
ANNUAL

FLEET SERVICES FUND

2021
**FINANCIAL
REPORT**



Public Utility Board

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DEPARTMENT OF PUBLIC UTILITIES

CITY OF TACOMA

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CITY OF TACOMA, WASHINGTON
DEPARTMENT OF PUBLIC UTILITIES
Doing Business As

FLEET SERVICES FUND

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Financial Data

Management Discussion and Analysis

The following management discussion and analysis of the financial performance of the Fleet Services Fund provides an overview of the financial activities for the years ended December 31, 2021, 2020 and 2019. The information presented here should be read in conjunction with the financial statements as a whole, including the footnotes and other supplementary information that is provided.

Overview of the Financial Statements

The City of Tacoma Finance Department and the management of Fleet Services are responsible for preparing the accompanying financial statements and for their integrity. The statements were prepared in accordance with generally accepted accounting principles applied on a consistent basis and include amounts that are based on management's best estimates and judgments.

The basic financial statements, presented on a comparative basis for the years ended December 31, 2021 and 2020, include Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows. The Statements of Net Position present information on all of the Fund's assets and liabilities, with the difference between the two reported as net position. The Statements of Revenues, Expenses and Changes in Net Position report all of the revenues and expenses during the time periods indicated. The Statements of Cash Flows provide information on cash receipts and disbursements during the year and report changes in cash resulting from operations, investing and financing activities.

The notes to the financial statements, presented at the end of the basic financial statements, provide additional disclosures that are essential to a full understanding of data provided in the financial statements. They are an integral part of the Fund's presentation of financial position, results of operations, and changes in cash flows.

Management has established and maintains a system of internal control that provides reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition and the prevention and detection of fraudulent financial reporting. The system of internal control provides for appropriate division of responsibility and is documented by written policies and procedures. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived.

Financial Statement Analysis

During 2021, Fleet Services realized net loss of \$2.9 million compared to net loss of \$39.4 million recorded in 2020. Operating revenues decreased \$2.9 million in 2021 or 39.3%. Operating expenses decreased \$2.5 million or 31.8%. The overall result is a net decrease in operating income of \$0.4 million from a year earlier.

In 2020, Fleet Services realized net loss of \$39.4 million compared to net loss of \$2.2 million recorded in 2019. Operating revenues decreased \$0.7 million in 2020 or 8.9%. Operating expenses decreased \$3.0 million or 27.4%. The overall result is a net increase in operating income of \$2.2 million from a year earlier.

Selected Financial Information

(in thousands)

Category	2019	2020	2021
Operating Revenues	\$ 8,217	\$ 7,488	\$ 4,545
Operating Expenses	10,831	7,865	5,367
Operating Income (Loss)	(2,614)	(377)	(822)
Other Income	365	(25)	(179)
Transfers In/ (Out)	-	(39,025)	(1,843)
Change in Net Position	\$ (2,249)	\$ (39,427)	\$ (2,844)
Current Assets	\$ 17,548	\$ 2,128	\$ 3,597
Other Assets	-	166	-
Deferred Outflows	1,214	492	902
Capital Assets (Net)	27,788	3,224	780
Total Assets	46,550	6,010	5,279
Total Liabilities	5,401	3,792	6,394
Deferred Inflows	135	632	143
Net Investment in Capital Assets	27,788	3,224	780
Restricted	26,276	166	-
Unrestricted	(13,050)	(1,804)	(2,038)
Total Net Position	\$ 41,014	\$ 1,586	\$ (1,258)

Revenues

Fleet Services operating revenue is comprised of five categories: Maintenance, Capital Recovery, Administrative Overhead, Fuel and Fuel Loading and Pool Car Rental. Operating revenues were \$4.5 in 2021, \$7.5 in 2020 and \$8.2 million in 2019.

Maintenance revenues are mainly related to staff labor and were \$2.9 million in 2021, \$2.8 million in 2020 and \$2.9 million in 2019. This was primarily due to an hourly shop rate increase implemented in January 2019.

Capital recovery revenues are collected on each vehicle and piece of equipment based on anticipated equipment replacement needs for each business unit. Capital recovery revenues were \$0.3, \$3.2, and \$3.7 million in 2021, 2020, and 2019, respectively. Capital recovery revenue decreased \$2.9 million in 2021 compared to 2020, which had decreased \$0.5 million compared to 2019. The decrease is due to no longer having contributions as the Fleet assets were transferred into each division and no capital recovery revenues are being collected.

Administrative Overhead revenue is the fee charged for each vehicle that is in service. The number of vehicles in service varies from month to month and the rate can vary based on type of vehicle. Administrative Overhead revenue was \$1.1 million in 2021 and \$1.4 million in 2020 and 2019.

Fuel and fuel loading revenues are affected by year to year changes in vehicle usage and fluctuations in fuel prices. Fuel related revenues were \$66,000, \$52,000, and \$62,000 for 2021, 2020 and 2019, respectively.

Pool car revenues are based on usage and were \$234,000, \$58,000 and \$138,000 for 2021, 2020, and 2019, respectively.

