summarizes the City's investment in capital assets.

City of Tacoma, Washington
Schedule of Capital Assets

(Amounts expressed in thousands)

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 26,807	\$ 25,419	\$ 136,986	\$ 133,903	\$ 163,793	\$ 159,322
Parks	5,248	5,245	-	-	5,248	5,245
Construction in progress	62,591	17,461	70,092	192,239	132,683	209,700
Property, plant and equipment	199,603	242,244	3,095,572	2,765,369	3,295,175	3,007,613
Infrastructure	1,137,537	1,131,836	-	-	1,137,537	1,131,836
Works of art	1,545	918	-	-	1,545	918
Library materials	19,259	19,384	-	-	19,259	19,384
Less accumulated depreciation	(664,950)	(639,471)	(1,123,828)	(1,018,778)	(1,788,778)	(1,658,249)
Other Non-Current Assets	-	-	-	8,448	-	8,448
	<u>\$ 787,640</u>	<u>\$ 803,036</u>	<u>\$ 2,178,822</u>	<u>\$ 2,081,181</u>	<u>\$ 2,966,462</u>	<u>\$ 2,884,217</u>

Table 3. Schedule of Capital Assets

Additional information on the City's capital assets can be found in Notes 1-D5 and 4-C of the Notes to the Financial Statements.

Outstanding Debt

The City's debt at December 31, 2009 was \$1.3 billion. Approximately 80% of the bonded debt is related to utilities with repayment pledged by specific revenue sources generated by the utilities. Of the remaining 20% bonded debt, debt is either secured by voter approved special levies or general government resources. Additional information on the City of Tacoma's long-term debt can be found in Note 4-F and Note 12 of the Notes to the Financial Statements.

City of Tacoma, Washington
Schedule of Long Term Debt

(Amounts expressed in thousands)

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Bonded debt and loans	\$ 136,368	\$ 82,982	\$ 1,175,313	\$ 1,150,767	\$ 1,311,681	\$ 1,233,749
Capital leases	2,501	3,401	180	220	2,681	3,621
Claims and judgments	59,693	54,342	1,972	2,501	61,665	56,843
Accrued landfill liability	-	-	40,786	39,833	40,786	39,833
Compensated absences	19,443	18,280	16,342	14,756	35,785	33,036
	<u>\$ 218,005</u>	<u>\$ 159,005</u>	<u>\$ 1,234,593</u>	<u>\$ 1,208,077</u>	<u>\$ 1,452,598</u>	<u>\$ 1,367,082</u>

Table 4. Schedule of Long Term Debt

The City's debt rating for 2009 is as follows:

	Moody's	S&P	Fitch
GO	A1	AA-	AA-
LTGO	A1	AA-	AA-
Solid Waste	A2	AA	A+
Sewer	Aa3	AA+	AAA
Water	Aaa	AAA	-
RWSS	Aa3	AA-	-
Power	Aa3	AA-	A+
Convention Center Revenue	A3	A	A+

Economic Factors

The economy in Tacoma has managed to survive the economic downturn better than many other areas, primarily due to the two main economic engines, military and health care, powering the local economy. The strong military and health care sectors provide a counter cyclical support which offsets negative forces.

As we moved closer to 2010, the economy suffered the worst downturn in many years, with significant drop off in tax receipts and a significant increase in the unemployment levels. This, in turn, has caused an increase in demand for City services, while we are underperforming in terms of revenues, challenges that the City anticipates facing head on until the fundamentals in the economy turn around and the economy starts to rebound.

Other Considerations

In response to the slowing economy, the City has taken steps to reduce the discretionary spending, but revenue growth is limited by several citizen initiatives that limit the growth of property tax collections, and a significant decrease in the sales of homes and new vehicles.

The City has adopted the Model Ordinance in accordance with Washington State House Bill 2030 to provide for municipal tax uniformity among the cities in Washington that impose a Business & Occupation (B&O) tax. The Model Ordinance adversely impacts the City's B&O tax revenues; the full impact is estimated at a minimum of \$1.5 million a year beginning in 2008.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Tacoma Finance Department, 747 Market Street Room 132, Tacoma, Washington 98402.

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STATEMENT OF NET ASSETS
December 31, 2009
(amounts expressed in thousands)
Page 1 of 2

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 184,071	\$ 409,785	\$ 593,856
Investments at fair value	2,232	-	2,232
Receivables (net of allowance for uncollectibles)	22,705	89,785	112,490
Due from other governmental units	13,809	1,446	15,255
Internal balances	13,687	(13,687)	-
Inventories	3,435	11,186	14,621
Prepays	753	2,555	3,308
Other non-current assets	7,337	3,280	10,617
Temporarily restricted assets:			
Cash and cash equivalents	-	338,833	338,833
Investments at fair value	-	805	805
Notes and contracts receivable	-	3,768	3,768
Contracts, notes, non-current leases	-	62,319	62,319
Capital assets (not being depreciated):			
Land	26,807	136,986	163,793
Parks	5,248	-	5,248
Construction in progress	62,591	70,092	132,683
Capital assets:			
Property, plant, and equipment	199,603	3,095,572	3,295,175
Infrastructure	1,137,537	-	1,137,537
Works of art	1,545	-	1,545
Library materials	19,259	-	19,259
Accumulated depreciation	(664,950)	(1,123,828)	(1,788,778)
Total assets	<u>\$ 1,035,669</u>	<u>\$ 3,088,897</u>	<u>\$ 4,124,566</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 17,936	\$ 61,781	\$ 79,717
Deposits payable	17	3,717	3,734
Due to other governments	270	384	654
Unearned revenue	5,951	97,207	103,158
Payable from restricted assets			
current liabilities	-	1,900	1,900
Other liabilities	-	19,799	19,799
Special assessment debt with governmental commitment	260	-	260
Net OPEB obligation	14,235	4,701	18,936
Non-current liabilities:			
Due within one year	62,658	54,211	116,869
Due in more than one year	155,644	1,187,503	1,343,147
Total liabilities	<u>\$ 256,971</u>	<u>\$ 1,431,203</u>	<u>\$ 1,688,174</u>
NET ASSETS			
Investment in capital assets, net of related debt	\$ 697,653	\$ 1,286,616	\$ 1,984,269
Restricted for:			
Capital purposes	-	23,477	23,477
Debt service	48,852	39,156	88,008
Housing urban development	-	-	-
Water & assurance & system development	-	28,143	28,143
Other purposes	-	3,363	3,363
Unrestricted	32,193	276,939	309,132
Total net assets	<u>\$ 778,698</u>	<u>\$ 1,657,694</u>	<u>\$ 2,436,392</u>

COMPONENT UNITS		
TCRA	GTRCC PFD	FWDA
\$ 2,645	\$ 195	\$ 837
-	-	-
1,143	-	174
-	191	6
-	-	-
-	-	-
12	-	20
-	-	-
-	-	-
-	-	-
45,654	-	-
434	-	8,322
-	-	1,445
-	-	2,370
2,957	-	13,976
-	-	-
-	-	-
-	-	(1,257)
<u>\$ 52,845</u>	<u>\$ 386</u>	<u>\$ 25,893</u>
2,688	-	107
-	-	29
-	386	4,161
-	-	25
-	-	-
-	-	-
-	-	-
362	-	-
4,662	-	-
<u>\$ 7,712</u>	<u>\$ 386</u>	<u>\$ 4,322</u>
\$ 3,391	\$ -	\$ 20,695
-	-	-
-	-	-
41,742	-	-
-	-	-
-	-	-
-	-	876
<u>\$ 45,133</u>	<u>\$ -</u>	<u>\$ 21,571</u>

STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
 Page 1 of 2

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANT & CONTRIBUTIONS
Primary government:				
Governmental activities:				
General government	\$ 27,788	\$ 11,747	\$ 337	\$ -
Public safety	168,059	12,409	2,498	337
Transportation	37,608	7,820	15,663	1,098
Health and human services	2,369	815	56	-
Economic environment	30,332	5,372	5,069	929
Culture and recreation	30,052	411	622	2,694
Interest on long-term debt	3,777	-	-	-
Total governmental activities	<u>\$ 299,985</u>	<u>\$ 38,574</u>	<u>\$ 24,245</u>	<u>\$ 5,058</u>
Business-type activities:				
Airport	\$ 73	\$ -	\$ -	\$ -
Mountain Rail	2,536	2,005	3,737	-
Parking Garage	2,940	3,328	-	19,115
Convention Center	10,451	4,046	-	-
Baseball Park	689	222	-	2,298
Tacoma Dome	5,983	5,596	-	-
Performing Arts	1,928	-	-	148
Solid Waste	51,563	55,928	84	-
Waste Water	61,681	75,098	-	2,559
Union Station	4	-	-	-
Tacoma Rail	14,450	15,574	-	837
Water	61,769	65,622	-	7,121
Power	317,000	361,694	-	9,845
Low income Assistance	-	181	-	-
Power - Conservation	481	5	-	1,861
Total business-type activities	<u>\$ 531,548</u>	<u>\$ 589,299</u>	<u>\$ 3,821</u>	<u>\$ 43,784</u>
Total primary government	<u>\$ 831,533</u>	<u>\$ 627,873</u>	<u>\$ 28,066</u>	<u>\$ 48,842</u>
Component units:				
TCRA	\$ 2,502	\$ -	\$ 3,989	\$ -
GRTCC PDF	2,562	-	-	-
FWDA	1,412	538	1,663	27
Total component units	<u>\$ 6,476</u>	<u>\$ 538</u>	<u>\$ 5,652</u>	<u>\$ 27</u>

General revenues:
 Property taxes
 Sales taxes
 Business taxes
 Unrestricted investment earnings
 Gain on sale of capital assets
 Transfers
 Total general revenues and transfers
 Change in net assets
 Net assets beginning
 Prior period adjustment
 Net assets beginning (restated)
 Net assets ending

CHANGES IN NET ASSETS					
PRIMARY GOVERNMENT			COMPONENT UNITS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TCRA	GTRCC PFD	FWDA
\$ (15,704)	\$ -	\$ (15,704)	\$ -	\$ -	\$ -
(152,815)	-	(152,815)	-	-	-
(13,027)	-	(13,027)	-	-	-
(1,498)	-	(1,498)	-	-	-
(18,962)	-	(18,962)	-	-	-
(26,325)	-	(26,325)	-	-	-
(3,777)	-	(3,777)	-	-	-
<u>\$ (232,108)</u>	<u>\$ -</u>	<u>\$ (232,108)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (73)	\$ (73)	\$ -	\$ -	\$ -
-	3,206	3,206	-	-	-
-	19,503	19,503	-	-	-
-	(6,405)	(6,405)	-	-	-
-	1,831	1,831	-	-	-
-	(387)	(387)	-	-	-
-	(1,780)	(1,780)	-	-	-
-	4,449	4,449	-	-	-
-	15,976	15,976	-	-	-
-	(4)	(4)	-	-	-
-	1,961	1,961	-	-	-
-	10,974	10,974	-	-	-
-	54,539	54,539	-	-	-
-	181	181	-	-	-
-	1,385	1,385	-	-	-
<u>\$ -</u>	<u>\$ 105,356</u>	<u>\$ 105,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (232,108)</u>	<u>\$ 105,356</u>	<u>\$ (126,752)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 1,487	\$ -	\$ -
-	-	-	-	(2,562)	-
-	-	-	-	-	816
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,487</u>	<u>\$ (2,562)</u>	<u>\$ 816</u>
\$ 62,564	\$ -	\$ 62,564	\$ -	\$ -	\$ -
42,256	-	42,256	-	2,543	-
43,052	-	43,052	640	19	-
5,699	18,427	24,126	-	-	11
344	133	477	-	-	-
<u>34,383</u>	<u>(34,383)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 188,298</u>	<u>\$ (15,823)</u>	<u>\$ 172,475</u>	<u>\$ 640</u>	<u>\$ 2,562</u>	<u>\$ 11</u>
<u>\$ (43,810)</u>	<u>\$ 89,533</u>	<u>\$ 45,723</u>	<u>\$ 2,127</u>	<u>\$ -</u>	<u>\$ 827</u>
<u>\$ 859,881</u>	<u>\$ 1,526,277</u>	<u>\$ 2,386,158</u>	<u>\$ 42,999</u>	<u>\$ -</u>	<u>\$ 20,744</u>
<u>\$ (37,373)</u>	<u>\$ 41,884</u>	<u>\$ 4,511</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 822,508</u>	<u>\$ 1,568,161</u>	<u>\$ 2,390,669</u>	<u>\$ 43,006</u>	<u>\$ -</u>	<u>\$ 20,744</u>
<u>\$ 778,698</u>	<u>\$ 1,657,694</u>	<u>\$ 2,436,392</u>	<u>\$ 45,133</u>	<u>\$ -</u>	<u>\$ 21,571</u>

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009
(amounts expressed in thousands)

	GENERAL FUND # 0010	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash & cash equivalents	\$ 15,801	\$ 114,695	\$ 130,496
Investments	-	2,232	2,232
Accounts receivables (net of allowances)	12,776	5,143	17,919
Due from other funds	6,575	1,277	7,852
Due from other governmental units	4,307	9,425	13,732
Prepaid expenditures	378	1	379
Inventory	2,469	275	2,744
Other current assets	3	3,518	3,521
Advances to other funds	13,249	5,885	19,134
TOTAL ASSETS	\$ 55,558	\$ 142,451	\$ 198,009
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 2,801	\$ 3,528	\$ 6,329
Accrued wages and benefits payable	3,969	291	4,260
Notes, leases & contracts payable	2	-	2
Deposits Payable	4	13	17
Accrued taxes payable	12	23	35
Due to other funds	4,985	1,334	6,319
Due to other governmental units	217	-	217
Deferred revenue	5,131	5,971	11,102
Advances from other funds	-	6,151	6,151
Other current liabilities	176	950	1,126
Total liabilities	\$ 17,297	\$ 18,261	\$ 35,558
Fund balances			
Reserved for:			
Encumbrances	\$ 4,699	\$ 40,318	\$ 45,017
Advances to other funds	13,249	5,885	19,134
Other purposes	6,569	4,757	11,326
Unreserved reported in:			
General fund	13,744	-	13,744
Non-major Special Revenue Funds	-	14,432	14,432
Non-major Debt Service Funds	-	1,001	1,001
Non-major Capital Project Funds	-	57,797	57,797
Total fund balances	\$ 38,261	\$ 124,190	\$ 162,451
TOTAL LIABILITIES AND FUND BALANCES	\$ 55,558	\$ 142,451	\$ 198,009

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEETS
 TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
 December 31, 2009
 (amounts expressed in thousands)

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	162,451
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds balance sheet		749,628
Internal service funds are used by management to charge the cost of various support services such as information systems, graphic services, communication, fleet and others activities to individual funds. The assets and liabilities of the Internal service funds are included in the government activities in the statement of net assets.		21,441
Long Term Receivables are not reported in the governmental funds balance sheet		3,445
Certain taxes will be collected after year-end and will not be available to pay for current year expenditures and are reported as deferred revenue.		5,154
Long Term Liabilities are not reported in the governmental funds balance sheet		(342)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.		(166,895)
Negative Net Pension Obligation (NPO) is reported as an asset in the governmental activities and is not considered to represent a financial asset, therefore, are not reported in the governmental funds balance sheet.		<u>3,816</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u><u>778,698</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
 Page 1 of 1

	GENERAL FUND #0010	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 126,721	\$ 18,380	\$ 145,101
Licenses and permits	4,713	669	5,382
Intergovernmental revenues	8,887	32,104	40,991
Charges for services	2,942	7,894	10,836
Fines and forfeits	4,031	586	4,617
Investment earnings	1,634	2,497	4,131
Miscellaneous revenues	267	2,339	2,606
TOTAL REVENUES	\$ 149,195	\$ 64,469	\$ 213,664
EXPENDITURES			
Current:			
General government	\$ 22,159	\$ 2,852	\$ 25,011
Security of persons and property	132,004	15,402	147,406
Transportation	15,344	8,720	24,064
Economic environment	19,470	9,212	28,682
Mental & physical health	1,364	892	2,256
Culture & recreation	12,930	255	13,185
Capital outlay	1,470	38,702	40,172
Debt service:			
Principal payment	-	4,949	4,949
Interest payment fiscal charges	42	3,735	3,777
TOTAL EXPENDITURES	\$ 204,783	\$ 84,719	\$ 289,502
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (55,588)	\$ (20,250)	\$ (75,838)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	\$ 170	-	\$ 170
Transfer in	47,033	9,602	56,635
Transfer (out)	(5,759)	(10,853)	(16,612)
Issuance of debt	-	56,335	56,335
Premium on debt issue	-	226	226
Discount on debt issue	-	(154)	(154)
TOTAL OTHER FINANCE SOURCES (USES)	\$ 41,444	\$ 55,156	\$ 96,600
NET CHANGE IN FUND BALANCE	\$ (14,144)	\$ 34,906	\$ 20,762
FUND BALANCE JANUARY 1	\$ 52,405	\$ 89,284	\$ 141,689
FUND BALANCE DECEMBER 31	\$ 38,261	\$ 124,190	\$ 162,451

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009
(amounts expressed in thousands)

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	20,762
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures in the year purchased. The entity wide statement of activities reports capital outlay as depreciation expense over the life of the asset. This is the amount by which capital outlays exceeded depreciation in the current period.		
		(3,320)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
		6,216
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Net OPEB obligation		(6,427)
Compensated absences		(1,206)
Net Pension obligation		2,770
The net revenue of certain activities of internal service funds is reported with governmental activities:		
Profit Loss reallocation that decrease expenditure		(11,147)
Debt proceeds provide current financial resources to governmental funds but issuing debt increases non-current liabilities in the statement of net assets. Repayment of non-current debt is an expenditure in the governmental funds but on the statement of net assets it reduces the liability:		
Bond Issuance Cost/Discount Amortization		(2)
Proceeds from debt issuance		(56,405)
Principal repayment		4,949
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>(43,810)</u>

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2009
 (amounts expressed in thousands)
 Page 1 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
ASSETS			
Current assets:			
Cash & cash equivalents	\$ 101,206	\$ 20,541	\$ 220,835
Accounts receivable - net of allowance for uncollectibles	10,690	10,492	54,766
Due from other funds	1,782	1,188	4,201
Due from other governmental units	384	-	-
Inventory	777	2,524	6,764
Prepaid expenses	84	1,009	-
Other current assets	-	-	3,280
Restricted assets:			
Cash for construction	44,300	60,375	31,016
Cash for debt service	5,910	2,873	42,697
Cash for other special purposes	559	66,491	28,949
Investments for other special purposes	-	-	-
Notes and contracts receivable	-	3,663	-
Total restricted assets	<u>\$ 50,769</u>	<u>\$ 133,402</u>	<u>\$ 102,662</u>
Total current assets	<u>\$ 165,692</u>	<u>\$ 169,156</u>	<u>\$ 392,508</u>
Non-current assets:			
Notes, contracts, leases receivable - non-current	\$ 657	\$ -	\$ -
Advances to other funds	-	-	-
Other non-current assets	881	3,654	7,305
Capital assets:			
Land	5,323	20,240	69,840
Property, plant, and equipment	530,736	709,748	1,435,063
Accumulated depreciation	(156,812)	(133,167)	(644,837)
Construction work in process	8,160	8,384	40,995
Total capital assets net of depreciation	<u>\$ 387,407</u>	<u>\$ 605,205</u>	<u>\$ 901,061</u>
Total non-current assets	<u>\$ 388,945</u>	<u>\$ 608,859</u>	<u>\$ 908,366</u>
TOTAL ASSETS	<u>\$ 554,637</u>	<u>\$ 778,015</u>	<u>\$ 1,300,874</u>

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2009
 (amounts expressed in thousands)
 Page 2 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,295	\$ 1,847	\$ 13,409
Accrued wages and benefits payable	639	683	2,811
Accrued taxes payable	583	1,089	17,608
Accrued interest payable	331	1,520	11,769
Deposits payable	-	266	3,091
Environmental liability - current	549	-	-
Notes, contracts & leases payable - current	3,329	2,170	-
Revenue bonds - current portions	2,136	6,075	30,820
Due to other funds	2,413	1,754	3,878
Due to other government units	384	-	-
Deferred revenues	22,805	54,715	10,533
Other current liabilities	-	-	-
Liabilities payable from restricted assets:			
Revenue bonds - current portion	194	-	-
Bonds interest payable	451	-	-
Deposits payable	559	-	-
Total current liabilities	<u>\$ 35,668</u>	<u>\$ 70,119</u>	<u>\$ 93,919</u>
Non-current liabilities			
Environmental liability - non-current	\$ 1,423	\$ -	\$ -
Notes, contracts & leases payable - non-current	69,155	35,005	-
Revenue bonds - non-current portion	105,902	256,924	459,202
Accrued employee leave benefits	1,752	2,496	9,602
Advances from other funds	-	-	-
Incurred but not yet reported	-	-	-
Net OPEB obligation	738	878	2,557
Other noncurrent liabilities	-	-	-
Liabilities payable from restricted assets:			
Accrued landfill liability	-	-	-
Total non-current liabilities	<u>\$ 178,970</u>	<u>\$ 295,303</u>	<u>\$ 471,361</u>
TOTAL LIABILITIES	<u>\$ 214,638</u>	<u>\$ 365,422</u>	<u>\$ 565,280</u>
NET ASSETS			
Investment in capital assets net of related debt	294,076	369,573	478,420
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for debt	5,263	1,353	30,928
Restricted for water assurance and systems development	-	28,143	-
Restricted for other purposes	-	-	2,338
Unrestricted	40,660	13,524	223,908
TOTAL NET ASSETS	<u>\$ 339,999</u>	<u>\$ 412,593</u>	<u>\$ 735,594</u>

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2009
 (amounts expressed in thousands)
 Page 3 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
ASSETS			
Current assets:			
Cash & cash equivalents	\$ 39,469	\$ 382,051	\$ 81,309
Accounts receivable - net of allowance for uncollectibles	13,938	89,886	1,345
Due from other funds	1,971	9,142	8,062
Due from other governmental units	1,062	1,446	-
Inventory	733	10,798	1,079
Prepaid expenses	1,462	2,555	374
Other current assets	-	3,280	-
Restricted assets:			
Cash for construction	41,126	176,817	-
Cash for debt service	6,381	57,861	-
Cash for other special purposes	8,156	104,155	-
Investments for other special purposes	805	805	-
Notes and contracts receivable	-	3,663	-
Total restricted assets	<u>\$ 56,468</u>	<u>\$ 343,301</u>	<u>\$ -</u>
Total current assets	<u>\$ 115,103</u>	<u>\$ 842,459</u>	<u>\$ 92,169</u>
Non-current assets:			
Notes, contracts, leases receivable - non-current	\$ 47,842	\$ 48,499	\$ -
Advances to other funds	-	-	1,916
Other non-current assets	1,980	13,820	-
Capital assets:			
Land	41,583	136,986	357
Property, plant, and equipment	369,504	3,045,051	144,289
Accumulated depreciation	(155,469)	(1,090,285)	(95,753)
Construction work in process	11,431	68,970	7,219
Total capital assets net of depreciation	<u>\$ 267,049</u>	<u>\$ 2,160,722</u>	<u>\$ 56,112</u>
Total non-current assets	<u>\$ 316,871</u>	<u>\$ 2,223,041</u>	<u>\$ 58,028</u>
TOTAL ASSETS	<u>\$ 431,974</u>	<u>\$ 3,065,500</u>	<u>\$ 150,197</u>

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2009
 (amounts expressed in thousands)
 Page 4 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3,757	\$ 20,308	\$ 6,811
Accrued wages and benefits payable	818	4,951	779
Accrued taxes payable	763	20,043	47
Accrued interest payable	910	14,530	62
Deposits payable	360	3,717	-
Environmental liability - current	-	549	-
Notes, contracts & leases payable - current	1,439	6,938	1,600
Revenue bonds - current portions	7,693	46,724	-
Due to other funds	2,819	10,864	7,858
Due to other government units	-	384	-
Deferred revenues	9,154	97,207	3
Other current liabilities	85	85	52,536
Liabilities payable from restricted assets:			
Revenue bonds - current portion	302	496	-
Bonds interest payable	338	789	-
Deposits payable	56	615	-
Total current liabilities	<u>\$ 28,494</u>	<u>\$ 228,200</u>	<u>\$ 69,696</u>
Non-current liabilities			
Environmental liability - non-current	\$ -	\$ 1,423	\$ -
Notes, contracts & leases payable - non-current	63,899	168,059	3,095
Revenue bonds - non-current portion	138,865	960,893	-
Accrued employee leave benefits	2,327	16,177	1,679
Advances from other funds	11,928	11,928	2,969
Incurred but not yet reported	-	-	7,157
Net OPEB obligation	528	4,701	-
Other noncurrent liabilities	19,799	19,799	-
Liabilities payable from restricted assets:			
Accrued landfill liability	40,786	40,786	-
Total non-current liabilities	<u>\$ 278,132</u>	<u>\$ 1,223,766</u>	<u>\$ 14,900</u>
TOTAL LIABILITIES	<u>\$ 306,626</u>	<u>\$ 1,451,966</u>	<u>\$ 84,596</u>
NET ASSETS			
Investment in capital assets net of related debt	126,447	1,268,516	51,958
Restricted:			
Restricted for capital purchases	-	-	23,477
Restricted for debt	1,612	39,156	-
Restricted for water assurance and systems development	-	28,143	-
Restricted for other purposes	(1,554)	784	2,579
Unrestricted	(1,157)	276,935	(12,413)
TOTAL NET ASSETS	<u>\$ 125,348</u>	<u>\$ 1,613,534</u>	<u>\$ 65,601</u>

RECONCILIATION OF TOTAL ENTERPRISE NET ASSTS
 TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 December 31, 2009
 (amounts expressed in thousands)

NET ASSETS - TOTAL ENTERPRISE FUNDS	\$	1,613,534
<p>Amounts reported for business activities in the statement of net assets are different because:</p>		
<p>Internal service fund are used by management to charge the cost of support services to individual enterprise funds. In this case the support service is fleet management. The assets and liabilities of the fleet fund are included in the business activities in the government-wide statement of net assets.</p>		
		44,160
NET ASSETS OF BUSINESS ACTIVITIES	\$	<u><u>1,657,694</u></u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2009
 (amounts expressed in thousands)

Page 1 of 2

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
OPERATING REVENUES:			
Charges for services	\$ 72,596	\$ 63,994	\$ 355,506
Interdepartmental billings	-	-	-
Premiums/contributions	-	-	-
Miscellaneous	999	-	-
TOTAL OPERATING REVENUES	<u>\$ 73,595</u>	<u>\$ 63,994</u>	<u>\$ 355,506</u>
OPERATING EXPENSES:			
Personnel, salaries & wages	\$ 16,428	\$ 19,509	\$ 86,695
Supplies, services, and charges	27,765	14,547	134,154
Health benefit payments	-	-	-
Depreciation	9,543	13,846	53,050
Taxes	257	3,093	15,188
TOTAL OPERATING EXPENSES	<u>\$ 53,993</u>	<u>\$ 50,995</u>	<u>\$ 289,087</u>
OPERATING INCOME (LOSS)	<u>\$ 19,602</u>	<u>\$ 12,999</u>	<u>\$ 66,419</u>
NON-OPERATING REVENUES(EXPENSES):			
Interest revenue	\$ 4,140	\$ 2,900	\$ 8,722
Interest expense and fiscal charges	(6,806)	(10,027)	(22,937)
Amortization of bond discount & expenses	(124)	6	133
Contribution to project need	-	-	(1,230)
Operating grant	-	-	-
Gain (loss) on disposition of property	-	26	-
Miscellaneous	496	743	1,322
NON-OPERATING REVENUE NET OF EXPENSE	<u>\$ (2,294)</u>	<u>\$ (6,352)</u>	<u>\$ (13,990)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 17,308</u>	<u>\$ 6,647</u>	<u>\$ 52,429</u>
Capital contributions	\$ 2,559	\$ 7,121	\$ 9,845
Transfers in	-	-	-
Transfers out	(6,264)	(5,185)	(21,985)
CHANGE IN NET ASSETS	<u>\$ 13,603</u>	<u>\$ 8,583</u>	<u>\$ 40,289</u>
NET ASSETS, JANUARY 1	\$ 326,396	\$ 404,010	\$ 695,305
Prior Year Adjustment	-	-	-
NET ASSETS, JANUARY 1 RESTATED	<u>326,396</u>	<u>404,010</u>	<u>695,305</u>
NET ASSETS, DECEMBER 31	<u>\$ 339,999</u>	<u>\$ 412,593</u>	<u>\$ 735,594</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2009
 (amounts expressed in thousands)

Page 2 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
OPERATING REVENUES:			
Charges for services	\$ 80,407	\$ 572,503	\$ 2,254
Interdepartmental billings	-	-	46,039
Premiums/contributions	-	-	69,756
Miscellaneous	500	1,499	377
TOTAL OPERATING REVENUES	<u>\$ 80,907</u>	<u>\$ 574,002</u>	<u>\$ 118,426</u>
OPERATING EXPENSES:			
Personnel, salaries & wages	\$ 31,609	\$ 154,241	\$ 24,071
Supplies, services, and charges	35,379	211,845	31,180
Health benefit payments	-	-	59,556
Depreciation	11,834	88,273	9,250
Taxes	1,031	19,569	-
TOTAL OPERATING EXPENSES	<u>\$ 79,853</u>	<u>\$ 473,928</u>	<u>\$ 124,057</u>
OPERATING INCOME (LOSS)	<u>\$ 1,054</u>	<u>\$ 100,074</u>	<u>\$ (5,631)</u>
NON-OPERATING REVENUES(EXPENSES):			
Interest revenue	\$ 2,517	\$ 18,279	\$ 1,789
Interest expense and fiscal charges	(10,088)	(49,858)	(73)
Amortization of bond discount & expenses	(39)	(24)	-
Contribution to project need	-	(1,230)	-
Operating grant	3,821	3,821	-
Gain (loss) on disposition of property	(6)	20	287
Miscellaneous	4,808	7,369	(197)
NON-OPERATING REVENUE NET OF EXPENSE	<u>\$ 1,013</u>	<u>\$ (21,623)</u>	<u>\$ 1,806</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 2,067</u>	<u>\$ 78,451</u>	<u>\$ (3,825)</u>
Capital contributions	\$ 24,259	\$ 43,784	\$ -
Transfers in	4,664	4,664	2,375
Transfers out	(5,948)	(39,382)	(7,681)
CHANGE IN NET ASSETS	<u>\$ 25,042</u>	<u>\$ 87,517</u>	<u>\$ (9,131)</u>
NET ASSETS, JANUARY 1	\$ 100,566	\$ 1,526,277	\$ 71,666
Prior Year Adjustment	(260)	(260)	3,066
NET ASSETS, JANUARY 1 RESTATED	<u>100,306</u>	<u>1,526,017</u>	<u>74,732</u>
NET ASSETS, DECEMBER 31	<u>\$ 125,348</u>	<u>\$ 1,613,534</u>	<u>\$ 65,601</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS OF ENTERPRISE FUNDS
TO THE STATEMENT OF ACTIVITIES -
BUSINESS ACTIVITIES
For the Year Ended December 31, 2009
(amounts expressed in thousands)

NET CHANGES IN NET ASSETS - TOTAL ENTERPRISE FUNDS	\$	87,517
Amounts reported for busnines activities in the statement of activities are different because:		
The net revenue of certain activities of internal service funds is reported with business activities:		
Profit Loss reallocation that decrease expenditure		2,016
 CHANGES IN NET ASSETS OF BUSINESS ACTIVITIES	 \$	 <u>89,533</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

Page 1 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 70,291	\$ 62,757	\$ 354,131
Receipts from interfund services provided	-	-	-
Contributions received - employee/employer	-	-	-
Payments to suppliers	(20,540)	(14,833)	(148,927)
Payments to employees	(21,982)	(19,165)	(83,984)
Payments to insurance carriers	-	-	-
Payments for taxes	(1,200)	(3,227)	(14,594)
Payments for interfund services used	-	-	-
Other operating revenues (expenses)	-	-	(5,617)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 26,569	\$ 25,532	\$ 101,009
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	\$ (6,018)	\$ (5,185)	\$ (21,985)
Grants received	512	-	-
Debt service related to environmental	(2,247)	-	-
Contributions and Donations	-	-	(1,230)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ (7,753)	\$ (5,185)	\$ (23,215)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	\$ (225)	\$ -	\$ -
Acquisition and construction of capital assets	(15,561)	(25,799)	(97,956)
System development charges	-	5,215	-
Proceeds from capital debt	-	81,006	-
Proceeds from the sale of capital assets	-	26	-
Proceeds from leased property	-	-	-
Pantages lease and leaseback	-	-	-
Principal paid on capital debt	(5,265)	(7,939)	(26,590)
Interest paid on capital debt	(5,191)	(9,398)	(24,229)
Change in deferred credits	-	-	7,145
Contributions and donations	-	-	9,845
Grants received	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ (26,242)	\$ 43,111	\$ (131,785)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	\$ 4,140	\$ 1,955	\$ 8,722
Rental and other income	51	497	1,315
Other net non-operating revenues and deductions	-	108	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 4,191	\$ 2,560	\$ 10,037
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (3,235)	\$ 66,018	\$ (43,954)
CASH & CASH EQUIVALENTS, JANUARY 1	155,210	84,262	367,451
CASH , RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 151,975	\$ 150,280	\$ 323,497

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

Page 2 of 4

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WASTE WATER FUND #4300/4301	WATER FUND #4600	POWER FUND #4700
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 19,602	\$ 12,999	\$ 66,419
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 9,543	\$ 13,846	\$ 53,050
(increase) decrease in accounts receivable	(1,010)	(1,237)	(1,305)
(Increase) decrease in intergovernmental receivables	(365)	-	-
(Increase) decrease in due from other funds	(425)	(733)	(2,002)
(Increase) decrease in inventories	(80)	93	1,303
(Increase) decrease in prepaid items	(64)	24	-
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in deposits payable	52	19	(28)
Increase (decrease) in accounts payable	(754)	(969)	(16,233)
Increase (decrease) in accrued wages payable	81	109	586
Increase (decrease) in compensated absences	136	216	1,125
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in intergovernmental payables	21	-	-
Increase (decrease) in due to other funds	93	1,165	3,780
Increase (decrease) in deferred revenues	46	-	-
Increase (decrease) in other current liabilities	-	-	-
Increase (decrease) in notes, contracts, and leases payable	(78)	-	-
Increase (decrease) in other long-term liabilities	(229)	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	(5,686)
Total adjustments	\$ 6,967	\$ 12,533	\$ 34,590
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 26,569	\$ 25,532	\$ 101,009
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	2,458	-	-

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
 Page 3 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
	FUNDS	FUNDS	FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 81,824	\$ 569,003	\$ 16,087
Receipts from interfund services provided	69	69	27,912
Contributions received - employee/employer	-	-	70,080
Payments to suppliers	(37,974)	(222,274)	(94,379)
Payments to employees	(26,839)	(151,970)	(11,318)
Payments to insurance carriers	(44)	(44)	(258)
Payments for taxes	(1,257)	(20,278)	-
Payments for interfund services used	(434)	(434)	414
Other operating revenues (expenses)	-	(5,617)	(1,234)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 15,345	\$ 168,455	\$ 7,304
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	\$ (1,540)	\$ (34,728)	\$ (4,345)
Grants received	441	953	-
Debt service related to environmental	-	(2,247)	-
Contributions and Donations	2,893	1,663	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 1,794	\$ (34,359)	\$ (4,345)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	\$ 173	\$ (52)	\$ 778
Acquisition and construction of capital assets	(10,500)	(149,816)	(13,377)
System development charges	-	5,215	-
Proceeds from capital debt	351	81,357	-
Proceeds from the sale of capital assets	1,567	1,593	309
Proceeds from leased property	1,922	1,922	-
Pantages lease and leaseback	3,969	3,969	-
Principal paid on capital debt	(12,448)	(52,242)	(55)
Interest paid on capital debt	(12,556)	(51,374)	(40)
Change in deferred credits	-	7,145	-
Contributions and donations	5,245	15,090	(291)
Grants received	1,574	1,574	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ (20,703)	\$ (135,619)	\$ (12,676)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	\$ 2,401	\$ 17,218	\$ 2,074
Rental and other income	52	1,915	-
Other net non-operating revenues and deductions	35	143	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 2,488	\$ 19,276	\$ 2,074
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (1,076)	\$ 17,753	\$ (7,643)
CASH & CASH EQUIVALENTS, JANUARY 1	93,561	700,484	88,952
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	2,647	2,647	-
CASH , RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 95,132	\$ 720,884	\$ 81,309

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
 Page 4 of 4

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	NON-MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERAL SERVICE FUNDS
	FUNDS	FUNDS	FUNDS
RECONCILIATION OF OPERATING INCOME			
(LOSS) TO NET CASH PROVIDED (USED)			
BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 1,054	\$ 100,074	\$ (5,631)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 11,834	\$ 88,273	\$ 9,250
(increase) decrease in accounts receivable	1,765	(1,787)	259
(Increase) decrease in intergovernmental receivables	-	(365)	-
(Increase) decrease in due from other funds	(349)	(3,509)	(4,758)
(Increase) decrease in inventories	(51)	1,265	(79)
(Increase) decrease in prepaid items	(55)	(95)	579
(Increase) decrease in other current assets	(17)	(17)	-
Increase (decrease) in deposits payable	(715)	(672)	-
Increase (decrease) in accounts payable	(1,281)	(19,237)	(611)
Increase (decrease) in accrued wages payable	183	959	183
Increase (decrease) in compensated absences	(47)	1,430	232
Increase (decrease) in deferred credits	(228)	(228)	-
Increase (decrease) in in intergovernmental payables	(272)	(251)	-
Increase (decrease) in due to other funds	933	5,971	3,454
Increase (decrease) in deferred revenues	667	713	-
Increase (decrease) in other current liabilities	(8)	(8)	5,351
Increase (decrease) in notes, contracts, and leases payable	-	(78)	-
Increase (decrease) in other long-term liabilities	1,162	933	-
Miscellaneous non-operating revenues (expenditures)	770	(4,916)	(925)
Total adjustments	\$ 14,291	\$ 68,381	\$ 12,935
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 15,345	\$ 168,455	\$ 7,304
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	21,413	23,871	-

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2009
 (amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6240, 6350	AGENCY FUNDS #6570 6790
ASSETS		
Cash & cash equivalents	\$ 53,560	\$ 3,093
Investments at fair value:		
U.S. Obligations	83,229	-
Domestic corporate bonds	245,834	-
Domestic stocks	298,348	-
International stocks	200,234	-
International bonds	23,347	-
International REITs	4,087	-
REITs	71,526	-
Security lending collateral	92,441	-
Accounts receivable: net of uncollectible accounts	5,551	2
Due from other funds	53	3
Capital assets (net of accumulated depreciation)	22	-
TOTAL ASSETS	\$ 1,078,232	\$ 3,098
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 599	\$ 122
Accrued wages and benefits payable	1,234	664
Deposits payable	-	-
Due to other funds	77	-
Due to other governmental units	-	2,312
Investment purchase payable	16,594	-
Securities lending collateral	92,441	-
Other current liabilities	3,039	-
Total current liabilities	\$ 113,984	\$ 3,098
Non-current liabilities:		
Accrued employee leave benefits	15	-
Total non-current liabilities	\$ 15	\$ -
TOTAL LIABILITIES	\$ 113,999	\$ 3,098
NET ASSETS		
Held in trust for pension benefits and other purposes	\$ 964,233	\$ -

FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET ASSETS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6240, 6350
ADDITIONS:	
Employer contributions	\$ 30,397
Member contributions	15,684
Other contributions	192
Total contributions	<u>\$ 46,273</u>
Investment Income:	
Net appreciation (depreciation) in FMV of investments	\$ 178,544
Interest and dividends	29,571
Securities lending gross income	496
Total investment income	<u>\$ 208,611</u>
Less Investment expenses::	
Investment management fees	\$ 1,913
Security lending - agent fees	82
Security lending - broker rebates	17
Total investment expense	<u>\$ 2,012</u>
Total investment income	<u>\$ 206,599</u>
TOTAL ADDITIONS	<u>\$ 252,872</u>
DEDUCTIONS:	
Wages and benefits payable	47,663
Health care benefit payments	7,287
Refunds of contributions	1,281
Administrative expenses	2,155
TOTAL DEDUCTIONS	<u>\$ 58,386</u>
NET INCREASE (DECREASE)	<u>\$ 194,486</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Net assets - beginning	769,747
Net assets - ending	<u><u>\$ 964,233</u></u>

Notes to the Financial Statements
For the Year Ended December 31, 2009

NOTES TO FINANCIAL STATEMENTS

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Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 Summary of significant accounting policies**A. The 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. These include police, fire, public works, planning and development, human relations, and general administrative and support services.

The accompanying financial statements present the City and its component units. Component units are separate legal entities for which the City is financially accountable. Exclusion of these entities would cause the City's financial statements to be misleading or incomplete.

Discretely presented Component Units:

The Tacoma Community Redevelopment Authority (TCRA) is a separate public corporation established through City ordinances and the laws of the State of Washington. TCRA was created to administer Human and Urban Development (HUD) programs and assists the City in economic development efforts of a business nature or with homeowners. Separate financial statements for TCRA can be obtained from: TCRA, 747 Market Street, Room 1036, Tacoma, Washington 98402-3773.