Expenses

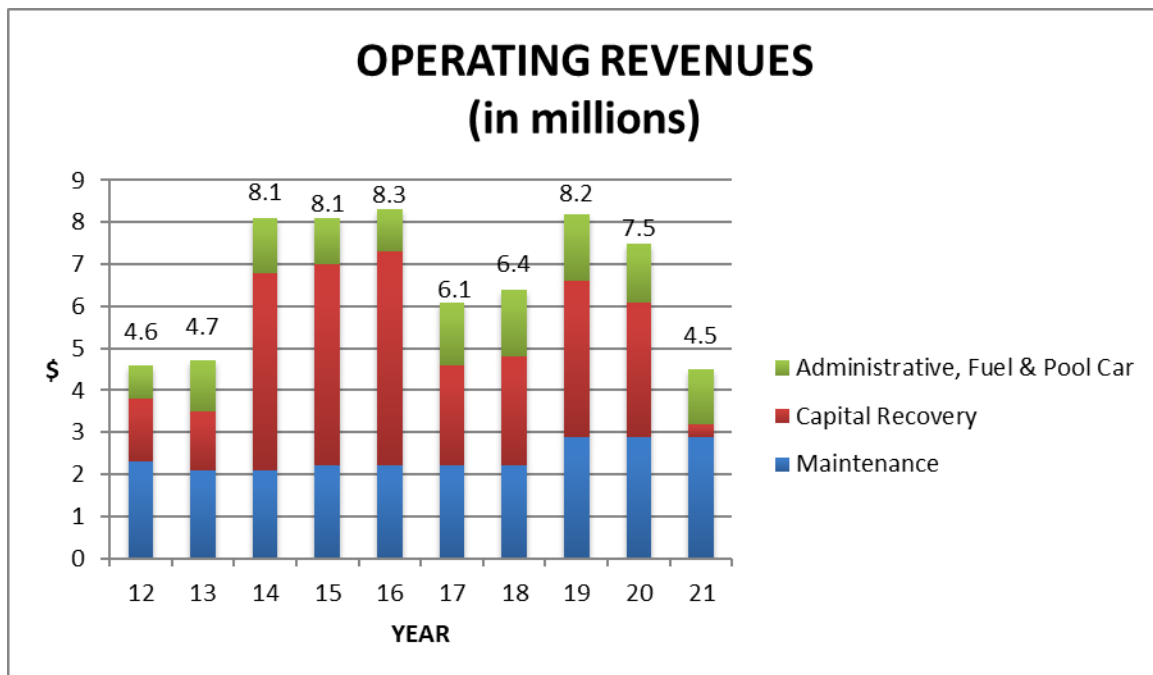
Fleet Services operating expense is comprised of four major categories: Repairs and service, stores operations, administration and depreciation. Fleet services expenses were \$5.4, \$7.9 and \$10.8 million in 2021, 2020 and 2019, respectively. Administration expenses decreased in 2021 due to withdrawal from Western Metal Industry Pension Fund.

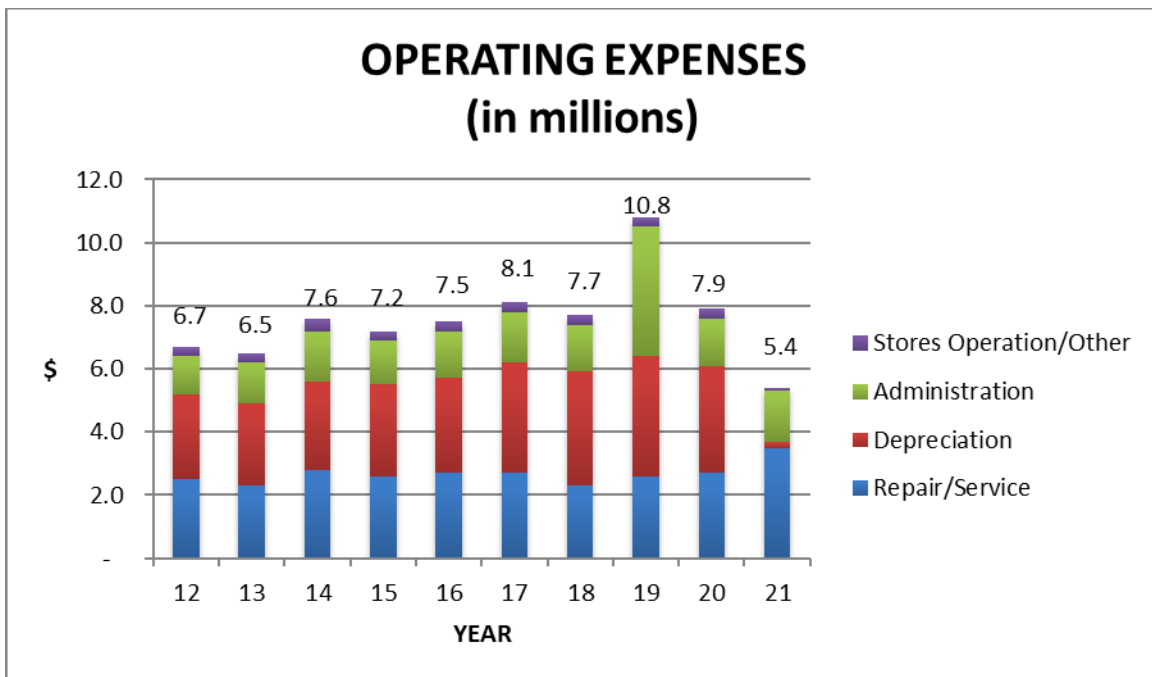
Repairs and service expense relates to shop operations which provide preventive and corrective maintenance and repairs to vehicles and pieces of equipment for Tacoma Public Utilities and other service groups. Repair and service expenses were \$3.5 million in 2021, \$2.7 million in 2020 and \$2.6 million in 2019. Expenses increased due to withdrawal from Western Metal Industry Pension Fund.

Stores operation is a parts warehouse maintained by Fleet which had expenses of \$75,000, \$330,000 and \$300,000 in 2021, 2020 and 2019, respectively.

Administration expenses were \$1.6, \$1.5 and \$4.1 million in 2021, 2020 and 2019, respectively.

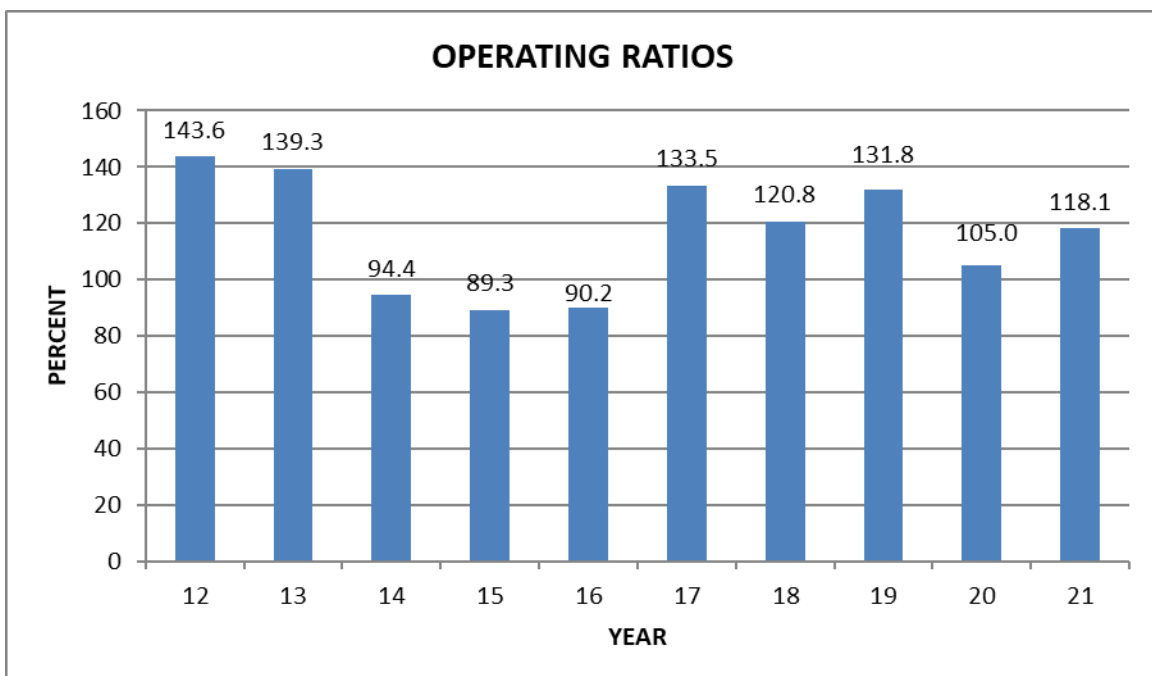
Depreciation expense was \$0.2, \$3.4 and \$3.8 million in 2021, 2020 and 2019, respectively. Fluctuations in depreciation expense are the result of timing in equipment retirements, capitalization of replacements and changes in fleet size. Depreciation in 2021 decreased significantly compared to 2020 due to the transfers of operating division fleet assets to Power, Rail, and Water per Ordinance 28688.





Operating Ratio

The Fund's operating ratios, a common measure of efficiency and defined as operating expenses as a percentage of revenue, for 2021, 2020 and 2019 are 118.1%, 105.0%, and 131.8%. The Fund needs to maintain a low operating ratio in order to generate the funds necessary for its extensive capital outlay program. The graph shows how that percentage has fluctuated over the years.



Non-Operating Revenues (Expenses)

Interest income decreased \$387,000 from \$188,000 in 2020 to negative \$199,000 in 2021. The annual GASB 31 mark to market value adjustment accounted for \$224,000 of the decrease. Interest income in 2021 decreased primarily due to lower interest rates.