The Greater Tacoma Regional Convention Center Public Facilities District (GTRCC PFD, PFD, or District) is a separate public corporation organized under Washington State law. The District was created 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. The District has entered into an interlocal agreement with the City of Tacoma to assist with the construction and operation of a Convention Center. The District imposed the 0.33 percent sales and use tax authorized by RCW 82.08 and 82.12, and also has the authority to impose admission and parking taxes. The District pays these revenues to the City of Tacoma primarily for the debt service on bonds issued by the City for the construction of the Convention Center. The District assigned the title to the Convention Center inclusive of real property, buildings, fixtures, furnishings, appurtenances and improvements to the City of Tacoma. 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 98402-3773.

The Foss Waterway Development Authority (FWDA or Authority), is a separate legal entity and presented as a discretely presented component unit in the City's financial statements. The Authority was created on October 1, 1996 by Resolution No. 33513. Under the terms of an agreement between the City and the Authority, the Authority manages the redevelopment of property within and along the Thea Foss Waterway. The Authority serves to improve the environment, and along with the City, is taking steps to enhance the Waterway. Separate financial statements for the Authority can be obtained from: Foss Waterway Development Authority, c/o the City of Tacoma Finance Department, 747 Market Street, Room 132, Tacoma, Washington 98402-3773.

Joint Ventures:

The City participates in two joint ventures: the Law Enforcement Support Agency (LESA) and the Tacoma-Pierce County Health Department.

The governing bodies of both LESA and the Tacoma-Pierce County Health Department are appointed jointly by the City of Tacoma and Pierce County Councils. The City is not financially accountable for these two entities and contributes substantially less than half of their operating revenues. Financial information for both entities is included in Note 8 Section G.

Notes to the Financial Statements
For the Year Ended December 31, 2009

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 Assets 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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected to follow subsequent private sector guidance for its utility funds.

The City uses encumbrance accounting. Purchase orders, contracts and other commitments are recorded as encumbrances. Encumbrances at year end are reported as reservations of fund balances for governmental type funds. Encumbrances outstanding at the end of the biennium are reappropriated at the beginning of the next biennium.

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 thirty (30) days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred and when goods and services are received, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Deferred revenues represent property taxes that were not available to finance expenditures of the current period and grant revenues received in advance. All other revenue items, including

Notes to the Financial Statements
For the Year Ended December 31, 2009

Property taxes, 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. This reconciliation is part of the 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 fund:

The General fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The Wastewater and Surface Water (Sewer) fund for the planning, design, construction, operation, and maintenance of the Wastewater and Surface water facilities owned by the City.

The Water fund accounts for the activities of the City's water distribution system.

The Power fund accounts for the activities of the City's electric production and distribution operations.

Additionally, the City reports the following fund types:

Internal service funds account for Finance, Budget and Research, BSIP Project, Human Resources, Graphics Services, Fleet Services, Youth Build Tacoma, Equipment Rental, Asphalt Plant, Radio Communications, Third Party Liability Claims, Unemployment Compensation, Worker's Compensation, Facilities Management, Information Systems, Health Benefits, and Self Insurance Claims funds. These funds provide services to other departments on a cost reimbursement basis.

The pension trust fund accounts for the activities of the City's retirement system, which accumulates resources for pension, benefit payments to qualified City employees. The police and fire relief and pension trust funds account for the activities related to the police and fire LEOFF pension system. The employees benefit trust funds include deferred compensation and miscellaneous payroll deduction funds account for activities related to mandatory and optional payroll deductions.

Agency funds account for Law Enforcement Support Agency, Tacoma Urban Network, and Tacoma Pierce County Employment Training Consortium which the City acts as an agent for these funds.

The City has no private purpose trust funds or permanent funds.

D. Assets, liabilities and net assets or equity

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

Notes to the Financial Statements
For the Year Ended December 31, 2009

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 fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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 after year end are considered not available and are recognized as revenues in the fund statements when collected. The total levy is recognized as revenue in the government-wide financial statements, regardless of when collected.

Utility receivables are shown net of an allowance for uncollectibles. The uncollectible 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 home owners. A large majority of the Power utility notes and contracts receivable represent energy conservation efforts between the City and home owners 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.

4. Restricted Assets

Restricted assets in the enterprise funds are monies which are restricted by legal or contractual requirements. These assets are generally intended for either construction of capital assets or for the repayment of debt. See Note 4-G for further information.

5. Capital Assets

Capital assets; which include property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks and similar items), 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 more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair market 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, 2009

The estimated useful lives for all City funds are:

Property, plant, and equipment	2 – 100 years
Infrastructure	5 – 100 years
Works of art	30 years
Library materials	5 years

6. **Compensated Absences**

The City has two different policies for compensated absences. The City's original policy allowed 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 25% of the value of the sick leave at retirement or death or 10% of the value upon termination for any reason. Under the City's current policy, new employees earn Personal Time Off (PTO) without distinction between vacation and sick leave. Employees who worked for the City prior to the change could choose to stay with the original policy or opt to convert to the new policy. The amount of PTO 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.

In governmental funds, vacation pay, sick leave or PTO are recorded as expenditures when paid which occurs when used or upon employee termination. In the entity-wide statements and the proprietary fund statements, vacation pay and PTO are recorded as a liability and expense in the year earned. A liability and expense is recorded for the vested amount of sick leave.

The differences between the governmental fund statements and the entity-wide statements represent reconciling items between the fund level and government-wide financial statements. The reconciliations are included as part of the financial statements.

7. **Long-Term Obligations**

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In governmental fund financial statements, bond premiums and discounts and bond issuance costs are treated as expenditures of the current period. The face amount of debt issued is reported as other financing sources while discounts and issuance costs are reported as debt service expenditures.

8. **Fund Equity**

In the fund financial statements, governmental and proprietary funds report reservations of fund balances or reservations of net assets for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Designations of fund balance represent tentative management plans that are subject to change. Restricted net assets are subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Note 2 Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between *fund balances—total governmental funds* and *net assets—governmental activities* as reported in the government-wide statement of net assets. As explained in Note 1 C, this reconciliation is necessary because of the differences in accounting basis, most significantly the differences in accounting for capital assets and debt.

Notes to the Financial Statements
For the Year Ended December 31, 2009

One element of the reconciliation explains:

“Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.”

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

Bonds and leases payable	\$ 134,762
Discount on bond issuance	(31)
Net Other Post Employment Benefits obligation	14,235
Compensated absences	<u>17,929</u>

Net adjustment to reduce fund balance for total governmental funds to arrive at net assets for governmental activities	\$ 166,895
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B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

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

One element of the reconciliation explains:

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

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

Capital Outlay	\$ 40,172
Depreciation Expense	<u>(43,492)</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>(3,320)</u>
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Another element of the reconciliation states:

“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,”

Notes to the Financial Statements
For the Year Ended December 31, 2009

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

OPEB	\$ (6,427)
Compensated absences	(1,206)
Net pension obligation	2,770
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets	<u>\$ (4,863)</u>

Note 3 Stewardship, compliance and accountability

A. Budgetary information

The Tacoma City Council adopts a biennial budget using an appropriation ordinance. While not legally required by law, the City also adopts budgets for proprietary funds and some selected trust funds. There were no material violations of expenditures or expenses exceeding appropriations.

The description of the budget process, any funds that exceeded appropriations (immaterial amounts), and the budget reconciliation schedule are included in the budget notes included 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 for the biennium.

B. Deficits in fund balances or net assets

The following governmental and proprietary funds had deficit net assets.

The Tacoma Fire Department and 2002 Police Facility funds have fund balance deficits due to a reclassification of reporting internal note proceeds as an Interfund loan which was received in prior years. The Tacoma Fire Department had a positive net change in 2009 and reduced the prior year deficit by \$165 thousand. The 2002 Police Facilities fund net change increased over the prior year by \$287 thousand due to interest payments made on debt and additional capital outlay expenditures.

The Third Party Liability Claims Fund has a net assets deficit, an increase of \$2,514 over the prior year, due to an excess of accrued and incurred but not reported (IBNR) claims over total assets.

The Worker's Compensation Fund has a net assets deficit due to insufficient contributions from the departments, and an excess of accrued and IBNR claims over total assets. The Worker's Compensation fund had a positive net change in 2009 and reduced the prior year by \$239 thousand.

The Consolidated LID Bond Redemption Fund has a net assets deficit due to a prior period adjustment made prior to 2009 for the transfer of a loan previously in the Public Works Street fund. The Consolidated LID Bond Redemption Fund had a positive net change in 2009 and reduced the prior year deficit by \$26 thousand.

The deficit in the Power Conservation Project fund resulted from incurring bond debt in order to continue the conservation efforts of the City. The Bonneville Power Administration (BPA), under an agreement with the City, has committed to contributing the resources to liquidate this debt. The Power Conservation Project Fund had a positive net change in 2009 and reduced the prior year by \$1,391 thousand.

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

Notes to the Financial Statements
For the Year Ended December 31, 2009

Net Deficit
(amounts expressed in thousands)

FUNDS

Fire Department (#1090)	\$ (1,020)
Consolidated LID Bond Redemption (#1-7999)	(95)
2002 Police Facility (#3216)	(4,176)
Power Conservation Fund (#4850)	(7,732)
Third Party Liability Claims (#5550)	(42,710)
Worker's Compensation (#5570)	<u>(1,943)</u>
	<u>\$ (57,676)</u>

C. Legal and contractual compliance

The City has complied, to the best of its knowledge, with all material finance related legal and contractual provisions. No related party transactions have been identified.

Note 4 Detailed notes on all funds

A. Deposits and Investments

1. Legal, contractual and administrative provisions

Certificates of Deposit (CDs): 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 \$65,139,861.

Other Investments: State statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, bankers' acceptances, commercial paper, and repurchase agreements. The City is also authorized to enter into reverse repurchase agreements. The pension trust fund is authorized to invest under the "prudent person rule."

The City sustained no investment losses during 2009, there was no significant loss potential, and there were no significant or recurring violations of administrative, legal or contractual provisions.

Security lending: The City is authorized under State Law, primarily RCW 43.84.080, RCW 39.59.020 and by the City of Tacoma Investment Policy (Tacoma City Charter Section 7.4) to make security lending transactions. Securities lent are collateralized with cash or securities having 102 percent of market value. The city did participate in security lending transactions in 2009.

The City's custodian (Bank of New York) is authorized to lend available securities subject to receipt of acceptable collateral, which may be in the form of cash or U.S. Government Securities. Securities are loaned at 102% of market value of the securities plus any accrued interest. All securities loaned can be terminated on demand by either the lender or the borrower.

Notes to the Financial Statements
For the Year Ended December 31, 2009

City of Tacoma Securities Lent and Collateral
(In Thousands)

Type of Securities Lent	2009		2008	
	Fair Values of Securities Lent	Collateral	Fair Values of Securities Lent	Collateral
U.S. Government and Agencies	13,929	14,217	31,888	32,379
Total Securities Lent	13,929	14,217	31,888	32,379
Collateral				
	2009		2008	
U.S. Corporate Obligations	7,000		7,502	
Asset Backed Securities	2,465		12,000	
Repurchase Agreements/Money Mkt	4,752		12,877	
Total Collateral	14,217		32,379	

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

1. **Bankers Acceptances:** City investment policy allows for purchases of banker's acceptances from the top 50 world banks as published by American Banker. Portfolio mix guidelines suggest a maximum of 40% of the total portfolio with no more than 10% of the total portfolio in any one bank.
2. **U.S. Treasury Bills, Certificates, Notes and Bonds:** Portfolio mix guidelines allow for a maximum of 100% of the total portfolio to be invested in these securities.
3. **U.S. Government Agency Securities:** Portfolio mix guidelines suggest a maximum of 90% of the total portfolio with no more than 50% of the total portfolio per agency.
4. **Commercial Paper:** Portfolio mix guidelines require the highest rating by at least two nationally recognized rating agencies for purchase with no more than 10% of the portfolio invested in commercial paper with an additional limit of no more than 3% in any one issuer.
5. **Repurchase Agreements:** Portfolio mix guidelines suggest repurchase agreements be limited to maximum of 15% of the total portfolio. The market value of collateral must exceed the dollar amount of the repurchase agreement by 2% over the term of the agreement. The collateral must be an investment instrument which the City is authorized to purchase.
6. **Reverse Repurchase Agreements:** The city did not participate in any reverse repurchase agreements in 2009.

Notes to the Financial Statements
For the Year Ended December 31, 2009

2. Deposits and investments – December 31, 2009

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

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

All certificates of deposit held by the City are in the City's name and are insured by FDIC up to

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

At December 31, 2009, the City's total deposits and investments consisted of the following:

Schedule of Deposits and Investments
December 31, 2009
(amounts expressed in thousands)

Investments (less Component Units)	\$ 1,938,884
Certificates of Deposit	65,140
Treasurer's Cash, net	9,392
Petty Cash Funds	315
Adjustment for Rounding	(1)
Sub-total	<u>\$ 2,013,730</u>
Component Units:	
Tacoma Community Redevelopment Authority (TCRA)	\$ 945
TCRA - External Cash	1,927
Foss Waterway Development Authority (FWDA)	110
FWDA - External Cash	707
Public Facilities District (PFD)	196
Sub-total (Component Units)	<u>\$ 3,885</u>
Total	<u><u>\$ 2,017,615</u></u>

Notes to the Financial Statements
For the Year Ended December 31, 2009

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

Investments:	Fair Value @ 12/31/09
Financial Institutions	
WA State Local Government Investment Pool	\$ 202,040
US Treasury Securities	805
Government Agencies (various)	661,473
Commercial Paper	10,572
Electric System Revenue Bond Investments	8,762
Equity in Pool Transferred to Component Units	<u>(1,252)</u>
Total Investments with Financial Institutions	\$ 882,400
Component Units	
TCRA Equity in Investment Pool	\$ 946
FWDA Equity in Investment Pool	110
PFD Equity in Investment Pool	<u>196</u>
Total Component Unit Investments	\$ 1,252
Pension Trust	
Other Assets Not Allowable for City Investments	\$ -
U.S. Government Obligations	97,138
Domestic Corporate Bonds	253,623
Domestic Stocks	302,435
International Stocks	200,234
International Bonds	23,347
REITs	71,526
Securities Lending Collateral	92,441
Cash and Cash Equivalents	<u>15,740</u>
Total Other Investments - Pension Trust	\$ 1,056,484
Total	<u><u>\$ 1,940,136</u></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 to maturity. One way the City manages its exposure to interest rate risk is by timing cash flows from maturities so that portions of the portfolio are maturing over time to provide cash flow and liquidity needed for operations. The City has deposits of \$202,039,836 with the State Treasurer's Local Government Investment Pool and \$5,139,861 in an interest bearing demand deposit account with a commercial bank. Portfolio Modified Duration is 2.12 years.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Investment Type	Par	Maturing (in months)				
		Less than 12	13-24	25-36	37-48	49-60
Bank Demand and Deposits & State Pool	\$ 207,179,697	\$ 207,179,697	\$ -	\$ -	\$ -	\$ -
Bank Certificates of Deposit	60,000,000	60,000,000	-	-	-	-
Fixed Rate Non-Callable Municipal Securities	132,965,000	34,000,000	38,590,000	11,840,000	34,410,000	14,125,000
Fixed Rate Non-Callable Agency Securities	82,526,000	12,015,000	17,722,000	31,811,000	20,978,000	-
Fixed Rate Callable Securities	445,179,000	-	32,090,000	117,600,000	51,319,000	244,170,000
Totals	\$ 927,849,697	\$ 313,194,697	\$ 88,402,000	\$ 161,251,000	\$ 106,707,000	\$ 258,295,000
Percent of Total	100.0%	33.8%	9.5%	17.4%	11.5%	27.8%

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 2009 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 (WSPDPC) 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	Rating		
				AAA	AA	A
Bank Demand Deposits & State Pool	\$ 207,179,697	FDIC & PDPC	\$ 207,179,697	\$ -	\$ -	\$ -
Bank Certificates of Deposit	60,000,000	FDIC & PDPC	60,000,000	-	-	-
Fixed Rate Non-Callable Municipal Securities	132,965,000	A	-	15,630,000	73,325,000	44,010,000
Fixed Rate Non-Callable Agency Securities	82,526,000	AAA	-	82,526,000	-	-
Fixed Rate Callable Agency Securities	445,179,000	AAA	-	445,179,000	-	-
Total	\$ 927,849,697		\$ 267,179,697	\$ 543,335,000	\$ 73,325,000	\$ 44,010,000

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 of the City's investments. The following include Government Sponsored Agencies which have an AAA rating.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Issuer	Investment Type	Amount Reported	Percentage
Federal Home Loan Bank	Agency Securities	\$ 91,840,000	17.40%
Federal Home Mortgage Corporation	Agency Securities	186,258,000	35.30%
Federal Agriculture Mortgage Corporation	Agency Securities	22,090,000	4.19%
Federal National Mortgage Association	Agency Securities	188,434,000	35.71%
Federal Farm Credit Corporation	Agency Securities	39,083,000	7.40%
Total		<u>\$ 527,705,000</u>	<u>100.00%</u>

6. Disclosure of Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counter party to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. City policy is all security transactions will be settled "delivery versus payment" by the City's safekeeping bank.

B. Receivables

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

Accounts Receivable (amounts expressed in thousands)	Non-Major			
	General Fund	Governmental Funds	Sewer Fund	Water Fund
Accounts Receivable (net short-term)	\$ 1,158	\$ 3,828	\$ 10,585	\$ 9,427
Interest Receivable (net short-term)	-	58	-	-
Taxes Receivable (net short-term)	11,618	1,257	-	-
Loans Receivable (net short-term)	-	-	-	-
Notes and Contracts Receivable (net short-term)	-	3,518	105	1,065
Notes and Contracts Receivable (net long-term)	-	-	657	3,663
TOTAL	<u>\$ 12,776</u>	<u>\$ 8,661</u>	<u>\$ 11,347</u>	<u>\$ 14,155</u>

Accounts Receivable (amounts expressed in thousands)	Power Fund	Non-Major Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
	Accounts Receivable (net short-term)	\$ 52,510	\$ 13,938	\$ 1,345	\$ 5,551
Interest Receivable (net short-term)	-	-	-	-	58
Taxes Receivable (net short-term)	-	-	-	-	12,875
Loans Receivable (net short-term)	-	-	-	-	-
Notes and Contracts Receivable (net short-term)	40	-	-	-	4,728
Notes and Contracts Receivable (net long-term)	2,216	47,842	-	-	54,378
TOTAL	<u>\$ 54,766</u>	<u>\$ 61,780</u>	<u>\$ 1,345</u>	<u>\$ 5,551</u>	<u>\$ 170,381</u>

Notes to the Financial Statements
For the Year Ended December 31, 2009

C. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows (amounts expressed in thousands):

Governmental Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets, not being depreciated:					
Land	\$ 25,419	\$ 1,866	\$ (1,254)	\$ 776	\$ 26,807
Parks	5,245	3	-	-	5,248
Art	918	288	-	339	1,545
Intangibles	-	3,166	(1,572)	-	1,594
Construction work in progress	<u>17,461</u>	<u>26,833</u>	<u>(47,550)</u>	<u>65,847</u>	<u>62,591</u>
Total capital assets, not being depreciated	<u>\$ 49,043</u>	<u>\$ 32,156</u>	<u>\$ (50,376)</u>	<u>\$ 66,962</u>	<u>\$ 97,785</u>
Capital assets, being depreciated:					
Property, plant, and equipment	\$ 242,244	\$ 11,174	\$ (5,179)	\$ (50,230)	\$ 198,009
Library materials	19,384	1,064	(1,189)	-	19,259
Infrastructure	<u>1,131,836</u>	<u>20,093</u>	<u>-</u>	<u>(14,392)</u>	<u>1,137,537</u>
Total capital assets, being depreciated	<u>\$ 1,393,464</u>	<u>\$ 32,331</u>	<u>\$ (6,368)</u>	<u>\$ (64,622)</u>	<u>\$ 1,354,805</u>
Less accumulated depreciation:					
Property, plant, and equipment	\$ (132,415)	\$ (13,950)	\$ 2,791	\$ 32,583	\$ (110,991)
Library materials	(14,478)	(1,644)	1,190	163	(14,769)
Intangibles	-	(96)	1,572	-	1,476
Infrastructure	<u>(492,578)</u>	<u>(28,394)</u>	<u>-</u>	<u>(19,694)</u>	<u>(540,666)</u>
Total accumulated depreciation	<u>\$ (639,471)</u>	<u>\$ (44,084)</u>	<u>\$ 5,553</u>	<u>\$ 13,052</u>	<u>\$ (664,950)</u>
Governmental activities capital assets (net of accumulated depreciation)	<u>\$ 803,036</u>	<u>\$ 20,403</u>	<u>\$ (51,191)</u>	<u>\$ 15,392</u>	<u>\$ 787,640</u>
Business-type Activities	Beg Bal	Increases	Decreases	PPA	End Bal
Capital assets, not being depreciated:					
Land	\$ 133,903	\$ 3,083	\$ -	\$ -	\$ 136,986
Construction work in progress	<u>192,239</u>	<u>148,559</u>	<u>(270,706)</u>	<u>-</u>	<u>70,092</u>
Total capital assets, not being depreciated	<u>\$ 326,142</u>	<u>\$ 151,642</u>	<u>\$ (270,706)</u>	<u>\$ -</u>	<u>\$ 207,078</u>
Capital assets, being depreciated:					
Property, plant, and equipment	\$ 2,765,369	\$ 303,153	\$ (23,180)	\$ 50,230	\$ 3,095,572
Intangibles	-	-	-	-	-
Total capital assets, being depreciated	<u>\$ 2,765,369</u>	<u>\$ 303,153</u>	<u>(23,180)</u>	<u>50,230</u>	<u>3,095,572</u>
Less accumulated depreciation:					
Property, plant, and equipment	\$ (1,018,778)	\$ (91,273)	\$ 18,806	\$ (32,583)	\$ (1,123,828)
Intangibles	-	-	-	-	-
Total accumulated depreciation	<u>\$ (1,018,778)</u>	<u>\$ (91,273)</u>	<u>\$ 18,806</u>	<u>\$ (32,583)</u>	<u>\$ (1,123,828)</u>
Business-type activities capital assets (net of accumulated depreciation)	<u>\$ 2,072,733</u>	<u>\$ 363,522</u>	<u>\$ (275,080)</u>	<u>\$ 17,647</u>	<u>\$ 2,178,822</u>

Prior period adjustments include a construction work in progress reclass from Infrastructure, post capitalization of prior period work in progress, and a reclass of an internal service fund to Business-type activities.

Notes to the Financial Statements
For the Year Ended December 31, 2009

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

Governmental Activities:

General Government	\$ 9,633
Public Safety	3,214
Transportation	14,346
Economic Environment	75
Culture and Recreation	<u>16,816</u>
Total depreciation expense - governmental activities	<u>\$ 44,084</u>

Business-type activities:

Airport	\$ (1)
Mountain Rail	414
Parking Garage	760
Convention Center	2,271
Baseball Park	279
Tacoma Dome	667
Performing Arts	477
Solid Waste	6,773
Waste Water	9,867
Tacoma Rail	598
Water	14,316
Power	<u>54,852</u>
Total depreciation expense - business-type activities	<u>\$ 91,273</u>

Notes to the Financial Statements
For the Year Ended December 31, 2009

D. Leases**Capital leases**

The City leases certain equipment under various capital lease agreements. Capital lease balances at December 31, 2009:

(amounts expressed in thousands)

Governmental Activities

Information Systems Fund San Storage & CISCO Lease Purchase \$ 2,501

Year Ending December 31	Amount
2010	625
2011	625
2012	625
2013	626
Total lease payments	\$ <u>2,501</u>

Business Activities

Tacoma Dome Energy Upgrades \$180

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009, are as follows: (amounts expressed in thousands)

Year Ending December 31	Amount
2010	\$ 47
2011	51
2012	52
2013	52
Total minimum lease payments	\$ 202
Less: Interest amount	<u>(22)</u>
Present value of min. lease payments	<u>\$ 180</u>

E. Short-term debt

Governmental activities:

No short-term debt was issued or outstanding in 2009.

Business activities:

No short term debt was issued or outstanding in 2009.

F. Long-term debt**General obligation bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. The original amount of general obligation bonds outstanding issued in prior years was \$158.7 million. General

Notes to the Financial Statements
For the Year Ended December 31, 2009

obligation bonds were issued in 2009 in the amount of \$52.5 million. These issues carry variable interest rates adjusted quarterly equal to the composite interest rate earned on the investments of the City Treasury's pooled cash portfolio for the previous calendar quarter.

Annual debt service requirements to maturity, including principle and interest, for GO Bonds and Public Works Trust fund loans are as follows:

GO Bonds and Public Works Trust Fund Loans				
(amounts expressed in thousands)				
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principle	Interest
2010	\$ 12,379	\$ 4,489	\$ 1,400	\$ 3,099
2011	7,271	4,324	1,460	3,029
2012	7,501	4,077	1,515	2,956
2013	6,009	4,774	1,580	2,881
2014	5,765	4,646	1,640	2,802
2015-2019	25,258	21,740	9,295	12,785
2020-2024	25,435	8,952	11,565	10,352
2025-2029	19,568	30,413	14,650	7,221
2030-2034	17,095	20,212	18,765	3,271
2035-2039	5,354	2,211	1,895	129
Total	\$ <u>131,635</u>	\$ <u>105,838</u>	\$ <u>63,765</u>	\$ <u>48,525</u>

General obligation bonds are direct obligations and pledge the full faith and credit of the government and are being repaid with general governmental revenue sources. General obligation bonds currently outstanding are as follows: (amounts expressed in thousands)

	Interest Rates	Amount
Governmental Activities	4.39%-5.63%	\$ 113,413
Business Activities	4.45%-4.86%	\$ 63,765

Special assessment bonds

The City has issued special assessment bonds in prior years 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, 2009, the amount of LID Special Assessment delinquency equals \$39,600. The bond interest rates range from 3.9 to 5.6% and are payable over the next twenty years.

Annual debt service requirements to maturity for special assessment debt outstanding at year end are as follows:

Notes to the Financial Statements
For the Year Ended December 31, 2009

Special Assessment Debt			
(amounts expressed in thousands)			
Governmental Activities			
	Principle		Interest
2010	\$ -	\$	180
2011	-		180
2012	-		180
2013	-		180
2014	-		180
2015-2019	-		901
2020-2024	-		901
2025-2029	10,143		366
2030-2034	-		-
2035-2038	-		-
Total	<u>\$ 10,143</u>	<u>\$</u>	<u>3,068</u>

Revenue Bonds and Loans

The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service. The original amount of outstanding revenue bonds, WA public works board loans and drinking water state revolving loans issued in prior years was \$1.4 billion. During the year \$88 million were issued for construction and capital improvements in the water fund.

Revenue Bonds and Loans			
(amounts expressed in thousands)			
Business-type activities			
	Principle		Interest
2010	\$ 52,542		51,902
2011	55,017		49,050
2012	57,699		46,376
2013	60,448		43,844
2014	63,499		40,433
2015-2019	360,219		153,496
2020-2024	237,667		77,105
2025-2029	80,673		47,476
2030-2034	70,085		31,498
2035-2038	58,055		10,373
Total	<u>\$ 1,095,904</u>		<u>551,553</u>

Notes to the Financial Statements
For the Year Ended December 31, 2009

Changes in long-term debt

Governmental activities - long term

(amounts expressed in thousands)

	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Due within on year
General obligation Bonds	\$ 64,801	\$ 52,476	\$ (3,864)	\$ 113,413	\$ 5,927
Less: Unamortized discount	(33)	-	2	(31)	(2)
Public works trust fund loans	11,416	2,500	(1,073)	12,843	1,072
Bond anticipation notes	6,423	3,460	-	9,883	-
Special assessment debt	375	-	(115)	260	-
Capital leases	3,401	-	(900)	2,501	625
Claims and judgements	54,342	10,869	(5,518)	59,693	52,536
Accrued employee leave benefits	18,280	13,358	(12,195)	19,443	1,944
Governmental activities - long term liabilities	\$ 159,005	\$ 82,663	\$ (23,663)	\$ 218,005	\$ 62,102

Business activities - long-term

(amounts expressed in thousands)

	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Due within on year
Revenue Bonds	\$ 1,048,528	\$ 76,775	\$ (45,311)	\$ 1,079,992	\$ 52,542
Water public works board and drinking water state revolving loans	25,007	4,850	(1,736)	28,121	1,993
Muckleshoot liability	9,376	-	(323)	9,053	177
General obligation bonds	65,115	-	(1,350)	63,765	1,400
Plus: Unamortized premium	20,743	-	(5,567)	15,176	-
Less: Unamortized discount	(650)	-	95	(555)	-
Less: Loss on refundings	(17,027)	-	(2,485)	(19,512)	-
Less: Loss on defeasance	(875)	-	148	(727)	-
Bond anticipation notes	550	-	(550)	-	-
Capital leases	220	-	(40)	180	47
Environmental liability	2,501	-	(529)	1,972	549
Landfill closure cost liability	39,833	953	-	40,786	-
Accrued employee leave benefits	14,756	10,773	(9,187)	16,342	1,634
Business activities - long-term liabilities	\$ 1,208,077	\$ 93,351	\$ (66,835)	\$ 1,234,593	\$ 58,342

Business activities – long term liabilities - \$496,000 has been accounted for in payable from restricted assets – current liabilities. See Proprietary Funds Statement of Net Assets.

Long-term liabilities are included as part of the above totals for governmental activities. At year end, \$1.7 million of internal service funds compensated absences were included in the above amounts. Also the governmental activities, capital leases, claims and judgments, and employee benefits are generally liquidated by the Third Party Claims and Workers' Comp funds, IT and the Tacoma Dome funds, and the General fund respectfully.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Limited General Obligation Bonds Issued in 2009

The City sold limited general obligation bonds on June 22, and July 13, 2009. The proceeds were used to fund \$1.8 million in capital improvements for city parking facilities, and for a \$1.7 million purchase of electronic content management software. On December 17, 2009 the City sold limited general obligation bonds in the amount of \$48.9 million. The proceeds from this bond issue will be used for Cheney Stadium renovations and various other capital improvement projects.

Note 12 summarizes changes in long-term debt by bond issue.

G. Restricted assets

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

Cash for Construction	\$	176,817
Cash for debt service		57,861
Cash for other special purposes		104,155
Investments for other purposes		805
Notes and contracts receivable		3,663
Customer deposits		-
	\$	<u>343,301</u>

H. Related party transactions

The City is not aware of any related party transactions.

I. Federal Compliance Requirements for Municipal Securities Issuers.

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

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

The Internal Revenue Service (IRS) does correspondence examinations periodically. In May 2004 the IRS began an examination on 6 tax-exempt bond issues of \$225 million in bonds for Tacoma Power, Tacoma Water, Environmental Service and Wastewater Management and General Government. In April 2005 the City received notification from the IRS that they had successfully completed the correspondence examination. There have been no other Federal Compliance issues since then.

J. Reserved Fund balances

In the fund financial statements, the governmental funds report a reserve of fund balances that are legally segregated for a future use or are not available for appropriation.

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Reserved for:			
Encumbrances	\$ 4,699	\$ 40,318	\$ 45,017
Advances to othe funds	13,249	5,885	19,134
Other purposes	<u>6,569</u>	<u>4,757</u>	<u>11,326</u>
Total reserved fund balance	\$ 24,517	\$ 50,960	\$ 75,477

Reserved for encumbrances. A reserve is reported to recognized outstanding commitments in subsequent periods.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Advances to other funds. The reserve should agree with the advances to other funds to segregate current financial resources that are not available for appropriation.

Other purposes. The reserve is used to match the reservation of fund balance to the long-term receivables, and inventory reported in the governmental funds. Even though, this represents a financial resource, this does not constitute a current financial resource because the receipt is not expected until future years.

Note 5 Pension plan(s) 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, 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) which is operated 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.

A. Tacoma Employees' Retirement System Fund (TERS)

1. Administration of the System: The "Tacoma Employees' Retirement System" is a local single employer defined benefit pension retirement plan covering City of Tacoma employees. The Board of Administration of the Tacoma Employees' Retirement System administers the plan and benefit provisions are established in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code. There are currently 1,846 retirees and beneficiaries receiving benefits, 366 vested terminated employees entitled to future benefits; and 3,148 active members of Tacoma Employees' Retirement System, as of December 31, 2009.

2. Basis of Accounting: The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed, and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

3. Investments: Equity securities, fixed income securities, private equity, real estate, and short-term investments are all reported at fair market value. Fair market value for public market managers was determined by our custodian bank utilizing standard industry practices and verified by our performance consultant. Private equity investments are reported by the managers' subject to their "fair value" policies. No investment in any one corporation or organization exceeded 5% of net assets available for benefits.

4. Contracts: The system has no securities of the employer and related parties included in the plan assets. The system has not made any loans to the employer in the form of notes, bonds, or other instruments.

5. Benefits: The pension received upon 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) which is determined based on the member's age and years of service. Provided however, that the monthly retirement allowance for members retiring from City service on and after January 1, 1997 will not be less than the actuarial equivalent of 200 percent of the members' accumulated normal contributions. The system also provides death and disability benefits.

6. Contribution Rates: Covered employees are required by Chapter 1.30 of the Tacoma City Code to contribute based on the rates provided in the following table:

Applicable Period	City Rate	Member Rate	Total Rate
1/1/1980 to 12/31/1996	10.44%	8.89%	19.33%
1/1/1997 to 12/31/2000	9.02%	7.68%	16.70%
1/1/2001 to 2/1/2009	7.56%	6.44%	14.00%
2/2/2009 to 12/31/2009	8.64%	7.36%	16.00%
1/1/2010 to forward	9.72%	8.28%	18.00%

Notes to the Financial Statements
For the Year Ended December 31, 2009

Contributions city-wide totaled \$31.2 million in 2009 (\$16.65 million employer contributions and \$14.55 million employee contributions) and totaled \$27.2 million in 2008 (\$14.5 million employer contributions and \$12.7 million employee contributions).

7. GASB Statement 50: The note disclosures above emphasize the employer disclosures with additional detailed information presented in an independent annual report issued by the Retirement System. Further detailed information regarding these disclosures can be found in that report which may be obtained by writing to Tacoma Employees' Retirement System, 3628 S 35th St, Tacoma, WA 98409.

8. Funding Status and Progress: Historical trend information about TERS is presented with supplementary information and can be found in the required supplementary information section of this report. This information is intended to help assess TERS funding status on a going-concern basis, and assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems. January 1, 2009 Funding Progress (dollar amounts in millions) \$1,097.3 Actuarial Value of Assets less \$1,002.3 Actuarial Accrued Liability equals a (\$95.0) Unfunded Actuarial Accrued Liabilities (UAAL). January 1, 2009 Funded Ratio is 109.5% with a UAAL of (48.1%) of the Covered Payroll in the amount of \$197.4 million.

9. Actuarial Methods and Significant Actuarial Assumptions:

Valuation Date:	January 1, 2009
Actuarial Cost Method:	Entry Age
Amortization Method:	Level Percentage of the Systems Projected Payroll
Remaining Amortization Period:	30 years (Open)
Asset Valuation Method:	Assets are valued at market value, with a four year smoothing of all market value gains and losses

Actuarial Assumptions:

Investment Rate of Return	7.75%
Project Salary Increases	4.25%
Includes Inflation at	3.25%
Cost of Living Adjustments	2.125%

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation may be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of Tacoma Employees' Retirement System funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids in analysis of Tacoma Employees' Retirement System progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Annual Pension Cost and Net Pension Obligation:

The City's annual pension cost and net pension obligation to the Retirement System for 2009 were as follows:

	(amounts expressed in millions)
Annual Required Contributions (ARC):	\$ 14.3
Adjustment to ARC:	-
Annual Pension Cost (ARC)	14.3
Employer Contribution:	14.9
Increase/(Decrease) in Pension Obligation:	(0.6)
Net Pension Obligation at beginning of year:	(0.4)
Net Pension Obligation at end of year:	\$ (1.0)

Trend Information
(dollars in millions)

Year Ending	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
12/31/2002	\$ 11.6	100%	\$ (0.4)
12/31/2003	\$ 11.6	100%	\$ (0.4)
12/31/2004	\$ 13.0	100%	\$ (0.4)
12/31/2005	\$ 13.1	100%	\$ (0.4)
12/31/2006	\$ 13.2	100%	\$ (0.4)
12/31/2007	\$ 13.6	100%	\$ (0.4)
12/31/2008	\$ 14.3	100%	\$ (1.0)
12/31/2009	\$ 15.2	100%	\$ (3.8)

B. Law Enforcement Officers' and Firefighters' Retirement System (LEOFF)

The City of Tacoma contributes to the LEOFF system, a plan administered by the State of Washington.

1. Administration of the System

The City of Tacoma participates in the LEOFF system administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pension by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No 27*.

2. Plan description:

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement

Notes to the Financial Statements
For the Year Ended December 31, 2009

officers, who were first included prospectively effective July 27, 2003, being an exception.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended by the State Legislature.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Term of Service	Percent of Final Average Salary
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

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. A cost-of living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the FAS per year of service. The FAS is based on the highest consecutive 60 months. Plan 2 members who retire prior to age 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. 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. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

There are 375 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans as of June 30, 2008:

Retirees and Beneficiaries Receiving Benefits	9,268
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	650
Active Plan Members Vested	13,120
Active Plan Members Non-Vested	<u>3,927</u>
Total	26,965

3. Funding Policy

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

Notes to the Financial Statements
For the Year Ended December 31, 2009

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2009, are as follows:

	LEOFF Plan 1	LEOFF Plan 2	
Employer*	0.16%	5.24%	**
Employee	0.00%	8.46%	
State	N/A	3.38%	

* The employer rates include the employer administrative expense fee currently set at .16%.

** The employee rate for ports and universities is 8.99%.

Both the City of Tacoma and the employees made the required contributions. The City of Tacoma required contributions for the years ended December 31 were as follows:

(expressed in millions)

	LEOFF Plan 1	LEOFF Plan 2	Total
2009	n/a	n/a	\$ 3.80
2008	n/a	n/a	\$ 3.80
2007	n/a	n/a	\$ 3.10

C. Police and Firefighter’s Relief and Pension Funds

1. Plan description:

The Police Relief and Pension Fund (PRP) and the Fire Relief and Pension Fund (FRP) are single-employer, defined benefit pension funds established and administered by the City in accordance with the requirements of the RCW. Since the effective date of the LEOFF on March 1, 1970, no payroll deductions for active employees have been taken under these pension plans.

These plans also provide post-employment healthcare benefits to members of the plans and certain excess pension benefits to LEOFF members hired prior to October 1, 1977.

No new employees have been covered by either of these plans since March 1, 1970. Pension obligations for all firefighters and law enforcement officers retired since March 1, 1970, whether hired before or since that same date, have been assumed by the State of Washington Law Enforcement Officers' and Firefighters' Retirement System (LEOFF), with the exception of certain minimal benefits in excess of the LEOFF benefits. There are 0 active Police Officer and 2 active Firefighters with prior rights covered under these plans as of December 31, 2009. Retirees and beneficiaries of deceased retirees eligible to receive pension benefits currently number 193 for the PRP and 239 for the FRP as of December 31, 2009. There are no terminated employees under either plan who are entitled to benefits but not receiving them.

A member of the FRP is eligible for retirement after completion of service for a period of five years or more and attainment of age 50. A member is eligible for disability benefits if disabled for a minimum of six months. An individual becomes vested after five years of service. A member of the PRP is eligible for benefits after completing 25 years of service. An individual becomes vested after five years of service. Since there have been no new employees covered under these systems since 1970, all employees are fully vested.

The PRP and FRP make three types of payments: (1) pensions to eligible members retired prior to March 1, 1970, (2) amounts to certain eligible members retired after that date if the amount received from LEOFF does not equal or exceed the amount entitled from the appropriate prior pension fund, and (3) medical services for both active and retired firefighters and law enforcement officers, excluding those hired since October 1, 1977. The medical services are an obligation that may be paid directly from the City's General Fund if so desired. The

Notes to the Financial Statements
For the Year Ended December 31, 2009

pension benefits are tied to the current pay rates for the rank the members held at retirement and/or the cost of living index. Benefits are established in accordance with RCWs 41.16, 41.18, 41.20 and 41.26.

Benefits are calculated based on length of service (a percentage for each year of service) and on the final average salary (calculated over the last two years of credited service). There were no changes in benefit provisions in the current year.

Each police officer or firefighter in service on March 1, 1970 receives the greater of benefit payable under the LEOFF system and the benefits available under the old law. Where benefits under the old law exceed those under LEOFF, the excess benefits are paid by the Pension Fund of the City employing him/her on March 1, 1970.

Post-retirement medical benefits are available to firefighters and law enforcement officers hired before October 1, 1977 only. For retirees before June 8, 1961, only medical expenses that are directly related to their disability retirement are eligible for payment. Those who retired or will retire after June 8, 1961, have medical insurance paid by the City through the City's normal medical insurance carrier. The City will also pay any expense in excess of those covered by the medical insurance carrier. All benefits are funded on a pay-as-you-go basis. At December 31, 2009, there were 224 retired law enforcement officers and 281 retired firefighters who are eligible for medical coverage (this does not include active employees).