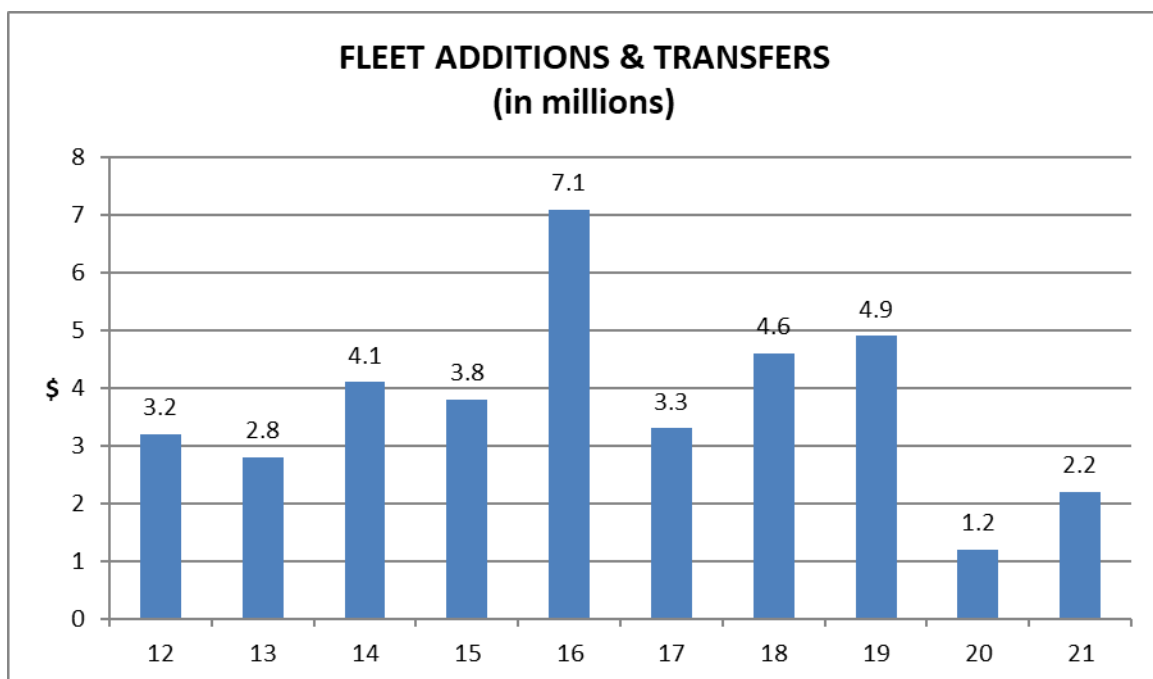
It is the practice of Fleet Services to arrange for public auction sale of vehicles and equipment that are declared surplus by the assigned sections. Sixty-nine vehicles and pieces of equipment were retired in 2021 for a net gain of \$20,000, an increase of \$233,000 compared to 2020. Fleet Services reported a net loss of \$213,000 in 2020, a decrease of \$302,000 compared to 2019.

Transfers Out

Transfers Out was \$1.8 million in 2021 compared to \$39.0 million in 2020. Per ordinance number 28688, in 2020 the Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water (collectively “business units”) for funding flexibility. Fleet Services Fund continues to maintain the purchasing and maintenance responsibilities. \$12.0 million of unspent capital fund contributed to Fleet from the business units and \$27.0 million of net book value in assets (net between cost of \$65.9 million and accumulated depreciation of \$38.9 million) were transferred to the business units in 2020. \$1.8 million in construction work in progress was transferred to the business units in 2021.

Fixed Asset Additions

Purchases of fleet vehicles and equipment in 2021 were \$1.1 million with over fifty-four vehicles and pieces of equipment placed into service compared with \$1.2 million in 2020 with eighty-five vehicles and pieces of equipment placed into service. Purchases of fleet vehicles and equipment in 2019 were \$4.9 million with fifty vehicles and pieces of equipment placed into service.



Request for Information

Fleet Services Fund financial statements are designed to provide a general overview of the Division’s finances, as well as to demonstrate the Division’s accountability to its customers, investors, creditors, and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Tacoma, Finance Department, 747 Market Street, Room 132, Tacoma, WA 98402-2773.

Financial Statements

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Net Position (Unaudited)
December 31, 2021 and December 31, 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
FIXED		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	719,411	719,411
Transportation Equipment	2,428,865	2,489,652
Power-Operated Equipment	70,766	70,766
Accumulated Depreciation	<u>(3,124,330)</u>	<u>(2,988,904)</u>
Total Fixed Assets	711,613	907,826
Construction Work in Progress	<u>68,139</u>	<u>2,316,545</u>
Net Fixed Assets	779,752	3,224,371
CURRENT		
Current Fund Cash & Equity in Pooled Investments	3,121,330	1,753,041
Materials and Supplies	<u>475,933</u>	<u>375,131</u>
Total Current Assets	3,597,263	2,128,172
OTHER ASSETS		
Net Pension Asset	<u>-</u>	<u>165,846</u>
TOTAL ASSETS	<u>4,377,015</u>	<u>5,518,389</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pension	<u>902,102</u>	<u>492,034</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$5,279,117</u></u>	<u><u>\$6,010,423</u></u>

The accompanying notes are an integral part of these financial statements.