The post retirement medical benefits are accounted for in the PRP and FRP trust fund financial statements. Since these benefits are paid on a pay-as-you-go basis - the beginning fund balance is zero; contributions of \$2.9 million and \$3.6 million were made for PRP officers and FRP officers, respectively, which equaled benefits paid; and the ending fund balance is zero.

2. Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which they are due and the City has made a formal commitment to provide the contributions. Expenses are recorded when the liabilities are recognized when due and payable in accordance with terms of the plan.

3. Investments:

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair market value.

4. Contributions required and contributions made:

The PRP is funded entirely from a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. The General Fund is responsible for ensuring that the fund has adequate cash to pay its obligations each year. Total contributions to the PRP were \$5.7 million in 2009.

The FRP is funded from two sources: (1) 22-1/2 cents per \$1,000 of assessed valuation has been earmarked from property taxes as authorized by R.C.W. 41.16.060, and 25% of the tax on fire insurance premiums collected by the State is earmarked by State law for distribution to cities for this purpose. This amount was \$5.0 million in 2009; and (2) the balance of \$1.8 million is made up of a biennially budgeted contribution from the City's General Fund. Funding of these benefits is required by RCW. Total contributions to the FRP were \$6.7 million in 2009. There have been no required employee contributions to the police and firefighter's relief and pension plans since March 1, 1970.

An actuarial valuation of these funds will no longer be performed on these plans because all monies in the "prior" system funds were transferred to the State of Washington on March 1, 1970. No new employees have been covered by either of these plans since March 1, 1970. These plans are funded on a "pay-as-you-go" basis using a cash flow projection performed by Milliman rather than an actuarial funding plan to liquidate liabilities which is not considered material. The City uses this cash projection to budget annual amounts to transfer to these funds for benefits. Actual expenditures may be greater or less than the budgeted amounts. Monies are transferred as needed.

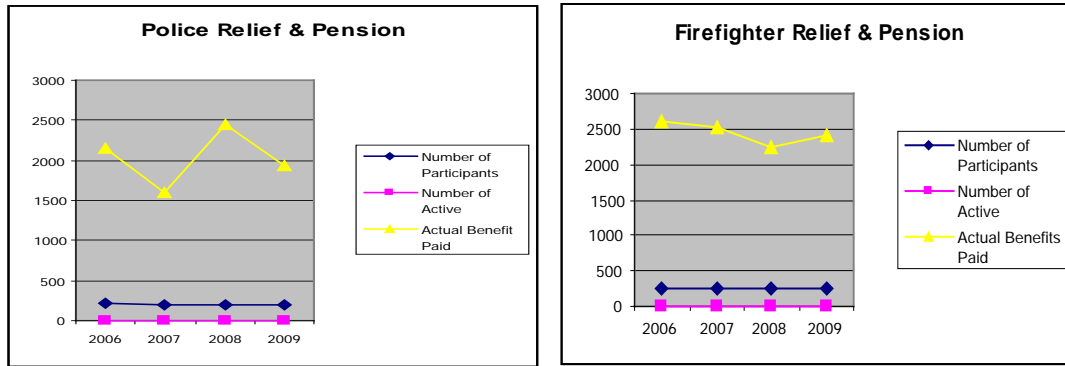
Notes to the Financial Statements
For the Year Ended December 31, 2009

The number of participants and actual benefits paid (in thousands) has been fairly constant over the years:

Police Relief & Pension				Firefighter's Relief & Pension			
Year End	Number of Participants	Active	Actual Benefits Paid	Year End	Number of Participants	Active	Actual Benefits Paid
12/31/2006	215	0	2,146	12/31/2006	261	2	2,603
12/31/2007	205	0	1,596	12/31/2007	249	2	2,529
12/31/2008	200	0	2,453	12/31/2008	244	2	2,243
12/31/2009	193	0	1,944	12/31/2009	239	2	2,411

The financial statements of the PRP and FRP are included in the City's annual financial report in the Combining Fiduciary statement section. A separate audit report is not issued for these pension plans. Further detailed information regarding these pension plans may be obtained by writing to the City of Tacoma - Fire and Police Pension, 747 Market Street, Room 1520, Tacoma, WA 98402-3773.

(Tables amounts for Actual Benefits Paid expressed in thousands)



D. Other Post Employment Benefits (OPEB) Than Pensions

1. Plan description:

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

Benefit provisions for TERS are established in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code. These statutes assign the authority to establish benefit provision for TERS. For LEOFF Plan 2, benefits are established in accordance with RCWs 41.16, 41.18, 41.20 and 41.26. These statutes assign the authority to establish benefit provisions. For LEOFF Plan 1, these benefit provision are state statute by the State of Washington through the Department of Retirement Systems, per RCW 41.26. For the Railroad Retirement System, these are administered by Federal statute under the Railroad Retirement Act (45 U.S.C. 231 et seq.) and authority resides by these Federal statutory provisions. Each plan issues an available financial report that includes financial information for that plan except LEOFF Plan 2 which is presented on the Combining Statements. Those reports may be obtained by writing at the following addresses:

Notes to the Financial Statements
For the Year Ended December 31, 2009

TERS
Tacoma Employees' Retirement System
3628 South 35th St, Ground Floor
Tacoma, WA 98402

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

LEOFF Plan 2
City of Tacoma
747 Market Street, Room 1520
Tacoma, WA 98402

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

2. Funding Policy and Annual OPEB Cost:

The City is financing the plans on a pay-as-you-go basis. The railroad retirement benefits are paid from the Railroad Retirement Account, maintained by the Department of the Treasury of the U.S. and is financed through taxes levied upon railroad employees and employers by the Railroad Retirement Tax Act (26 U.S.C. 3201 et seq.), which is administered by the Internal Revenue Service.

The Present Value of Benefits (PVB) is the present value of projected benefits discounted at the valuation interest rate. The valuation interest rate used is 4.00% based upon the expected return for the short-term fixed income securities. This rate is used, as the required contributions net of benefits paid, are not prefunded.

The Normal Cost is that portion of the City provided benefit attributable to employee service in the current year. The Actuarial Accrued Liability (AAL) is the portion of the present value of benefits attributed to past service only. The Annual Required Contribution (ARC) is the amount the City would be required to report as an expense for the year. The ARC is equal to the Normal Cost plus an amount to amortize the unfunded Actuarial Accrued Liability (AAL). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Each year the ARC, less current year benefit payments, will accumulate as a liability, Net OPEB Obligation, on the balance sheet.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Annual Required Contribution	TERS	LEOFF Plan 1	LEOFF Plan 2	Rail
Normal Cost at Year-end	\$ 3,143,372	\$ 1,209,812	\$ 1,174,715	\$ 87,726
Amortization of UAAL	1,255,737	9,403,586	445,296	41,734
Annual Required Contribution (ARC)	\$ 4,399,109	\$ 10,613,398	\$ 1,620,011	\$ 129,460
Net OPEB Obligation				
Annual Required Contribution (ARC)	\$ 4,399,109	\$ 10,613,398	\$ 1,620,011	\$ 129,460
Interest on prior year Net OPEB obligation	188,286	97,500	136,903	(5,478)
Less Adjustments to ARC	162,721	140,655	118,314	(4,734)
Annual OPEB Cost	\$ 4,424,674	\$ 10,570,243	\$ 1,638,600	\$ 128,716
Contributions made	1,206,564	6,948,217	108,929	56,078
Increase in Net OPEB Obligation	\$ 3,218,110	\$ 3,622,026	\$ 1,529,671	\$ 72,638
Net OPEB Obligation - Beginning of Year	\$ 4,707,159	\$ 2,437,492	\$ 3,422,577	\$ (136,951)
Net OPEB Obligation - End of Year	\$ 7,925,269	\$ 6,059,518	\$ 4,952,248	\$ (64,313)

The following table shows the City's GASB 45 liability broken down by the total value of the benefits provided, the member premiums and the City-paid benefits.

Value of Subsidy at 4% Interest Rate

	Total Value of Benefits	Member Paid Benefits	City-Paid Benefits
Present Value of Benefits	\$ 381,316,670	\$ 1,151,489	\$ 266,167,781
Actuarial Accrued Liability (AAL)	\$ 256,534,861	\$ 513,668	\$ 205,168,072
Normal Cost	\$ 10,222,755	\$ 46,071	\$ 5,615,626
Annual Benefit Payments	\$ 10,601,879	\$ 22,821	\$ 8,319,788

The City's annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and each of the two preceding years for each of the plans were as follows:

Year Ended	TERS		
	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	\$ 4,122,522	39.5%	\$ 2,495,369
12/31/2008	\$ 4,081,060	45.8%	\$ 4,707,159
12/31/2009	\$ 4,424,674	27.3%	\$ 7,925,279

Notes to the Financial Statements
For the Year Ended December 31, 2009

LEOFF Plan 1		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	\$ 8,216,207	81.9%	\$ 1,489,304
12/31/2008	\$ 8,191,462	88.4%	\$ 2,437,492
12/31/2009	\$ 10,570,243	65.7%	\$ 6,059,518

LEOFF Plan 2		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	\$ 1,757,576	0.8%	\$ 1,743,924
12/31/2008	\$ 1,728,600	2.9%	\$ 3,422,577
12/31/2009	\$ 1,638,600	6.6%	\$ 4,952,248

Rail		Percentage of	
Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	\$ 63,033	254.1%	\$ (97,122)
12/31/2008	\$ 64,647	161.6%	\$ (136,951)
12/31/2009	\$ 128,716	43.6%	\$ (64,313)

3. Funding Status and Funding Process:

The funded status of the plans as of December 31, 2009, were as follows:

	TERS	LEOFF 1	LEOFF 2	Rail
Annual City Benefit Payments	\$ 1,206,564	\$ 6,948,217	\$ 108,929	\$ 56,078
Discount Rate	4.00%	4.00%	4.00%	4.00%
Present Value of Benefits	\$ 75,198,619	\$ 158,024,350	\$ 30,381,171	\$ 2,563,641
Actuarial Accrued Liability Assets	\$ 34,928,649	\$ 156,692,548	\$ 12,386,026	\$ 1,160,849
Plan Assets	\$ -	\$ -	\$ -	\$ -
Unfunded Actuarial Liability (UAAL)	\$ 34,928,649	\$ 156,692,548	\$ 12,386,026	\$ 1,160,849
Funded Ratio	0.0%	0.0%	0.0%	0.0%
Covered Payroll	\$ 1,206,564	\$ 6,948,217	\$ 108,929	\$ 56,078
UAAL as a % of covered payroll	2895%	2255%	11371%	2070%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as results are compared to previous expectations and new estimates are made

Notes to the Financial Statements
For the Year Ended December 31, 2009

about the future. The required schedule of funding progress presented as required supplementary information provides the first year OPEB information and future years will show whether the actuarial value of plan assets is changed over time (based on how OPEB is funded) relative to the actuarial accrued liability for benefits.

The City uses the same premiums for retirees under age 65 as for active employees. Therefore, the retiree premium rates are being subsidized by the inclusion of active lives in the setting non-Medicare retiree rates. To account for the fact that per member health costs vary depending on age and number of dependents, the consulting actuary (Milliman) calculated equivalent Per Member Per Month (PMPM) costs that vary by age based on the age distribution of covered members and based on relative cost factors by age and gender. The relative age/gender cost factors were developed from Milliman's Health Cost Guidelines database. Based on the 2009 premium rates and relative age cost factors assumptions, Milliman developed the following age adjusted monthly PMPM health costs for 2009.

Cost Per Member Per Month By Age

	Regence Preferred	Regence Selections	Group Health
Male Retirees			
Age 50	\$ 726.84	\$ 829.03	\$ 706.13
Age 55	851.03	970.69	826.79
Age 60	1,033.93	1,179.31	1,004.48
Age 64	1,276.53	1,456.01	1,240.16
Male Spouses			
Age 50	515.79	588.32	501.10
Age 55	689.99	787.00	670.33
Age 60	908.59	1,036.33	882.70
Age 64	1,129.67	1,288.50	1,097.49
Female Retirees			
Age 50	801.95	914.70	779.10
Age 55	878.02	1,001.47	853.01
Age 60	1,007.44	1,149.09	978.74
Age 64	1,193.59	1,361.41	1,159.58
Female Spouses			
Age 50	573.31	653.92	556.98
Age 55	688.74	785.58	669.12
Age 60	829.95	946.64	806.30
Age 64	986.23	1,124.89	958.13

Notes to the Financial Statements
For the Year Ended December 31, 2009

4. Actuarial Methods and Assumptions:

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the city and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

	TERS/LEOFF Plan 2/Rail	LEOFF Plan 1
Valuation Date	January 1, 2009	January 1, 2009
Census Date	January 1, 2009	January 1, 2009
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level percentage of expected payroll	Level dollar amount
Remaining Amortization Period	28 year, closed	28 year, closed
Demographic Assumptions	Demographic assumptions regarding retirement, disability, and turnover are based upon pension valuations for the various pension plans.	
Actuarial Assumptions:		
Discount Rate	4%	4%
Health Cost Trend	Starting with 2009, 8.7% in the first year, 7.9% in the second, 7% in the third and grading down to an ultimate of 5.3% in 2059.	
Projected Payrol Increases	4.25%	4.25%

Note 6 Deferred compensation

The City offers its employees a deferred compensation plan through a third party created in accordance with Internal Revenue Code Section 457. The plan, available to all City permanent full-time and part-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable emergency, but the plan does offer a loan provision. An employee may defer 100% of their salary net of employee pension contributions and any Section 125 deductions. The 2009 contribution limits are \$16,500 for regular deferral, \$33,000 for pre-retirement and \$22,000 for age 50 provision deferrals. The City has agreed through contract negotiation with the Police union and the Fire union to match contributions made by all Police Officers and Fire Officers up to a maximum of \$192 per pay period.

Note 7 Interfund activity

Interfund activity is composed of three types of transactions. 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. Advances to and from other funds are loans between funds for capital or cash flow purposes. Due to and due from other funds represent internal charges for services except for billings for utility services which are considered "external" in nature. 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.

Notes to the Financial Statements
For the Year Ended December 31, 2009

The composition of interfund balances (amounts expressed in thousands) at December 31, 2009 is as follows:

Due From	Due To								Total
	General Fund	Sewer Fund	Water Fund	Power Fund	Internal Service Funds	Non-major Governmental Funds	Non-major Enterprise Funds	Pension and Trust Funds	
General Fund	\$ -	\$ 720	\$ 132	\$ 467	\$ 2,517	\$ 368	\$ 756	\$ 24	\$ 4,984
Sewer Fund	\$ 901	\$ -	\$ -	\$ 562	\$ 784	\$ 115	\$ 51	\$ -	\$ 2,413
Water Fund	\$ 250	\$ -	\$ -	\$ 940	\$ 536	\$ 14	\$ 14	\$ -	\$ 1,754
Power Fund	\$ 863	\$ 306	\$ 528	\$ -	\$ 1,874	\$ 100	\$ 207	\$ -	\$ 3,878
Internal Service Funds	\$ 2,502	\$ 677	\$ 520	\$ 1,791	\$ 902	\$ 584	\$ 853	\$ 29	\$ 7,858
Non-major Governmental Funds	\$ 643	\$ 79	\$ 8	\$ 62	\$ 440	\$ 91	\$ 5	\$ -	\$ 1,328
Non-major Enterprise Funds	\$ 1,370	\$ -	\$ -	\$ 377	\$ 982	\$ 5	\$ 85	\$ -	\$ 2,819
Pension and Trust Funds	\$ 46	\$ -	\$ -	\$ 2	\$ 29	\$ -	\$ -	\$ -	\$ 77
Total	\$ 6,575	\$ 1,782	\$ 1,188	\$ 4,201	\$ 8,064	\$ 1,277	\$ 1,971	\$ 53	\$ 25,111

Interfund balances result when transactions are recorded in the accounting system and payments are made between funds after December 31, 2009.

Advance Owed From	Advances Owed To			Total
	General Fund	Non-major Governmental	Internal Service Funds	
Non-major Governmental	\$ 4,421	\$ 1,730	\$ -	\$ 6,151
Non-major Enterprise	7,100	2,912	1,916	\$ 11,928
Internal Service Funds	1,728	1,242	-	\$ 2,970
Total	\$ 13,249	\$ 5,884	\$ 1,916	\$ 21,049

The below information provides detail of the interfund payable transactions:

The amount of \$4,421,000 due to the General Fund from Non-Major Governmental funds is for various Local Improvement Development projects, and for additional funding to complete the new Tacoma police headquarters and four new police substations.

The amount of \$7,100,000 due to the General Fund from Non-Major Enterprise funds resulted from the installation of a new septic system at Tacoma Narrows Airport and to purchase Sunriver Asset Management, LLC, buildings and the leasehold on the buildings. The balance of these loans should be paid in 2010. In 2007, financing was needed for the Mountain Division Rail to provide interim financing for cash flow deficits.

The amount of \$1,728,000 due to the General Fund from Internal Service funds resulted from loans to pay for the cost of rehabilitation and acquisition of the Tacoma Municipal Building and to finance the acquisition of business systems improvements.

The amount of \$1,730,000 due to Non-Major Governmental funds from Non-Major Governmental funds resulted from loans to pay for condemnation and acquisition of certain blighted property and for asbestos removal,

Notes to the Financial Statements
For the Year Ended December 31, 2009

demolition, and site cleanup of said City-owned parcels. Additionally, funds were used in the refit and renovation of the Tacoma Fire Department fireboat Commencement.

The amount of \$2,912,000 due to Non-Major Governmental funds from Non-Major Enterprise funds was for various capital improvement projects at the Tacoma Dome.

The amount of \$1,242,000 due to Non-Major Governmental funds from Internal Service Funds resulted from financing the acquisition of business system improvements.

The amount of \$1,916,000 due to Internal Service funds from Non-Major Enterprise funds was due to improvements to the Pantages Theater, and to finance capital projects for Tacoma Rail.

(amounts expressed in thousands)

Transfer Out	Transfer In							
	General Fund	Sewer Fund	Water Fund	Power Fund	Internal Service Funds	Non-major Governmental Funds	Non-major Enterprise Funds	Total
General Fund					\$ 44	\$ 5,015	\$ 700	\$ 5,759
Sewer Fund	\$ 6,039	\$ -	\$ -	\$ -	\$ 225	\$ -	\$ -	\$ 6,264
Water Fund	\$ 4,998	\$ -	\$ -	\$ -	\$ 187	\$ -	\$ -	\$ 5,185
Power Fund	\$ 21,838	\$ -	\$ -	\$ -	\$ 147	\$ -	\$ -	\$ 21,985
Internal Service Funds	\$ 5,181	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,500	\$ -	\$ 7,681
Non-major Governmental Funds	\$ 3,325	\$ -	\$ -	\$ -	\$ 630	\$ 2,934	\$ 3,964	\$ 10,853
Non-major Enterprise Funds	\$ 5,652	\$ -	\$ -	\$ -	\$ 142	\$ 154	\$ -	\$ 5,948
Total	\$ 47,033	\$ -	\$ -	\$ -	\$ 2,375	\$ 9,603	\$ 4,664	\$ 63,675

\$6,039,000 was transferred from Sewer Fund to the General Fund to record the transfer of 2009 billed and unbilled gross earnings tax.

\$4,998,000 was transferred from Water Fund to the General Fund to record the transfer of 2009 billed and unbilled gross earnings tax.

\$21,838,00 was transferred from Power Fund to the General Fund to record the transfer of 2009 billed and unbilled gross earnings tax.

\$5,181,000 was transferred from Internal Service funds to the General Fund to refund contributions to the unemployment compensation fund and as a part of the mid-biennium budget adjustment.

\$3,325,000 was transferred from Non-Major Governmental funds to the General Fund to support fire department operations, and as a part of the mid-biennium budget adjustment.

\$5,652,000 was transferred from Non-Major Enterprise funds to the General Fund to record the transfer from Solid Waste and Tacoma Rail of 2009 billed and unbilled gross earnings tax.

\$44,000 was transferred from the General Fund to Internal Service Funds to record donated vehicles for the Equipment Rental Fund.

\$225,000 was transferred from the Sewer Fund to Internal Service Funds to record donated vehicles for the Equipment Rental Fund.

\$187,000 was transferred from the Water Fund to Internal Service funds to record the 2009 Fleet Services contribution.

Notes to the Financial Statements
For the Year Ended December 31, 2009

\$146,000 was transferred from the Power Fund to Internal Service funds to record the 2009 Fleet Services contribution.

\$1,000,000 was transferred from Internal Service Funds to Internal Service Funds to record a distribution of surplus reserve from the Unemployment Compensation Fund.

\$630,000 was transferred from Non-Major Governmental to Internal Services funds for facilities fire maintenance and to record donated vehicles for the Equipment Rental fund.

\$142,000 was transferred from Non-Major Enterprise funds to Internal Service funds to record donated vehicles for the Equipment Rental Fund.

\$5,015,000 was transferred from the General fund to Non-Major Governmental funds to transfer property tax revenue for debt service payments, and to fund a housing program.

\$2,935,000 was transferred from Non-Major Governmental funds to Non-Major Governmental funds to transfer funds for debt service payments, and to transfer reimbursements for various projects.

\$1,500,000 was transferred from Internal Service Funds to Non-Major Governmental funds to record a distribution of surplus reserve from the Unemployment Compensation Fund.

\$154,000 was transferred from Non-Major Enterprise funds to Non-Major Governmental funds to transfer funds for debt service payments, and for Cheney Stadium improvements.

\$700,000 was transferred from the General fund to Non-Major Enterprise funds assist the theaters (BCPA) throughout the year and to support operations.

\$3,964,000 was transferred from Non-Major Governmental funds to Non-Major Enterprise funds to transfer funds for debt service payments, and to transfer funds for Mountain Rail and Theater fund projects.

Note 8 Other information

A. Accounting changes

Two internal service funds, the Fleet Services fund (# 5050) and the Self Insurance fund (#4800), in previous years, were eliminated to Governmental Activities in the Government-wide Statements. It was determined that both of these funds were supported by the enterprise funds and would more appropriately be eliminated in the Business-type Activities column. This change was made in 2009 and a prior period adjustment was recorded in the Government-wide statements. This is further disclosed in Note 8 (c) below.

There were four new funds created in 2009:

- Human Resources (Fund 1500) - The HUB/LEAP accounting was previously accounted for in one fund (#1236). These activities were split into two separate funds.
- City Manager (Fund 1600) – This fund was created to account for ARRA funds.
- 2009 LTGO Bonds (Fund 3218) - The 2009 LTGO Bond was created to account for construction costs related to the bond issue.

B. Risk management

The City is self-insured for general 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's benefits is based on an average of 2-months claims from the reporting year. The General IBNR liabilities are calculated by a periodic actuarial study. The handling and paying of all general liability claims for which the City is found legally liable is accounted for in either the Self-Insurance Claim Fund or the TPU Self Insurance Claim Fund. Monies are appropriated from various cost centers based on prior claims history and paid to these funds.

Notes to the Financial Statements
For the Year Ended December 31, 2009

The Self-Insurance Program is maintained in conformity with all laws, rules and regulations pertaining thereto and in accordance with the Revised Code of Washington in RCW 35.21.085 (2). The City carries a supplemental general liability policy with a \$20 million limit and a \$3 million deductible, renewable on August 13 of each year. As of August 2009, the policy has a \$15 million limit with a \$3 million self-insured retention. This policy is provided to supplement the City's current self-insurance risk for settlements in excess of \$3 million. The City also has a policy to cover extraordinary worker's compensation claims with a liability limit of \$25 million with a \$1 million retention. This policy renews January 1st of each year.

The City carries property coverage with a maximum single occurrence limit of \$500,000,000 with \$100,000 deductible per occurrence, with exceptions. Earthquake coverage has a 5% or \$250,000, whichever is greater per building deductible. This policy renews July 1st of each year.

The TPU Self-Insurance Claim Fund was established in 1979 to cover general liability claims of the Light and Water divisions. The Belt Line Rail became a participant in 1985. Total assets in this fund are \$4.6 million. Settlement payments were within amounts available for coverage for the last three years—2009, 2008 and 2007.

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	
	2009	2008	2009	2008	2009	2008
Balance 01/01/09	\$ 43,667	\$ 44,843	\$ 2,979	\$ 3,025	\$ 1,576	\$ 1,899
New Claims	4,761	1,820	2,368	2,127	224	655
Adjustments to Claims	(77)	2,297	2,533	2,294	(179)	(566)
Claims Payment	(920)	(5,293)	(4,598)	(4,467)	(258)	(412)
Balance 12/31/09	\$ 47,431	\$ 43,667	\$ 3,282	\$ 2,979	\$ 1,363	\$ 1,576

Notes to the Financial Statements
For the Year Ended December 31, 2009

C. Prior Period Adjustments

Prior year adjustments are used for the correction of an error or the implementation of a new authoritative standard.

Subsequent to the issuance of the December 31, 2008 financial statements, prior period adjustments were made.

(amounts expressed in thousands)

Enterprise Funds

Fund Name	Amount	Description
Baseball Park #4170	\$ (274)	To correct prior period expense reimbursement.
Tacoma Dome #4180	\$ 14	To correct prior year admissions taxes, and to correct prior year expenses recorded as capital.
Total	<u>\$ (260)</u>	

Internal Service Funds

Fund Name	Amount	Description
Information Services	\$ 156	To correct prior year capital lease payments.
Self Insurance Claims	\$ 2,910	To correct prior period recording of revenue and expense.
Total	<u>\$ 3,066</u>	

Government-wide Statements

Activity	Amount	Description
Governmental	\$ (37,373)	To transfer the net assets of the Tacoma Public Utilities Fleet Fund, and the Tacoma Public Utilities Self Insurance Claims fund to business type activities. To record capital assets placed in service in a prior period, and to correct a prior period recording of long term debt.
Business	\$ 41,884	To record the transfer of the net assets of the Tacoma Public Utilities Fleet Fund, and the Tacoma Public Utilities Self Insurance Claims fund from governmental activities.
Total	<u>\$ 4,511</u>	

Notes to the Financial Statements
For the Year Ended December 31, 2009

D. Segment Information

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

(amounts expressed in thousands)

CONDENSED STATEMENT OF NET ASSETS

	Convention Center & Bicentennial Pavillion Fund	Solid Waste Fund	Tacoma Rail	Total
Assets:				
Current assets	\$ 1,830	\$ 33,563	\$ 8,463	\$ 43,856
Due from other funds	90	1,479	266	1,835
Restricted assets	-	49,837	406	50,243
Capital assets	75,856	54,979	10,394	141,229
Other non-current assets	889	709	7	1,605
Total assets	\$ 78,665	\$ 140,567	\$ 19,536	\$ 238,768
Liabilities:				
Current liabilities	2,335	11,272	1,864	15,471
Due to other funds	87	2,176	316	2,579
Current liabilities payable from restricted assets	-	696	-	696
Non-current liabilities	73,040	118,178	3,665	194,883
Total liabilities	\$ 75,462	\$ 132,322	\$ 5,845	\$ 213,629
Net assets;				
Investment in capital assets, net of related debt	\$ 1,072	\$ 21,677	\$ 7,166	\$ 29,915
Restricted	-	1,206	406	1,612
Unrestricted	2,131	(14,638)	6,119	(6,388)
Total Net Assets	\$ 3,203	\$ 8,245	\$ 13,691	\$ 25,139

Notes to the Financial Statements
For the Year Ended December 31, 2009

EXPENSES, AND CHANGES IN NET ASSETS

	Convention Center & Bicentennial		Solid Waste		Total
	Pavillion Fund	Fund	Tacoma Rail	Fund	
Operating revenues	\$ 2,196	\$ 55,137	\$ 14,578	\$ 71,911	
Depreciation expense	(2,196)	(6,550)	(578)	(9,324)	
Other operating expenses	(4,525)	(39,897)	(13,561)	(57,983)	
Operating income	\$ (4,525)	\$ 8,690	\$ 439	\$ 4,604	
Nonoperating revenues (expenses)					
Interest revenue	89	2,071	142	2,302	
Interest expense	(3,602)	(4,368)	(133)	(8,103)	
Other nonoperating revenues (expenses)	1,796	7	786	2,589	
Capital contributions	-	-	837	837	
Transfers	3,137	(4,550)	(1,244)	(2,657)	
Change in net assets	\$ (3,105)	\$ 1,850	\$ 827	\$ (428)	
Beginning net assets	\$ 6,308	\$ 6,395	\$ 12,864	\$ 25,567	
Prior period adjustments				-	
Ending net assets	\$ 3,203	\$ 8,245	\$ 13,691	\$ 25,139	

CONDENSED STATEMENT OF CASH FLOWS

	Convention Center & Bicentennial		Solid Waste		Total
	Pavillion Fund	Fund	Tacoma Rail	Fund	
Net cash provided (used) by:	\$ (2,408)	\$ 15,692	\$ 775	\$ 14,059	
Operating activities		-	-	-	
Noncapital financing activities	4,936	(4,050)	(1,244)	(358)	
Capital and related financing activities	(5,824)	(12,154)	(222)	(18,200)	
Investing activities	89	2,068	143	2,300	
Net increase (decrease)	(3,207)	1,556	(548)	(2,199)	
Beginning cash and cash equivalents	4,674	75,434	6,165	86,273	
Ending cash and cash equivalents	\$ 1,467	\$ 76,990	\$ 5,617	\$ 84,074	

Notes to the Financial Statements
For the Year Ended December 31, 2009

E. The Performing Arts Center

As a result of subsequent transactions, the City entered into an Operating Agreement for possession and use of the building for a term of 35 years with two automatic renewal options of 10 years and 20 years. The future minimum annual lease payments paid by the Performing Arts Center Fund calculated at an implicit interest rate of 8 percent are as follows (amounts expressed in thousands):

2009	\$	358
2010		346
2011		321
2012		297
2013		275
2014-2018		1,097
2019-2023		533
2024-2028		319

In addition, the future annual minimum sublease payments received by the Performing Arts Center Fund calculated at an implicit interest rate of 8 percent are as follows (amounts expressed in thousands):

2009	\$	319
2010		311
2011		288
2012		266
2013		247
2014-2018		985
2019-2023		244
2024-2028		79

F. Tax expense – Utility Funds

The taxes expense shown in the statements for Enterprise Funds consists primarily of an 8.0% tax upon gross earnings for Tacoma Water, Tacoma Rail, Surface Water, Waste Water, and Solid Waste and a 6.0% 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, 6%; Cable TV, 8.0%; Electricity, 6%; Solid Waste Collection, 8% and Telephone, 6.0%.

G. Results of operations of joint ventures

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

The City participates in two joint ventures with Pierce County: the Law Enforcement Support Agency (LESA) and the Tacoma-Pierce County Health Department. The City and Pierce County are jointly responsible for approving the organizations budgets, financing their deficits, receiving entitlement to their surpluses, and funding their operations (approximately 50% each). The City of Tacoma however, does not report an equity interest in the Government-wide financial statements.

Cheney Stadium was previously reported in results of operations of joint ventures. In 2009, the City of Tacoma became the sole owner of Cheney Stadium. Prior to this, the City and Pierce County each had a fifty percent interest in the stadium's capital assets and were jointly responsible for financing deficits.

Notes to the Financial Statements
For the Year Ended December 31, 2009

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

Joint Venture
(amounts expressed in thousands)

	LESA		HEALTH DEPARTMENT	
		12/31/2009		12/31/2008
Balance Sheet Date				
Total Assets	\$	4,287	\$	11,553
Total Liabilities		1,659		4,873
Total Net Assets		2,628		6,680
Non-current Liabilities		1,564		307
Capital Assets (net of accumulated depreciation)		1,254		2,115
Total Revenues		19,975		32,212
Total Expenditures/Expenses		1,246		32,347
Other Non-operating Revenues/Expenditures		-		126
Transfers		-		-
Net Increase/(Decrease) in Net Assets		799		(8,560)
City Contribution		-		1,364

Additional information about each entity can be obtained from separately published financial statements by each entity by contacting the City of Tacoma, 747 Market Street, Room 132, Tacoma, WA 98402-3773

Note 9 Claims and Judgments

A. Claims

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

The City has entered into interlocal agreements with the Pierce County Health Department and the Law Enforcement Support Agency. If, in fact, any of these entities were to suffer a catastrophic disaster and their self insurance funds and resources were to be depleted, the City and other participating jurisdictions would be required to stand behind and make good the excess liability.

Under state law, the City is required to pay for unemployment and industrial insurance and medical aid. The City has chosen to self-insure rather than remit its payments to the state pool. See Note 8 B for risk management information.

B. Construction Commitments

The City has various construction projects as of December 31, 2009. 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)

Notes to the Financial Statements
For the Year Ended December 31, 2009

Project	Bid Proposal	Spent-to-date	Remaining Commitment
1) Sector 4 Tacoma Police Substation	1,456	1,317	139
2) Cured In Place Pipe Rehabilitation	1,752	1,567	185
3) South Tacoma Way from Pine to South 38th Street	1,731	1,711	20
4) Broadway LID	12,286	11,740	546
5) Water Ditch Trail	727	710	17
6) Flare Station Improvements	383	288	95
7) Hylebos Bridge Rehabilitation	16,974	6,337	10,637
8) Tacoma Chinese Garden & Recon Ph II	657	615	42
9) Nisqually River Trestle Repair	2,786	2,784	2
10) Stamped Crosswalk and Sidewalk Improvements	308	268	40
11) Trestle Repairs (Puyallup River)	524	97	427
12) Sidewalk Reconstruction	170	135	35
13) East 34th Street Bridge Rehabilitation	2,593	2,067	526
14) Citywide 2008 Sidewalk Maintenance Program, Phase 2	327	110	217
15) Sauro Property Environmental Cleanup	1,771	1,579	192
16) 2009 Sanitary Sewer Spot Repair Project	405	326	79
17) Landfill Preload	897	428	469
18) BLID Structural Walk Replacement	1776	51	1725
	<u>\$ 47,523</u>	<u>\$ 32,130</u>	<u>\$ 15,393</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.

C. Solid waste utility—landfill closure and post closure costs

The Solid Waste Utility 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 with the United States Environmental Protection Agency (“EPA”) and the Washington State Department of Ecology (“DOE”), reference *United States et al v. City of Tacoma*, US District Court Cause 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 action was brought under the federal Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), and the state Model Toxics Control Act (“MTCA”).

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 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 Tacoma Landfill Cleanup Consent Decree. The City also has an obligation 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. Due to the success of the City’s groundwater pump and treat system, on February 11, 2010 EPA and DOE granted the City’s request to shut down 14 of the Landfill’s 19 groundwater extraction wells. Total cost to date amount to \$52.9 million, of which \$11.5 million was reimbursed through Washington State DOE grants.

On December 21, 2009, EPA and DOE conditionally approved the City’s request for an extension of the Landfill closure date until 2014. One of the conditionals is for the City to begin placing a permanent cap on the Landfill’s remaining open cell in 2010.

Although future closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the Solid Waste Utility began reporting a portion of these future closure and post-closure care costs as an operating expense in 1994 based on landfill capacity used as of the balance sheet date.

Notes to the Financial Statements
For the Year Ended December 31, 2009

The \$40,786,477 reported as landfill closure and post closure liability at December 31, 2009 represents an estimated closure and post-closure liability based on 97% use of total capacity of the landfill. The Solid Waste Utility will recognize an additional estimated cost of closure and post-closure care liability of \$1,129,746 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2009. Actual cost may be higher or lower due to inflation, changes in technology, or changes in regulations. The City will be responsible for the costs of additional work if migration of pollutant from the site is not completely controlled by current remedial actions. The City satisfies the requirements of 40 CFR Part 258(f) - "Local government financial test." To meet previous requirements of State and Federal laws and regulations, annual contributions were made to a reserve for financing closure and post closure care. As of December 31, 2009, \$2,726,829 is held for these purposes, and is reported as a restricted asset on the balance sheet.

D. Potential environmental contamination or utility claims or suits

The City is identified as a responsible party in various environmental cleanup projects under the federal superfund statute. The City is involved in several lawsuits to recover a portion of the cleanup costs from other parties and recovery from insurance policies. The City has also received grant funding to defray some of these costs. Other disclosures have been included for possible events of financial significance.

BNSF Oil Pipeline Release

The City has been named as a potentially liable responsible person ("PLP") by the Department of Ecology ("Ecology") for a contaminated site at the vicinity of East 19th and East D Street near the Thea Foss Waterway. The contamination was caused when a 6-inch steel pipe used to transport oil from a storage tank to a Burlington Northern Santa Fe ("BNSF") rail yard corroded causing oil to be released to the surrounding environment. Other sources of contamination may have also contributed to the release at the site. Some of the oil migrated into the City's storm drains, which resulted in the City having to repair and replace storm drain lines and associated structures in the immediate area. In August 2008, the City signed a Consent Decree with Ecology which resolved any Model Toxics Control Act ("MTCA") liability the City may have had for contamination at the BNSF Site. By separate agreement, the City resolved its liability to BNSF by making a one time payment of \$100,000. The City does not expect to incur additional MTCA cleanup costs at the BNSF Site.

BPA Ninth Circuit Appeal

Challenge by public utilities over the rate methodology used by BPA in a 2010 rate case, this action has also been combined with challenges regarding BPA's administration of the residential exchange credit settlement. Tacoma has intervened in these actions to preserve its right and be part of any settlement actions. Briefing schedule has now been continued to early 2010 with mediation schedule to occur in April 2010.

Central Treatment Plant – Digester Cleaning Claim

Northwest Cascade, the contractor hired to clean and remove solids from three digesters at the Central Treatment Plant in 2008, made a demand against the City in 2009, for additional compensation to clean the digesters. The demand was made because Northwest Cascade encountered a significantly higher volume of solids in the first two digesters than was estimated in the City's Bid Specification for the work. Further digester cleaning work was suspended pending resolution of the dispute.

A resolution was reached in February 2010, when the City agreed to reimburse Northwest Cascade for removing ninety percent of the additional volume of solids in the first two digesters. The City also agreed to increase compensation to clean the third digester to account for a higher volume of solids than was estimated in the Bid Specification for that digester.

City of Federal Way, City of University Place, and Pierce County

State Supreme Court ruled that the local governments are required to pay for local fire hydrant services, not water utilities. Three local governments have failed to pay Tacoma Water for local fire hydrant services totaling \$2.4 million for the 2009-2010 biennium. The City has filed declaratory judgment suit to determine who is liable for paying for such services.

City Waterway Investments Claim

On January 5, 2007, the City received a claim from City Waterway Investments, owner of the property occupied by Johnny's Dock Restaurant located on the east side of the Thea Foss Waterway, to recover damages for harm to their building they allege was caused by the City's remedial action work in the Thea Foss Waterway. City Waterway Investments is seeking \$594,117 in repair costs and \$4,314,117 in "shortened life of building damages." Coug,

Notes to the Financial Statements
For the Year Ended December 31, 2009

Incorporated, the operator of the restaurant, is also seeking \$450,000 compensation for loss of income, an additional \$1,800,000 for the loss in value to its lease characterized as “shortened life of building,” and other unspecified damages. The City denied the claim. In November 2008, the City settled the claim by agreeing to make a \$100,000 payment to City Waterway Investments in exchange for a full release of liability from any claims City Waterway Investments could bring against the City for damage or injury to their property, property interests or business at 1900 “D” Street arising from the City’s involvement in the Thea Foss and Wheeler-Osgood Waterways Remediation project.

Coal Gasification Site

In 1993, Ecology designated the City as one of six Potentially Liable Persons (“PLP”) for the release and threatened release of hazardous substances at the Coal Gasification Site. Ecology named the City a PLP because public rights-of-way traverse the Site, and because hazardous substances present at the Site migrated into the City municipal storm drain system, for eventual discharge to the Thea Foss Waterway. At this time, it is unclear whether Ecology will require the City to pay for any additional cleanup work at the site. The City spent \$674,383 on the site from 1993 through 2003, the majority of which was spent in the earlier years. Ecology has indicated in the past that it has plans to initiate Consent Decree negotiations with the City and other PLP’s, to address additional remedial actions that must be performed to complete the clean-up of the Coal Gasification Site. To date, Ecology has not commenced Consent Decree negotiations.

Commencement Bay Natural Resource Damage (NRD)

The City has resolved federal, state, and tribal natural resource damage claims associated with municipal stormwater discharges in Commencement Bay through a Consent Decree that became effective on December 30, 1997. The stated value of the City’s settlement is approximately \$7,700,000. Under the Consent Decree (“the NRDA Consent Decree”), the City agreed to undertake five restoration projects within the Commencement Bay watershed and make certain cash payments. Four projects have been completed. The City is expected to complete the fifth project in late 2009 or 2010. Ongoing monitoring and maintenance of the various projects will continue through 2013. Included in the financial statements for 2009 and 2008 are liabilities of \$134,247 and \$159,962, respectively. Although the City resolved its NRDA liability, the City indemnified certain parties when it purchased real property along the Thea Foss Waterway in the late 1980’s and early 1990’s. The City expects that any financial obligation it may have related to these indemnities will be de minimus given the historical uses of the indemnified properties and the limited potential for releases from these properties to damage natural resources. The City’s understanding is a Thea Foss Waterway NRD settlement between non-City parties and the Commencement Bay Natural Resource Trustees could be reached in 2010, at which time the amount of the City’s indemnity obligation will be known.

Contractor Claim – Central Treatment Plant Upgrade

Montgomery Watson Harza (“MWH”), the City’s prime contractor for the Central Treatment Plant Upgrade project, made a claim against the City in 2009 for approximately \$1.7 million in additional compensation it believes is owed under their contract for construction delays, which they allege are attributable to the City.

The City expects to settle the claim in spring 2010 and the amount is not expected to significantly impact the financial statements.

Cushman Federal Energy Regulatory Commission License.

In 1974, Tacoma Power petitioned the Federal Energy Regulatory Commission (FERC) to relicense its Cushman Dam Project located on the Skokomish River near Hoodspport, Washington. The Skokomish Tribe, along with others, contested significant portions of Tacoma Power’s proposal before FERC. FERC issued a license in 1998 for the Cushman Project, but the proposed conditions significantly increased the cost of operating the project.

Tacoma Power appealed the license conditions to the U.S. Court of Appeals for the D.C. Circuit. The D.C. Circuit remanded the license back to FERC for consultation under the Endangered Species Act (ESA) after several salmonid species, including Fall Chinook, Summer Chum and Bull Trout, were listed as threatened under the ESA in 1999. FERC issued a license order in June 2004 that incorporated conditions from ESA biological opinions issued by USFWS and NOAA Fisheries in March 2004. At the same time, FERC lifted a stay of interim conditions, thus requiring Tacoma Power to install a valve in Cushman No. 2, increase the amount of spill from the project to 240 cfs and construct a bridge on the Reichert ranch. On February 14, 2005, FERC denied rehearing and affirmed the License Order. Tacoma filed a petition for judicial review of the license in the D.C. Circuit and obtained a stay of the “interim conditions.” The D.C. Circuit issued an opinion on August 22, 2006, remanding the license to FERC and lifting the stay on the interim conditions.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Tacoma Power, the Skokomish Tribe and the various federal and state agencies charged with giving input on the licensing articles agreed to a settlement on January 12, 2009. The settlement agreement, along with the proposed amended licensing articles, has been submitted to FERC for review and approval. A decision is expected in 2010.

Tacoma Power continues to operate the Cushman Project pursuant to the 1998 FERC license which is subject to a partial stay.

Federal Energy Regulatory Commission Refund Proceedings.

In July 2001, Tacoma Power, along with Seattle, Eugene, Northern Wasco PUD, Snohomish PUD and the Port of Seattle, sought from the Federal Energy Regulatory Commission (FERC) refunds from the sellers of power who sold power at extremely high prices during the energy crisis (October 2000 through April 2001) (the "Puget" proceeding). The Puget proceeding is a case that was bifurcated from a much larger original refund proceeding referred to as the California Refund proceeding. In the Puget proceeding, Tacoma Power is requesting between \$65 and \$145 million in refunds arising from power being purchased at prices that were extremely unreasonable. FERC declined to grant refunds, stating that even assuming that the prices were unjust and unreasonable, relief could not be equitably granted because not all parties were subject to FERC jurisdiction, parties relying on the spot market would be rewarded over those choosing longer term purchases, there were too many transactions to trace, and not all upstream sellers might be identified. This matter was appealed to the U.S. Court of Appeals for the Ninth Circuit. In August 2007, the Ninth Circuit issued a decision in the "Pacific Northwest Refund Proceeding" (Puget, FERC docket No. EL 01-10), granting in part the petitions for review and remanding for FERC to reconsider its 2003 order denying refunds for charges in the Pacific Northwest that allegedly exceeded just and reasonable levels. The Court found FERC failed to consider market manipulation evidence and improperly excluded potential refunds for CERS purchases in the Pacific Northwest for delivery to California. On remand, the Court required the FERC to "examine this...evidence of market manipulation in detail and account for it in any future orders regarding the award or denial of refunds in the Pacific Northwest proceeding." Further, the Court strongly urged the FERC "to consider its decision, on remand, in light of the related decisions of this court that followed FERC's final orders" in Puget. This matter is now pending at FERC.

Tacoma also intervened in three FERC investigative proceedings involving alleged tariff violations and market manipulation by El Paso, Portland General Electric and Avista, pertaining to similar issues. Tacoma entered into a multi-party settlement of this proceeding with Portland General Electric, but was not a party to a settlement with El Paso. Tacoma's appeal in the Avista matter in the Ninth Circuit Court of Appeals is stayed pending decisions in the California Refund proceeding.

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 will resolve 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 has been implementing this agreement..

Port of Tacoma Lincoln Avenue Grade Separation Project Claim

On October 2, 2009, the Port of Tacoma ("Port") presented a claim against the City for recovery of a portion of the additional environmental costs to the Port incurred to handle, remove and dispose of contaminated soil and refuse during the construction of its Lincoln Avenue Grade Separation project ("Project"). The project includes surface street and utility improvements. In its claim, the Port alleged that the additional costs it incurred was a direct result of the City's prior operation of a solid waste landfill in the area where the project site is located. The City did use a portion of the project site to dispose of municipal solid waste in the 1940's and 1950. The City settled the Port's claim in December 2009, by agreeing to pay \$500,835, toward the Port's additional environmental costs for Phases 1-4 of the Project. This payment represents forty percent of the Port's additional environmental costs. The Port has one more phase to complete, which it expects to do in the spring of 2011. The City's portion is not expected to have a material financial impact.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Robison Construction Inc.

The Contractor has filed suit related to two “additional work” claims arising out of work done by its subcontractor Northwest Boring, in boring tunnels for the I-5 and Green River crossings related to Tacoma Water’s Second Supply Pipeline construction project. The contractor alleges damages in the amount of \$3,478,416. Tacoma Water disputes these claims, and the parties are engaging in settlement discussions.

Skokomish Indian Tribe vs. City and U.S.

This litigation involves the Skokomish Indian Tribe’s \$5 billion claim against Tacoma Power, arising from damages allegedly caused by the construction and operation of the Cushman Hydroelectric Project. On January 19, 2009, the parties entered into a comprehensive settlement of all claims, which is contingent on the relicensing of the Cushman Hydroelectric project, as well as approval by the Ninth Circuit. A decision on relicensing is expected in 2010, (See Cushman Federal Energy Regulatory Commission License note.)

Thea Foss and Wheeler-Osgood Waterways

By letter dated September 29, 2006, the Environmental Protection Agency (“EPA”) provided the City a Certification of Completion of Remedial Action Construction which confirms that the City completed remedial action construction in full satisfaction of the requirements of its Consent Decree. As of December 2009, the City spent \$97,997,790 on study, design and cleanup of the waterways. This amount was offset by \$11,860,593 in contributions from parties who resolved their liability for sediment contamination in the Thea Foss and Wheeler-Osgood Waterways by making cash contributions toward the cleanup work. Additional reimbursements received by the City include insurance cost reimbursements of \$11,857,102 and MTCA grant reimbursements of \$26,184,186. The remaining cost is currently estimated to be \$1,807,665, and a liability for this amount is reported in the accompanying financial statements.

On February 8, 2007, EPA made formal demand for payment of \$358,000 in stipulated penalties against the City. The City disputed EPA’s demand. The parties resolved the dispute by entering a formal settlement in August 2008. Under the terms of the settlement, the City agreed to pay EPA \$89,500, and assume stewardship and maintenance obligations at certain natural resource habitat restoration project sites within the Commencement Bay watershed.

On February 26, 2008, the City approved Resolution No. 37403 accepting \$3,044,490 from the Department of Ecology (DOE) for reimbursement of environmental cleanup costs in the Thea Foss and Wheeler-Osgood Waterways and authorizing execution of a Remedial Action Grant Agreement with the DOE for this purpose.

Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 10 Contingent liabilities**Grants**

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

Note 11 Subsequent events**Property Agreement and Capital Lease Transaction – Wastewater**

By Ordinance No. 27783 passed on January 20, 2009, the City approved a property agreement and project lease with “TES,” a Washington nonprofit corporation and a subordinate organization of NDC Housing and Economic Development Corporation, and the issuance by TES of \$37,840,000 aggregate principal amount of its Lease Revenue Bonds, 2009.

Bond proceeds will be used for design and construction of an office and laboratory building for the City's Environmental Services Division. TES executed a development agreement with Lorig Associates, L.L.C. to use Bond proceeds for construction on land the City conveyed to TES through the property agreement. The property is located on the Foss Waterway and will include a parking lot and waterfront dock.

The Wastewater fund will record a capital lease transaction and pay monthly rent to a trustee under the project lease agreement equal to the principal and interest payments on the Bonds. The City's obligation represents a lien on net revenues on parity with the Wastewater's currently outstanding and any future sewer revenue bonds.

The Wastewater fund is required to establish a reserve account for its obligation to pay monthly rent. The City expects to deposit cash in approximately five annual installments into the reserve account to satisfy this requirement.

In addition to the monthly rent, the Wastewater fund will pay the trustee an asset management fee and make a monthly capital repair reserve payment based on 1/12 of the annual capital repair requirement established for the building. For the first five years the amount is \$112,000 per year with revision by mutual agreement thereafter. The trustee will provide TES with funds from the capital repair reserve for major repairs and maintenance. The Wastewater fund will also pay TES additional rent for operating costs, taxes, insurance, utilities, maintenance, and repair for the premises.

NOTES TO THE FINANCIAL STATEMENTS
FOR DECEMBER 31, 2009

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

NAME OF BOND ISSUE	PURPOSE OF ISSUE	DATE OF ISSUE	MATURITY DATES	ORIGINAL AMOUNT	EFFECTIVE INTEREST RATE	AMOUNT O/S 01-01-09	ISSUED 2009	REDEEMED 2009	AMOUNT O/S 12/31/09
GENERAL OBLIGATION BONDS, LOANS, & NOTES									
Unlimited General Obligation Bonds									
Genl Obl Bonds 2002	Police HQ & Substations	06/01/02	2003-2022	34,300	4.8448	27,845	0	1,445	26,400
Subtotal Unlimited (Voted)						27,845	0	1,445	26,400
Limited General Obligation Bonds									
Ltd. Genl Obl Bonds 1997 Ser B	Capital Improvements	08/05/97	2008-2018	16,100	5.4554	5,841		197	5,644
Ltd. Genl Obl Bonds 2001	Cap Imp & Ref '92 & '94 LT	07/15/01	2003-2014	17,390	4.4598	8,930		1,830	7,100
Ltd. Genl Obl Bonds 2004 Conv Ctr	Construction	08/05/04	2004-2034	51,900	4.8573	48,930		1,045	47,885
Ltd Genl Obl Bonds 2006A Conv Ctr	Improvements	09/10/06	2008-2036	16,475	4.4537	16,185		305	15,880
Ltd. Genl Obl Bonds 2006B	Refund 1997A LTGO	10/09/06	2004-2014	12,885	4.3942	12,885			12,885
Ltd. Genl Obl Bonds 2007 Parking Structure	Retirof Parking Structure	12/21/07	2008-2027	9,610	5.6328	9,300		290	9,010
Ltd. Genl Obl Bonds 2009 Parking Facility	Capital Improvements	08/22/09	2010-2012	1,855	3.5500	0	1,855		1,855
Ltd. Genl Obl Bonds 2009 ECMS	Software Purchase	07/13/09	2009-2013	1,739	2.6500	0	1,739	102	1,637
Ltd. Genl Obl Bonds 2009A Cheney	Capital Improvements	12/17/09	2011-2035	15,380	5.8600	0	15,380		15,380
Ltd. Genl Obl Bonds 2009B Dock & Shalisahan	Capital Improvements	12/17/09	2035	3,320	3.5400	0	3,320		3,320
Ltd. Genl Obl Bonds 2009C Cheney	Capital Improvements	12/17/09	2034	4,975	4.8800	0	4,975		4,975
Ltd. Genl Obl Bonds 2009D Cheney	Capital Improvements	12/17/09	2010-2014	5,000	1.7400	0	5,000		5,000
Ltd. Genl Obl Bonds 2009E Multiple Projects	Capital Improvements	12/17/09	2026-2035	13,526	5.7500	0	13,526		13,526
Ltd. Genl Obl Bonds 2009F Cheney & Env Remt	Capital Improvements	12/17/09	2023-2026	6,681	7.2020	0	6,681		6,681
Subtotal Limited (Councilmanic)						102,071	52,476	3,769	150,778
Washington State Public Works Trust Fund Loan									
CTED PWTF No. 98-791-065	Capital Improvements	08/17/98	1999-2018	9,000	1.0000	5,404		541	4,863
CTED PWTF No. 04-691-068	Capital Improvements	06/02/04	2004-2024	4,500	0.5000	6,012	2,500	532	7,980
Subtotal Washington State Loan (Councilmanic)						11,416	2,500	1,073	12,843
Lease Purchases									
TAC0610-0001 Series F	Capital Improvements	12/01/01	2002-2013	436	4.9425	220		40	180
San Storage & Cisco	Equip Purchase	12/31/08	2009-2013	3401	0.0000	3,401		900	2,501
Subtotal Lease Purchase (Councilmanic)						3,621	0	940	2,681
Total General Obligation Bonds, Loans, & Notes						144,953	54,976	7,227	192,702
ENTERPRISE REVENUE BONDS, LOANS, & NOTES									
Greater Tacoma Convention Center									
Tac CC & Parking Rev Bonds, Series 2004	Construction	08/19/04	2005-2024	32,875	4.4307	28,530		1,300	27,230
Subtotal Convention Center						28,530	0	1,300	27,230

Sewer Utility									
Sewer Revenue/Refunding Bonds 1994	11/01/94	1995 - 2009	42,519	5,5660	350	0			
Sewer Revenue Bonds 2001A	10/15/01	2016 - 2031	53,200	5,1269	38,035	38,035			
Sewer Refunding Bonds 2002	03/01/02	2002 - 2015	28,990	4,4240	17,965	15,745			
State Revolving Fund (SRF) Loan	09/19/03	2008 - 2027	72,000	1,5000	75,178	72,483			
Sewer Rev & Ref Bonds 2006	06/29/06	2006 - 2036	55,000	4,8852	54,950	54,950			
Subtotal Sewer			186,478	0	5,265	181,213			
Solid Waste Utility									
Refuse Utility Bonds 1997 B	04/01/97	2000-2019	60,370	5,8725	8,630	6,655			
Solid Waste Rev & Ref Bonds, 2001	10/15/01	2008-2021	32,915	5,0504	9,085	7,625			
Solid Waste Revenue Bonds, 2006A	07/12/06	2013-2026	29,385		29,385	29,385			
Solid Waste Rev/Ref Bonds, 2006B	09/27/06	2014-2021	22,315		22,315	22,315			
Solid Waste Rev/Ref Bonds, 2008	09/05/08	2013-2017	12,055	3,8577	12,055	12,055			
Subtotal Refuse			81,470	0	3,435	78,035			
Electric System									
Capital Improvements	08/01/99	2013-2020	36,045	5,4900	13,500	13,500			
Cap Impr. & Refunding	06/15/01	2003-2021	191,510	4,7307	48,955	5,915			
Capital Improvements	10/03/01	2006-2012	101,860	4,7307	66,270	14,860			
Capital Improvements	06/08/04	2005-2017	62,655	4,6376	62,840	61,440			
Capital Improvements	10/04/05	2010-2021	93,480	4,2200	93,480	93,480			
Capital Improvements	10/04/05	2006-2021	156,425	4,2900	154,490	153,580			
Refunding	03/13/07	2008-2015	81,130	3,7949	80,035	76,530			
Subtotal Electric System			519,570	0	26,590	492,980			
Water System									
Water Sys Ref. Rev Bonds 2001	12/01/01	2002-2023	32,900	4,9731	30,460	30,060			
PW-DWSRF-00-65120-031	10/07/02	2003-2021	3,060	2,5000	2,094	1,933			
PW-00-691-PRE-115	04/11/01	2002-2021	1,000	0,5000	684	632			
PW-01-691-061	08/27/01	2002-2021	10,000	0,5000	6,933	6,400			
PW-01-691-PRE-127	02/15/02	2003-2021	1,000	0,5000	704	650			
PW-02-691-056	06/17/02	2004-2022	10,000	0,5000	7,438	6,906			
Water Sys Rev Bonds 2002	12/15/02	2005-2032	86,550	4,8820	79,150	78,350			
Water Sys Ref & Rev Bonds 2003	09/01/03	2004-2023	51,380	4,2340	37,830	34,880			
PW-04-691-PRE-101	03/19/04	2004-2024	1,000	0,5000	854	800			
Water Sys Ref & Rev Bonds 2005	10/11/05	2006-2025	46,550	4,6390	42,810	41,080			
PW-06-962-043	07/18/06	2007-2026	6,650	0,5000	6,300	6,300			
Water Sys Rev Bonds 2009 (Taxable BABS)	11/04/09	2010-2039	76,775	3,7780	0	76,775			
PC08-951-047	11/25/09	2010-2028	4,500	0,5000	0	4,500			
Subtotal Water System			215,257	81,625	7,616	289,266			
Tacoma Rail									
Tacoma Rail RAN 2004 (LOC - BofA)	08/01/04	2006 - 2009	2,200	6,1000	550	0			
Rail Revenue Bond 2006 (BofA)	12/21/06	2017	2,000	5,3900	1,725	1,554			
Subtotal Tacoma Rail			2,275	0	721	1,554			

Lease Revenue									
Lease Revenue Bonds 1990	Construction	03/15/90	36,250	9,3476	27,455	1,080	26,375		
Lease Revenue Bonds 1992	Construction	12/15/92	4,695	7,4769	3,425	145	3,280		
	Subtotal Lease Revenue				<u>30,880</u>	<u>0</u>	<u>1,225</u>	<u>29,655</u>	
Conservation Revenue Bonds, guaranteed by BPA									
Conservation System 2003 Bonds	Conservation Project	06/02/03	17,065	4,1957	9,625	1,445	8,180		
	Total Conservation Bonds				<u>9,625</u>	<u>0</u>	<u>1,445</u>	<u>8,180</u>	
	Total Revenue Bonds				<u>\$1,074,085</u>	<u>\$81,625</u>	<u>\$47,597</u>	<u>\$1,108,113</u>	
	Total General Obligation & Revenue Bonds				<u>\$1,219,038</u>	<u>\$136,601</u>	<u>\$54,824</u>	<u>\$1,300,815</u>	
SPECIAL ASSESSMENT BONDS									
Local Improvement District Bonds									
District #57 Bonds	Construction	09/01/99	3,157	5,6173	40	40	0		
District #60 Bonds	Construction	04/01/04	1,036	3,9290	335	75	260		
	Subtotal LID Bonds/Notes				<u>375</u>	<u>0</u>	<u>115</u>	<u>260</u>	
Bond Anticipation Notes									
Revolving Line of Credit	LID Construction	06/30/00	\$6mm Max	Floating	6,423	3,460		9,883	
	Subtotal Bond Anticipation Notes				<u>6,423</u>	<u>3,460</u>	<u>0</u>	<u>9,883</u>	
	Total Special Assessment Bonds				<u>\$6,798</u>	<u>\$3,460</u>	<u>\$115</u>	<u>\$10,143</u>	
	Total All Bonds				<u>\$1,225,836</u>	<u>\$140,061</u>	<u>\$54,939</u>	<u>\$1,310,958</u>	
								<u>\$1,310,958</u>	

Notes related to debt increases:

1. Ltd. Genl Obl Bonds 2009 Parking Facility - financing for modifications to parking garage retrofit.
2. Ltd. Genl Obl Bonds 2009 ECMS - purchase of Electronic Content Management Software.
3. Ltd. Genl Obl Bonds 2009A Cheney (Taxable) - financing for upgrades/modification of Cheney Stadium.
4. Ltd. Genl Obl Bonds 2009B Dock & Shalishan (Taxable Recovery Zone Economic Development Bonds) - financing for capital projects related to the Municipal Dock and Salishan Infrastructure.
5. Ltd. Genl Obl Bonds 2009C Cheney (Tax Exempt Recovery Zone Facility Bonds) - financing for upgrades/modification of Cheney Stadium.
6. Ltd. Genl Obl Bonds 2009D Cheney (Tax Exempt) - financing for upgrades/modification of Cheney Stadium.
7. Ltd. Genl Obl Bonds 2009E Multiple Projects (Tax Exempt)(Capital Appreciation Bonds) - financing for capital projects related to the Municipal Dock, People's Pool, Fire Station 5, Parking System, Salishan Library (Land & Infrastructure), Seaport Museum, & the City Arts Fund.
8. Ltd. Genl Obl Bonds 2009F Cheney & Env Remed (Taxable)(Capital Appreciation Bonds) - financing for upgrades/modification of Cheney Stadium and environmental remediation associated with the Brownfield Cleanup.
9. CTED PWTF No. 04-691-068 - Final Draw on Loan Balance.
10. PW-06-962-043
11. Water Sys Rev Bonds 2009 (Taxable BABS)
12. PC08-951-047 - PWTF Loan to finance construction of Tacoma Water capital projects.
13. LID Revolving Line of Credit - Additional draws to fund ongoing LID projects.

Required Supplementary Information

Tacoma Employee's Retirement System Fund (TERS)

SCHEDULE OF FUNDING PROGRESS: (\$ in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (1) (b)	Actuarial Accrued Liability (AAL) (2) (b-a)	Unfunded AAL (UAAL) (2) (b-a)	Funded Ratio	Covered Payroll (3) (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/1995	\$ 367.1	\$ 394.50	\$ 27.4	\$ 27.4	93.1%	\$ 106.1	25.8%
1/1/1997	\$ 482.7	\$ 477.90	\$ (4.8)	\$ (4.8)	101.0%	\$ 116.3	-4.1%
1/1/1998	\$ 523.8	\$ 515.70	\$ (8.1)	\$ (8.1)	101.6%	\$ 116.1	-7.0%
(4) 1/1/1999	\$ 570.7	\$ 536.90	\$ (33.8)	\$ (33.8)	106.3%	\$ 122.3	-27.6%
(5) 1/1/1999	\$ 570.7	\$ 537.60	\$ (33.1)	\$ (33.1)	106.2%	\$ 122.3	-27.1%
(6) 1/1/2001	\$ 700.7	\$ 605.70	\$ (95.0)	\$ (95.0)	115.7%	\$ 133.4	-71.2%
1/1/2003	\$ 740.1	\$ 686.80	\$ (53.3)	\$ (53.3)	107.8%	\$ 154.2	-34.6%
1/1/2005	\$ 807.3	\$ 754.30	\$ (53.0)	\$ (53.0)	107.0%	\$ 172.5	-30.7%
1/1/2007	\$ 1,021.3	\$ 895.80	\$ (125.5)	\$ (125.5)	114.0%	\$ 175.0	-71.7%
1/1/2009	\$ 1,097.3	\$ 1,002.30	\$ (95.0)	\$ (95.0)	109.5%	\$ 197.4	-48.1%

- (1) Actuarial present value of benefits less actuarial present value of future normal costs based on Entry Age Actuarial Cost Met
- (2) Actuarial accrued liabilities less actuarial value of assets.
- (3) Covered payroll includes compensation paid to all active employees on which contributions were made in the year preceding the valuation date. Covered Payroll differs from Active Member Valuation payroll
- (4) A special actuarial valuation was performed as of January 1, 1998. Ordinarily, actuarial valuations are only performed biennially
- (5) Results as of January 1, 2009 Actuarial Valuation
- (6) January 1, 1999 results adjusted for inclusion of benefit percentage in portability, removal of overtime contributions and removal of overtime contributions and removal of 90 day waiting period.

Other Post Employment Benefit Plan (OPEB)

SCHEDULE OF FUNDING PROGRESS: (\$ in millions)

Tacoma Employee's Retirement System Fund (TERS)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Actuarial Accrued Liability (AAL) (b-a)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll* (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2007	\$ -	\$ 33.21	\$ 33.21	\$ 33.21	0.0%	\$ 1.63	2037%
1/1/2008	\$ -	\$ 33.21	\$ 33.21	\$ 33.21	0.0%	\$ 1.87	2887%
1/1/2009	\$ -	\$ 34.93	\$ 34.93	\$ 34.93	0.0%	\$ 1.21	2895%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Actuarial Accrued Liability (AAL) (b-a)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll* (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2007	\$ -	\$ 130.99	\$ 130.99	\$ 130.99	0.0%	\$ 6.73	1946%
1/1/2008	\$ -	\$ 130.99	\$ 130.99	\$ 130.99	0.0%	\$ 7.24	1809%
1/1/2009	\$ -	\$ 156.69	\$ 156.69	\$ 156.69	0.0%	\$ 6.95	2255%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Actuarial Accrued Liability (AAL) (b-a)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll* (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2007	\$ -	\$ 13.22	\$ 13.22	\$ 13.22	0.0%	\$ 0.01	96840%
1/1/2008	\$ -	\$ 13.22	\$ 13.22	\$ 13.22	0.0%	\$ 0.05	26440%
1/1/2009	\$ -	\$ 12.39	\$ 12.39	\$ 12.39	0.0%	\$ 0.11	11371%

Rail

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Actuarial Accrued Liability (AAL) (b-a)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll* (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2007	\$ -	\$ 0.71	\$ 0.71	\$ 0.71	0.0%	\$ 0.16	444%
1/1/2008	\$ -	\$ 0.71	\$ 0.71	\$ 0.71	0.0%	\$ 0.10	682%
1/1/2009	\$ -	\$ 1.16	\$ 1.16	\$ 1.16	0.0%	\$ 0.06	2070%

Notes to Required Supplementary Information (RSI)

Note 1—Budgetary data**A. General budget policies**

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

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

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded, is employed as an extension of formal budgetary control for governmental fund types. Encumbrances outstanding at December 31 are reported as reservations of fund balances. Encumbrances outstanding at the end of the biennium are reappropriated 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 budgetary information is located in the Required Supplementary Information section on page 4-5 and all Non-Major governmental funds budgetary information are located in the Combining Statements Non-Major Funds section on pages 5-19 to 5-48.

Note 2 Combining statements

The Non-Major Governmental, Proprietary funds and Internal Service funds are displayed in aggregated columns in the City's fund statements. This section of the report contains combining statements that display the financial information for these funds. There are separate combining statements for Non-Major Governmental funds, Non-Major Enterprise funds and the Internal Service funds.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended December 31, 2009
(amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 363,661	\$ 363,661	\$ 126,721	\$ (236,940)
Licenses and permits	11,343	11,343	4,713	(6,630)
Intergovernmental revenues	21,921	21,921	8,887	(13,034)
Charges for services	7,637	7,637	2,942	(4,695)
Fines and forfeits	8,976	8,976	4,031	(4,945)
Investment earnings	6,952	6,952	1,634	(5,318)
Miscellaneous revenues	2,966	2,966	267	(2,699)
TOTAL REVENUES	\$ 423,456	\$ 423,456	\$ 149,195	\$ (274,261)
EXPENDITURES				
Current:				
General government	\$ 71,233	\$ 79,356	\$ 22,159	\$ (57,197)
Security of persons and property	242,731	236,038	132,004	(104,034)
Transportation	39,865	38,519	15,344	(23,175)
Economic environment	42,628	45,120	19,470	(25,650)
Mental & physical health	2,914	2,914	1,364	(1,550)
Culture & recreation	28,022	28,046	12,930	(15,116)
Capital outlay	3,352	3,388	1,470	(1,918)
Debt service:				
Principal payment	5,808	5,808	-	(5,808)
Interest payment fiscal charges	2,590	2,590	42	(2,548)
TOTAL EXPENDITURES	\$ 439,143	\$ 441,779	\$ 204,783	\$ (236,996)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (15,687)	\$ (18,323)	\$ (55,588)	\$ (37,265)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ -	\$ -	\$ 170	\$ 170
Transfer in	3,450	3,450	47,033	43,583
Transfer (out)	(1,650)	(1,650)	(5,759)	(4,109)
TOTAL OTHER FINANCE SOURCES (USES)	\$ 1,800	\$ 1,800	\$ 41,444	\$ 39,644
NET CHANGE IN FUND BALANCE	\$ (13,887)	\$ (16,523)	\$ (14,144)	\$ 2,379
FUND BALANCE JANUARY 1	\$ 52,405	\$ 52,405	\$ 52,405	\$ -
FUND BALANCE DECEMBER 31	\$ 38,518	\$ 35,882	\$ 38,261	\$ 2,379

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COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2009
 (amounts expressed in thousands)
 Page 1 of 9

	SRF			
	COURTS FUND #1020	CONTINGENCY FUND #1030	STREETS FUND # 1060	FIRE DEPARTMENT FUND #1090
ASSETS				
Cash & cash equivalents	\$ 145	\$ 1,156	\$ 4,818	\$ 776
Investments	-	-	-	-
Accounts receivables (net of allowances)	-	-	1,346	51
Due from other funds	-	-	254	71
Due from other governmental units	-	-	7,234	19
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	\$ 145	\$ 1,156	\$ 13,652	\$ 917
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ -	\$ -	\$ 1,413	\$ 63
Accrued wages and benefits payable	2	-	-	2
Deposits payable	-	-	5	-
Accrued taxes payable	-	-	-	-
Due to other funds	-	-	199	155
Deferred revenue	110	-	188	117
Advances from other funds	-	-	-	1,600
Other current liabilities	-	-	34	-
Total liabilities	\$ 112	\$ -	\$ 1,839	\$ 1,937
Fund balances				
Reserved for:				
Encumbrances	\$ 8	\$ -	\$ 26,584	\$ 185
Advances to other funds	-	-	-	-
Other purposes	-	-	-	-
Unreserved reported in:				
Non-major Special Revenue Funds	25	1,156	(14,771)	(1,205)
Non-major Debt Service Funds	-	-	-	-
Non-major Capital Project Funds	-	-	-	-
Total fund balances	\$ 33	\$ 1,156	\$ 11,813	\$ (1,020)
TOTAL LIABILITIES AND FUND BALANCES	\$ 145	\$ 1,156	\$ 13,652	\$ 917

COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2009
 (amounts expressed in thousands)
 Page 2 of 9

	SRF			
	PW FACILITIES ROW STREETS FUND #1100	LID GUARANTEE FUND #1110	PATHS AND TRAILS FUND #1140	BUILDING AND LAND USE FUND #1145
ASSETS				
Cash & cash equivalents	\$ 872	\$ 901	\$ 575	\$ 7,171
Investments	-	2,232	-	-
Accounts receivables (net of allowances)	4	-	1	1,244
Due from other funds	-	5	-	35
Due from other governmental units	-	-	-	-
Prepaid expenditures	1	-	-	-
Inventory	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	\$ 877	\$ 3,138	\$ 576	\$ 8,450
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 75	\$ -	\$ 37	\$ 47
Accrued wages and benefits payable	-	4	-	14
Deposits payable	-	-	-	-
Accrued taxes payable	3	-	-	4
Due to other funds	2	8	-	49
Deferred revenue	16	-	-	1,299
Advances from other funds	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	\$ 96	\$ 12	\$ 37	\$ 1,413
Fund balances				
Reserved for:				
Encumbrances	\$ -	\$ -	\$ 396	\$ 399
Advances to other funds	-	-	-	-
Other purposes	-	3	-	1,036
Unreserved reported in:				
Non-major Special Revenue Funds	781	3,123	143	5,602
Non-major Debt Service Funds	-	-	-	-
Non-major Capital Project Funds	-	-	-	-
Total fund balances	\$ 781	\$ 3,126	\$ 539	\$ 7,037
TOTAL LIABILITIES AND FUND BALANCES	\$ 877	\$ 3,138	\$ 576	\$ 8,450

COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2009
 (amounts expressed in thousands)
 Page 3 of 9

	SRF			
	FIRE EMS FUND #1155	TOURISM AND CONVENTIONS FUND #1180	HR & HS FUND #1185	ECONOMIC DEVELOPMENT FUND #1195
ASSETS				
Cash & cash equivalents	\$ 9,248	\$ 251	\$ 1,596	\$ 12,005
Investments	-	-	-	-
Accounts receivables (net of allowances)	1,023	174	109	172
Due from other funds	143	-	17	28
Due from other governmental units	-	2	153	861
Prepaid expenditures	-	-	-	-
Inventory	75	-	-	-
Other current assets	-	-	-	3,518
Advances to other funds	-	-	-	130
TOTAL ASSETS	\$ 10,489	\$ 427	\$ 1,875	\$ 16,714
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 54	\$ -	\$ 33	\$ 584
Accrued wages and benefits payable	216	-	-	-
Deposits payable	-	-	-	8
Accrued taxes payable	-	-	-	8
Due to other funds	136	2	18	27
Deferred revenue	830	-	728	792
Advances from other funds	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	\$ 1,236	\$ 2	\$ 779	\$ 1,419
Fund balances				
Reserved for:				
Encumbrances	\$ 16	\$ -	\$ 52	\$ 10,553
Advances to other funds	-	-	-	130
Other purposes	-	-	-	3,518
Unreserved reported in:				
Non-major Special Revenue Funds	9,237	425	1,044	1,094
Non-major Debt Service Funds	-	-	-	-
Non-major Capital Project Funds	-	-	-	-
Total fund balances	\$ 9,253	\$ 425	\$ 1,096	\$ 15,295
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,489	\$ 427	\$ 1,875	\$ 16,714

COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 December 31, 2009
 (amounts expressed in thousands)
 Page 4 of 9

	SRF		
	LIBRARY FUND #1200	HUB FUND #1236	POLICE FUND #1267
ASSETS			
Cash & cash equivalents	\$ 4,875	\$ 112	\$ 1,863
Investments	-	-	-
Accounts receivables (net of allowances)	-	-	39
Due from other funds	-	50	218
Due from other governmental units	-	-	218
Prepaid expenditures	-	-	-
Inventory	-	-	-
Other current assets	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	\$ 4,875	\$ 162	\$ 2,338
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 6	\$ -	\$ 61
Accrued wages and benefits payable	-	4	10
Deposits payable	-	-	-
Accrued taxes payable	5	-	-
Due to other funds	11	36	420
Deferred revenue	-	-	1,136
Advances from other funds	-	-	-
Other current liabilities	179	-	-
Total liabilities	\$ 201	\$ 40	\$ 1,627
Fund balances			
Reserved for:			
Encumbrances	\$ -	\$ -	\$ 29
Advances to other funds	-	-	-
Other purposes	-	-	-
Unreserved reported in:			
Non-major Special Revenue Funds	4,674	122	682
Non-major Debt Service Funds	-	-	-
Non-major Capital Project Funds	-	-	-
Total fund balances	\$ 4,674	\$ 122	\$ 711
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,875	\$ 162	\$ 2,338

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	SRF			
	LEGAL FUND #1400	CABLE TV FUND #1431	HUMAN RESOURCES FUND #1500	CITY MANAGER FUND #1600
ASSETS				
Cash & cash equivalents	\$ 9	\$ 2,226	\$ 249	\$ -
Investments	-	-	-	-
Accounts receivables (net of allowances)	1	2	2	-
Due from other funds	-	383	23	-
Due from other governmental units	-	-	-	34
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	\$ 10	\$ 2,611	\$ 274	\$ 34
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ -	\$ 57	\$ 36	\$ 34
Accrued wages and benefits payable	-	35	4	-
Deposits payable	-	-	-	-
Accrued taxes payable	-	-	-	-
Due to other funds	-	182	16	-
Deferred revenue	1	7	-	-
Advances from other funds	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	\$ 1	\$ 281	\$ 56	\$ 34
Fund balances				
Reserved for:				
Encumbrances	\$ -	\$ 257	\$ -	\$ -
Advances to other funds	-	-	-	-
Other purposes	-	-	-	-
Unreserved reported in:				
Non-major Special Revenue Funds	9	2,073	218	-
Non-major Debt Service Funds	-	-	-	-
Non-major Capital Project Funds	-	-	-	-
Total fund balances	\$ 9	\$ 2,330	\$ 218	\$ -
TOTAL LIABILITIES AND FUND BALANCES	\$ 10	\$ 2,611	\$ 274	\$ 34

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	SRF		DSF	
	UNCLAIMED PROPERTY FUND # (1) 6330	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	CTED PWTF LOANS FUND #2038
ASSETS				
Cash & cash equivalents	\$ 736	\$ 1,001	\$ -	\$ -
Investments	-	-	-	-
Accounts receivables (net of allowances)	1	177	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	-	-	-	-
Other current assets	-	-	-	-
Advances to other funds	-	-	-	-
TOTAL ASSETS	\$ 737	\$ 1,178	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Accrued taxes payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	177	-	-
Advances from other funds	-	-	-	-
Other current liabilities	737	-	-	-
Total liabilities	\$ 737	\$ 177	\$ -	\$ -
Fund balances				
Reserved for:				
Encumbrances	\$ -	\$ -	\$ -	\$ -
Advances to other funds	-	-	-	-
Other purposes	-	-	-	-
Unreserved reported in:				
Non-major Special Revenue Funds	-	-	-	-
Non-major Debt Service Funds	-	1,001	-	-
Non-major Capital Project Funds	-	-	-	-
Total fund balances	\$ -	\$ 1,001	\$ -	\$ -
TOTAL LIABILITIES AND FUND BALANCES	\$ 737	\$ 1,178	\$ -	\$ -

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	DSF		CPF
	2001 LTGO REFUNDING FUND #2039	CONSOLIDATED LID BOND REDEMPTION FUND # 7999	1997 BOND ISSUE FUND #3209
ASSETS			
Cash & cash equivalents	\$ -	\$ 73	\$ 218
Investments	-	-	-
Accounts receivables (net of allowances)	-	613	-
Due from other funds	-	-	-
Due from other governmental units	-	-	-
Prepaid expenditures	-	-	-
Inventory	-	-	-
Other current assets	-	-	-
Advances to other funds	-	-	-
TOTAL ASSETS	\$ -	\$ 686	\$ 218
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-
Deposits payable	-	-	-
Accrued taxes payable	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	560	-
Advances from other funds	-	221	130
Other current liabilities	-	-	-
Total liabilities	\$ -	\$ 781	\$ 130
Fund balances			
Reserved for:			
Encumbrances	\$ -	\$ -	\$ 2
Advances to other funds	-	-	-
Other purposes	-	-	-
Unreserved reported in:			
Non-major Special Revenue Funds	-	-	-
Non-major Debt Service Funds	-	-	-
Non-major Capital Project Funds	-	(95)	86
Total fund balances	\$ -	\$ (95)	\$ 88
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 686	\$ 218

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	CPF			
	CAPITAL PROJECTS FUND #3211	2002 POLICE FACILITY FUND #3216	PARKING GARAGE FUND #3217	2009 LTGO CAPITAL PROJECTS FUND 3218
ASSETS				
Cash & cash equivalents	\$ 14,715	\$ 55	\$ 98	\$ 48,852
Investments	-	-	-	-
Accounts receivables (net of allowances)	184	-	-	-
Due from other funds	50	-	-	-
Due from other governmental units	904	-	-	-
Prepaid expenditures	-	-	-	-
Inventory	200	-	-	-
Other current assets	-	-	-	-
Advances to other funds	5,755	-	-	-
TOTAL ASSETS	\$ 21,808	\$ 55	\$ 98	\$ 48,852
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 926	\$ 31	\$ 1	\$ 70
Accrued wages and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Accrued taxes payable	3	-	-	-
Due to other funds	73	-	-	-
Deferred revenue	10	-	-	-
Advances from other funds	-	4,200	-	-
Other current liabilities	-	-	-	-
Total liabilities	\$ 1,012	\$ 4,231	\$ 1	\$ 70
Fund balances				
Reserved for:				
Encumbrances	\$ 1,451	\$ -	\$ 386	\$ -
Advances to other funds	5,755	-	-	-
Other purposes	200	-	-	-
Unreserved reported in:				
Non-major Special Revenue Funds	-	-	-	-
Non-major Debt Service Funds	-	-	-	-
Non-major Capital Project Funds	13,390	(4,176)	(289)	48,782
Total fund balances	\$ 20,796	\$ (4,176)	\$ 97	\$ 48,782
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,808	\$ 55	\$ 98	\$ 48,852

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	CPF		TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	LID INTERIUM FINANCING FUND # 7070		TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash & cash equivalents	\$ 99	\$	114,695
Investments	-		2,232
Accounts receivables (net of allowances)	-		5,143
Due from other funds	-		1,277
Due from other governmental units	-		9,425
Prepaid expenditures	-		1
Inventory	-		275
Other current assets	-		3,518
Advances to other funds	-		5,885
TOTAL ASSETS	\$ 99	\$	142,451
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ -	\$	3,528
Accrued wages and benefits payable	-		291
Deposits payable	-		13
Accrued taxes payable	-		23
Due to other funds	-		1,334
Deferred revenue	-		5,971
Advances from other funds	-		6,151
Other current liabilities	-		950
Total liabilities	\$ -	\$	18,261
Fund balances			
Reserved for:			
Encumbrances	\$ -	\$	40,318
Advances to other funds	-		5,885
Other purposes	-		4,757
Unreserved reported in:			
Non-major Special Revenue Funds	-		14,432
Non-major Debt Service Funds	-		1,001
Non-major Capital Project Funds	99		57,797
Total fund balances	\$ 99	\$	124,190
TOTAL LIABILITIES AND FUND BALANCES	\$ 99	\$	142,451