	<u>2021</u>	<u>2020</u>
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$779,752	\$3,224,371
Restricted for:		
Net Pension Asset	-	165,846
Unrestricted	<u>(2,037,679)</u>	<u>(1,803,593)</u>
TOTAL NET POSITION	(1,257,927)	1,586,624
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	2,115,540	849,658
Wages Payable	134,028	125,514
Current Pension Withdrawal Liability	<u>249,838</u>	<u>-</u>
Total Current Liabilities	2,499,406	975,172
LONG-TERM LIABILITIES		
Employee Vacation and Sick Leave Accrual	235,447	261,400
Net Pension Liability	667,073	-
Other Long-Term Liabilities	<u>2,992,367</u>	<u>2,555,220</u>
Total Long-Term Liabilities	3,894,887	2,816,620
TOTAL LIABILITIES	<u>6,394,293</u>	<u>3,791,792</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pension	<u>142,751</u>	<u>632,007</u>
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	<u><u>\$5,279,117</u></u>	<u><u>\$6,010,423</u></u>

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City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Revenue, Expenses and Changes in Net Position (Unaudited)
December 31, 2021 and December 31, 2020

			YEAR TO DATE			
	DECEMBER 2021	DECEMBER 2020	DECEMBER 31, 2021	DECEMBER 31, 2020	2021/2020 VARIANCE	PERCENT CHANGE
OPERATING REVENUE						
Maintenance Revenue	\$277,171	\$289,740	\$2,903,046	\$2,809,630	\$93,416	3.3%
Capital Recovery	22,616	25,387	285,757	3,163,591	(2,877,834)	-91.0%
Administrative Overhead	81,487	115,960	1,056,082	1,404,927	(348,845)	-24.8%
Fuel and Fuel Loading	5,761	4,823	66,033	51,523	14,510	28.2%
Pool Car Rental	13,007	14,889	234,078	57,999	176,079	303.6%
Total Operating Revenue	400,042	450,799	4,544,996	7,487,670	(2,942,674)	-39.3%
OPERATING EXPENSES						
Repairs and Servicing						
Shop Operations	933,003	268,030	3,476,286	2,628,109	848,177	32.3%
Outside Services	758	494	61,412	59,940	1,472	2.5%
Total Repairs and Servicing	933,761	268,524	3,537,698	2,688,049	849,649	31.6%
Stores Operations	36,900	43,398	74,940	329,849	(254,909)	-77.3%
Administration	6,067	72,981	1,568,717	1,495,737	72,980	4.9%
Depreciation	14,961	15,538	185,807	3,351,357	(3,165,550)	-94.5%
Total Operating Expenses	991,689	400,441	5,367,162	7,864,992	(2,497,830)	-31.8%
OPERATING INCOME (LOSS)	(591,647)	50,358	(822,166)	(377,322)	(444,844)	-117.9%
NON-OPERATING REVENUES (EXPENSES)						
Investment Income (Loss)	3,262	215,975	(199,052)	188,199	(387,251)	-205.8%
Gain (Loss) on Disposition of Equipment	(3,113)	-	13,493	(224,404)	237,897	106.0%
Sale of Scrap	-	-	6,306	11,244	(4,938)	-43.9%
Total Non-Operating Revenues (Expenses)	149	215,975	(179,253)	(24,961)	(154,292)	-618.1%
Net Gain/Loss Before Transfers	(591,498)	266,333	(1,001,419)	(402,283)	(599,136)	-148.9%
Transfers Out	-	(15,441,675)	(1,843,132)	(39,025,293)	37,182,161	95.3%
CHANGE IN NET POSITION	<u>(\$591,498)</u>	<u>(\$15,175,342)</u>	(2,844,551)	(39,427,576)	\$36,583,025	92.8%
TOTAL NET POSITION - JANUARY 1			1,586,624	41,014,200		
TOTAL NET POSITION - DECEMBER 31			<u>(\$1,257,927)</u>	<u>\$1,586,624</u>		

The accompanying notes are an integral part of these financial statements.

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statement of Net Position (Unaudited)
December 31, 2021

Invested in Capital Assets:		
Balance January 1, 2021	\$3,224,371	
Capital Additions	1,101,800	
Capital Transfers	(3,350,208)	
Capital Retirements	(60,787)	
Depreciation Additions	(185,807)	
Depreciation Transfers	-	
Depreciation Retirements	<u>50,383</u>	
Total Invested in Capital Assets		779,752
Restricted Net Position:		
Balance January 1, 2021	165,846	
Additions	-	
Net Reductions through December 31, 2021	<u>(165,846)</u>	
Total Restricted Net Position December 31, 2021		-
Unrestricted Net Position:		
Balance January 1, 2020	(1,803,593)	
Net Reductions through December 31, 2021	<u>(234,086)</u>	
Total Unrestricted Net Position December 31, 2021		<u>(2,037,679)</u>
TOTAL NET POSITION DECEMBER 31, 2021		<u>(\$1,257,927)</u>

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Equity Distribution (Unaudited)
December 31, 2021