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
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	SRF			
	COURTS FUND #1020	CONTINGENCY FUND #1030	STREETS FUND # 1060	FIRE DEPARTMENT FUND #1090
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	111	-
Intergovernmental revenues	86	-	14,000	1,022
Charges for services	-	-	3,078	-
Fines and forfeits	8	-	-	-
Investment earnings	-	75	184	26
Miscellaneous revenues	-	-	77	111
TOTAL REVENUES	\$ 94	\$ 75	\$ 17,450	\$ 1,159
EXPENDITURES				
Current:				
General government	\$ -	\$ 28	\$ -	\$ 56
Security of persons and property	92	-	-	673
Transportation	-	-	1,269	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlay	-	-	21,192	53
Debt service:				
Principal payment	-	-	-	-
Interest payment fiscal charges	-	-	2	80
TOTAL EXPENDITURES	\$ 92	\$ 28	\$ 22,463	\$ 862
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2	\$ 47	\$ (5,013)	\$ 297
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ 1,500	\$ 401	\$ -
Transfer (out)	-	(2,000)	(340)	(132)
Issuance of debt	-	-	5,598	-
Premium on debt issue	-	-	-	-
Discount on debt issue	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ (500)	\$ 5,659	\$ (132)
NET CHANGE IN FUND BALANCE	\$ 2	\$ (453)	\$ 646	\$ 165
FUND BALANCE JANUARY 1	\$ 31	\$ 1,609	\$ 11,167	\$ (1,185)
FUND BALANCE DECEMBER 31	\$ 33	\$ 1,156	\$ 11,813	\$ (1,020)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
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	SRF			
	PW FACILITIES ROW STREETS FUND #1100	LID GUARANTEE FUND #1110	PATHS AND TRAILS FUND #1140	BUILDING AND LAND USE FUND #1145
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	57	-	-	501
Intergovernmental revenues	-	-	12	-
Charges for services	-	-	100	137
Fines and forfeits	-	-	-	167
Investment earnings	22	71	9	210
Miscellaneous revenues	21	-	-	2
TOTAL REVENUES	<u>\$ 100</u>	<u>\$ 71</u>	<u>\$ 121</u>	<u>\$ 1,017</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ 154	\$ -	\$ -
Security of persons and property	-	-	-	-
Transportation	136	-	-	2,146
Economic environment	5	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlay	-	-	605	-
Debt service:				
Principal payment	-	-	-	-
Interest payment fiscal charges	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 141</u>	<u>\$ 154</u>	<u>\$ 605</u>	<u>\$ 2,146</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (41)</u>	<u>\$ (83)</u>	<u>\$ (484)</u>	<u>\$ (1,129)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ 205	\$ 525	\$ -
Transfer (out)	-	-	-	-
Issuance of debt	-	-	-	-
Premium on debt issue	-	-	-	-
Discount on debt issue	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 525</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ (41)</u>	<u>\$ 122</u>	<u>\$ 41</u>	<u>\$ (1,129)</u>
FUND BALANCE JANUARY 1	<u>\$ 822</u>	<u>\$ 3,004</u>	<u>\$ 498</u>	<u>\$ 8,166</u>
FUND BALANCE DECEMBER 31	<u>\$ 781</u>	<u>\$ 3,126</u>	<u>\$ 539</u>	<u>\$ 7,037</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
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	SRF			
	FIRE EMS FUND #1155	TOURISM AND CONVENTIONS FUND #1180	HR & HS FUND #1185	ECONOMIC DEVELOPMENT FUND #1195
REVENUES				
Taxes	\$ 9,761	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	27	3,102	900	6,615
Charges for services	2,533	-	849	757
Fines and forfeits	-	-	-	-
Investment earnings	200	21	22	469
Miscellaneous revenues	266	-	41	644
TOTAL REVENUES	\$ 12,787	\$ 3,123	\$ 1,812	\$ 8,485
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Security of persons and property	10,717	-	745	127
Transportation	-	-	-	30
Economic environment	-	-	481	8,726
Mental & physical health	-	-	882	10
Culture & recreation	-	9	-	133
Capital outlay	104	-	-	174
Debt service:				
Principal payment	-	-	-	-
Interest payment fiscal charges	-	-	-	-
TOTAL EXPENDITURES	\$ 10,821	\$ 9	\$ 2,108	\$ 9,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,966	\$ 3,114	\$ (296)	\$ (715)
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 9	\$ -	\$ 767	\$ 380
Transfer (out)	(135)	(3,137)	-	(186)
Issuance of debt	-	-	-	-
Premium on debt issue	-	-	-	-
Discount on debt issue	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	\$ (126)	\$ (3,137)	\$ 767	\$ 194
NET CHANGE IN FUND BALANCE	\$ 1,840	\$ (23)	\$ 471	\$ (521)
FUND BALANCE JANUARY 1	\$ 7,413	\$ 448	\$ 625	\$ 15,816
FUND BALANCE DECEMBER 31	\$ 9,253	\$ 425	\$ 1,096	\$ 15,295

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
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	SRF		
	LIBRARY FUND #1200	HUB FUND #1236	POLICE FUND #1267
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	90	-	2,403
Charges for services	56	-	77
Fines and forfeits	-	-	411
Investment earnings	133	-	24
Miscellaneous revenues	1	-	104
TOTAL REVENUES	\$ 280	\$ -	\$ 3,019
EXPENDITURES			
Current:			
General government	\$ -	\$ 1	\$ -
Security of persons and property	-	-	3,048
Transportation	-	-	-
Economic environment	-	-	-
Mental & physical health	-	-	-
Culture & recreation	113	-	-
Capital outlay	428	-	46
Debt service:			
Principal payment	-	-	-
Interest payment fiscal charges	-	-	-
TOTAL EXPENDITURES	\$ 541	\$ 1	\$ 3,094
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (261)	\$ (1)	\$ (75)
OTHER FINANCING SOURCES (USES)			
Transfer in	\$ -	\$ -	\$ 8
Transfer (out)	-	(248)	-
Issuance of debt	-	-	-
Premium on debt issue	-	-	-
Discount on debt issue	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ (248)	\$ 8
NET CHANGE IN FUND BALANCE	\$ (261)	\$ (249)	\$ (67)
FUND BALANCE JANUARY 1	\$ 4,935	\$ 371	\$ 778
FUND BALANCE DECEMBER 31	\$ 4,674	\$ 122	\$ 711

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
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	SRF			
	LEGAL FUND #1400	CABLE TV FUND #1431	HUMAN RESOURCES FUND #1500	CITY MANAGER FUND #1600
REVENUES				
Taxes	\$ -	\$ 2,760	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	12	-	132	-
Charges for services	-	226	2	34
Fines and forfeits	-	-	-	-
Investment earnings	-	51	9	-
Miscellaneous revenues	-	24	-	-
TOTAL REVENUES	\$ 12	\$ 3,061	\$ 143	\$ 34
EXPENDITURES				
Current:				
General government	\$ 3	\$ 2,403	\$ 173	\$ 34
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal payment	-	-	-	-
Interest payment fiscal charges	-	-	-	-
TOTAL EXPENDITURES	\$ 3	\$ 2,403	\$ 173	\$ 34
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 9	\$ 658	\$ (30)	\$ -
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ -	\$ 248	\$ -
Transfer (out)	-	-	-	-
Issuance of debt	-	-	-	-
Premium on debt issue	-	-	-	-
Discount on debt issue	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ 248	\$ -
NET CHANGE IN FUND BALANCE	\$ 9	\$ 658	\$ 218	\$ -
FUND BALANCE JANUARY 1	\$ -	\$ 1,672	\$ -	\$ -
FUND BALANCE DECEMBER 31	\$ 9	\$ 2,330	\$ 218	\$ -

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
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	SRF		DSF	
	UNCLAIMED PROPERTY FUND # (1) 6330	VOTED BONDS FUND #2010	NON-VOTED BONDS FUND #2035	CTED PWTF LOANS FUND #2038
REVENUES				
Taxes	\$ -	\$ 2,852	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous revenues	-	-	-	-
TOTAL REVENUES	\$ -	\$ 2,852	\$ -	\$ -
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal payment	-	1,445	197	1,072
Interest payment fiscal charges	-	1,367	757	87
TOTAL EXPENDITURES	\$ -	\$ 2,812	\$ 954	\$ 1,159
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 40	\$ (954)	\$ (1,159)
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ -	\$ 954	\$ 1,159
Transfer (out)	-	-	-	-
Issuance of debt	-	-	-	-
Premium on debt issue	-	-	-	-
Discount on debt issue	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ 954	\$ 1,159
NET CHANGE IN FUND BALANCE	\$ -	\$ 40	\$ -	\$ -
FUND BALANCE JANUARY 1	\$ -	\$ 961	\$ -	\$ -
FUND BALANCE DECEMBER 31	\$ -	\$ 1,001	\$ -	\$ -

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
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	DSF 2001 LTGO REFUNDING FUND #2039	CONSOLIDATED LID BOND REDEMPTION FUND # (3)7999	CPF 1997 BOND ISSUE FUND #3209
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings	-	5	6
Miscellaneous revenues	-	374	-
TOTAL REVENUES	\$ -	\$ 379	\$ 6
EXPENDITURES			
Current:			
General government	\$ -	\$ -	-
Security of persons and property	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Mental & physical health	-	-	-
Culture & recreation	-	-	-
Capital outlay	-	-	9
Debt service:			
Principal payment	1,830	115	-
Interest payment fiscal charges	407	33	-
TOTAL EXPENDITURES	\$ 2,237	\$ 148	\$ 9
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,237)	\$ 231	\$ (3)
OTHER FINANCING SOURCES (USES)			
Transfer in	\$ 2,237	\$ -	-
Transfer (out)	-	(205)	-
Issuance of debt	-	-	-
Premium on debt issue	-	-	-
Discount on debt issue	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	\$ 2,237	\$ (205)	\$ -
NET CHANGE IN FUND BALANCE	\$ -	\$ 26	\$ (3)
FUND BALANCE JANUARY 1	\$ -	\$ (121)	\$ 91
FUND BALANCE DECEMBER 31	\$ -	\$ (95)	\$ 88

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
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	CPF			
	CAPITAL PROJECTS FUND #3211	2002 POLICE FACILITY FUND #3216	PARKING GARAGE FUND #3217	2009 LTGO CAPITAL PROJECTS FUND 3218
REVENUES				
Taxes	\$ 3,007	\$ -	\$ -	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	3,703	-	-	-
Charges for services	45	-	-	-
Fines and forfeits	-	-	-	-
Investment earnings	786	3	14	157
Miscellaneous revenues	672	-	-	-
TOTAL REVENUES	\$ 8,213	\$ 3	\$ 14	\$ 157
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	-
Security of persons and property	-	-	-	-
Transportation	5,130	-	9	-
Economic environment	-	-	-	-
Mental & physical health	-	-	-	-
Culture & recreation	-	-	-	-
Capital outlay	11,891	131	4,044	25
Debt service:				
Principal payment	-	-	290	-
Interest payment fiscal charges	-	159	539	304
TOTAL EXPENDITURES	\$ 17,021	\$ 290	\$ 4,882	\$ 329
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (8,808)	\$ (287)	\$ (4,868)	\$ (172)
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 280	\$ -	\$ 929	-
Transfer (out)	(4,250)	-	(220)	-
Issuance of debt	-	-	1,855	48,882
Premium on debt issue	-	-	-	226
Discount on debt issue	-	-	-	(154)
TOTAL OTHER FINANCE SOURCES (USES)	\$ (3,970)	\$ -	\$ 2,564	\$ 48,954
NET CHANGE IN FUND BALANCE	\$ (12,778)	\$ (287)	\$ (2,304)	\$ 48,782
FUND BALANCE JANUARY 1	\$ 33,574	\$ (3,889)	\$ 2,401	-
FUND BALANCE DECEMBER 31	\$ 20,796	\$ (4,176)	\$ 97	\$ 48,782

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

(amounts expressed in thousands)

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	<u>CPF</u>		<u>TOTAL</u>
	LID INTERIUM FINANCING FUND # 7070		NON-MAJOR GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ -	\$	18,380
Licenses and permits	-		669
Intergovernmental revenues	-		32,104
Charges for services	-		7,894
Fines and forfeits	-		586
Investment earnings	-		2,497
Miscellaneous revenues	2		2,339
TOTAL REVENUES	<u>\$ 2</u>	<u>\$</u>	<u>64,469</u>
EXPENDITURES			
Current:			
General government	\$ -	\$	2,852
Security of persons and property	-		15,402
Transportation	-		8,720
Economic environment	-		9,212
Mental & physical health	-		892
Culture & recreation	-		255
Capital outlay	-		38,702
Debt service:			
Principal payment	-		4,949
Interest payment fiscal charges	-		3,735
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$</u>	<u>84,719</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 2</u>	<u>\$</u>	<u>(20,250)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	\$ -	\$	9,602
Transfer (out)	-		(10,853)
Issuance of debt	-		56,335
Premium on debt issue	-		226
Discount on debt issue	-		(154)
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$</u>	<u>55,156</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2</u>	<u>\$</u>	<u>34,906</u>
FUND BALANCE JANUARY 1	\$ 97	\$	89,284
FUND BALANCE DECEMBER 31	<u>\$ 99</u>	<u>\$</u>	<u>124,190</u>

SRF - COURTS (1020)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ 204	\$ 204	\$ 86	\$ (118)
Fines and forfeits	14	14	8	(6)
TOTAL REVENUES	<u>\$ 218</u>	<u>\$ 218</u>	<u>\$ 94</u>	<u>\$ (124)</u>
EXPENDITURES				
Current:				
Security of persons and property	\$ 218	\$ 218	\$ 92	\$ (126)
TOTAL EXPENDITURES	<u>\$ 218</u>	<u>\$ 218</u>	<u>\$ 92</u>	<u>\$ (126)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
FUND BALANCE JANUARY 1	\$ 31	\$ 31	\$ 31	\$ -
FUND BALANCE DECEMBER 31	<u>\$ 31</u>	<u>\$ 31</u>	<u>\$ 33</u>	<u>\$ 2</u>

SRF - CONTINGENCY (1030)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 75	\$ 75
TOTAL REVENUES	\$ -	\$ -	\$ 75	\$ 75
EXPENDITURES				
Current:				
General government	\$ 3,000	\$ 3,000	\$ 28	\$ (2,972)
TOTAL EXPENDITURES	\$ 3,000	\$ 3,000	\$ 28	\$ (2,972)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,000)	\$ (3,000)	\$ 47	\$ 3,047
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Transfer (out)	-	-	(2,000)	(2,000)
TOTAL OTHER FINANCE SOURCES (USES)	\$ 1,500	\$ 1,500	\$ (500)	\$ (2,000)
NET CHANGE IN FUND BALANCE	\$ (1,500)	\$ (1,500)	\$ (453)	\$ 1,047
FUND BALANCE JANUARY 1	\$ 1,609	\$ 1,609	\$ 1,609	\$ -
FUND BALANCE DECEMBER 31	\$ 109	\$ 109	\$ 1,156	\$ 1,047

SRF - STREETS (1060)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 351	\$ 352	\$ 111	\$ (241)
Intergovernmental revenues	28,331	43,003	14,000	(29,003)
Charges for services	-	50	3,078	3,028
Investment earnings	-	-	184	184
Miscellaneous revenues	29,963	34,952	77	(34,875)
TOTAL REVENUES	\$ 58,645	\$ 78,357	\$ 17,450	\$ (60,907)
EXPENDITURES				
Current:				
Transportation	\$ 1,018	\$ 1,175	\$ 1,269	\$ 94
Capital outlay	61,719	87,844	21,192	(66,652)
Debt service:				
Interest payment fiscal charges	-	-	2	2
TOTAL EXPENDITURES	\$ 62,737	\$ 89,019	\$ 22,463	\$ (66,556)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (4,092)	\$ (10,662)	\$ (5,013)	\$ 5,649
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ -	\$ 359	\$ -	\$ (359)
Transfer in	3,074	6,162	401	(5,761)
Transfer (out)	(158)	-	(340)	(340)
Issuance of debt	-	-	5,598	5,598
TOTAL OTHER FINANCE SOURCES (USES)	\$ 2,916	\$ 6,521	\$ 5,659	\$ (862)
NET CHANGE IN FUND BALANCE	\$ (1,176)	\$ (4,141)	\$ 646	\$ 4,787
FUND BALANCE JANUARY 1	\$ 11,167	\$ 11,167	\$ 11,167	\$ -
FUND BALANCE DECEMBER 31	\$ 9,991	\$ 7,026	\$ 11,813	\$ 4,787

SRF - FIRE DEPARTMENT (1090)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ 1,422	\$ 2,057	\$ 1,022	\$ (1,035)
Investment earnings	55	55	26	(29)
Miscellaneous revenues	1	101	111	10
TOTAL REVENUES	<u>\$ 1,478</u>	<u>\$ 2,213</u>	<u>\$ 1,159</u>	<u>\$ (1,054)</u>
EXPENDITURES				
Current:				
General government	\$ 105	\$ 105	\$ 56	\$ (49)
Security of persons and property	934	1,178	673	(505)
Capital outlay	100	811	53	(758)
Debt service:				
Principal payment	270	400	-	(400)
Interest payment fiscal charges	310	310	80	(230)
TOTAL EXPENDITURES	<u>\$ 1,719</u>	<u>\$ 2,804</u>	<u>\$ 862</u>	<u>\$ (1,942)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (241)</u>	<u>\$ (591)</u>	<u>\$ 297</u>	<u>\$ 888</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	\$ -	\$ (100)	\$ (132)	\$ (32)
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$ (100)</u>	<u>\$ (132)</u>	<u>\$ (32)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (241)</u>	<u>\$ (691)</u>	<u>\$ 165</u>	<u>\$ 856</u>
FUND BALANCE JANUARY 1	\$ (1,185)	\$ (1,185)	\$ (1,185)	\$ -
FUND BALANCE DECEMBER 31	<u>\$ (1,426)</u>	<u>\$ (1,876)</u>	<u>\$ (1,020)</u>	<u>\$ 856</u>

SRF - PW FACILITIES ROW STREETS (1100)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 349	\$ 349	\$ 57	\$ (292)
Investment earnings	-	-	22	22
Miscellaneous revenues	-	-	21	21
TOTAL REVENUES	\$ 349	\$ 349	\$ 100	\$ (249)
EXPENDITURES				
Current:				
General government	\$ 215	\$ 215	\$ -	\$ (215)
Transportation	240	240	136	(104)
Economic environment	166	166	5	(161)
TOTAL EXPENDITURES	\$ 621	\$ 621	\$ 141	\$ (480)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (272)	\$ (272)	\$ (41)	\$ 231
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ (272)	\$ (272)	\$ (41)	\$ 231
FUND BALANCE JANUARY 1	\$ 822	\$ 822	\$ 822	\$ -
FUND BALANCE DECEMBER 31	\$ 550	\$ 550	\$ 781	\$ 231

SRF - LID GUARANTEE (1110)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 71	\$ 71
TOTAL REVENUES	\$ -	\$ -	\$ 71	\$ 71
EXPENDITURES				
Current:				
General government	\$ 305	\$ 335	\$ 154	\$ (181)
TOTAL EXPENDITURES	\$ 305	\$ 335	\$ 154	\$ (181)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (305)	\$ (335)	\$ (83)	\$ 252
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ -	\$ 205	\$ 205
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ 205	\$ 205
NET CHANGE IN FUND BALANCE	\$ (305)	\$ (335)	\$ 122	\$ 457
FUND BALANCE JANUARY 1	\$ 3,004	\$ 3,004	\$ 3,004	\$ -
FUND BALANCE DECEMBER 31	\$ 2,699	\$ 2,669	\$ 3,126	\$ 457

SRF - PATHS AND TRAILS (1140)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ 595	\$ 595	\$ 12	\$ (583)
Charges for services	-	-	100	100
Investment earnings	-	-	9	9
Miscellaneous revenues	1,160	1,160	-	(1,160)
TOTAL REVENUES	<u>\$ 1,755</u>	<u>\$ 1,755</u>	<u>\$ 121</u>	<u>\$ (1,634)</u>
EXPENDITURES				
Current:				
Transportation	\$ 2	\$ 2	-	\$ (2)
Capital outlay	2,539	2,539	605	(1,934)
TOTAL EXPENDITURES	<u>\$ 2,541</u>	<u>\$ 2,541</u>	<u>\$ 605</u>	<u>\$ (1,936)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (786)</u>	<u>\$ (786)</u>	<u>\$ (484)</u>	<u>\$ 302</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 784	\$ 784	\$ 525	\$ (259)
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ 784</u>	<u>\$ 784</u>	<u>\$ 525</u>	<u>\$ (259)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ 41</u>	<u>\$ 43</u>
FUND BALANCE JANUARY 1	<u>\$ 498</u>	<u>\$ 498</u>	<u>\$ 498</u>	<u>\$ -</u>
FUND BALANCE DECEMBER 31	<u><u>\$ 496</u></u>	<u><u>\$ 496</u></u>	<u><u>\$ 539</u></u>	<u><u>\$ 43</u></u>

SRF - BUILDING & LAND USE (1145)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Licenses and permits	\$ 600	\$ 600	\$ 501	\$ (99)
Charges for services	1,310	1,310	137	(1,173)
Fines and forfeits	204	204	167	(37)
Investment earnings	340	340	210	(130)
Miscellaneous revenues	-	-	2	2
TOTAL REVENUES	\$ 2,454	\$ 2,454	\$ 1,017	\$ (1,437)
EXPENDITURES				
Current:				
Transportation	\$ 8,226	\$ 8,226	\$ 2,146	\$ (6,080)
Capital outlay	281	281	-	(281)
TOTAL EXPENDITURES	\$ 8,507	\$ 8,507	\$ 2,146	\$ (6,361)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (6,053)	\$ (6,053)	\$ (1,129)	\$ 4,924
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 150	\$ 150	\$ -	\$ (150)
Transfer (out)	(150)	(150)	-	150
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ (6,053)	\$ (6,053)	\$ (1,129)	\$ 4,924
FUND BALANCE JANUARY 1	\$ 8,166	\$ 8,166	\$ 8,166	\$ -
FUND BALANCE DECEMBER 31	<u>\$ 2,113</u>	<u>\$ 2,113</u>	<u>\$ 7,037</u>	<u>\$ 4,924</u>

SRF - FIRE EMS (1155)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 18,644	\$ 18,644	\$ 9,761	\$ (8,883)
Licenses and permits	-	-	-	-
Intergovernmental revenues	50	50	27	(23)
Charges for services	5,847	5,847	2,533	(3,314)
Fines and forfeits	-	-	-	-
Investment earnings	51	51	200	149
Miscellaneous revenues	30	30	266	236
TOTAL REVENUES	\$ 24,622	\$ 24,622	\$ 12,787	\$ (11,835)
EXPENDITURES				
Current:				
Security of persons and property	\$ 24,927	\$ 25,143	\$ 10,717	\$ (14,426)
Capital outlay	930	1,530	104	(1,426)
TOTAL EXPENDITURES	\$ 25,857	\$ 26,673	\$ 10,821	\$ (15,852)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,235)	\$ (2,051)	\$ 1,966	\$ 4,017
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ -	\$ 9	\$ 9
Transfer (out)	(250)	(250)	(135)	115
TOTAL OTHER FINANCE SOURCES (USES)	\$ (250)	\$ (250)	\$ (126)	\$ 124
NET CHANGE IN FUND BALANCE	\$ (1,485)	\$ (2,301)	\$ 1,840	\$ 4,141
FUND BALANCE JANUARY 1	\$ 7,413	\$ 7,413	\$ 7,413	\$ -
FUND BALANCE DECEMBER 31	\$ 5,928	\$ 5,112	\$ 9,253	\$ 4,141

SRF - TOURISM & CONVENTIONS (1180)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 7,011	\$ 7,011	\$ -	\$ (7,011)
Intergovernmental revenues	-	-	3,102	3,102
Investment earnings	-	-	21	21
TOTAL REVENUES	\$ 7,011	\$ 7,011	\$ 3,123	\$ (3,888)
EXPENDITURES				
Current:				
Culture & recreation	\$ 22	\$ 22	\$ 9	\$ (13)
TOTAL EXPENDITURES	\$ 22	\$ 22	\$ 9	\$ (13)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 6,989	\$ 6,989	\$ 3,114	\$ (3,875)
OTHER FINANCING SOURCES (USES)				
Transfer (out)	\$ (6,989)	\$ (6,989)	\$ (3,137)	\$ 3,852
TOTAL OTHER FINANCE SOURCES (USES)	\$ (6,989)	\$ (6,989)	\$ (3,137)	\$ 3,852
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ (23)	\$ (23)
FUND BALANCE JANUARY 1	\$ 448	\$ 448	\$ 448	\$ -
FUND BALANCE DECEMBER 31	\$ 448	\$ 448	\$ 425	\$ (23)

SRF - HR & HS (1185)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ 1,598	\$ 1,992	\$ 900	\$ (1,092)
Charges for services	39	39	849	810
Investment earnings	20	20	22	2
Miscellaneous revenues	1,401	1,401	41	(1,360)
TOTAL REVENUES	\$ 3,058	\$ 3,452	\$ 1,812	\$ (1,640)
EXPENDITURES				
Current:				
Security of persons and property	\$ 1,135	\$ 1,529	\$ 745	\$ (784)
Economic environment	1,119	1,634	481	(1,153)
Mental & physical health	1,781	1,781	882	(899)
TOTAL EXPENDITURES	\$ 4,035	\$ 4,944	\$ 2,108	\$ (2,836)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (977)	\$ (1,492)	\$ (296)	\$ 1,196
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 250	\$ 765	\$ 767	\$ 2
TOTAL OTHER FINANCE SOURCES (USES)	\$ 250	\$ 765	\$ 767	\$ 2
NET CHANGE IN FUND BALANCE	\$ (727)	\$ (727)	\$ 471	\$ 1,198
FUND BALANCE JANUARY 1	\$ 625	\$ 625	\$ 625	\$ -
FUND BALANCE DECEMBER 31	<u>\$ (102)</u>	<u>\$ (102)</u>	<u>\$ 1,096</u>	<u>\$ 1,198</u>

SRF - ECONOMIC DEVELOPMENT (1195)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ 22,698	\$ 27,754	\$ 6,615	\$ (21,139)
Charges for services	1,883	1,883	757	(1,126)
Investment earnings	274	274	469	195
Miscellaneous revenues	375	595	644	49
TOTAL REVENUES	\$ 25,230	\$ 30,506	\$ 8,485	\$ (22,021)
EXPENDITURES				
Current:				
Security of persons and property	\$ 376	\$ 376	\$ 127	\$ (249)
Transportation	2,532	2,532	30	(2,502)
Economic environment	18,300	38,547	8,726	(29,821)
Mental & physical health	50	50	10	(40)
Culture & recreation	921	938	133	(805)
Capital outlay	400	400	174	(226)
TOTAL EXPENDITURES	\$ 22,579	\$ 42,843	\$ 9,200	\$ (33,643)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,651	\$ (12,337)	\$ (715)	\$ 11,622
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ 160	\$ 380	\$ 220
Transfer (out)	(15,008)	(180)	(186)	(6)
TOTAL OTHER FINANCE SOURCES (USES)	\$ (15,008)	\$ (20)	\$ 194	\$ 214
NET CHANGE IN FUND BALANCE	\$ (12,357)	\$ (12,357)	\$ (521)	\$ 11,836
FUND BALANCE JANUARY 1	\$ 15,816	\$ 15,816	\$ 15,816	\$ -
FUND BALANCE DECEMBER 31	\$ 3,459	\$ 3,459	\$ 15,295	\$ 11,836

SRF - LIBRARY (1200)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ -	\$ 11	\$ 90	\$ 79
Charges for services	-	38	56	18
Investment earnings	6	550	133	(417)
Miscellaneous revenues	-	296	1	(295)
TOTAL REVENUES	\$ 6	\$ 895	\$ 280	\$ (615)
EXPENDITURES				
Current:				
Culture & recreation	\$ 6	\$ 52	\$ 113	\$ 61
Capital outlay	-	521	428	(93)
TOTAL EXPENDITURES	\$ 6	\$ 573	\$ 541	\$ (32)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 322	\$ (261)	\$ (583)
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ -	\$ 322	\$ (261)	\$ (583)
FUND BALANCE JANUARY 1	\$ 4,935	\$ 4,935	\$ 4,935	\$ -
FUND BALANCE DECEMBER 31	<u>\$ 4,935</u>	<u>\$ 5,257</u>	<u>\$ 4,674</u>	<u>\$ (583)</u>

SRF - HUB (1236)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ 200	\$ 971	\$ -	\$ (971)
Charges for services	970	-	-	-
Fines and forfeits	23	-	-	-
TOTAL REVENUES	\$ 1,193	\$ 971	\$ -	\$ (971)
EXPENDITURES				
Current:				
General government	\$ 1,193	\$ 543	\$ 1	\$ (542)
TOTAL EXPENDITURES	\$ 1,193	\$ 543	\$ 1	\$ (542)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 428	\$ (1)	\$ (429)
OTHER FINANCING SOURCES (USES)				
Transfer (out)	\$ -	\$ -	\$ (248)	\$ (248)
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ (248)	\$ (248)
NET CHANGE IN FUND BALANCE	\$ -	\$ 428	\$ (249)	\$ (677)
FUND BALANCE JANUARY 1	\$ 371	\$ 371	\$ 371	\$ -
FUND BALANCE DECEMBER 31	\$ 371	\$ 799	\$ 122	\$ (677)

SRF - POLICE (1267)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ 1,572	\$ 4,642	\$ 2,403	\$ (2,239)
Charges for services	125	125	77	(48)
Fines and forfeits	689	689	411	(278)
Investment earnings	96	96	24	(72)
Miscellaneous revenues	221	221	104	(117)
TOTAL REVENUES	\$ 2,703	\$ 5,773	\$ 3,019	\$ (2,754)
EXPENDITURES				
Current:				
Security of persons and property	\$ 2,776	\$ 5,846	\$ 3,048	\$ (2,798)
Capital outlay	253	253	46	(207)
TOTAL EXPENDITURES	\$ 3,029	\$ 6,099	\$ 3,094	\$ (3,005)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (326)	\$ (326)	\$ (75)	\$ 251
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ -	\$ 8	\$ 8
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ 8	\$ 8
NET CHANGE IN FUND BALANCE	\$ (326)	\$ (326)	\$ (67)	\$ 259
FUND BALANCE JANUARY 1	\$ 778	\$ 778	\$ 778	\$ -
FUND BALANCE DECEMBER 31	<u>\$ 452</u>	<u>\$ 452</u>	<u>\$ 711</u>	<u>\$ 259</u>

SRF - LEGAL (1400)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ -	\$ 21	\$ 12	\$ (9)
TOTAL REVENUES	\$ -	\$ 21	\$ 12	\$ (9)
EXPENDITURES				
Current:				
General government	\$ -	\$ 21	\$ 3	\$ (18)
TOTAL EXPENDITURES	\$ -	\$ 21	\$ 3	\$ (18)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 9	\$ 9
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 9	\$ 9
FUND BALANCE JANUARY 1	\$ -	\$ -	\$ -	\$ -
FUND BALANCE DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

SRF - CABLE TV (1431)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,176	\$ 5,176	\$ 2,760	\$ (2,416)
Charges for services	-	-	226	226
Investment earnings	-	-	51	51
Miscellaneous revenues	953	1,415	24	(1,391)
TOTAL REVENUES	\$ 6,129	\$ 6,591	\$ 3,061	\$ (3,530)
EXPENDITURES				
Current:				
General government	\$ 4,998	\$ 5,231	\$ 2,403	\$ (2,828)
Capital outlay	2,131	2,513	-	(2,513)
TOTAL EXPENDITURES	\$ 7,129	\$ 7,744	\$ 2,403	\$ (5,341)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,000)	\$ (1,153)	\$ 658	\$ 1,811
OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ (1,000)	\$ (1,153)	\$ 658	\$ 1,811
FUND BALANCE JANUARY 1	\$ 1,672	\$ 1,672	\$ 1,672	\$ -
FUND BALANCE DECEMBER 31	\$ 672	\$ 519	\$ 2,330	\$ 1,811

SRF - HUMAN RESOURCES (1500)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ -	\$ 700	\$ 132	\$ (568)
Charges for services	-	427	2	(425)
Fines and forfeits	-	23	-	(23)
Investment earnings	-	-	9	9
TOTAL REVENUES	\$ -	\$ 1,150	\$ 143	\$ (1,007)
EXPENDITURES				
Current:				
General government	-	1,150	173	(977)
TOTAL EXPENDITURES	-	1,150	173	(977)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(30)	(30)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	248	248
TOTAL OTHER FINANCE SOURCES (USES)	-	-	248	248
NET CHANGE IN FUND BALANCE	-	-	218	218
FUND BALANCE JANUARY 1	-	-	-	-
FUND BALANCE DECEMBER 31	-	-	218	218

SRF - CITY MANAGER (1600)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Intergovernmental revenues	\$ -	\$ 1,947	\$ -	\$ (1,947)
Charges for services	-	-	34	34
TOTAL REVENUES	<u>\$ -</u>	<u>\$ 1,947</u>	<u>\$ 34</u>	<u>\$ (1,913)</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ 1,947	\$ 34	\$ (1,913)
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,947</u>	<u>\$ 34</u>	<u>\$ (1,913)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE JANUARY 1	\$ -	\$ -	\$ -	\$ -
FUND BALANCE DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DSF - VOTED BONDS (2010)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 5,625	\$ 5,625	\$ 2,852	\$ (2,773)
TOTAL REVENUES	<u>\$ 5,625</u>	<u>\$ 5,625</u>	<u>\$ 2,852</u>	<u>\$ (2,773)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payment	\$ 2,955	\$ 2,955	\$ 1,445	\$ (1,510)
Interest payment fiscal charges	2,670	2,670	1,367	(1,303)
TOTAL EXPENDITURES	<u>\$ 5,625</u>	<u>\$ 5,625</u>	<u>\$ 2,812</u>	<u>\$ (2,813)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>
OTHER FINANCING SOURCES (USES) TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>
FUND BALANCE JANUARY 1	\$ 961	\$ 961	\$ 961	\$ -
FUND BALANCE DECEMBER 31	<u>\$ 961</u>	<u>\$ 961</u>	<u>\$ 1,001</u>	<u>\$ 40</u>

DSF - NON-VOTED BONDS (2035)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Debt service:				
Principal payment	\$ 383	\$ 383	\$ 197	\$ (186)
Interest payment fiscal charges	1,526	1,526	757	(769)
TOTAL EXPENDITURES	\$ 1,909	\$ 1,909	\$ 954	\$ (955)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,909)	\$ (1,909)	\$ (954)	\$ 955
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 1,909	\$ 1,909	\$ 954	\$ (955)
TOTAL OTHER FINANCE SOURCES (USES)	\$ 1,909	\$ 1,909	\$ 954	\$ (955)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -
FUND BALANCE JANUARY 1	\$ -	\$ -	\$ -	\$ -
FUND BALANCE DECEMBER 31	\$ -	\$ -	\$ -	\$ -

DSF - CTED P WTF LOANS (2038)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Debt service:				
Principal payment	\$ 1,832	\$ 1,832	\$ 1,072	\$ (760)
Interest payment fiscal charges	161	161	87	(74)
TOTAL EXPENDITURES	\$ 1,993	\$ 1,993	\$ 1,159	\$ (834)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,993)	\$ (1,993)	\$ (1,159)	\$ 834
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 1,993	\$ 1,993	\$ 1,159	\$ (834)
TOTAL OTHER FINANCE SOURCES (USES)	\$ 1,993	\$ 1,993	\$ 1,159	\$ (834)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -
FUND BALANCE JANUARY 1	\$ -	\$ -	\$ -	\$ -
FUND BALANCE DECEMBER 31	\$ -	\$ -	\$ -	\$ -

DSF - 2001 LTGO REFUNDING (2039)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Debt service:				
Principal payment	\$ 3,740	\$ 3,740	\$ 1,830	\$ (1,910)
Interest payment fiscal charges	731	731	407	(324)
TOTAL EXPENDITURES	\$ 4,471	\$ 4,471	\$ 2,237	\$ (2,234)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (4,471)	\$ (4,471)	\$ (2,237)	\$ 2,234
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 4,471	\$ 4,471	\$ 2,237	\$ (2,234)
TOTAL OTHER FINANCE SOURCES (USES)	\$ 4,471	\$ 4,471	\$ 2,237	\$ (2,234)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -
FUND BALANCE JANUARY 1	\$ -	\$ -	\$ -	\$ -
FUND BALANCE DECEMBER 31	\$ -	\$ -	\$ -	\$ -

DSF - CONSOLIDATED LID BOND REDEMPTION (7999)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 5	\$ 5
Miscellaneous revenues	-	-	374	374
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 379</u>	<u>\$ 379</u>
EXPENDITURES				
Current:				
Debt service:				
Principal payment	\$ -	\$ -	\$ 115	\$ 115
Interest payment fiscal charges	-	-	33	33
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148</u>	<u>\$ 148</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231</u>	<u>\$ 231</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	\$ -	\$ -	\$ (205)	\$ (205)
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (205)</u>	<u>\$ (205)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 26</u>
FUND BALANCE JANUARY 1	\$ (121)	\$ (121)	\$ (121)	\$ -
FUND BALANCE DECEMBER 31	<u>\$ (121)</u>	<u>\$ (121)</u>	<u>\$ (95)</u>	<u>\$ 26</u>

CPF - 1997 BOND ISSUE (3209)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
Miscellaneous revenues	8	8	-	(8)
TOTAL REVENUES	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 6</u>	<u>\$ (2)</u>
EXPENDITURES				
Current:				
Transportation	\$ 228	\$ 228	\$ -	\$ (228)
Capital outlay	-	-	9	9
TOTAL EXPENDITURES	<u>\$ 228</u>	<u>\$ 228</u>	<u>\$ 9</u>	<u>\$ (219)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (220)</u>	<u>\$ (220)</u>	<u>\$ (3)</u>	<u>\$ 217</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ (220)</u>	<u>\$ (220)</u>	<u>\$ (3)</u>	<u>\$ 217</u>
FUND BALANCE JANUARY 1	\$ 91	\$ 91	\$ 91	\$ -
FUND BALANCE DECEMBER 31	<u>\$ (129)</u>	<u>\$ (129)</u>	<u>\$ 88</u>	<u>\$ 217</u>

CPF - CAPITAL PROJECTS (3211)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Taxes	\$ 7,000	\$ 7,000	\$ 3,007	\$ (3,993)
Intergovernmental revenues	-	5,032	3,703	(1,329)
Charges for services	-	-	45	45
Investment earnings	1,500	1,500	786	(714)
Miscellaneous revenues	181	651	672	21
TOTAL REVENUES	\$ 8,681	\$ 14,183	\$ 8,213	\$ (5,970)
EXPENDITURES				
Current:				
Transportation	\$ 1,079	\$ 9,497	\$ 5,132	\$ (4,365)
Capital outlay	7,705	29,932	11,891	(18,041)
TOTAL EXPENDITURES	\$ 8,784	\$ 39,429	\$ 17,023	\$ (22,406)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (103)	\$ (25,246)	\$ (8,810)	\$ 16,436
OTHER FINANCING SOURCES (USES)				
Transfer in	7,229	7,650	280	(7,370)
Transfer (out)	(6,225)	-	(4,250)	(4,250)
TOTAL OTHER FINANCE SOURCES (USES)	\$ 1,004	\$ 7,650	\$ (3,970)	\$ (11,620)
NET CHANGE IN FUND BALANCE	\$ 901	\$ (17,596)	\$ (12,780)	\$ 4,816
FUND BALANCE JANUARY 1	\$ 33,576	\$ 33,576	\$ 33,574	\$ (2)
FUND BALANCE DECEMBER 31	<u>\$ 34,477</u>	<u>\$ 15,980</u>	<u>\$ 20,794</u>	<u>\$ 4,814</u>

CPF - 2002 POLICE FACILITY (3216)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ -	\$ 3	\$ 3
Miscellaneous revenues	177	177	-	(177)
TOTAL REVENUES	<u>\$ 177</u>	<u>\$ 177</u>	<u>\$ 3</u>	<u>\$ (174)</u>
EXPENDITURES				
Current:				
Security of persons and property	\$ 360	\$ 360	\$ -	\$ (360)
Capital outlay	-	-	131	131
Debt service:				
Interest payment fiscal charges	209	209	159	(50)
TOTAL EXPENDITURES	<u>\$ 569</u>	<u>\$ 569</u>	<u>\$ 290</u>	<u>\$ (279)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (392)</u>	<u>\$ (392)</u>	<u>\$ (287)</u>	<u>\$ 105</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 183	\$ 183	\$ -	\$ (183)
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ 183</u>	<u>\$ 183</u>	<u>\$ -</u>	<u>\$ (183)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (209)</u>	<u>\$ (209)</u>	<u>\$ (287)</u>	<u>\$ (78)</u>
FUND BALANCE JANUARY 1	<u>\$ (3,889)</u>	<u>\$ (3,889)</u>	<u>\$ (3,889)</u>	<u>\$ -</u>
FUND BALANCE DECEMBER 31	<u><u>\$ (4,098)</u></u>	<u><u>\$ (4,098)</u></u>	<u><u>\$ (4,176)</u></u>	<u><u>\$ (78)</u></u>

CPF - PARKING GARAGE (3217)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ 237	\$ 237	\$ 14	\$ (223)
Miscellaneous revenues	18,949	20,804	-	(20,804)
TOTAL REVENUES	<u>\$ 19,186</u>	<u>\$ 21,041</u>	<u>\$ 14</u>	<u>\$ (21,027)</u>
EXPENDITURES				
Current:				
Transportation	\$ 2,951	\$ 4,806	\$ 9	\$ (4,797)
Capital outlay	19,406	19,406	4,044	(15,362)
Debt service:				
Principal payment	595	595	290	(305)
Interest payment fiscal charges	1,004	1,004	539	(465)
TOTAL EXPENDITURES	<u>\$ 23,956</u>	<u>\$ 25,811</u>	<u>\$ 4,882</u>	<u>\$ (20,929)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (4,770)</u>	<u>\$ (4,770)</u>	<u>\$ (4,868)</u>	<u>\$ (98)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 1,836	\$ 1,836	\$ 929	\$ (907)
Transfer (out)	-	-	(220)	(220)
Issuance of debt	-	-	1,855	1,855
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ 1,836</u>	<u>\$ 1,836</u>	<u>\$ 2,564</u>	<u>\$ 728</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,934)</u>	<u>\$ (2,934)</u>	<u>\$ (2,304)</u>	<u>\$ 630</u>
FUND BALANCE JANUARY 1	\$ 2,401	\$ 2,401	\$ 2,401	\$ -
FUND BALANCE DECEMBER 31	<u>\$ (533)</u>	<u>\$ (533)</u>	<u>\$ 97</u>	<u>\$ 630</u>

CPF - 2009 LTGO - CAPITAL PROJECTS (3218)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Investment earnings	\$ -	\$ 35,704	\$ 157	\$ (35,547)
Miscellaneous revenues	-	13,404	-	(13,404)
TOTAL REVENUES	\$ -	\$ 49,108	\$ 157	\$ (48,951)
EXPENDITURES				
Current:				
Transportation	\$ -	\$ 19,695	\$ -	\$ (19,695)
Capital outlay	-	-	25	25
Debt service:				
Interest payment fiscal charges	-	1,413	304	(1,109)
TOTAL EXPENDITURES	\$ -	\$ 21,108	\$ 329	\$ (20,779)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 28,000	\$ (172)	\$ (28,172)
OTHER FINANCING SOURCES (USES)				
Transfer (out)	\$ -	\$ (28,000)	\$ -	\$ 28,000
Issuance of debt	-	-	48,882	48,882
Premium on debt issue	-	-	226	226
Discount on debt issue	-	-	(154)	(154)
TOTAL OTHER FINANCE SOURCES (USES)	\$ -	\$ (28,000)	\$ 48,954	\$ 76,954
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 48,782	\$ 48,782
FUND BALANCE JANUARY 1	\$ -	\$ -	\$ -	\$ -
FUND BALANCE DECEMBER 31	\$ -	\$ -	\$ 48,782	\$ 48,782

CPF - LID INTERIUM FINANCING (7070)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	APPROVED ORIGINAL BUDGET 2009-2010 BIENNIUM	APPROVED REVISED BUDGET 2009-2010 BIENNIUM	ACTUAL BIENNIUM- TO-DATE THRU 12/31/2009	VARIANCE WITH APPROVED REVISED BUDGET OVER (UNDER)
REVENUES				
Miscellaneous revenues	\$ -	\$ -	\$ 2	\$ 2
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
EXPENDITURES				
Current:				
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
FUND BALANCE JANUARY 1	\$ 97	\$ 97	\$ 97	\$ -
FUND BALANCE DECEMBER 31	<u>\$ 97</u>	<u>\$ 97</u>	<u>\$ 99</u>	<u>\$ 2</u>

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COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
December 31, 2009
(amounts expressed in thousands)
Page 1 of 8

	AIRPORT FUND #4100	MOUNTAIN RAIL FUND #4120	PARKING GARAGE FUND #4140
ASSETS			
Current assets:			
Cash & cash equivalents	\$ 11	\$ (1,377)	\$ 2,049
Accounts receivable - net of allowance for uncollectibles	-	1,787	37
Due from other funds	-	43	10
Due from other governmental units	1,000	-	-
Inventory	-	-	-
Prepaid expenses	25	-	23
Restricted assets:			
Cash for construction	-	-	-
Cash for debt service	-	47	-
Cash for other special purposes	-	-	-
Investments for other special purposes	-	-	-
Total restricted assets	\$ -	\$ 47	\$ -
Total current assets	\$ 1,036	\$ 500	\$ 2,119
Non-current assets:			
Notes, contracts, leases receivable - non-current	\$ -	\$ -	\$ -
Other non-current assets	-	-	290
Capital assets:			
Land	-	1,361	11,806
Property, plant, and equipment	-	18,346	49,241
Less: accumulated depreciation	-	(3,424)	(5,501)
Construction work in process	-	4,515	-
Total capital assets net of depreciation	\$ -	\$ 20,798	\$ 55,546
Total non-current assets	\$ -	\$ 20,798	\$ 55,836
TOTAL ASSETS	\$ 1,036	\$ 21,298	\$ 57,955

COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
December 31, 2009
(amounts expressed in thousands)
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	AIRPORT FUND #4100	MOUNTAIN RAIL FUND #4121	PARKING GARAGE FUND #4140
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ 889	\$ 151
Accrued wages and benefits payable	-	-	5
Accrued taxes payable	-	44	8
Accrued interest payable	-	47	-
Deposits payable	-	47	-
Notes, contracts & leases payable - current	-	-	-
Revenue bonds - current portions	-	-	874
Due to other funds	-	84	40
Deferred revenues	-	-	53
Other current liabilities	-	-	-
Liabilities payable from restricted assets:			
Revenue bonds - current portion	-	-	-
Bonds interest payable	-	-	-
Deposits payable	-	-	-
Total current liabilities	<u>\$ -</u>	<u>\$ 1,111</u>	<u>\$ 1,131</u>
Non-current liabilities			
Notes, contracts & leases payable - noncurrent	\$ -	\$ -	\$ -
Revenue bonds - noncurrent portion	-	-	17,632
Accrued employee leave benefits	-	-	15
Advances from other funds	850	6,250	-
Net OPEB obligation	-	-	-
Other noncurrent liabilities	-	-	-
Liabilities payable from restricted assets:			
Accrued landfill liability	-	-	-
Total non-current liabilities	<u>\$ 850</u>	<u>\$ 6,250</u>	<u>\$ 17,647</u>
TOTAL LIABILITIES	<u><u>\$ 850</u></u>	<u><u>\$ 7,361</u></u>	<u><u>\$ 18,778</u></u>
NET ASSETS			
Investment in capital assets net of related debt	-	14,548	37,040
Restricted:			
Restricted for debt	-	-	-
Restricted for other purposes	-	-	-
Unrestricted	186	(611)	2,137
TOTAL NET ASSETS	<u><u>\$ 186</u></u>	<u><u>\$ 13,937</u></u>	<u><u>\$ 39,177</u></u>

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2009
 (amounts expressed in thousands)
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	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
ASSETS				
Current assets:				
Cash & cash equivalents	\$ 1,467	\$ 2,646	\$ 812	\$ 56
Accounts receivable - net of allowance for uncollectibles	332	44	152	-
Due from other funds	90	5	69	9
Due from other governmental units	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	31	5	31	14
Restricted assets:				
Cash for construction	-	-	-	-
Cash for debt service	-	-	-	-
Cash for other special purposes	-	-	-	3,491
Investments for other special purposes	-	-	-	805
Total restricted assets	\$ -	\$ -	\$ -	\$ 4,296
Total current assets	\$ 1,920	\$ 2,700	\$ 1,064	\$ 4,375
Non-current assets:				
Notes, contracts, leases receivable - non-current	\$ -	\$ -	\$ -	\$ -
Other non-current assets	889	-	-	-
Capital assets:				
Land	15,298	75	7,948	1,500
Property, plant, and equipment	73,087	9,169	50,777	17,734
Less: accumulated depreciation	(12,874)	(2,913)	(30,319)	(4,520)
Construction work in process	345	-	25	-
Total capital assets net of depreciation	\$ 75,856	\$ 6,331	\$ 28,431	\$ 14,714
Total non-current assets	\$ 76,745	\$ 6,331	\$ 28,431	\$ 14,714
TOTAL ASSETS	\$ 78,665	\$ 9,031	\$ 29,495	\$ 19,089

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2009
 (amounts expressed in thousands)
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	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 69	\$ 3	\$ 97	\$ 49
Accrued wages and benefits payable	60	2	103	1
Accrued taxes payable	18	-	6	-
Accrued interest payable	-	-	-	5
Deposits payable	313	-	-	-
Notes, contracts & leases payable - current	1,400	-	39	-
Revenue bonds - current portions	471	-	-	-
Due to other funds	87	5	94	17
Deferred revenues	-	-	-	592
Other current liabilities	4	-	1	-
Liabilities payable from restricted assets:				
Revenue bonds - current portion	-	-	-	-
Bonds interest payable	-	-	-	-
Deposits payable	-	-	-	-
Total current liabilities	<u>\$ 2,422</u>	<u>\$ 10</u>	<u>\$ 340</u>	<u>\$ 664</u>
Non-current liabilities				
Notes, contracts & leases payable - noncurrent	\$ 63,406	\$ -	\$ 142	\$ -
Revenue bonds - noncurrent portion	9,505	-	-	-
Accrued employee leave benefits	129	-	296	-
Advances from other funds	-	-	2,912	592
Net OPEB obligation	-	-	-	-
Other noncurrent liabilities	-	-	-	-
Liabilities payable from restricted assets:				
Accrued landfill liability	-	-	-	-
Total non-current liabilities	<u>\$ 73,040</u>	<u>\$ -</u>	<u>\$ 3,350</u>	<u>\$ 592</u>
TOTAL LIABILITIES	<u>\$ 75,462</u>	<u>\$ 10</u>	<u>\$ 3,690</u>	<u>\$ 1,256</u>
NET ASSETS				
Investment in capital assets net of related debt	1,072	6,331	25,519	14,122
Restricted:				
Restricted for debt	-	-	-	-
Restricted for other purposes	-	-	-	4,296
Unrestricted	<u>2,131</u>	<u>2,690</u>	<u>286</u>	<u>(585)</u>
TOTAL NET ASSETS	<u>\$ 3,203</u>	<u>\$ 9,021</u>	<u>\$ 25,805</u>	<u>\$ 17,833</u>

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2009
 (amounts expressed in thousands)
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	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL FUND #4500	LOW INCOME ASSISTANCE FUND #4805
ASSETS				
Current assets:				
Cash & cash equivalents	\$ 27,153	\$ 107	\$ 5,211	\$ 1,171
Accounts receivable - net of allowance for uncollectibles	6,348	4,052	1,186	-
Due from other funds	1,479	-	266	-
Due from other governmental units	62	-	-	-
Inventory	-	-	733	-
Prepaid expenses	-	-	1,333	-
Restricted assets:				
Cash for construction	41,126	-	-	-
Cash for debt service	5,928	-	406	-
Cash for other special purposes	2,783	1,882	-	-
Investments for other special purposes	-	-	-	-
Total restricted assets	<u>\$ 49,837</u>	<u>\$ 1,882</u>	<u>\$ 406</u>	<u>\$ -</u>
Total current assets	<u>\$ 84,879</u>	<u>\$ 6,041</u>	<u>\$ 9,135</u>	<u>\$ 1,171</u>
Non-current assets:				
Notes, contracts, leases receivable - non-current	-	47,842	-	-
Other non-current assets	709	-	7	-
Capital assets:				
Land	3,595	-	-	-
Property, plant, and equipment	129,407	-	21,743	-
Less: accumulated depreciation	(82,605)	-	(13,313)	-
Construction work in process	4,582	-	1,964	-
Total capital assets net of depreciation	<u>\$ 54,979</u>	<u>\$ -</u>	<u>\$ 10,394</u>	<u>\$ -</u>
Total non-current assets	<u>\$ 55,688</u>	<u>\$ 47,842</u>	<u>\$ 10,401</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 140,567</u>	<u>\$ 53,883</u>	<u>\$ 19,536</u>	<u>\$ 1,171</u>

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2009
 (amounts expressed in thousands)
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	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL FUND #4500	LOW INCOME ASSISTANCE FUND #4805
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 2,147	\$ -	\$ 282	\$ 70
Accrued wages and benefits payable	415	-	232	-
Accrued taxes payable	566	-	121	-
Accrued interest payable	-	798	31	-
Deposits payable	-	-	-	-
Notes, contracts & leases payable - current	-	-	-	-
Revenue bonds - current portions	3,323	1,340	180	-
Due to other funds	2,176	-	316	-
Deferred revenues	4,821	2,670	1,018	-
Other current liabilities	-	-	-	80
Liabilities payable from restricted assets:				
Revenue bonds - current portion	302	-	-	-
Bonds interest payable	338	-	-	-
Deposits payable	56	-	-	-
Total current liabilities	<u>\$ 14,144</u>	<u>\$ 4,808</u>	<u>\$ 2,180</u>	<u>\$ 150</u>
Non-current liabilities				
Notes, contracts & leases payable - noncurrent	-	-	351	-
Revenue bonds - noncurrent portion	75,593	28,315	1,374	-
Accrued employee leave benefits	1,271	-	616	-
Advances from other funds	-	-	1,324	-
Net OPEB obligation	528	-	-	-
Other noncurrent liabilities	-	19,799	-	-
Liabilities payable from restricted assets:				
Accrued landfill liability	40,786	-	-	-
Total non-current liabilities	<u>\$ 118,178</u>	<u>\$ 48,114</u>	<u>\$ 3,665</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 132,322</u>	<u>\$ 52,922</u>	<u>\$ 5,845</u>	<u>\$ 150</u>
NET ASSETS				
Investment in capital assets net of related debt	21,677	(1,028)	7,166	-
Restricted:				
Restricted for debt	1,206	-	406	-
Restricted for other purposes	-	1,882	-	-
Unrestricted	<u>(14,638)</u>	<u>107</u>	<u>6,119</u>	<u>1,021</u>
TOTAL NET ASSETS	<u>\$ 8,245</u>	<u>\$ 961</u>	<u>\$ 13,691</u>	<u>\$ 1,021</u>

COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
December 31, 2009
(amounts expressed in thousands)
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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
ASSETS		
Current assets:		
Cash & cash equivalents	\$ 163	\$ 39,469
Accounts receivable - net of allowance for uncollectibles	-	13,938
Due from other funds	-	1,971
Due from other governmental units	-	1,062
Inventory	-	733
Prepaid expenses	-	1,462
Restricted assets:		
Cash for construction	-	41,126
Cash for debt service	-	6,381
Cash for other special purposes	-	8,156
Investments for other special purposes	-	805
Total restricted assets	\$ -	\$ 56,468
Total current assets	\$ 163	\$ 115,103
Non-current assets:		
Notes, contracts, leases receivable - non-current	\$ -	\$ 47,842
Other non-current assets	85	1,980
Capital assets:		
Land	-	41,583
Property, plant, and equipment	-	369,504
Less: accumulated depreciation	-	(155,469)
Construction work in process	-	11,431
Total capital assets net of depreciation	\$ -	\$ 267,049
Total non-current assets	\$ 85	\$ 316,871
TOTAL ASSETS	\$ 248	\$ 431,974

COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
December 31, 2009
(amounts expressed in thousands)
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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
LIABILITIES		
Current liabilities:		
Accounts payable	\$ -	\$ 3,757
Accrued wages and benefits payable	-	818
Accrued taxes payable	-	763
Accrued interest payable	29	910
Deposits payable	-	360
Notes, contracts & leases payable - current	-	1,439
Revenue bonds - current portions	1,505	7,693
Due to other funds	-	2,819
Deferred revenues	-	9,154
Other current liabilities	-	85
Liabilities payable from restricted assets:		
Revenue bonds - current portion	-	302
Bonds interest payable	-	338
Deposits payable	-	56
Total current liabilities	<u>\$ 1,534</u>	<u>\$ 28,494</u>
Non-current liabilities		
Notes, contracts & leases payable - noncurrent	\$ -	\$ 63,899
Revenue bonds - noncurrent portion	6,446	138,865
Accrued employee leave benefits	-	2,327
Advances from other funds	-	11,928
Net OPEB obligation	-	528
Other noncurrent liabilities	-	19,799
Liabilities payable from restricted assets:		
Accrued landfill liability	-	40,786
Total non-current liabilities	<u>\$ 6,446</u>	<u>\$ 278,132</u>
TOTAL LIABILITIES	<u>\$ 7,980</u>	<u>\$ 306,626</u>
NET ASSETS		
Investment in capital assets net of related debt	-	126,447
Restricted:		
Restricted for debt	-	1,612
Restricted for other purposes	(7,732)	(1,554)
Unrestricted	-	(1,157)
TOTAL NET ASSETS	<u>\$ (7,732)</u>	<u>\$ 125,348</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
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	AIRPORT FUND #4100	MOUNTAIN RAIL FUND #4120	PARKING GARAGE FUND #4140
OPERATING REVENUES:			
Charges for services	\$ -	\$ 763	\$ 2,460
Miscellaneous	-	-	33
TOTAL OPERATING REVENUES	\$ -	\$ 763	\$ 2,493
OPERATING EXPENSES:			
Personnel, salaries & wages	\$ (2)	\$ 492	\$ 103
Supplies, services, and charges	-	1,341	1,233
Depreciation	(1)	400	735
Taxes	-	20	-
TOTAL OPERATING EXPENSES	\$ (3)	\$ 2,253	\$ 2,071
OPERATING INCOME (LOSS)	\$ 3	\$ (1,490)	\$ 422
NON-OPERATING REVENUES(EXPENSES):			
Interest revenue	\$ 6	\$ (1)	\$ 61
Interest expense and fiscal charges	(75)	(252)	(833)
Amortization of bond discount & expenses	-	-	-
Operating grant	-	3,737	-
Gain (loss) on disposition of property	2	-	-
Miscellaneous	-	1,215	790
NON-OPERATING REVENUE NET OF EXPENSE	\$ (67)	\$ 4,699	\$ 18
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (64)	\$ 3,209	\$ 440
Capital contributions	\$ -	\$ -	\$ 19,115
Transfers in	-	340	-
Transfers out	-	-	(129)
CHANGE IN NET ASSETS	\$ (64)	\$ 3,549	\$ 19,426
NET ASSETS, JANUARY 1	\$ 250	\$ 10,388	\$ 19,751
Prior Year Adjustment	-	-	-
NET ASSETS, JANUARY 1 RESTATED	\$ 250	\$ 10,388	\$ 19,751
NET ASSETS, DECEMBER 31	\$ 186	\$ 13,937	\$ 39,177

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

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	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
OPERATING REVENUES:				
Charges for services	\$ 2,196	\$ 219	\$ 5,521	\$ -
Miscellaneous	-	-	-	-
TOTAL OPERATING REVENUES	\$ 2,196	\$ 219	\$ 5,521	\$ -
OPERATING EXPENSES:				
Personnel, salaries & wages	\$ 2,312	\$ 174	\$ 2,626	\$ 19
Supplies, services, and charges	2,213	237	2,503	1,286
Depreciation	2,196	270	645	461
Taxes	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 6,721	\$ 681	\$ 5,774	\$ 1,766
OPERATING INCOME (LOSS)	\$ (4,525)	\$ (462)	\$ (253)	\$ (1,766)
NON-OPERATING REVENUES(EXPENSES):				
Interest revenue	\$ 89	\$ 50	\$ 60	\$ 37
Interest expense and fiscal charges	(3,602)	-	(136)	(278)
Amortization of bond discount & expenses	-	-	-	140
Operating grant	-	-	-	-
Gain (loss) on disposition of property	-	-	(8)	-
Miscellaneous	1,796	-	-	-
NON-OPERATING REVENUE NET OF EXPENSE	\$ (1,717)	\$ 50	\$ (84)	\$ (101)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (6,242)	\$ (412)	\$ (337)	\$ (1,867)
Capital contributions	\$ -	\$ 2,298	\$ -	\$ 148
Transfers in	3,137	-	-	1,187
Transfers out	-	(25)	-	-
CHANGE IN NET ASSETS	\$ (3,105)	\$ 1,861	\$ (337)	\$ (532)
NET ASSETS, JANUARY 1	\$ 6,308	\$ 7,434	\$ 26,128	\$ 18,365
Prior Year Adjustment	-	(274)	14	-
NET ASSETS, JANUARY 1 RESTATED	\$ 6,308	\$ 7,160	\$ 26,142	\$ 18,365
NET ASSETS, DECEMBER 31	\$ 3,203	\$ 9,021	\$ 25,805	\$ 17,833

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

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	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL FUND #4500	LOW INCOME ASSISTANCE FUND #4805
OPERATING REVENUES:				
Charges for services	\$ 54,670	\$ -	\$ 14,578	\$ -
Miscellaneous	467	-	-	-
TOTAL OPERATING REVENUES	\$ 55,137	\$ -	\$ 14,578	\$ -
OPERATING EXPENSES:				
Personnel, salaries & wages	\$ 16,525	\$ -	\$ 9,360	\$ -
Supplies, services, and charges	22,576	4	3,986	-
Depreciation	6,550	-	578	-
Taxes	796	-	215	-
TOTAL OPERATING EXPENSES	\$ 46,447	\$ 4	\$ 14,139	\$ -
OPERATING INCOME (LOSS)	\$ 8,690	\$ (4)	\$ 439	\$ -
NON-OPERATING REVENUES(EXPENSES):				
Interest revenue	\$ 2,071	\$ 2	\$ 142	\$ -
Interest expense and fiscal charges	(4,368)	-	(133)	-
Amortization of bond discount & expenses	(115)	-	-	-
Operating grant	-	-	-	-
Gain (Loss) on disposition of property	84	-	-	-
Miscellaneous	38	-	786	178
NON-OPERATING REVENUE NET OF EXPENSE	\$ (2,290)	\$ 2	\$ 795	\$ 178
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 6,400	\$ (2)	\$ 1,234	\$ 178
Capital contributions	\$ -	\$ -	\$ 837	\$ -
Transfers in	(4,550)	-	(1,244)	-
Transfers out	-	-	-	-
CHANGE IN NET ASSETS	\$ 1,850	\$ (2)	\$ 827	\$ 178
CHANGE IN NET ASSETS	\$ 6,395	\$ 963	\$ 12,864	\$ 843
NET ASSETS, JANUARY 1	-	-	-	-
Prior Year Adjustment	6,395	963	12,864	843
NET ASSETS, JANUARY 1 RESTATED	\$ 8,245	\$ 961	\$ 13,691	\$ 1,021
NET ASSETS, DECEMBER 31	\$ 14,640	\$ 963	\$ 26,555	\$ 1,869

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
OPERATING REVENUES:		
Charges for services	\$ -	\$ 80,407
Miscellaneous	-	500
TOTAL OPERATING REVENUES	<u>\$ -</u>	<u>\$ 80,907</u>
OPERATING EXPENSES:		
Personnel, salaries & wages	\$ -	\$ 31,609
Supplies, services, and charges	-	35,379
Depreciation	-	11,834
Taxes	-	1,031
TOTAL OPERATING EXPENSES	<u>\$ -</u>	<u>\$ 79,853</u>
OPERATING INCOME (LOSS)	<u>\$ -</u>	<u>\$ 1,054</u>
NON-OPERATING REVENUES(EXPENSES):		
Interest revenue	\$ -	\$ 2,517
Interest expense and fiscal charges	(411)	(10,088)
Amortization of bond discount & expenses	(64)	(39)
Operating grant	-	3,821
Gain (loss) on disposition of property	-	(6)
Miscellaneous	5	4,808
NON-OPERATING REVENUE NET OF EXPENSE	<u>\$ (470)</u>	<u>\$ 1,013</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS		
	<u>\$ (470)</u>	<u>\$ 2,067</u>
Capital contributions	\$ 1,861	\$ 24,259
Transfers in	-	4,664
Transfers out	-	(5,948)
CHANGE IN NET ASSETS	<u>\$ 1,391</u>	<u>\$ 25,042</u>
NET ASSETS, JANUARY 1	\$ (9,123)	\$ 100,566
Prior Year Adjustment	-	(260)
NET ASSETS, JANUARY 1 RESTATED	<u>(9,123)</u>	<u>100,306</u>
NET ASSETS, DECEMBER 31	<u>\$ (7,732)</u>	<u>\$ 125,348</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
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 (amounts expressed in thousands)

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	AIRPORT FUND #4100	MOUNTAIN RAIL FUND #4120	PARKING GARAGE FUND #4140
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 1	\$ 644	\$ 2,571
Receipts from interfund services provided	-	-	72
Payments to suppliers	(28)	(863)	(1,024)
Payments to employees	2	(491)	(100)
Payments to insurance carriers	-	-	(44)
Payments for taxes	-	(20)	(188)
Payments for interfund services used	-	-	(109)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (25)	\$ (730)	\$ 1,178
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	\$ -	\$ -	\$ (129)
Grants received	-	-	-
Tax refunds and interest	-	-	-
Contributions and Donations	-	-	790
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ -	\$ -	\$ 661
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	\$ -	\$ 340	\$ -
Acquisition and construction of capital assets	(1,668)	(3,911)	(19)
Proceeds from capital debt	-	-	-
Proceeds from the sale of capital assets	1,475	-	-
Proceeds from leased property	-	1,135	-
Pantages lease and leaseback	-	-	-
Principal paid on capital debt	(2,000)	(550)	(845)
Interest paid on capital debt	-	(281)	(868)
Contributions and donations	-	2,550	-
Grants received	1,574	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ (619)	\$ (717)	\$ (1,732)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	\$ 5	\$ (1)	\$ 63
Rental and other income	-	-	-
Other net non-operating revenues and deductions	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 5	\$ (1)	\$ 63
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (639)	\$ (1,448)	\$ 170
CASH & CASH EQUIVALENTS, JANUARY 1	650	118	1,879
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	650	118	1,879
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 11	\$ (1,330)	\$ 2,049

COMBINING STATEMENT OF CASH FLOWS
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	AIRPORT FUND #4100	MOUNTAIN RAIL FUND #4120	PARKING GARAGE FUND #4140
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 3	\$ (1,490)	\$ 422
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ (1)	\$ 400	\$ 735
(increase) decrease in accounts receivable	20	(79)	22
(Increase) decrease in due from other funds	-	(39)	(9)
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	(14)
(Increase) decrease in other current assets	-	-	-
Increase (decrease) in deposits payable	-	-	-
Increase (decrease) in accounts payable	(26)	30	(25)
Increase (decrease) in accrued wages payable	-	-	3
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in deferred credits	-	-	-
Increase (decrease) in in intergovernmental payables	-	-	-
Increase (decrease) in due to other funds	(1)	(25)	34
Increase (decrease) in deferred revenues	-	-	3
Increase (decrease) in other current liabilities	(20)	-	7
Increase (decrease) in other long-term liabilities	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	473	-
Total adjustments	\$ (28)	\$ 760	\$ 756
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (25)</u>	<u>\$ (730)</u>	<u>\$ 1,178</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ 19,115

COMBINING STATEMENT OF CASH FLOWS
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	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,204	\$ 2,164	\$ 5,064	\$ 592
Receipts from interfund services provided	(3)	-	-	-
Payments to suppliers	(4,587)	(238)	(2,263)	(1,246)
Payments to employees	(22)	(172)	(2,690)	(18)
Payments to insurance carriers	-	-	-	-
Payments for taxes	-	-	-	-
Payments for interfund services used	-	(1)	(324)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (2,408)	\$ 1,753	\$ (213)	\$ (672)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	\$ 3,137	\$ -	\$ -	\$ 1,187
Grants received	-	-	-	-
Contributions and Donations	1,799	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 4,936	\$ -	\$ -	\$ 1,187
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	\$ -	\$ (25)	\$ -	\$ -
Acquisition and construction of capital assets	(345)	-	(461)	1,928
Proceeds from capital debt	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Proceeds from leased property	-	-	-	-
Pantages lease and leaseback	-	-	-	(83)
Principal paid on capital debt	(1,806)	-	(652)	12
Interest paid on capital debt	(3,673)	-	(136)	(27)
Contributions and donations	-	-	-	-
Grants received	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ (5,824)	\$ (25)	\$ (1,249)	\$ 1,830
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	\$ -	\$ 51	\$ 61	\$ 6
Rental and other income	-	-	-	-
Other net non-operating revenues and deductions	89	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 89	\$ 51	\$ 61	\$ 6
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (3,207)	\$ 1,779	\$ (1,401)	\$ 2,351
CASH & CASH EQUIVALENTS, JANUARY 1	4,674	867	2,213	1,196
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	-	-	-	-
CASH , RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 1,467	\$ 2,646	\$ 812	\$ 3,547

COMBINING STATEMENT OF CASH FLOWS
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	CONVENTION CENTER FUND #4165	BASEBALL PARK FUND #4170	TACOMA DOME FUND #4180	PERFORMING ARTS FUND #4190
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (4,525)	\$ (462)	\$ (253)	\$ (1,766)
Adjustments to reconcile operating income (loss) to net cash provided (used)				
by operating activities:				
Depreciation expense	\$ 2,196	\$ 270	\$ 645	\$ 461
(increase) decrease in accounts receivable	(30)	1,955	126	-
(Increase) decrease in due from other funds	(3)	(5)	(68)	-
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	(5)	(5)	(17)	(14)
(Increase) decrease in other current assets	37	-	-	-
Increase (decrease) in deposits payable	(1)	-	(711)	-
Increase (decrease) in accounts payable	(33)	(1)	(161)	46
Increase (decrease) in accrued wages payable	-	2	9	1
Increase (decrease) in compensated absences	(48)	-	(73)	-
Increase (decrease) in deferred credits	-	-	-	-
Increase (decrease) in in intergovernmental payables	-	-	-	-
Increase (decrease) in due to other funds	-	5	93	8
Increase (decrease) in deferred revenues	-	(6)	-	592
Increase (decrease) in other current liabilities	4	-	1	-
Increase (decrease) in other long-term liabilities	-	-	-	-
Increase (decrease) in prior period adjustments	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	196	-
Total adjustments	\$ 2,117	\$ 2,215	\$ 40	\$ 1,094
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (2,408)</u>	<u>\$ 1,753</u>	<u>\$ (213)</u>	<u>\$ (672)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	\$ -	\$ 2,298	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
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	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL FUND #4500	LOW INCOME ASSISTANCE FUND #4805
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 54,242	\$ -	\$ 14,342	\$ -
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(21,298)	(5)	(6,422)	-
Payments to employees	(16,418)	-	(6,930)	-
Payments to insurance carriers	-	-	-	-
Payments for taxes	(834)	-	(215)	-
Payments for interfund services used	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 15,692	\$ (5)	\$ 775	\$ -
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	\$ (4,491)	\$ -	\$ (1,244)	\$ -
Grants received	441	-	-	-
Contributions and Donations	-	-	-	304
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ (4,050)	\$ -	\$ (1,244)	\$ 304
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	\$ (142)	\$ -	\$ -	\$ -
Acquisition and construction of capital assets	(4,421)	-	(1,603)	-
Proceeds from capital debt	-	-	351	-
Proceeds from the sale of capital assets	39	-	53	-
Proceeds from leased property	-	-	787	-
Pantages lease and leaseback	-	4,052	-	-
Principal paid on capital debt	(3,435)	(1,225)	(502)	-
Interest paid on capital debt	(4,195)	(2,822)	(143)	-
Contributions and donations	-	-	835	-
Grants received	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ (12,154)	\$ 5	\$ (222)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	\$ 2,070	\$ 3	\$ 143	\$ -
Rental and other income	52	-	-	-
Other net non-operating revenues and deductions	(54)	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 2,068	\$ 3	\$ 143	\$ -
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 1,556	\$ 3	\$ (548)	\$ 304
CASH & CASH EQUIVALENTS, JANUARY 1	75,434	1,986	6,165	867
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	-	-	-	-
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 76,990	\$ 1,989	\$ 5,617	\$ 1,171

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
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	SOLID WASTE FUND #4200	UNION STATION FUND #4450	TACOMA RAIL FUND #4500	LOW INCOME ASSISTANCE FUND #4805
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 8,690	\$ (4)	\$ 439	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used)				
by operating activities:				
Depreciation expense	\$ 6,550	\$ -	\$ 578	\$ -
(Increase) decrease in accounts receivable	(70)	-	(179)	-
(Increase) decrease in due from other funds	(153)	-	(72)	-
(Increase) decrease in inventories	-	-	(51)	-
(Increase) decrease in prepaid items	-	-	-	-
(Increase) decrease in other current assets	-	-	(54)	-
Increase (decrease) in deposits payable	(3)	-	-	-
Increase (decrease) in accounts payable	(1,052)	(1)	(58)	-
Increase (decrease) in accrued wages payable	134	-	34	-
Increase (decrease) in compensated absences	(27)	-	101	-
Increase (decrease) in deferred credits	-	-	(228)	-
Increase (decrease) in in intergovernmental payables	(272)	-	-	-
Increase (decrease) in due to other funds	554	-	265	-
Increase (decrease) in deferred revenues	78	-	-	-
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in other long-term liabilities	1,162	-	-	-
Miscellaneous non-operating revenues (expenditures)	101	-	-	-
Total adjustments	\$ 7,002	\$ (1)	\$ 336	\$ -
NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES	<u>\$ 15,692</u>	<u>\$ (5)</u>	<u>\$ 775</u>	<u>\$ -</u>
NONCASH INVESTING, CAPITAL, AND				
FINANCING ACTIVITIES				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ -	\$ 81,824	
Receipts from interfund services provided	-	69	
Payments to suppliers	-	(37,974)	
Payments to employees	-	(26,839)	
Payments to insurance carriers	-	(44)	
Payments for taxes	-	(1,257)	
Payments for interfund services used	-	(434)	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ 15,345	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	\$ -	\$ (1,540)	
Grants received	-	441	
Contributions and Donations	-	2,893	
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ -	\$ 1,794	
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	\$ -	\$ 173	
Acquisition and construction of capital assets	-	(10,500)	
Proceeds from capital debt	-	351	
Proceeds from the sale of capital assets	-	1,567	
Proceeds from leased property	-	1,922	
Pantages lease and leaseback	-	3,969	
Principal paid on capital debt	(1,445)	(12,448)	
Interest paid on capital debt	(411)	(12,556)	
Contributions and donations	1,860	5,245	
Grants received	-	1,574	
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ 4	\$ (20,703)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	\$ -	\$ 2,401	
Rental and other income	-	52	
Other net non-operating revenues and deductions	-	35	
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ -	\$ 2,488	
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 4	\$ (1,076)	
CASH & CASH EQUIVALENTS, JANUARY 1	159	93,561	
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1		2,647	
CASH , RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 163	\$ 95,132	

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
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	POWER CONSERVATION FUND #4850	TOTAL NON-MAJOR ENTERPRISE
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ -	\$ 1,054
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	\$ -	\$ 11,834
(increase) decrease in accounts receivable	-	1,765
(Increase) decrease in due from other funds	-	(349)
(Increase) decrease in inventories	-	(51)
(Increase) decrease in prepaid items	-	(55)
(Increase) decrease in other current assets	-	(17)
Increase (decrease) in deposits payable	-	(715)
Increase (decrease) in accounts payable	-	(1,281)
Increase (decrease) in accrued wages payable	-	183
Increase (decrease) in compensated absences	-	(47)
Increase (decrease) in deferred credits	-	(228)
Increase (decrease) in in intergovernmental payables	-	(272)
Increase (decrease) in due to other funds	-	933
Increase (decrease) in deferred revenues	-	667
Increase (decrease) in other current liabilities	-	(8)
Increase (decrease) in other long-term liabilities	-	1,162
Miscellaneous non-operating revenues (expenditures)	-	770
Total adjustments	\$ -	\$ 14,291
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ 15,345</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of capital assets	\$ -	\$ 21,413

COMBINING STATEMENT OF NET ASSETS
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
ASSETS			
Current assets:			
Cash & cash equivalents	\$ 823	\$ 1,516	\$ 692
Accounts receivable - net of allowance for uncollectibles	18	-	1,242
Due from other funds	2,832	122	-
Inventory	-	-	-
Prepaid expenses	-	-	-
Total restricted assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total current assets	<u>\$ 3,673</u>	<u>\$ 1,638</u>	<u>\$ 1,934</u>
Non-current assets:			
Advances to other funds	592	-	-
Capital assets:			
Land	-	-	-
Property, plant, and equipment	-	-	-
Less: accumulated depreciation	-	-	-
Construction work in process	-	-	-
Total capital assets net of depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total non-current assets	<u>\$ 592</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 4,265</u>	<u>\$ 1,638</u>	<u>\$ 1,934</u>

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits payable	18	11	-
Accrued taxes payable	-	-	-
Notes, contracts & leases payable - current	-	-	557
Due to other funds	2,768	72	-
Deferred revenues	-	-	-
Other current liabilities	-	-	-
Total current liabilities	<u>\$ 2,786</u>	<u>\$ 83</u>	<u>\$ 619</u>
Non-current liabilities			
Notes, contracts & leases payable - noncurrent	-	-	-
Accrued employee leave benefits	80	-	-
Advances from other funds	-	-	1,242
Incurred but not yet reported	-	-	-
Total non-current liabilities	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 1,242</u>
TOTAL LIABILITIES	<u><u>\$ 2,866</u></u>	<u><u>\$ 83</u></u>	<u><u>\$ 1,861</u></u>
NET ASSETS			
Investment in capital assets net of related debt	-	-	-
Restricted:			
Restricted for capital purchases	-	-	-
Restricted for other purposes	-	-	-
Unrestricted	<u>1,399</u>	<u>1,555</u>	<u>73</u>
TOTAL NET ASSETS	<u><u>\$ 1,399</u></u>	<u><u>\$ 1,555</u></u>	<u><u>\$ 73</u></u>

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	GRAPHIC SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
ASSETS				
Current assets:				
Cash & cash equivalents	\$ 196	\$ 23,189	\$ 205	\$ 5,529
Accounts receivable - net of allowance for uncollectibles	15	4	-	28
Due from other funds	339	85	457	190
Inventory	130	388	-	421
Prepaid expenses	-	-	-	20
Total restricted assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total current assets	<u>\$ 680</u>	<u>\$ 23,666</u>	<u>\$ 662</u>	<u>\$ 6,188</u>
Non-current assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Land	-	-	-	-
Property, plant, and equipment	-	50,521	-	40,959
Less: accumulated depreciation	-	(33,543)	-	(26,145)
Construction work in process	-	1,122	-	4,291
Total capital assets net of depreciation	<u>\$ -</u>	<u>\$ 18,100</u>	<u>\$ -</u>	<u>\$ 19,105</u>
Total non-current assets	<u>\$ -</u>	<u>\$ 18,100</u>	<u>\$ -</u>	<u>\$ 19,105</u>
TOTAL ASSETS	<u>\$ 680</u>	<u>\$ 41,766</u>	<u>\$ 662</u>	<u>\$ 25,293</u>

COMBINING STATEMENT OF NET ASSETS
NON-MAJOR INTERNAL SERVICE FUNDS
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	GRAPHIC SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 70	\$ 410	\$ 226	\$ 104
Accrued wages and benefits payable	23	68	-	100
Accrued taxes payable	1	-	-	43
Accrued interest payable	-	-	-	-
Notes, contracts & leases payable - current	-	-	-	-
Due to other funds	83	112	231	182
Deferred revenues	-	-	-	-
Other current liabilities	-	-	-	-
Total current liabilities	<u>\$ 177</u>	<u>\$ 590</u>	<u>\$ 457</u>	<u>\$ 429</u>
Non-current liabilities				
Notes, contracts & leases payable - noncurrent	-	-	-	-
Accrued employee leave benefits	64	165	-	233
Advances from other funds	-	-	-	-
Incurred but not yet reported	-	-	-	-
Total non-current liabilities	<u>\$ 64</u>	<u>\$ 165</u>	<u>\$ -</u>	<u>\$ 233</u>
TOTAL LIABILITIES	<u>\$ 241</u>	<u>\$ 755</u>	<u>\$ 457</u>	<u>\$ 662</u>
NET ASSETS				
Investment in capital assets net of related debt	-	18,100	-	19,105
Restricted:				
Restricted for capital purchases	-	23,477	-	-
Restricted for other purposes	-	-	-	-
Unrestricted	<u>439</u>	<u>(566)</u>	<u>205</u>	<u>5,526</u>
TOTAL NET ASSETS	<u>\$ 439</u>	<u>\$ 41,011</u>	<u>\$ 205</u>	<u>\$ 24,631</u>

COMBINING STATEMENT OF NET ASSETS
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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
ASSETS				
Current assets:				
Cash & cash equivalents	\$ 360	\$ 2,306	\$ 4,963	\$ 533
Accounts receivable - net of allowance for uncollectibles	-	28	-	-
Due from other funds	7	11	63	1
Inventory	113	-	-	-
Prepaid expenses	-	-	-	-
Total restricted assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total current assets	<u>\$ 480</u>	<u>\$ 2,345</u>	<u>\$ 5,026</u>	<u>\$ 534</u>
Non-current assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Land	11	-	-	-
Property, plant, and equipment	258	3,029	14	-
Less: accumulated depreciation	(253)	(1,667)	(14)	-
Construction work in process	-	-	-	-
Total capital assets net of depreciation	<u>\$ 16</u>	<u>\$ 1,362</u>	<u>\$ -</u>	<u>\$ -</u>
Total non-current assets	<u>\$ 16</u>	<u>\$ 1,362</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 496</u>	<u>\$ 3,707</u>	<u>\$ 5,026</u>	<u>\$ 534</u>