	TACOMA POWER	TACOMA WATER	TACOMA RAIL	FLEET SERVICES FUND	TOTAL
Balance January 1, 2021	(\$609,295)	\$2,843,021	(\$647,102)	-	\$1,586,624
Reallocation of equity *	<u>2,449,489</u>	<u>(2,842,901)</u>	<u>649,920</u>	<u>(256,508)</u>	<u>-</u>
Balance January 1, 2021 (Restated)	1,840,194	120	2,818	(256,508)	1,586,624
Contributions During Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity Contributions at December 31, 2021	1,840,194	120	2,818	(256,508)	1,586,624
Current Year Operations:					
Total Operating Revenue	-	-	-	4,544,996	4,544,996
Less: Repairs & Servicing Expense	-	-	-	3,537,698	3,537,698
Admin and Stores Operations Expense	-	-	-	1,643,657	1,643,657
Depreciation Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,807</u>	<u>185,807</u>
Total Expenses	-	-	-	5,367,162	5,367,162
Net Operating Revenue	-	-	-	(822,166)	(822,166)
Add: Other Income (Loss)	-	-	-	(179,253)	(179,253)
Less: Transfer Out	<u>(1,840,194)</u>	<u>(120)</u>	<u>(2,818)</u>	<u>-</u>	<u>(1,843,132)</u>
Net Operating Results	<u>(1,840,194)</u>	<u>(120)</u>	<u>(2,818)</u>	<u>(1,001,419)</u>	<u>(2,844,551)</u>
Total Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,257,927)</u>	<u>(1,257,927)</u>

* The reallocation of equity is the difference in equity allocation methods between what were applied in previous years and the actual allocation in 2020 based on the actual asset balances that were funded by the divisions.

The reallocation of equity also includes Construction Work in Progress (CWIP) which was carried over from 2020 and funded by the divisions. Per ordinance number 28688, in 2020 Fleet Services transferred operating division fleet assets to the divisions. Fleet Services transferred completed assets to the divisions in 2020. Fleet Services transferred CWIP in the amount of \$1.8 million to the divisions in April 2021.

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Statements of Cash Flows (Unaudited)

	YEAR TO DATE	
	DECEMBER 31, 2021	DECEMBER 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash From Customers	\$4,544,996	\$7,688,448
Cash Paid to Suppliers	166,229	(1,617,831)
Cash Paid to Employees	<u>(3,579,364)</u>	<u>(3,447,829)</u>
Net Cash From Operating Activities	1,131,861	2,622,788
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures, Net	(39,265)	(5,777,215)
Payments of capital expenditures on behalf of the divisions	(1,060,057)	-
Reimbursement from the divisions on capital expenditures	3,347,729	-
Transfers Out	(1,843,132)	(12,035,515)
Disposition of Equipment/Scrap	<u>30,205</u>	<u>(213,161)</u>
Net Cash From Financing Activities	435,480	(18,025,891)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income (Loss)	<u>(199,052)</u>	<u>188,199</u>
Net Cash From Investing Activities	<u>(199,052)</u>	<u>188,199</u>
Net Change in Cash and Equity in Pooled Investments	1,368,289	(15,214,904)
Cash and Equity in Pooled Investments at January 1	<u>1,753,041</u>	<u>16,967,945</u>
Cash and Equity in Pooled Investments at December 31	<u>\$3,121,330</u>	<u>\$1,753,041</u>

The accompanying notes are an integral part of these financial statements.

	YEAR TO DATE	
	DECEMBER 31, 2021	DECEMBER 31, 2020
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Income (Loss)	(\$822,166)	(\$377,322)
Pension (Credits) Expenses	(66,405)	27,615
Depreciation Expense	185,807	3,351,357
Pension Withdrawal Expense	686,985	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:		
Accounts Receivable	-	200,778
Materials and Supplies	(100,802)	4,392
Accounts Payable & Other	1,265,881	(648,243)
Absences Payable	(17,439)	64,211
Total Adjustments	1,954,027	(378,862)
Net Cash From Operating Activities	<u>\$1,131,861</u>	<u>\$2,622,788</u>

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fleet Services Fund was established in 1984 by City of Tacoma Ordinance No. 23295. On January 1, 1985, most vehicles owned by the Tacoma Power, Tacoma Water and Tacoma Rail were transferred to this Fund. The purpose of the Fund is to provide for scheduled maintenance, repair, and replacement of Department vehicles.

Per City of Tacoma Ordinance No. 28688, in 2020 the Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water for funding flexibility. Fleet Services Fund continues to manage and maintain the equipment for all divisions and establish appropriate rates to cover other fleet operating expenses, with all equipment owned or leased by the Department of Public Utilities that is not exclusively used by the Power, Water, or Rail Divisions, to continue to be assets of Fleet Services Fund.

Basis of Financial Statements – The Fleet Service Fund is an Internal Service Fund of the City of Tacoma used for the operation of the Department of Public Utilities consolidated fleet management program with responsibilities for all vehicle administration under a fleet manager.

The Fund accounts for its financial operation by using a self-balancing set of accounts established primarily for handling transactions of a nature peculiar to Fleet Service operations. A description of the Fund's principal accounting policies follows.

Fixed Assets – Fixed assets are stated at cost and are depreciated primarily using a straight-line method over the estimated useful life of the asset.

Inventory – The inventory is valued on the moving average cost method.