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD PARTY LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 26	\$ 30	\$ 33	\$ -
Accrued wages and benefits payable	5	21	1	-
Accrued taxes payable	-	-	-	-
Accrued interest payable	-	-	-	-
Notes, contracts & leases payable - current	-	-	-	-
Due to other funds	11	14	118	1
Deferred revenues	-	1	-	-
Other current liabilities	-	-	40,427	-
Total current liabilities	<u>\$ 42</u>	<u>\$ 66</u>	<u>\$ 40,579</u>	<u>\$ 1</u>
Non-current liabilities				
Notes, contracts & leases payable - noncurrent	-	-	-	-
Accrued employee leave benefits	27	49	-	-
Advances from other funds	-	-	-	-
Incurred but not yet reported	-	-	7,157	-
Total non-current liabilities	<u>\$ 27</u>	<u>\$ 49</u>	<u>\$ 7,157</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 69</u>	<u>\$ 115</u>	<u>\$ 47,736</u>	<u>\$ 1</u>
NET ASSETS				
Investment in capital assets net of related debt	-	1,362	-	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for other purposes	-	-	-	-
Unrestricted	<u>427</u>	<u>2,230</u>	<u>(42,710)</u>	<u>533</u>
TOTAL NET ASSETS	<u>\$ 427</u>	<u>\$ 3,592</u>	<u>\$ (42,710)</u>	<u>\$ 533</u>

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SYSTEMS FUND # 5800	HEALTH BENEFITS FUND #64XX
ASSETS				
Current assets:				
Cash & cash equivalents	\$ 1,453	\$ 4,501	\$ 4,186	\$ 26,312
Accounts receivable - net of allowance for uncollectibles	-	2	1	7
Due from other funds	21	33	3,832	50
Inventory	-	27	-	-
Prepaid expenses	-	49	305	-
Total restricted assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total current assets	<u>\$ 1,474</u>	<u>\$ 4,612</u>	<u>\$ 8,324</u>	<u>\$ 26,369</u>
Non-current assets:				
Advances to other funds	-	-	1,324	-
Capital assets:				
Land	-	346	-	-
Property, plant, and equipment	15	21,664	27,829	-
Less: accumulated depreciation	(15)	(15,079)	(19,037)	-
Construction work in process	-	1,682	124	-
Total capital assets net of depreciation	<u>\$ -</u>	<u>\$ 8,613</u>	<u>\$ 8,916</u>	<u>\$ -</u>
Total non-current assets	<u>\$ -</u>	<u>\$ 8,613</u>	<u>\$ 10,240</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 1,474</u>	<u>\$ 13,225</u>	<u>\$ 18,564</u>	<u>\$ 26,369</u>

COMBINING STATEMENT OF NET ASSETS
NON-MAJOR INTERNAL SERVICE FUNDS
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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64XX
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 81	\$ 146	\$ 63	\$ 4,243
Accrued wages and benefits payable	27	43	457	5
Accrued taxes payable	-	3	-	-
Accrued interest payable	-	-	-	-
Notes, contracts & leases payable - current	-	-	1,043	-
Revenue bonds - current portions	-	-	-	-
Due to other funds	27	46	4,101	56
Deferred revenues	-	1	-	1
Other current liabilities	3,282	-	-	8,827
Total current liabilities	<u>\$ 3,417</u>	<u>\$ 239</u>	<u>\$ 5,664</u>	<u>\$ 13,132</u>
Non-current liabilities				
Notes, contracts & leases payable - noncurrent	-	-	3,095	-
Accrued employee leave benefits	-	87	974	-
Advances from other funds	-	1,727	-	-
Incurring but not yet reported	-	-	-	-
Total non-current liabilities	<u>\$ -</u>	<u>\$ 1,814</u>	<u>\$ 4,069</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 3,417</u>	<u>\$ 2,053</u>	<u>\$ 9,733</u>	<u>\$ 13,132</u>
NET ASSETS				
Investment in capital assets net of related debt	-	8,613	4,778	-
Restricted:				
Restricted for capital purchases	-	-	-	-
Restricted for other purposes	-	-	-	-
Unrestricted	(1,943)	2,559	4,053	13,237
TOTAL NET ASSETS	<u>\$ (1,943)</u>	<u>\$ 11,172</u>	<u>\$ 8,831</u>	<u>\$ 13,237</u>

COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	SELF INSURANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
ASSETS		
Current assets:		
Cash & cash equivalents	\$ 4,545	\$ 81,309
Accounts receivable - net of allowance for uncollectibles	-	1,345
Due from other funds	19	8,062
Inventory	-	1,079
Prepaid expenses	-	374
Total restricted assets	\$ -	\$ -
Total current assets	\$ 4,564	\$ 92,169
Non-current assets:		
Advances to other funds	-	1,916
Capital assets:		
Land	-	357
Property, plant, and equipment	-	144,289
Less: accumulated depreciation	-	(95,753)
Construction work in process	-	7,219
Total capital assets net of depreciation	\$ -	\$ 56,112
Total non-current assets	\$ -	\$ 58,028
TOTAL ASSETS	\$ 4,564	\$ 150,197

COMBINING STATEMENT OF NET ASSETS
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	SELF INSURANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,379	\$ 6,811
Accrued wages and benefits payable	-	779
Accrued taxes payable	-	47
Accrued interest payable	-	62
Notes, contracts & leases payable - current	-	1,600
Due to other funds	36	7,858
Deferred revenues	-	3
Other current liabilities	-	52,536
Total current liabilities	<u>\$ 1,415</u>	<u>\$ 69,696</u>
Non-current liabilities		
Notes, contracts & leases payable - noncurrent	-	3,095
Accrued employee leave benefits	-	1,679
Advances from other funds	-	2,969
Incurred but not yet reported	-	7,157
Total non-current liabilities	<u>\$ -</u>	<u>\$ 14,900</u>
TOTAL LIABILITIES	<u>\$ 1,415</u>	<u>\$ 84,596</u>
NET ASSETS		
Investment in capital assets net of related debt	-	51,958
Restricted:		
Restricted for capital purchases	-	23,477
Restricted for other purposes	2,579	2,579
Unrestricted	<u>570</u>	<u>(12,413)</u>
TOTAL NET ASSETS	<u>\$ 3,149</u>	<u>\$ 65,601</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
OPERATING REVENUES:			
Charges for services	\$ -	\$ -	\$ -
Interdepartmental billings	1,989	685	-
Premiums/contributions	-	-	-
Miscellaneous	-	-	-
TOTAL OPERATING REVENUES	\$ 1,989	\$ 685	\$ -
OPERATING EXPENSES:			
Personnel, salaries & wages	\$ 659	\$ 408	\$ -
Supplies, services, and charges	1,280	277	-
Health benefit payments	-	-	-
Depreciation	-	-	-
TOTAL OPERATING EXPENSES	\$ 1,939	\$ 685	\$ -
OPERATING INCOME (LOSS)	\$ 50	\$ -	\$ -
NON-OPERATING REVENUES(EXPENSES):			
Interest revenue	\$ 104	\$ 40	\$ 9
Interest expense and fiscal charges	-	-	-
Gain (loss) on disposition of property	-	-	-
Miscellaneous	-	-	-
NON-OPERATING REVENUE NET OF EXPENSE	\$ 104	\$ 40	\$ 9
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 154	\$ 40	\$ 9
Capital contributions	\$ -	\$ -	\$ -
Transfers in	-	-	-
Transfers out	(3,381)	-	-
CHANGE IN NET ASSETS	\$ (3,227)	\$ 40	\$ 9
NET ASSETS, JANUARY 1	\$ 4,626	\$ 1,515	\$ 64
Prior Year Adjustment	-	-	-
NET ASSETS, JANUARY 1 RESTATED	4,626	1,515	64
NET ASSETS, DECEMBER 31	\$ 1,399	\$ 1,555	\$ 73

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	GRAPHIC SERVICES FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
OPERATING REVENUES:				
Charges for services	\$ 506	\$ -	\$ -	\$ -
Interdepartmental billings	1,042	7,482	229	8,011
Premiums/contributions	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL OPERATING REVENUES	\$ 1,548	\$ 7,482	\$ 229	\$ 8,011
OPERATING EXPENSES:				
Personnel, salaries & wages	\$ 706	\$ 2,359	\$ -	\$ 3,727
Supplies, services, and charges	942	941	226	2,195
Health benefit payments	-	-	-	-
Depreciation	-	3,000	-	2,694
TOTAL OPERATING EXPENSES	\$ 1,648	\$ 6,300	\$ 226	\$ 8,616
OPERATING INCOME (LOSS)	\$ (100)	\$ 1,182	\$ 3	\$ (605)
NON-OPERATING REVENUES(EXPENSES):				
Interest revenue	\$ 10	\$ 148	\$ 5	\$ 199
Interest expense and fiscal charges	-	-	-	-
Gain (loss) on disposition of property	-	113	-	174
Miscellaneous	-	-	(3)	(194)
NON-OPERATING REVENUE NET OF EXPENSE	\$ 10	\$ 261	\$ 2	\$ 179
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (90)	\$ 1,443	\$ 5	\$ (426)
Capital contributions	\$ -	\$ -	\$ -	\$ -
Transfers in	-	334	-	444
Transfers out	-	-	-	-
CHANGE IN NET ASSETS	\$ (90)	\$ 1,777	\$ 5	\$ 18
NET ASSETS, JANUARY 1	\$ 529	\$ 39,234	\$ 200	\$ 24,613
Prior Year Adjustment	-	-	-	-
NET ASSETS, JANUARY 1 RESTATED	\$ 529	\$ 39,234	\$ 200	\$ 24,613
NET ASSETS, DECEMBER 31	\$ 439	\$ 41,011	\$ 205	\$ 24,631

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
OPERATING REVENUES:				
Charges for services	\$ 1,502	\$ 246	\$ -	\$ -
Interdepartmental billings	-	2,641	-	-
Premiums/contributions	-	-	3,741	349
Miscellaneous	-	255	-	-
TOTAL OPERATING REVENUES	\$ 1,502	\$ 3,142	\$ 3,741	\$ 349
OPERATING EXPENSES:				
Personnel, salaries & wages	\$ 301	\$ 574	\$ 30	\$ -
Supplies, services, and charges	1,143	1,856	6,323	573
Health benefit payments	-	-	-	-
Depreciation	1	569	-	-
TOTAL OPERATING EXPENSES	\$ 1,445	\$ 2,999	\$ 6,353	\$ 573
OPERATING INCOME (LOSS)	\$ 57	\$ 143	\$ (2,612)	\$ (224)
NON-OPERATING REVENUES(EXPENSES):				
Interest revenue	\$ 9	\$ 57	\$ 98	\$ 21
Interest expense and fiscal charges	-	-	-	-
Gain (loss) on disposition of property	-	-	-	-
Miscellaneous	-	-	-	-
NON-OPERATING REVENUE NET OF EXPENSE	\$ 9	\$ 57	\$ 98	\$ 21
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 66	\$ 200	\$ (2,514)	\$ (203)
Capital contributions				
Transfers in	-	-	-	-
Transfers out	-	-	-	(4,300)
CHANGE IN NET ASSETS	\$ 66	\$ 200	\$ (2,514)	\$ (4,503)
NET ASSETS, JANUARY 1	\$ 361	\$ 3,392	\$ (40,196)	\$ 5,036
Prior Year Adjustment	-	-	-	-
NET ASSETS, JANUARY 1 RESTATED	361	3,392	(40,196)	5,036
NET ASSETS, DECEMBER 31	\$ 427	\$ 3,592	\$ (42,710)	\$ 533

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	WORKER'S COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATION SERVICES FUND #5800	HEALTH BENEFITS FUND #64XX
OPERATING REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interdepartmental billings	-	5,222	18,414	-
Premiums/contributions	6,987	-	-	58,679
Miscellaneous	-	-	-	-
TOTAL OPERATING REVENUES	\$ 6,987	\$ 5,222	\$ 18,414	\$ 58,679
OPERATING EXPENSES:				
Personnel, salaries & wages	\$ 1,188	\$ 1,736	\$ 12,344	\$ 39
Supplies, services, and charges	6,592	2,710	5,472	443
Health benefit payments	-	-	-	59,556
Depreciation	-	826	2,160	-
TOTAL OPERATING EXPENSES	\$ 7,780	\$ 5,272	\$ 19,976	\$ 60,038
OPERATING INCOME (LOSS)	\$ (793)	\$ (50)	\$ (1,562)	\$ (1,359)
NON-OPERATING REVENUES(EXPENSES):				
Interest revenue	\$ 32	\$ 70	\$ 130	\$ 857
Interest expense and fiscal charges	-	(58)	(15)	-
Gain (loss) on disposition of property	-	-	-	-
Miscellaneous	-	-	-	-
NON-OPERATING REVENUE NET OF EXPENSE	\$ 32	\$ 12	\$ 115	\$ 857
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (761)	\$ (38)	\$ (1,447)	\$ (502)
Capital contributions	\$ -	\$ -	\$ -	\$ -
Transfers in	1,000	597	-	-
Transfers out	-	-	-	-
CHANGE IN NET ASSETS	\$ 239	\$ 559	\$ (1,447)	\$ (502)
NET ASSETS, JANUARY 1	\$ (2,182)	\$ 10,613	\$ 10,122	\$ 13,739
Prior Year Adjustment	-	-	156	-
NET ASSETS, JANUARY 1 RESTATED	(2,182)	10,613	10,278	13,739
NET ASSETS, DECEMBER 31	\$ (1,943)	\$ 11,172	\$ 8,831	\$ 13,237

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	SELF INSURANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
OPERATING REVENUES:		
Charges for services	\$ -	\$ 2,254
Interdepartmental billings	324	46,039
Premiums/contributions	-	69,756
Miscellaneous	122	377
TOTAL OPERATING REVENUES	<u>\$ 446</u>	<u>\$ 118,426</u>
OPERATING EXPENSES:		
Personnel, salaries & wages	\$ -	\$ 24,071
Supplies, services, and charges	207	31,180
Health benefit payments	-	59,556
Depreciation	-	9,250
TOTAL OPERATING EXPENSES	<u>\$ 207</u>	<u>\$ 124,057</u>
OPERATING INCOME (LOSS)	<u>\$ 239</u>	<u>\$ (5,631)</u>
NON-OPERATING REVENUES(EXPENSES):		
Interest revenue	\$ -	\$ 1,789
Interest expense and fiscal charges	-	(73)
Gain (loss) on disposition of property	-	287
Miscellaneous	-	(197)
NON-OPERATING REVENUE NET OF EXPENSE	<u>\$ -</u>	<u>\$ 1,806</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 239</u>	<u>\$ (3,825)</u>
Capital contributions	\$ -	\$ -
Transfers in	-	2,375
Transfers out	-	(7,681)
CHANGE IN NET ASSETS	<u>\$ 239</u>	<u>\$ (9,131)</u>
NET ASSETS, JANUARY 1	\$ -	\$ 71,666
Prior Year Adjustment	2,910	3,066
NET ASSETS, JANUARY 1 RESTATED	<u>2,910</u>	<u>74,732</u>
NET ASSETS, DECEMBER 31	<u>\$ 3,149</u>	<u>\$ 65,601</u>

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COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR INTERNAL SERVICE FUNDS
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	FINANCE BUDGET		BSIP
	FINANCE FUND #5007	AND RESEARCH FUND #5016	PROJECT FUND #5027
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ -	\$ (122)	\$ 64
Receipts from interfund services provided	1,925	685	-
Contributions received - employee/employer	-	-	-
Payments to suppliers	(202)	(212)	-
Payments to employees	(671)	(407)	-
Payments to insurance carriers	-	-	-
Payments for interfund services used	(1,081)	-	-
Other operating revenues (expenses)	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (29)</u>	<u>\$ (56)</u>	<u>\$ 64</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	\$ (3,381)	\$ -	\$ -
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>\$ (3,381)</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Transfers from (to) other funds	\$ -	\$ -	\$ -
Acquisition and construction of capital assets	-	-	-
Proceeds from the sale of capital assets	-	-	-
Proceeds from leased property	-	-	-
Pantages lease and leaseback	-	-	-
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	33
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received	\$ 240	\$ 40	\$ 9
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 240</u>	<u>\$ 40</u>	<u>\$ 9</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (3,170)	\$ (16)	\$ 106
CASH & CASH EQUIVALENTS, JANUARY 1	3,993	1,532	586
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	-	-	-
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 823</u>	<u>\$ 1,516</u>	<u>\$ 692</u>

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR INTERNAL SERVICE FUNDS
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	FINANCE FUND #5007	FINANCE BUDGET AND RESEARCH FUND #5016	BSIP PROJECT FUND #5027
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 50	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ -	\$ -	\$ -
(increase) decrease in accounts receivable	-	-	64
(Increase) decrease in due from other funds	(64)	(122)	-
(Increase) decrease in inventories	-	-	-
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	(2)	(7)	-
Increase (decrease) in accrued wages payable	(1)	1	-
Increase (decrease) in compensated absences	(11)	-	-
Increase (decrease) in due to other funds	(1)	72	-
Increase (decrease) in other current liabilities	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-
Total adjustments	\$ (79)	\$ (56)	\$ 64
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (29)	\$ (56)	\$ 64

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR INTERNAL SERVICE FUNDS
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	GRAPHIC FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 169	\$ 7,440	\$ -	\$ 8,010
Receipts from interfund services provided	1,042	-	3	-
Contributions received - employee/employer	-	-	-	-
Payments to suppliers	(377)	(2,035)	(3)	(2,411)
Payments to employees	(691)	(2,347)	-	(3,733)
Payments to insurance carriers	-	-	-	-
Payments for interfund services used	(467)	-	(41)	-
Other operating revenues (expenses)	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (324)	\$ 3,058	\$ (41)	\$ 1,866
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ -	\$ -	\$ -	\$ -
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	-	334	-	444
Acquisition and construction of capital assets	-	(3,447)	-	(5,374)
Proceeds from the sale of capital assets	-	112	-	197
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Contributions and donations	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ -	\$ (3,001)	\$ -	\$ (4,733)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	10	162	5	200
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 10	\$ 162	\$ 5	\$ 200
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (314)	\$ 219	\$ (36)	\$ (2,667)
CASH & CASH EQUIVALENTS, JANUARY 1	510	22,970	241	8,196
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1				
CASH , RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 196	\$ 23,189	\$ 205	\$ 5,529

COMBINING STATEMENT OF CASH FLOWS
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 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
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	GRAPHIC FUND #5042	FLEET SERVICES FUND #5050	YOUTH BUILD TACOMA FUND #5086	EQUIPMENT RENTAL FUND #5400
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (100)	\$ 1,182	\$ 3	\$ (605)
Adjustments to reconcile operating income				
(loss) to net cash provided (used)				
by operating activities:				
Depreciation expense	\$ -	\$ 3,000	\$ -	\$ 2,694
(increase) decrease in accounts receivable	(5)	2	-	22
(Increase) decrease in due from other funds	(332)	(44)	(458)	(61)
(Increase) decrease in inventories	(19)	(34)	-	(9)
(Increase) decrease in prepaid items	-	-	-	(9)
Increase (decrease) in accounts payable	37	297	223	(234)
Increase (decrease) in accrued wages payable	10	21	-	(5)
Increase (decrease) in compensated absences	5	-	-	-
Increase (decrease) in due to other funds	80	(1,366)	191	73
Increase (decrease) in other current liabilities	-	-	-	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	-
Total adjustments	\$ (224)	\$ 1,876	\$ (44)	\$ 2,471
NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES	\$ (324)	\$ 3,058	\$ (41)	\$ 1,866

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ -	\$ 525	\$ -	\$ -
Receipts from interfund services provided	1,502	2,641	-	-
Contributions received - employee/employer	-	-	3,741	349
Payments to suppliers	(1,145)	(1,048)	(2,360)	(573)
Payments to employees	(295)	(573)	(30)	-
Payments to insurance carriers	-	-	-	-
Payments for taxes	-	-	-	-
Payments for interfund services used	-	(1,321)	-	-
Other operating revenues (expenses)	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 62	\$ 224	\$ 1,351	\$ (224)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	\$ -	\$ -	\$ -	\$ (4,300)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ -	\$ -	\$ -	\$ (4,300)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	\$ -	\$ -	\$ -	\$ -
Acquisition and construction of capital assets	-	(282)	-	-
Proceeds from the sale of capital assets	-	-	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Contributions and donations	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ -	\$ (282)	\$ -	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	\$ 9	\$ 57	\$ 98	\$ 21
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 9	\$ 57	\$ 98	\$ 21
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 71	\$ (1)	\$ 1,449	\$ (4,503)
CASH & CASH EQUIVALENTS, JANUARY 1	289	2,307	3,514	5,036
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	-	-	-	-
CASH , RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 360	\$ 2,306	\$ 4,963	\$ 533

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
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	ASPHALT PLANT FUND #5453	RADIO COMMUNICATIONS FUND #5540	THIRD LIABILITY CLAIMS FUND #5550	UNEMPLOYMENT COMPENSATION FUND #5560
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 57	\$ 143	\$ (2,612)	\$ (224)
Adjustments to reconcile operating income (loss) to net cash provided (used)				
by operating activities:				
Depreciation expense	\$ 1	\$ 569	\$ -	\$ -
(increase) decrease in accounts receivable	-	34	-	-
(Increase) decrease in due from other funds	-	(9)	(63)	-
(Increase) decrease in inventories	(1)	-	-	-
(Increase) decrease in prepaid items	-	-	-	-
Increase (decrease) in accounts payable	6	(528)	(9)	-
Increase (decrease) in accrued wages payable	(8)	7	-	-
Increase (decrease) in compensated absences	-	(6)	-	-
Increase (decrease) in due to other funds	7	14	118	-
Increase (decrease) in other current liabilities	-	-	3,917	-
Miscellaneous non-operating revenues (expenditures)	-	-	-	-
Total adjustments	\$ 5	\$ 81	\$ 3,963	\$ -
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 62	\$ 224	\$ 1,351	\$ (224)

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

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	WORKERS COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATIONS SERVICES FUND #5800	HEALTH BENEFITS FUND #64XX
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ -	\$ -	\$ 1	\$ -
Receipts from interfund services provided	-	5,222	14,892	-
Contributions received - employee/employer	6,987	-	-	58,679
Payments to suppliers	(6,201)	(1,900)	(17,396)	(58,516)
Payments to employees	(1,188)	(1,698)	355	(40)
Payments to insurance carriers	-	-	-	-
Payments for interfund services used	-	(797)	4,121	-
Other operating revenues (expenses)	-	-	(800)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (402)	\$ 827	\$ 1,173	\$ 123
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	\$ 1,000	\$ 597	\$ 1,739	\$ -
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 1,000	\$ 597	\$ 1,739	\$ -
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Transfers from (to) other funds	\$ -	\$ -	\$ -	\$ -
Acquisition and construction of capital assets	-	(1,111)	(3,163)	-
Proceeds from the sale of capital assets	-	-	-	-
Principal paid on capital debt	-	-	(55)	-
Interest paid on capital debt	-	(58)	(15)	-
Contributions and donations	-	(291)	-	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ -	\$ (1,460)	\$ (3,233)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	\$ 30	\$ 70	\$ 140	\$ 857
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 30	\$ 70	\$ 140	\$ 857
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 628	\$ 34	\$ (181)	\$ 980
CASH & CASH EQUIVALENTS, JANUARY 1	825	4,467	4,367	25,332
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	-	-	-	-
CASH, RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ 1,453	\$ 4,501	\$ 4,186	\$ 26,312

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR INTERNAL SERVICE FUNDS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)
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	WORKERS COMPENSATION FUND #5570	FACILITIES MANAGEMENT FUND #5700	INFORMATIONS SERVICES FUND #5800	HEALTH BENEFITS FUND #64XX
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED (USED)				
BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (793)	\$ (50)	\$ (1,562)	\$ (1,359)
Adjustments to reconcile operating income				
(loss) to net cash provided (used)				
by operating activities:				
Depreciation expense	\$ -	\$ 826	\$ 2,160	\$ -
(increase) decrease in accounts receivable	-	(1)	1	142
(Increase) decrease in due from other funds	(21)	-	(3,522)	(43)
(Increase) decrease in inventories	-	(16)	-	-
(Increase) decrease in prepaid items	-	(45)	633	-
Increase (decrease) in accounts payable	74	32	(213)	200
Increase (decrease) in accrued wages payable	8	33	118	(1)
Increase (decrease) in compensated absences	-	6	237	1
Increase (decrease) in due to other funds	27	42	4,121	52
Increase (decrease) in other current liabilities	303	-	-	1,131
Miscellaneous non-operating revenues (expenditures)	-	-	(800)	-
Total adjustments	\$ 391	\$ 877	\$ 2,735	\$ 1,482
NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES	\$ (402)	\$ 827	\$ 1,173	\$ 123

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2009
(amounts expressed in thousands)

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	SELF INSURANCE CLAIMS <u>FUND #4800</u>	TOTAL NON-MAJOR <u>INTERNAL SERVICE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ -	\$ 16,087
Receipts from interfund services provided	-	27,912
Contributions received - employee/employer	324	70,080
Payments to suppliers	-	(94,379)
Payments to employees	-	(11,318)
Payments to insurance carriers	(258)	(258)
Payments for interfund services used	-	414
Other operating revenues (expenses)	<u>(434)</u>	<u>(1,234)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(368)</u>	\$ <u>7,304</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from (to) other funds	\$ -	\$ (4,345)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ -	\$ (4,345)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Transfers from (to) other funds	\$ -	\$ 778
Acquisition and construction of capital assets	-	(13,377)
Proceeds from the sale of capital assets	-	309
Principal paid on capital debt	-	(55)
Interest paid on capital debt	-	(40)
Contributions and donations	-	(291)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	\$ -	\$ (12,676)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	\$ 126	\$ 2,074
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 126	\$ 2,074
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (242)	\$ (7,643)
CASH & CASH EQUIVALENTS, JANUARY 1	4,787	88,952
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	<u> </u>	<u> </u>
CASH , RESTRICTED CASH & CASH EQUIVALENTS, DECEMBER 31	\$ <u>4,545</u>	\$ <u>81,309</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2009
(amounts expressed in thousands)
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	SELF INSURANCE CLAIMS FUND #4800	TOTAL NON-MAJOR INTERNAL SERVICE
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 239	\$ (5,631)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	\$ -	\$ 9,250
(increase) decrease in accounts receivable	-	259
(Increase) decrease in due from other funds	(19)	(4,758)
(Increase) decrease in inventories	-	(79)
(Increase) decrease in prepaid items	-	579
Increase (decrease) in accounts payable	(487)	(611)
Increase (decrease) in accrued wages payable	-	183
Increase (decrease) in compensated absences	-	232
Increase (decrease) in due to other funds	24	3,454
Increase (decrease) in other current liabilities	-	5,351
Miscellaneous non-operating revenues (expenditures)	(125)	(925)
Total adjustments	\$ (607)	\$ 12,935
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (368)</u>	<u>\$ 7,304</u>

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2009
 (amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6240, 6350	AGENCY FUNDS #6570 6790/6800
ASSETS		
Cash & cash equivalents	\$ 53,560	\$ 3,093
Investments at fair value:		
U.S. Obligations	83,229	-
Domestic corporate bonds	245,834	-
Domestic stocks	298,348	-
International stocks	200,234	-
International bonds	23,347	-
Private Equity	4,087	-
REITs	71,526	-
Security lending collateral	92,441	-
Accounts receivable: net of uncollectible accounts	5,551	2
Due from other funds	53	3
Capital assets (net of accumulated depreciation)	22	-
TOTAL ASSETS	\$ 1,078,232	\$ 3,098
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 599	\$ 122
Accrued wages and benefits payable	1,234	664
Due to other funds	77	-
Due to other governmental units	-	2,312
Investment purchase payable	16,594	-
Securities lending collateral	92,441	-
Other current liabilities	3,039	-
Total current liabilities	\$ 113,984	\$ 3,098
Non-current liabilities:		
Accrued employee leave benefits	15	-
Total non-current liabilities	\$ 15	\$ -
TOTAL LIABILITIES	\$ 113,999	\$ 3,098
NET ASSETS		
Held in trust for pension benefits and other purposes	\$ 964,233	\$ -

FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET ASSETS
 For the Year Ended December 31, 2009
 (amounts expressed in thousands)

	PENSION AND EMPLOYEE TRUST FUNDS #6050-6240, 6350
ADDITIONS:	
Employer contributions	\$ 30,397
Member contributions	15,684
Other contributions	192
Total contributions	<u>\$ 46,273</u>
Investment Income:	
Net appreciation (depreciation) in FMV of investments	\$ 178,544
Interest and dividends	29,571
Securities lending gross income	496
Total investment income	<u>\$ 208,611</u>
Less Investment expenses::	
Investment management fees	\$ 1,913
Security lending - agent fees	82
Security lending - broker rebates	17
Total investment expense	<u>\$ 2,012</u>
Total investment income	<u>\$ 206,599</u>
TOTAL ADDITIONS	<u>\$ 252,872</u>
DEDUCTIONS:	
Wages and benefits payable	47,663
Health care benefit payments	7,287
Refunds of contributions	1,281
Administrative expenses	2,155
TOTAL DEDUCTIONS	<u>\$ 58,386</u>
NET INCREASE (DECREASE)	<u>\$ 194,486</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Net assets - beginning	769,747
Net assets - ending	<u>\$ 964,233</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2009
 (amounts expressed in thousands)

	LAW ENFORCEMENT SUPPORT AGENCY FUND #6570	TACOMA URBAN NETWORK FUND #6790	TACOMA PIERCE COUNTY EMPLOYMENT TRAINING CONSORTIUM FUND #6800	TOTAL:
ASSETS				
Cash & cash equivalents	\$ 3,031	\$ 62	\$ -	\$ 3,093
Accounts receivable: net of uncollectible accounts	2	-	-	2
Prepaid expenditures	-	-	-	-
Due from other governmental units	-	3	-	3
TOTAL ASSETS	\$ 3,033	\$ 65	\$ -	\$ 3,098
LIABILITIES				
Current liabilities:				
Accounts payable	96	26	-	122
Accrued wages and benefits payable	664	-	-	664
Due to other governmental units	2,273	39	-	2,312
Total current liabilities	\$ 3,033	\$ 65	\$ -	\$ 3,098
TOTAL LIABILITIES	\$ 3,033	\$ 65	\$ -	\$ 3,098
NET ASSETS				
Held in trust for pension benefits and other purposes	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2009
 (amounts expressed in thousands)

	LAW ENFORCEMENT SUPPORT AGENCY (FUND 6570)			
	BALANCE 12/31/2008	INCREASES	DECREASES	BALANCE 12/31/2009
ASSETS				
Cash & cash equivalents	\$ 1,819	\$ 21,070	\$ 19,858	\$ 3,031
Accounts receivable: net of uncollectible accounts	118	19,198	19,314	2
Prepaid expenditures	-	-	-	-
Due from other governmental units	-	-	-	-
TOTAL ASSETS	\$ 1,937	\$ 40,268	\$ 39,172	\$ 3,033
LIABILITIES				
Current liabilities:				
Accounts payable	271	13,256	13,431	96
Accrued wages and benefits payable	603	48,454	48,393	664
Due to other governmental units	1,063	33,911	32,701	2,273
Total current liabilities	\$ 1,937	\$ 95,621	\$ 94,525	\$ 3,033
TOTAL LIABILITIES	\$ 1,937	\$ 95,621	\$ 94,525	\$ 3,033

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2009
 (amounts expressed in thousands)

	TACOMA URBAN NETWORK (FUND #6790)			
	BALANCE 12/31/2008	INCREASES	DECREASES	BALANCE 12/31/2009
ASSETS				
Cash & cash equivalents	\$ 52	\$ 21,070	\$ 21,060	\$ 62
Accounts receivable: net of uncollectible accounts	-	3	3	-
Prepaid expenditures	-		-	-
Due from other governmental units	-		(3)	3
TOTAL ASSETS	\$ 52	\$ 21,073	\$ 21,060	\$ 65
LIABILITIES				
Current liabilities:				
Accounts payable	32	200	206	26
Accrued wages and benefits payable	-		-	-
Due to other governmental units	20	287	268	39
Total current liabilities	\$ 52	\$ 487	\$ 474	\$ 65
TOTAL LIABILITIES	\$ 52	\$ 487	\$ 474	\$ 65

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2009
 (amounts expressed in thousands)

TACOMA PIERCE COUNTY EMPLOYMENT TRAINING CONSORTIUM (FUND #6800)				
	BALANCE			BALANCE
	12/31/2008	INCREASES	DECREASES	12/31/2009
ASSETS				
Cash & cash equivalents	\$ 830	\$ -	\$ 830	\$ -
Accounts receivable: net of uncollectible accounts	27	-	27	-
Prepaid expenditures	54	-	54	-
Due from other governmental units	34	-	34	-
TOTAL ASSETS	\$ 945	\$ -	\$ 945	\$ -
LIABILITIES				
Current liabilities:				
Accounts payable	316	-	316	-
Accrued wages and benefits payable	116	-	116	-
Due to other governmental units	513	-	513	-
Total current liabilities	\$ 945	\$ -	\$ 945	\$ -
TOTAL LIABILITIES	\$ 945	\$ -	\$ 945	\$ -

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2009
 (amounts expressed in thousands)

	TOTAL			
	BALANCE 12/31/2008	INCREASES	DECREASES	BALANCE 12/31/2009
ASSETS				
Cash & cash equivalents	\$ 2,701	\$ 42,140	\$ 41,748	\$ 3,093
Accounts receivable: net of uncollectible accounts	145	19,201	19,344	2
Prepaid expenditures	54	-	54	-
Due from other governmental units	34	-	31	3
TOTAL ASSETS	\$ 2,934	\$ 61,341	\$ 61,177	\$ 3,098
LIABILITIES				
Current liabilities:				
Accounts payable	619	13,456	13,953	122
Accrued wages and benefits payable	719	48,454	48,509	664
Due to other governmental units	1,596	34,198	33,482	2,312
Total current liabilities	\$ 2,934	\$ 96,108	\$ 95,944	\$ 3,098
TOTAL LIABILITIES	\$ 2,934	\$ 96,108	\$ 95,944	\$ 3,098

OTHER SUPPLEMENTARY INFORMATION

Schedule of Capital Assets Used in the Operation of Governmental Funds
TABLE 1
(amounts expressed in thousands)

Governmental Funds Capital Assets:	2009	2008
Land	\$ 26,450	\$ 25,062
Parks	5,248	5,245
Buildings	68,117	65,567
Improvements other than Buildings	8,678	7,402
Machinery and Equipment	28,982	28,127
Intangible Assets	59	59
Library Materials	19,259	19,384
Works of Art	1,545	918
Infrastructure	1,137,537	1,131,836
Work in Progress	56,493	16,774
Total Governmental Funds Capital Assets	\$ 1,352,368	\$ 1,300,374

(This schedule does not include the affects of accumulated depreciation at the functional level.)

Schedule of Capital Assets Used in the Operation of Internal Service Funds
TABLE 2
(amounts expressed in thousands)

Internal Service Funds Capital Assets:	2009	2008
Land	\$ 357	\$ 357
Parks	-	-
Buildings	20,064	20,050
Improvements other than Buildings	275	275
Machinery and Equipment	71,834	120,764
Intangible Assets	1,594	-
Library Materials	-	-
Works of Art	-	-
Infrastructure	-	-
Work in Progress	6,098	687
Total Governmental Funds Capital Assets	\$ 100,222	\$ 142,133

(This schedule does not include the affects of accumulated depreciation at the functional level.)

Schedule of Capital Assets Used in the Operation of Governmental and Internal Service Funds
TABLE 3
(amounts expressed in thousands)

Total Capital Assets:	2009	2008
Land	\$ 26,807	\$ 25,419
Parks	5,248	5,245
Buildings	88,181	85,617
Improvements other than Buildings	8,953	7,677
Machinery and Equipment	100,816	148,891
Intangible Assets	1,653	59
Library Materials	19,259	19,384
Works of Art	1,545	918
Infrastructure	1,137,537	1,131,836
Work in Progress	62,591	17,461
Total Governmental Funds Capital Assets	\$ 1,452,590	\$ 1,442,507

(This schedule does not include the affects of accumulated depreciation at the functional level.)

Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds
TABLE 4
(amounts expressed in thousands)

	Capital Assets		Decreases	Prior Year Adjustments	Prior Year Reclass	Capital Assets	
	1/1/2009	Increases				12/31/2009	
General Government	\$ 8,522	\$ 1,661	\$ (1,254)	\$ 776	\$ 2,537	\$ 12,242	
Public Safety	65,082	2,145	-	339	3,331	70,897	
Transportation	1,135,322	73,223	-	(45,202)	(2,797)	1,141,213	
Culture and Recreation	71,647	1,064	(19,333)	-	(3,917)	67,605	
Economic Environment	3,027	45	(1,189)	-	846	3,918	
Work In Progress	16,774	40,755	(66,761)	65,745	-	56,493	
Total Capital Assets	\$ 1,300,374	\$ 118,893	\$ 88,557	\$ 21,658	\$ -	\$ 1,352,368	

(This schedule does not include the affects of accumulated depreciation at the functional level.)

Schedule of Capital Assets Used in the Operation of Governmental Funds by Function and Activity
TABLE 5
(amounts expressed in thousands)

Governmental Funds Capital Assets:	General Government			Transportation	Culture and Recreation	Economic Environment	Total Capital Assets
	Public Safety						
Land	\$ 6,683	\$ 4,550	\$ 423	\$ 13,534	\$ 1,260	\$ 26,450	
Parks	-	-	-	5,248	-	5,248	
Buildings	1,861	42,582	991	21,291	1,392	68,117	
Improvements other than Buildings	-	740	107	7,831	-	8,678	
Machinery and Equipment	3,589	22,686	2,155	332	220	28,982	
Intangible Assets	59	-	-	-	-	59	
Library Materials	-	-	-	19,259	-	19,259	
Works of Art	50	339	-	110	1,046	1,545	
Infrastructure	-	-	1,137,537	-	-	1,137,537	
Work In Progress	-	49	53,038	1,075	2,331	56,493	
Total Governmental Funds Capital Assets	\$ 12,242	\$ 70,946	\$ 1,194,251	\$ 68,680	\$ 6,249	\$ 1,352,368	

(This schedule does not include the affects of accumulated depreciation at the functional level.)

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SECTION 3

STATISTICAL SECTION

FINANCIAL TRENDS

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

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

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. PRINCIPAL TAXPAYERS
9. PROPERTY TAX LEVIES AND COLLECTIONS

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

This schedule shows demographic and economic indicators used in understanding the environment in which the City's activities take place.

16. DEMOGRAPHIC AND ECONOMIC STATISTICS

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.

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

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Net Assets by Component
Last Eight Fiscal Years
Table 1
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities								
Invested in capital assets, net of related debt	\$61,001	\$61,151	\$90,360	\$104,725	\$722,581	\$715,358	\$716,586	\$697,653
Restricted	29,419	22,931	37,491	30,321	26,101	22,297	23,144	48,852
Unrestricted	104,476	126,169	79,407	98,602	148,214	146,240	120,151	32,193
Total governmental activities net assets	<u>\$194,896</u>	<u>\$210,251</u>	<u>\$207,258</u>	<u>\$233,648</u>	<u>\$896,896</u>	<u>\$883,895</u>	<u>\$859,881</u>	<u>\$778,698</u>
Business-type activities								
Invested in capital assets, net of related debt	\$431,714	\$664,764	\$831,187	\$924,107	\$958,079	\$1,117,908	\$1,202,761	\$1,286,616
Restricted	359,094	40,581	86,922	82,341	202,206	61,950	54,137	94,139
Unrestricted	139,574	284,492	175,822	156,933	117,707	228,300	269,378	276,939
Total business-type activities net assets	<u>\$930,382</u>	<u>\$989,837</u>	<u>\$1,093,931</u>	<u>\$1,163,381</u>	<u>\$1,277,992</u>	<u>\$1,408,158</u>	<u>\$1,526,276</u>	<u>\$1,657,694</u>
Primary government								
Invested in capital assets, net of related debt	\$492,715	\$725,915	\$921,547	\$1,028,832	\$1,680,660	\$1,833,266	\$1,919,347	\$1,984,269
Restricted	388,513	63,512	124,413	112,662	228,307	84,247	77,281	142,991
Unrestricted	244,050	410,661	255,229	255,535	265,921	374,540	389,529	309,132
Total primary government net assets	<u>\$1,125,278</u>	<u>\$1,200,088</u>	<u>\$1,301,189</u>	<u>\$1,397,029</u>	<u>\$2,174,888</u>	<u>\$2,292,053</u>	<u>\$2,386,157</u>	<u>\$2,436,392</u>

Note: The City of Tacoma implemented GASB 34 in 2002.

(1) The Greater Tacoma Convention and Trade Center was being constructed and was opened in November 2004.

(2) Construction began in 2004 for the new Police Station Headquarters building and substations.

(3) The City purchased the MLK building.

(4) The Water and Power Fund received capital asset donations from private contract customers and capital contributions from customers and system development charges. Additionally, some of the utility rates increase for the year.

(5) The City reported the remaining infrastructure for the GASB 34 requirements.

(6) The City reported an outstanding claim for a legal challenge against the City's billboard regulations.

(7) The City received \$16.8 million less in grant revenue compared to 2007. Labor expense increased for police and fire by \$7.0 million, and general government by \$3.5 million over 2007.

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

	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses								
Governmental activities:								
General government	\$24,791	\$27,284	\$32,177	\$21,087	\$20,100	\$19,992	\$24,504	\$27,788
Public Safety	102,361	112,942	134,733	129,447	115,572	146,328	143,922	168,059
Physical Environment	-	-	-	491	465	653	622	-
Transportation	-	-	-	18,871	44,744	52,706	53,007	37,608
Health and Human Services	-	-	-	1,686	20,968	2,121	2,051	2,369
Public Works	10,495	17,898	18,765	-	-	-	-	-
Economic Environment/Development	15,624	21,729	23,774	23,281	1,816	29,253	26,947	30,332
Culture and Recreation	19,091	19,058	16,867	13,046	13,409	17,643	22,815	30,052
Interest on long-term debt	3,177	5,235	3,984	3,432	4,005	3,157	3,905	3,777
Total governmental activities expense	<u>175,539</u>	<u>204,146</u>	<u>230,300</u>	<u>211,341</u>	<u>221,079</u>	<u>271,853</u>	<u>277,773</u>	<u>299,985</u>
Business-type activities:								
Public Assembly Facilities	-	-	-	17,049	17,640	18,465	18,562	19,051
Rail	-	-	-	17,142	18,507	18,992	20,286	16,986
Solid Waste	-	-	-	48,311	44,594	51,250	52,530	51,563
Sewer	53,250	91,082	54,623	41,607	46,930	54,008	55,121	61,681
Water	34,740	39,480	43,260	46,016	54,695	55,310	58,685	61,769
Power	313,958	321,042	292,608	302,482	323,555	319,777	334,180	317,481
Other business-type funds	69,586	73,774	76,294	7,581	7,254	7,427	6,922	3,017
Total business-type activities	<u>471,534</u>	<u>525,378</u>	<u>466,785</u>	<u>480,188</u>	<u>513,175</u>	<u>525,229</u>	<u>546,286</u>	<u>531,548</u>
Total primary government expenses	<u>\$647,073</u>	<u>\$729,524</u>	<u>\$697,085</u>	<u>\$691,529</u>	<u>\$734,254</u>	<u>\$797,082</u>	<u>\$824,059</u>	<u>\$831,533</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	10,326	19,933	12,903	3,019	5,651	8,396	12,482	11,747
Public Safety	3,353	5,444	5,981	8,192	5,331	3,917	8,202	12,409
Physical Environment	-	-	-	-	-	75	82	0
Transportation	-	-	-	5,226	4,036	4,050	9,426	7,820
Health and Human Services	-	-	-	40	280	426	744	815
Public Works	5,800	2,384	5,968	-	-	-	-	-
Economic Environment/Development	4,032	660	908	6,337	7,729	7,208	5,899	5,372
Culture and Recreation	690	502	2,506	452	422	447	447	411
Interest on long-term debt	54	1,514	1,352	1,493	657	606	-	-
Operating grants and contributions:	27,132	19,428	14,320	20,137	35,142	32,655	12,516	24,245
Capital grants and contributions	1,756	4,633	5,393	8,139	11,430	15,602	8,244	5,058
Total governmental activities program revenues	<u>53,143</u>	<u>54,498</u>	<u>49,331</u>	<u>53,035</u>	<u>70,678</u>	<u>73,382</u>	<u>58,042</u>	<u>67,877</u>

Note: The City of Tacoma implemented GASB 34 in 2002.

(1) In 2005, the functional expenditures and business-type activities were more defined.

(2) Construction began in 2004 for the new Police Station Headquarters building and substations.

(3) In 2003, a \$40 million accrual was recorded in the Sewer Fund for the Thea Foss Waterway clean-up project.

(4) The City reported the remaining infrastructure for the GASB 34 requirements.

(5) The City received grant funds from the Department of Transportation for the D Street overpass bridge construction.

(6) The City increased their contributions for the fire and police pensions.

(7) In 2006 the functional expenses for Health and Human Services and Economic Environment were switched in error when formatting changes had been made to the statement.

**Changes in Net Assets
Last Eight Fiscal Years**

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Business-type activities:								
Charges for services:								
Public Assembly Facilities	-	-	-	6,165	7,528	9,749	14,410	9,864
Rail	-	-	-	17,609	17,559	21,396	20,612	17,579
Solid Waste	-	-	-	48,938	51,337	57,498	56,076	55,928
Sewer	54,108	53,784	54,891	57,600	62,989	66,145	67,850	75,098
Water	34,665	39,117	41,035	45,892	53,232	54,494	57,086	65,622
Power	290,432	325,058 (8)	329,574	344,450	399,716	401,899	407,664	361,699
Other business-type funds	66,814	66,626	71,815	3,604	3,591	4,031	3,995	3,509
Operating grants and contributions:	1,857	382	2,285	631	1,113	1,412	11,252 (9)	3,821
Capital grants and contributions	42,606	44,447	42,430	54,870	45,430	34,724	35,600	43,784
Total business-type activities program revenues	490,482	529,414	542,030	579,759	642,495	651,348	674,545	636,904
Total primary government program revenues	\$543,625	\$583,912	\$591,361	\$632,794	\$713,173	\$724,730	\$732,587	\$704,781
Net (expense)/revenue	(\$122,396)	(\$149,648)	(\$180,969)	(\$158,306)	(\$150,401)	(\$198,471)	(\$219,731)	(\$232,108)
Governmental activities	18,948	4,036	75,245	99,571	129,320	126,119	128,259	105,356
Business-type activities	(\$103,448)	(\$145,612)	(\$105,724)	(\$58,735)	(\$21,081)	(\$72,352)	(\$91,472)	(\$126,752)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes	46,338	47,967	50,388	54,593	53,177	57,410	58,498	62,564
Sales taxes	33,915	43,528	43,842	49,272	54,071	54,508	47,681	42,256
Business taxes	74,691	70,248	43,580	46,166	46,161	46,955	49,039	43,052
Unrestricted investment earnings	12,725	5,984	5,028	3,193	6,869	8,976	6,566	5,699
Gain on sale of capital assets	840	-	-	2,402	1,567	43	2,705	344
Transfers	(887)	1,648	28,435	31,584	35,673	38,600	35,212	34,383
Total governmental activities	167,622	169,375	171,273	187,210	197,518	206,492	199,701	188,298
Business-type activities:								
Taxes:								
Property taxes	-	-	-	-	-	-	-	-
Sales taxes	883	396	457	376	458	605	1,715	0
Business taxes	-	-	-	-	-	-	-	-
Unrestricted investment earnings	20,559	11,720	12,078	12,514	27,309	36,090	30,674	18,427
Gain on sale of capital assets	2,816	2,863	(75)	4,889	55	5,667	(8,099) (10)	133
Transfers	887	(1,648)	(28,435)	(31,584)	(35,673)	(38,600)	(35,212)	(34,383)
Total business-type activities	25,145	13,331	(15,975)	(13,805)	(7,851)	3,762	(10,922)	(15,823)
Total primary government	\$192,767	\$182,706	\$155,298	\$173,405	\$189,667	\$210,254	\$188,779	\$172,475
Change in Net Assets								
Governmental activities	\$45,226	\$19,727	(\$9,696)	\$28,904	\$47,117	\$8,021	(\$20,030) (11)	(\$43,810)
Business-type activities	44,093	17,367	59,270	85,766	121,469	129,881	117,337	89,533
Total primary government	\$89,319	\$37,094	\$49,574	\$114,670	\$168,586	\$137,902	\$97,307	\$45,723

Note: The City of Tacoma implemented GASB 34 in 2002.

(8) In 2003, Power operating revenues increased mainly due to higher spot market prices in the wholesale market in 2003 compared to the prior year.

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

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

(11) In 2008, the change in net assets decrease for governmental activities was primarily due to reduced grant revenues in the Public Works Streets, Capital Projects, and Community and Economic Development funds compared to 2007, as well as increased labor costs in police, fire and general government.

Governmental Activities Tax Revenues By Source
Last Eight Fiscal Years
Table 3
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Business Tax	Total
2002	\$46,338	\$33,915	\$74,691	\$154,944
2003	47,967	43,528	70,248	161,743
2004	50,388	43,842	43,580	137,810
2005	54,593	49,272	46,166 (2)	150,031
2006	53,177 (3)	54,071	46,161 (1)	153,409
2007	57,410	54,508	46,955	158,873
2008	58,498	47,681	49,039	155,218
2009	62,564	42,256	43,052	147,872

- (1) A refund was issued in 2006 of over \$300,000.
- (2) A increase in penalty and taxes for Business tax increased due to an outstanding receivable of over \$1 million dollars.
- (3) The City receives property taxes based on assessments of taxpayers voted bonds. In 2006, the City paid off a significant portion of the General Obligation voted bond debt in 2006.

Fund Balances of Governmental Funds
Last Ten Fiscal Years
Table 4

(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$20,474	\$20,694	\$10,291	\$10,263	\$8,118	\$6,855	\$9,553	\$19,526 (1)	\$24,871	\$24,517
Unreserved	6,812	4,462	21,531	34,210	28,374	36,572	46,955	46,308	27,534 (2)	13,744
Total General Fund	<u>\$27,286</u>	<u>\$25,156</u>	<u>\$31,822</u>	<u>\$44,473</u>	<u>\$36,492</u>	<u>\$43,427</u>	<u>\$56,508</u>	<u>\$65,834</u>	<u>\$52,405</u>	<u>\$38,261</u>
All other governmental funds										
Reserved	\$20,146	\$31,097	\$25,989	\$15,742	\$19,976	\$29,055	\$17,307	\$35,286 (1)	\$33,763	\$50,960
Unreserved, reported in:										
Special revenue funds	5,627	7,458	16,905	34,284	38,964	26,419	39,274	36,534	32,093	14,432
Debt service funds	-	-	4,129	1,100	1,226	1,211	1,300	1,319	840	1,001
Capital project funds	4,141	(13,176)	30,303	31,244	19,862	18,318	34,108	26,197	22,588	57,797 (3)
Total all other governmental funds	<u>\$29,914</u>	<u>\$25,379</u>	<u>\$77,326</u>	<u>\$82,370</u>	<u>\$80,028</u>	<u>\$75,003</u>	<u>\$91,989</u>	<u>\$99,336</u>	<u>\$89,284</u>	<u>\$124,190</u>

1) In 2007 the increase in reserved fund balances is due to a change in accounting for reporting internal notes as interfund loans.
 2) In 2008 the unreserved fund balance decreased primarily due to increased labor costs in police, fire and general government.
 3) In 2009 the increase in reserved fund balance is primarily from proceeds of a new LTGO Capital Project Bond.

Changes in Fund Balances of Governmental Funds

Table 5

(modified accrual basis of accounting)
(amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$142,866	\$150,831	\$152,530	\$161,562	\$138,146	\$150,370	\$153,477	\$158,320	\$155,129	\$145,101
Licenses and permits	3,798	3,327	3,604	4,918	5,072	3,572 (7)	9,558	9,731	6,168	5,382
Intergovernmental revenue	27,504	25,348	28,888	27,346	28,043	28,276	46,510 (4)	48,257 (4)	31,461	40,991
Charges for services	10,099	9,320	9,400	15,261	9,568	13,749 (5)	8,984 (6)	9,557 (6)	10,663	10,836
Fines and forfeitures	3,194	2,848	3,583	3,035	2,793	4,088	2,829	3,869	4,366	4,617
Interest	6,162	4,305	6,798	4,869	4,174	3,193	6,869	8,976	6,566	4,131
Miscellaneous revenues	3,530	1,993	7,670	3,939	3,856	3,347	2,734	1,988	3,805	2,606
Total revenues	<u>197,153</u>	<u>197,972</u>	<u>212,473</u>	<u>220,930</u>	<u>191,652</u>	<u>206,595</u>	<u>230,961</u>	<u>240,678</u>	<u>218,158</u>	<u>213,664</u>
Expenditures										
General government	23,746	23,940	24,540	25,962	26,985	20,200	21,118	18,243	23,728	37,148
Security of persons & property	91,761	104,235	100,408	103,177	114,320	(2)	123,998	133,933 (8)	142,967 (9)	135,269
Physical environment	1,423	1,281	586	476	485	471	488	605	628	(2)
Transportation	19,008	13,608	9,767	15,259	16,119	18,076	18,029	22,828	24,670	24,066
Economic environment	13,955	13,494	15,535	20,411	20,826	22,302	22,028	27,046	27,055	28,682
Mental and physical health	1,281	1,307	1,222	1,911	1,782	1,614	1,909	1,965	2,138	2,256
Culture and recreation	17,831	13,481	12,928	15,173	13,923	12,497	14,087	14,795	16,212	13,185
Capital outlay	27,830	26,227	39,873	17,463	28,147	(2)	32,681	38,091	34,813	40,172
Debt Service:										
Principal retirement	4,762	4,477	5,496	4,658	10,136	7,493	17,730 (3)	5,521 (3)	4,934	4,949
Interest and fiscal charges	3,221	3,808	4,300	4,583	3,809	3,537	3,487	3,254	3,899	3,777
Total expenditures	<u>204,818</u>	<u>205,858</u>	<u>214,655</u>	<u>209,073</u>	<u>236,532</u>	<u>240,007</u>	<u>252,980</u>	<u>266,281</u>	<u>281,044</u>	<u>289,502</u>
Excess of revenues over (under) expenditures	(7,665)	(7,886)	(2,182)	11,857	(44,880)	(33,412)	(22,019)	(25,603)	(62,886)	(75,838)

(1) In 2004, the City gross earnings tax transfer from the Utilities to the General Fund was reclassified as an interfund transfer.

(2) Construction began in 2004 for the new Police Station Headquarters building and substations.

(3) Limited General Obligation 1997 Series A bonds in the amount of \$13.0 million were redeemed.

(4) The City received grant funds from the Department of Transportation for the D Street overpass bridge construction.

(5) A capital contribution was recognized for various Public Works capital projects and the D Street project.

(6) EMS uncollectible accounts were recorded in 2005 and prior years as bad debt expense. In 2006, the accounting correction was made to account for uncollectible accounts as a reduction of revenue.

(7) The uncollectible accounts for 2005 were significantly higher compared to 2006.

(8) In 2007 labor expenses increased by \$8.4 million due to increased cost of health benefits and fire and police pension contributions.

(9) In 2008 labor expenses increased by \$7.0 million for fire and police.

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

Changes in Fund Balances of Governmental Funds
 Table 5
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other financing sources (uses)										
Sale of capital asset	-	1,021	874	6	-	2,402	1,567	43	2,705	170
Transfers in	20,980	24,014	32,110	4,060	37,944	37,346	42,523	53,605	52,657	56,635
Transfers (out)	(27,019)	(25,158)	(43,704)	(3,213)	(11,029)	(4,426)	(9,319)	(15,775)	(17,788)	(16,612)
Proceeds from bonds issues	283	18,230	34,300	(11)	5,785	-	19,675	10,145	4,468	56,335
Payment to refund escrow agent	-	(16,495)	-	-	-	-	-	-	-	226
Contributions from property owners	-	-	-	-	-	-	-	-	11	-
Discount on issuance of debt	-	-	-	-	-	-	-	(35)	-	(154)
Total other financing sources and (uses)	(5,756)	1,612	23,580	3,158	32,700	35,322	54,446	47,983	42,053	96,600
Net change in fund balances	<u>(\$13,421)</u>	<u>(\$6,274)</u>	<u>\$21,398</u>	<u>\$15,015</u>	<u>(\$12,180)</u>	<u>\$1,910</u>	<u>\$32,427</u>	<u>\$22,380</u>	<u>(\$20,833)</u>	<u>\$20,762</u>
Debt service as a percentage of noncapital expenditures (13)	4.7%	4.8%	5.9%	5.1%	7.2%	5.5%	10.7%	4.0%	3.7%	3.6%

(11) General Obligation bond debt was issued in 2002 for the construction of the new police headquarters and substations.

(12) Beginning in 2004, the City gross earnings tax transfer from the Utilities to the General Fund was reclassified as an interfund transfer.

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

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

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Table 6

Fiscal Year	Real Property		Personal Property		Total		Total Direct Tax Rate	Growth Increase Decrease Dollars (\$ in Thousands)	Percent Increase	Assessed Value Per Capita
	Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)	Assessed Value/ Estimated Actual Value (1) (\$ in Thousands)	Assessed Value/ Estimated Actual Value (\$ in Thousands)	Assessed Value/ Estimated Actual Value (\$ in Thousands)	Assessed Value/ Estimated Actual Value (\$ in Thousands)	Assessed Value/ Estimated Actual Value (\$ in Thousands)				
2000	N/A	N/A	N/A	10,671,429	4.26	824,156	8.37%	57,066		
2001	N/A	N/A	N/A	11,587,717	4.06	916,288	8.59%	61,966		
2002	N/A	N/A	N/A	11,824,449	4.40	236,732	2.04%	60,638		
2003	N/A	N/A	N/A	12,455,913	4.28	631,464	5.34%	63,551		
2004 (2)	12,171,145	910,650	13,081,797	4.14	625,884	5.02%	66,744			
2005 (2)	14,713,210	869,592	15,582,802	3.38	2,501,005	19.12%	78,701			
2006	17,557,779	998,499	18,556,278	3.08	2,973,476	19.08%	92,781			
2007	19,480,923	1,109,464	20,590,388	2.84	2,034,110	10.96%	101,933			
2008	20,442,955	1,182,132	21,625,087	2.81	1,034,699	5.03%	106,528			
2009	19,520,248	1,196,953	20,717,201	2.99	(907,886)	-4.20%	102,055			

1) Breakdown of total assessed value by real property and personal property is not available prior to 2004.

2) Assessed Value/ Estimated Actual Value figures have been revised for 2004 and 2005.

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

Fiscal Year Ended December 31,	City of Tacoma	Tacoma School District #10	Pierce County	Port of Tacoma	Metro Park District	Washington State	Total
DOLLARS PER \$1,000 OF ASSESSED VALUE							
2000	4.26	7.48	1.75	0.18	0.87	3.00	17.54
2001	4.06	7.30	1.68	0.19	0.98	2.92	17.12
2002	4.40	7.42	1.67	0.18	0.98	2.94	17.59
2003	4.28	7.50	1.61	0.19	0.99	3.03	17.60
2004	4.14	7.28	1.59	0.19	0.85	2.90	16.95
2005	3.38	6.56	1.38	0.19	0.88	2.64	15.03
2006	3.08	5.51	1.18	0.19	0.76	2.29	13.01
2007	2.84	4.77	1.08	0.19	0.73	2.07	11.68
2008	2.81	4.80	1.08	0.18	0.72	2.02	11.62
2009	2.99	4.65	1.16	0.18	0.77	2.07	11.82
"CITY" TAX RATE BREAKDOWN:			<u>2008</u>	<u>2009</u>			
General Fund			\$2.02	\$2.15			
Councilmanic Nonvoted Bonds			0.19	0.21			
EMS Levy			0.46	0.49			
G.O. Bonds			0.14	0.14			
TOTAL CITY			<u><u>\$2.81</u></u>	<u><u>\$2.99</u></u>			

- (a) Above schedule includes both regular and voted excess tax levies. Property is being assessed at 100% of true and fair market value.
- (b) 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.
- (c) 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.
- (d) Each year listed represents the levy year, (i.e., the year 2000 represents 2001 tax rates).

Principal Taxpayers
Current Year and Ten Years Ago
Table 8
(amounts expressed in thousands)

TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2009

<u>TAXPAYERS</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL CITY POPULATION</u>	<u>TYPE OF BUSINESS</u>
AT&T Mobility	N/A	N/A	Cellular
Comcast of Tacoma Inc.	N/A	N/A	Cable
Live Nation Worldwide Inc	N/A	N/A	Event Promotions
Puget Sound Energy Inc.	217	0.1%	Natural Gas
Qwest Corporation	N/A	N/A	Telecommunications
Sprint PCS	N/A	N/A	Cellular
T Mobile West Corporation	N/A	N/A	Cellular
US Oil Trading LLC	10	0.0%	Petroleum Refinery
Verizon Wireless	24	0.0%	Cellular
West Coast Grocery	686	0.3%	
Total	251	0.5%	

Total 2009 Aggregate B & O Tax
Collections of the Top Ten Taxpayers \$15,644

TEN LEADING BUSINESS AND OCCUPATION TAXPAYERS FOR 2000

<u>TAXPAYERS</u>	<u>EMPLOYEES (1)</u>	<u>PERCENTAGE OF TOTAL CITY POPULATION</u>	<u>TYPE OF BUSINESS</u>
AT&T Broadband	N/A	N/A	Cable Television
AT&T Communications of the Pac NW	N/A	N/A	Telecommunications
AT&T Wireless Services	N/A	N/A	Cellular
Nextel West Corp.	N/A	N/A	Telecommunications
Puget Sound Energy , Inc.	N/A	N/A	Natural Gas
Qwest Corporation	N/A	N/A	Telecommunications
US Oil & Refining Company	N/A	N/A	Petroleum Refinery
Verizon Wireless	N/A	N/A	Cellular
Voicestream Wireless	N/A	N/A	Cellular
West Coast Grocery Division	N/A	N/A	Grocery Wholesale
Total	N/A	N/A	

Total 2000 Aggregate B & O Tax
Collections of the Top Ten Taxpayers \$12,833

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.

(1) Employee count information for these business taxpayers are not available for 2000.

Principal Taxpayers
Current Year and Ten Years Ago
Table 8
(amounts expressed in thousands)

TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2009

<u>TAXPAYERS</u>	<u>RANK</u>	2009 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Partnership	1	\$208,473	24.0%
Simpson Tacoma Kraft Co	2	128,187	14.8%
CSC of Tacoma LLC	3	79,333	9.1%
US Oil and Refining Co	4	72,788	8.4%
Simpson Lumber Company LLC	5	70,746	8.1%
AT&T Mobility LLC	6	69,508	8.0%
Qwest Corporation	7	68,839	7.9%
Puget Sound Energy/Gas	8	63,343	7.3%
NGP Centennial Tacoma LLC	9	55,488	6.4%
Fred Meyer Stores Inc.	10	52,058	6.0%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$868,763</u>	<u>100.0%</u>

TACOMA'S TOP TEN PROPERTY TAXPAYERS FOR 2000

<u>TAXPAYERS</u>	<u>RANK</u>	2000 <u>ASSESSED VALUE</u>	PERCENTAGE <u>TOTAL ASSESSED VALUE</u>
Tacoma Mall Corporation	1	\$107,151	18.7%
Simpson Tacoma Kraft Co	2	93,710	16.4%
U.S. West Communications, Inc.	3	89,185	15.6%
Puget Sound Energy/Gas	4	59,779	10.4%
Pioneer Chlor Alkali Company, Inc.	5	43,092	7.5%
AT & T Communications	6	42,349	7.4%
Jonsson Security LLC	7	38,256	6.7%
Vine Street Associates	8	36,083	6.3%
PF Acquisition Corp.	9	31,770	5.6%
Metropolitan Life / Fred Meyer	10	31,052	5.4%
Total Assessed Value of Top Ten Property Taxpayers		<u>\$572,427</u>	<u>100.0%</u>

**Property Tax Levies and Collections
Last Ten Fiscal Years
Table 9**
(amounts expressed in thousands)

Fiscal Year ended December 31,	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Tax Levy Adjustment	Total Tax Collections	Total Tax Collected as a Percentage of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Current Levy
2000	39,924	37,964	95.09%	1,664	(36)	39,629	99.26%	2,761	6.92%
2001	45,400	42,951	94.61%	1,701	(254)	44,652	98.35%	3,276	7.22%
2002	46,979	44,565	94.86%	2,058	(58)	46,623	99.24%	3,617	7.70%
2003	51,957	49,473	95.22%	2,303	(276)	51,776	99.65%	3,523	6.78%
2004	53,334	51,186	95.97%	2,346	(222)	53,532	100.37%	3,103	5.82%
2005	54,626	52,817	96.69%	2,088	(219)	54,905	100.51%	2,605	4.77%
2006	53,258	51,517	96.73%	1,706	(202)	53,223	99.93%	2,438	4.58%
2007	57,549	55,255	96.01%	1,589	(298)	56,844	98.77%	2,845	4.94%
2008	59,033	56,650	95.96%	1,759	(280)	58,409	98.94%	3,190	5.40%
2009	60,752	57,981	95.44%	1,798	(526)	59,779	98.40%	3,637	5.99%

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

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

Fiscal Year	Governmental Activities						Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Public Works Trust Fund Loan	Housing & Urban Dev Loan	Bond Anticipation Notes	Special Assessment Bonds	Capital Leases	Revenue Bonds & Loans (3)	General Obligation Bonds	Capital Leases					
2002	80,135	7,579	-	3,275	2,810	588	885,002	-	-	-	979,389	4.55%	5,025	
2003	85,320	8,105	2,434	4,624	2,195	518	897,250	-	-	-	1,000,446	4.51%	5,097	
2004	76,915	12,065	-	1,362	2,556	95	980,938	51,900	-	-	1,125,831	4.84%	5,721	
2005	69,605	11,525	-	827	1,830	48	1,081,537	51,900	327	-	1,217,599	5.23%	6,146	
2006	70,224	13,248	-	1,373	1,155	-	1,119,487	67,410	286	-	1,273,183	5.21%	6,379	
2007	68,455	12,331	-	1,607	740	-	1,117,506	66,420	256	-	1,267,315	4.73%	6,283	
2008	64,801	11,416	-	6,423	375	3,401 (4)	1,074,085	65,115	220	-	1,225,836	4.23%	6,048	
2009	113,413 (5)	12,843	-	9,883	260	2,501	1,108,113	63,765	180	-	1,310,958	4.22%	6,445	

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

(1) U.S. Department of Commerce, Bureau of Economic Analysis (Currently updated through 2006). Calculation based on 2006 personal income.

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

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

(4) In 2008 the City entered into a lease option purchase of computer data storage equipment. At the end of the five year lease the City will own the equipment.

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund (1)	Total	% of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2000	61,770	3,985	57,785	0.54%	298
2001	49,335	4,082	45,253	0.39%	233
2002	80,135	4,139	75,996	0.64%	390
2003	85,320	1,100	84,220	0.68%	429
2004	128,815	1,226	127,589	0.98%	648
2005	121,505	1,211	120,294	0.77%	607
2006	137,634	1,300	136,334	0.73%	683
2007	134,875	1,319	133,556	0.65%	662
2008	129,916	961	128,955	0.60%	636
2009	177,178	1,001	176,177	0.85%	866

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

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

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

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

**Computation of Direct and Overlapping Debt
As of December 31, 2009
Table 12**

	Net Bonded Debt Outstanding (a)	Percentage Applicable To City (b)	City Residents Share of Debt
City of Tacoma	\$ 190,021	100.000%	\$ 190,021
<u>OVERLAPPING DEBT</u>			
Tacoma School District #10	341,147	91.955%	313,703
Metropolitan Park District	72,153	96.789%	69,837
Port of Tacoma	203	0.000%	-
Pierce County	121,082	0.000%	-
Franklin Pierce School District	27,601	0.595%	164
Fife School District	34,667	2.886%	1,000
Clover Park School District	68,388	1.977%	1,352
University Place School District	64,100	2.883%	1,848
TOTAL OVERLAPPING DEBT	\$ 729,343		\$ 577,924
GRAND TOTAL	\$ 919,364		\$ 767,945
Population			203,400
Direct and Overlapping Debt per Capita			\$ 2,841

(a) Net Bonded Debt Outstanding represents gross debt outstanding less available amounts in debt service funds, less matured bonds and interest coupons.

(b) 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.

Source: 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)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Value of Property	10,671,429	11,587,717	11,824,449	12,455,913	13,212,371	15,739,885	18,556,278	20,590,387	21,625,087	20,717,201
Debt Limit, 7.5% of Assessed Value	800,357	869,079	886,834	934,193	990,928	1,180,491	1,391,721	1,544,279	1,621,882	1,553,790
Total Net Debt Applicable to Limit	69,831	57,064	162,988	93,444	143,775	139,801	158,905	160,216	156,200	191,701
Legal Debt Margin	\$730,526	\$812,015	\$723,846	\$840,749	\$847,153	\$1,040,690	\$1,232,816	\$1,384,063	\$1,465,682	\$1,362,089
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.7%	6.6%	18.4%	10.0%	14.5%	11.8%	11.4%	10.4%	9.6%	12.3%

Legal Debt Margin Calculation for Fiscal Year 2009
 (amounts expressed in thousands)

Assessed Value	20,717,201
Debt Limit (7.5% of assessed value)	1,553,790
Debt Applicable to Limit:	
General Obligation bonds and Loans	190,021
Capital leases	2,681
Less: Assets available from Debt Svc Fund	(1,001)
Total Net Debt Applicable to Limit	<u>191,701</u>
Legal Debt Margin	<u><u>\$1,362,089</u></u>

**Computation of Constitutional Limit of Indebtedness
December 31, 2009
Table 14**

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

Total Taxable Property Value (Assessed at 100%, for taxes payable in 2009) (PV)	\$ 20,717,200,634
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GENERAL PURPOSE INDEBTEDNESS

Non-Voted General Purpose Indebtedness and Capital Leases	
Legal Limit 1.5% of Total Taxable Property Value	\$ 310,758,010
Indebtedness (Liabilities)	
Non-Voted General Obligation Bonds	\$ 172,046,621
Capital Leases Payable	4,245,967
Less Assets Available	-
Indebtedness Incurred - Non-Voted General Purposes	\$ 176,292,588
Remaining Non-Voted Debt Capacity - General Purposes	\$ 134,465,422
Total General Purpose Indebtedness With A 3/5 Vote of the People (includes non-voted)	
Legal Limit 2.5% of Total Taxable Property Value	\$ 517,930,016
Less: Indebtedness Incurred - Non-Voted General Purposes	(176,292,588)
	\$ 341,637,428
Indebtedness (Liabilities)	
Voted General Obligation Bonds	\$ 26,400,000
Less Assets Available	(1,000,793)
Indebtedness Incurred - Voted General Purposes	\$ 25,399,207
Total Remaining Debt Capacity - General Purposes	\$ 316,238,221

UTILITY PURPOSE INDEBTEDNESS

Indebtedness For Utility Purposes With 3/5 Vote of the People	
Legal Limit 2.5% of Total Taxable Property Value	\$ 517,930,016
Remaining Debt Capacity - Utility Purposes	\$ 517,930,016

OPEN SPACES AND PARKS FACILITIES INDEBTEDNESS

Indebtedness For Open Space And Parks Facilities With 3/5 Vote of the People	
Legal Limit 2.5% of Total Taxable Property Value	\$ 517,930,016
Remaining Debt Capacity - Open Spaces and Parks Facilities	\$ 517,930,016

SUMMARY

Total Indebtedness Allowable	Legal Limit 7.5% of Total Taxable Property Value	\$ 1,553,790,048
Less: Indebtedness Incurred - General Purposes	0.9735%	\$ 201,691,795
Less: Indebtedness Incurred - Utility Purposes		\$ -
Less: Indebtedness Incurred - Open Space And Parks Facilities		\$ -
	Remaining Debt Capacity	\$ 1,352,098,253

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

Sewer Revenue Bonds							Water Revenue Bonds						
Fiscal Year	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2001	54,632	33,972	20,660	3,549	3,564	2.90	2001	32,954	22,582	10,372	1,453	1,565	3.44
2002	62,565	38,264	24,301	4,792	3,473	2.94	2002	38,647	22,734	15,913	1,816	2,581	3.62
2003	58,668	35,202	23,466	3,235	5,587	2.66	2003	50,422	25,952	24,470	2,005	3,552	4.40
2004	57,527	37,585	19,942	5,453	5,507	1.82	2004	46,256	28,071	18,185	4,675	3,387	2.26
2005	60,110	33,972	26,138	5,735	5,233	2.38	2005	51,264	29,444	21,820	3,557	4,593	2.68
2006	69,418	37,477	31,941	6,025	5,371	2.80	2006	90,628	32,061	58,567	4,582	5,852	5.61
2007	74,974	38,323	36,651	2,115	5,723	4.68	2007	68,084	34,001	34,083	4,727	5,708	3.27
2008	75,298	42,453	32,845	1,790	5,617	4.43	2008	63,683	36,040	27,643	4,925	5,514	2.65
2009	76,459	44,450	32,009	2,570	5,546	3.94	2009	66,808	37,149	29,659	5,896	9,942	1.87

Power Revenue Bonds							Solid Waste Revenue Bonds						
Fiscal Year	Power Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Fiscal Year	Solid Waste Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2001	325,323	291,048	34,275	14,040	11,726	1.33	2001	46,834	33,257	13,577	2,130	3,156	2.57
2002	292,785	238,045	54,740	14,040	29,116	1.27	2002	44,714	30,578	14,136	2,400	4,707	1.99
2003	327,730	246,807	80,923	17,468	26,268	1.85	2003	44,610	32,112	12,498	2,355	4,360	1.86
2004	331,223	230,470	100,753	22,180	27,497	2.03	2004	47,609	34,105	13,504	2,470	4,243	2.01
2005	345,586	227,250	118,336	22,790	30,737	2.21	2005	50,831	37,507	13,324	2,620	4,094	1.98
2006	407,630	257,131	150,499	22,420	29,770	2.88	2006	53,822	33,038	20,784	2,770	3,944	3.10
2007	414,184	252,941	161,243	25,275	26,424	3.12	2007	61,513	38,900	22,613	2,935	4,618	2.99
2008	417,774	262,195	155,579	26,590	24,922	3.02	2008	59,816	38,510	21,306	3,265	4,249	2.84
2009	377,458	251,357	126,101	30,820	23,537	2.32	2009	57,386	38,943	18,443	3,435	4,250	2.40

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

(1) The issue date for the Convention Center Revenue bonds was in 2004 and the first principal payment did not occur until 2005.

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

Convention Center Revenue Bonds							A Street Garage Revenue Bonds								
Fiscal Year	Conv Ctr Charges and Other	Less:		Net Available Revenue	Principal	Interest	Coverage	Fiscal Year	A Street Charges and Other	Less:		Net Available Revenue	Principal	Interest	Coverage
		Operating Expenses								Operating Expenses					
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	5,752	1,029	4,723	663	1,677	2.02	2005	546	169	377	82	208	1.30		
2006	5,227	1,137	4,090	1,072	1,286	1.73	2006	694	201	493	133	160	1.68		
2007	6,198	1,109	5,089	1,094	1,254	2.18	2007	754	236	518	136	156	1.78		
2008	5,878	1,112	4,766	1,125	1,221	2.03	2008	757	235	522	140	152	1.79		
2009	5,299	1,014	4,285	1,156	1,187	1.83	2009	704	227	477	144	148	1.63		

Tacoma Rail Bond Anticipation Notes

Fiscal Year	Tacoma Rail Charges and Other	Less:		Net Available Revenue	Principal	Interest	Coverage
		Operating Expenses					
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	12,899	11,370	1,529	331	88	3.65	
2005	15,452	13,006	2,446	331	78	5.98	
2006	15,992	14,677	1,315	331	87	3.15	
2007 (3)	19,499	15,206	4,293	113	82	21.98	
2008	19,052	16,437	2,615	162	98	10.02	
2009	15,373	13,561	1,812	171	90	6.90	

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

(2) The issue date for the Tacoma Rail Bond Anticipation Notes was in 2003 and the first principal payment did not occur until 2004.

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

(4) In 2009 the Convention Center Revenue Bonds were revised to separate the A Street Garage.

Demographic and Economic Statistics
Last Ten Fiscal Years
Table 16

Fiscal Year Ended December 31,	Population (in Thousands)	Personal Income (a) (in Thousands)	Per Capita Personal Income (a)	School Enrollment (b) (in Thousands)	Unemployment % Rate (c)
2000	194	19,416,742	27,580	32	4.9
2001	194	20,702,070	28,818	33	6.4
2002	195	21,504,936	29,405	33	7.3
2003	196	22,205,977	29,989	32	7.6
2004	197	23,273,083	31,206	31	6.4
2005	198	24,440,169	32,448	32	6.0
2006	200	26,769,608	35,054	30	5.2
2007	202	28,949,941	37,446	30	4.7
2008	203	31,046,350	39,444	30	5.3
2009	203	N/A	N/A	30	8.9

SOURCES:

- (a) U.S. Department of Commerce, Bureau of Economic Analysis (Currently updated only through 2006).
(b) Tacoma School District No. 10, total students including alternative schools as of October 1 each year.
(c) Washington State Employment Security Department (monthly rates averaged).

Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
Table 17

Function	Full Time Equivalent Employees as of December 31									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006 (1)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	376	394	380	407	410	414	296	294	304	300
Public Safety										
Police	411	397	384	390	402	409	412	416	418	429
Fire	419	421	427	440	439	431	434	434	434	426
Law Enforcement Support Agency	131	143	144	153	152	157	155	162	165	160
Economic Environment										
Community Economic Development	52	51	48	49	44	39	41	42	43	42
Hearing Examiner	3	2	2	4	4	4	4	3	3	3
Human Rights Human Services	36	33	29	37	37	34	34	29	33	38
Culture and Recreation	131	135	145	195	194	197	204	203	207	202
Transportation										
Public Works	604	630	631	670	684	693	750	777	773	800
Information Systems	29	33	30	95	94	85	108	113	114	139
Retirement	6	7	8	7	9	8	8	9	9	9
Tacoma Public Utilities										
Administration	17	16	16	16	9	9	9	8	8	9
Customer Service	104	106	106	132	142	132	165	174	174	157
Geographic Info System	7	7	5	9	8	9	9	9	9	12
Rail	82	74	80	84	91	102	101	98	99	99
Power	742	745	814	805	786	799	767	791	792	872
Water	204	226	226	237	245	254	257	266	267	267
Total	3,354	3,420	3,475	3,730	3,750	3,776	3,754	3,828	3,852	3,964

(1) A re-organization of the City's organizational chart occurred eliminating the General Services department (included in General Government) and was spread between Information Systems and Public Works departments.

Operating Indicators by Function
Last Ten Fiscal Years
Table 18

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police										
Violent Crime	2,396	2,111	2,183	2,154	2,021	2,014	2,076	2,091	1,965	1,883
Property Crime	16,336	16,362	18,115	16,170	16,657	16,903	16,663	14,736	14,813	13,337
Fire										
Incidents	33,141	35,172	36,323	36,727	27,836	29,290	30,354	30,998	37,500	38,258
Utilities										
Power customers	147,843	149,731	153,955	153,955	162,852	159,182	162,589	165,122	166,307	168,207
Power service units - MWH	6,186,563	5,255,247	6,278,978	6,278,978	6,077,318	5,915,164	6,689,448	6,794,354	6,652,547	6,618,995
Water customers	85,269	89,550	91,376	91,376	93,906	94,033	95,103	96,278	95,587	96,983
Water service units	21,050,000	19,495,000	25,596,721	25,596,721	27,219,270	24,929,840	25,292,615	24,760,182	24,400,467	24,720,956
Wastewater customers	80,983	80,144	82,486	82,486	64,612	81,727	60,412	60,694	60,698	60,651
Surface Water customers	66,326	65,706	67,406	67,406	72,139	63,983	68,363	69,091	70,120	70,422
Solid Waste customers	57,115	57,036	58,722	58,722	59,203	58,834	58,086	58,449	58,550	58,549
Rail										
Miles of track	30	29	38	38	38	38	38	38	38	38
Number of cars switched	67,762	59,852	14,839	85,017	97,417	118,512	100,074	83,416	77,194	60,924
Airport										
Acres	644	654	744	744	644	644	644	644	644	NA
Length of runway (ft)	5,002	5,002	5,002	5,002	5,002	N/A	N/A	N/A	5,002	NA
Number of tie-downs available	50	50	158	139	134	126	126	90	90	NA
Number of tie-downs in use	15	16	50	29	35	31	31	58	58	NA
Hangar rentals	15	18	80	77	83	87	87	112	112	NA
Number of landings and take-offs	107,800	95,971	81,449	72,688	90,409	88,292	68,413	81,843	55,000	NA
Number of commercial leases	10	9	13	16	14	10	10	11	11	NA
Parking Garages										
Number of parking stalls - garages	1,127	1,127	1,659	1,659	2,244	2,219	2,219	2,219	2,282	2,384
Number of parking stalls - surface lots	474	485	558	558	480	480	480	235	73	73

Capital Asset Statistics by Function
Last Ten Fiscal Years
Table 19

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police										
Number of Stations	7	7	7	7	7	6	N/A	6	6	6
Vehicles:										
Marked Cars	215	220	220	225	228	225	N/A	236	249	NA
Unmarked Cars - (includes seized vehicles)	72	79	79	112	133	112	N/A	94	99	NA
Motorcycles	30	21	26	29	29	29	N/A	25	21	NA
Fire										
Number of Stations	16	16	16	16	16	16	16	16	16	16
Pumpers	16	16	16	16	16	16	16	16	17	16
Trucks	4	4	4	4	4	4	4	4	4	4
Rescue Vehicles	5	5	5	5	6	5	5	5	5	5
Fireboats	1	1	1	1	1	1	1	1	1	1
Training Towers	1	1	1	1	1	1	1	1	1	1
Fire Rating	3	3	3	3	N/A	3	3	3	3	3
Transportation										
Streets										
Miles of Paved Streets	564.40	604.00	610.05	610.05	612.71	612.71	615.57	642.52	642.52	642.52
Miles of Unpaved Streets	239.02	239.00	229.33	229.33	229.38	229.38	352.69	208.10	208.10	208.10
Total	803.42	843	839.38	839.38	842.09	842.09	968.26	850.62	850.62	850.62

1) In 2007 the change in Miles of Unpaved Streets is due to the arterial survey done in 2007, and due to excluding alleys which were included in prior years.

The following individuals contributed to the successful completion of the City of Tacoma's 2009 Comprehensive Annual Financial Report:

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