Revenues – Revenues are based on services rendered through the end of the year.

Cash and Equity in Pooled Investments and Investments – The Fund's cash balances are a deposit with the City Treasurer's Tacoma Investment Pool (TIP) for the purpose of maximizing interest earnings through pooled investment activities. Cash and equity in pooled investments in the TIP are reported at fair value and changes in unrealized gains and losses are recorded in the Statements of Revenues, Expenses and Changes in Net Assets. Interest earned on such pooled investments is allocated daily to the participating funds based on each fund's daily equity in the TIP.

The TIP operates like a demand deposit account in that all City departments, including the Fund, have fund balances which are their equity in the TIP. Accordingly, balances are considered to be cash equivalents.

The City of Tacoma Investment Policy permits legal investments as authorized by state law including Certificates of Deposit with qualified public depositories (as defined in Chapter 39.58 of the Revised Code of Washington (RCW)), obligations of the U.S. Treasury, Government Sponsored Agencies and Instrumentalities, bonds issued by Washington State and its Local Governments with an A or better rating, general obligation bonds issued by any State or Local Government with an A or better rating, Bankers' Acceptances, Commercial Paper, Repurchase and Reverse Repurchase agreements, and the Washington State Local Government Investment Pool (LGIP).

Daily liquidity requirement to meet the City's daily obligations is maintained by investing a portion of the City's Investment Pool in the LGIP.

The Fund's equity in that portion of the City of Tacoma Investment Pool held in qualified public depositories at December 31, 2021 and 2020 is entirely covered by the Federal Deposit Insurance Corporation (FDIC) and the Washington State Public Deposit Protection Commission (WSPDPC).

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, longer term investments have greater exposure to changes in market interest rates. The 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.

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. Repurchase agreements and commercial paper are protected by the FDIC insurance up to \$250,000.

All deposits not covered by the FDIC are covered by the WSPDPC. The WSPDPC is a statutory authority established under RCW 39.58. It constitutes a fully insured or fully collateralized pool. The WA state Treasures LGIP is authorized by RCW 43.250. The LGIP is operated like a 2A7 fund and is collateralized by short-term legal investments.

NOTE 2 INVESTMENTS MEASURED AT FAIR VALUE

The City measures and records its investments within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset, where fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.
- Level 2 – Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are sourced from pricing vendors using models that are market-based and corroborated by observable market data including: quoted prices; nominal yield spreads; benchmark yield curves; and other corroborated inputs.
- Level 3 – Level 3 inputs are unobservable inputs for the asset or liability and should only be used when relevant Level 1 or Level 2 inputs are unavailable.

Cash and cash equivalents include highly liquid investments including short-term investment funds. Cash and cash equivalents are valued at cost and, therefore, excluded from the fair value schedule.

Data regarding the City's investments, valued at categorized according to the above outlined levels, is below:

	As of 12/31/2021	Level 1	Level 2	Level 3
Debt Securities				
U.S. Treasury Securities	\$ 549,528,777	\$ -	\$ 549,528,777	\$ -
U.S. Agency Securities	375,740,028	-	375,740,028	-
Supranational Securities	25,416,670	-	25,416,670	-
Municipal Bonds	5,094,110	-	5,094,110	-
Corporate Securities	56,527,275	-	56,527,275	-
	<u>\$ 1,012,306,860</u>	<u>\$ -</u>	<u>\$ 1,012,306,860</u>	<u>\$ -</u>

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

Fleet's share of the City Investments shown in the table above is 0.26% and 1.21% for 2021 and 2020.

NOTE 3 TACOMA EMPLOYEES' RETIREMENT SYSTEM FUND (TERS)

The Tacoma Employees' Retirement System (TERS or System), a pension trust fund of the City of Tacoma, issues a publicly available ACFR that includes financial statements and required supplementary information may be obtained by writing to:

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

Or the TERS ACFR may be downloaded from the TERS website at www.cityoftacoma.org/retirement.

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

The Board of Administration of the Tacoma Employees' Retirement System administers the plan and derives its authority in accordance with Chapter 41.28 RCW and Chapter 1.30 of the Tacoma City Code.

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

The breakdown of membership as of December 31, 2020 (measurement date) is as follows:

Retirees and beneficiaries currently receiving benefits	2,653
Terminated vested and other terminated participants	790
Active members:	
City of Tacoma	2,740
Pierce Transit	10
South Sound 911	2
Tacoma-Pierce County Health Department	285
Total active members	<u>3,037</u>
Total membership	<u><u>6,480</u></u>

Membership - Substantially all employees of the City of Tacoma are members of the System, with the exception of police officers, firefighters, and Tacoma Rail employees, who are covered by state or federal retirement plans. Other members include employees of the Tacoma-Pierce County Health Department, and certain employees of the Pierce Transit and the South Sound 911 who established membership in the System when these agencies were still City of Tacoma departments.

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

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

The System participates in the portability of public retirement benefits in Washington State public retirement. As provided under Chapter 4154 of the RCW, this allows a member to use all years of service with qualified Washington systems to determine retirement eligibility and percentage factor for benefits under the System.

Contributions - The participating employers are responsible for funding the System at a level sufficient to pay obligations and ensure the actuarial and financial soundness of the System. Contribution rates for the employer and the employee are recommended by the Board of Administration and final approval rests with the Tacoma City Council.

The total contribution rate continues to be 21%, divided as 54% for the employer and 46% for the employee, for a new total of 11.34% from the employer and 9.66% from the employee. Changes to the contribution rate are subject to Sections 1.30.340 and 1.30.360 of the Tacoma Municipal Code.

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

Measurement Date	December 31, 2020
Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Funding is based on statutory contributions rate. This amount is compared to a 25-year amortization for the purposes of calculating the Actuarially Determined Contribution (ADC). The amortization method for the ADC is as follows*:
	<ul style="list-style-type: none"> • Level percent • Open periods • 25 year amortization period* • 3.25% amortization growth rate
Asset Valuation Method	4 year smoothing period; Corridor - None
Inflation	2.50%
Salary Increases	Varies by service
Investment Rate of Return	6.75%
Cost of Living Adjustment	2.125%
Retirement Age	Varies by age, gender, and eligibility
Turnover	Varies by service, and gender
Mortality	105% of the Male and 100% of the Femal PubG-2010 Amount-Weighted Mortality Tables, sex distinct. Generational improvements with unisex projection scale based on Social Security Administration Data 1957-2017.

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

Benefit and Assumption Changes - The comparability of the data from year to year can be affected by changes in actuarial assumptions, benefit provisions, accounting policies, and other factors. There have been no significant changes between the January 1, 2021, valuation date and December 31, 2020, the measurement date. Therefore, no adjustments were needed from the January 1, 2021, actuarial valuation date to the calculated liabilities as of December 31, 2020, measurement date for reporting date of December 31, 2021. There were no changes between the January 1, 2020, and January 1, 2021, valuation dates.

Target Allocations - The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's (the System's actuary) investment consulting practice as of December 31, 2020. The target asset allocation is based on the Tacoma Employees' Retirement System Investment Policy Statement dated March 2019.

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

Sensitivity Analysis – The following presents the net pension liability (asset) of the System, calculated using the discount rate of 6.75%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower 5.75%, or 1 percentage point higher 7.75% than the current rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	\$2,953,035	\$667,073	(\$1,238,045)

As of December 31, 2021, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference Between Expected and Actual Experience	\$ (93,401)	\$ 120,730
Changes in assumptions	-	496,088
Net Difference Between Projected and Actual Earnings	(48,909)	-
Changes in Employer Proportion	(441)	9
Contributions Made Subsequent to the Measurement Date	-	285,275
Total	\$ (142,751)	\$ 902,102

The net amount of deferred inflows and outflows, other than contributions made subsequent to the measurement date, will be recognized as pension expense in each of the next five years.

Amounts will be recognized in pension expense as follows:

2022	\$ 69,632
2023	232,080
2024	(76,470)
2025	195,395
2026	53,439
	<u>\$ 474,076</u>

At December 31, 2021, the Division reported a pension liability of \$667,073 for its proportionate share of the total System, compared to a pension asset of \$165,846 at December 31, 2020. The proportionate share of the Fleet Division is 0.96% of total System's pension liability as of December 31, 2021, and 0.89% as of December 31, 2020. The proportionate share was based on the actual contributions for the year as of December 31, 2021 and 2020.

NOTE 4 FLEET SERVICES FUND

Fleet Services' management makes an annual assessment of the capital replacement reserve balance for appropriate funding levels. It is the Fund's policy to maintain the Fund's maximum balance at a level that will provide adequate purchasing power for two budget cycles and to return any excess funds to customers based on their scheduled monthly payments. The solvency of the Replacement Fund allowed Fleet Services to return a portion of interest earned on Fund investments for the year to their customers. Per Ordinance No. 28688, there was no amount refunded in 2021 and \$186,160 was refunded in 2020.

Per Ordinance No. 28688, in 2020 the Fleet Services Fund transferred operating division fleet assets to Power, Rail, and Water (collectively "business units") for funding flexibility. Fleet Services Fund continues to manage and maintain the equipment for all divisions and establish appropriate rates to cover other fleet operating expenses, with all equipment owned or leased by the Department of Public Utilities that is not exclusively used by the Power, Water, or Rail Divisions, to continue to be assets of Fleet Services Fund.

In 2021, \$1.8 million of Construction Work in progress was transferred to the business units. In 2020, \$12.0 million of unspent capital fund contributed to Fleet from the business units and \$27.0 million of net book value in assets (net between cost of \$65.9 million and accumulated depreciation of \$38.9 million) were transferred to the business units.

NOTE 5 WESTERN METAL INDUSTRY PENSION FUND

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

The Plan fell into critical status following the 2009 Plan Year and was certified as "critical" in 2010. In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan on May 28, 2010 and subsequently updated it on July 24, 2012 and December 9, 2016.

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

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

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

On December 3, 2019, the Tacoma City Council approved the collective bargaining agreement for the International Association of Machinists and Aerospace Workers District Lodge 160, Local Lodge 297 General Unit. Contained in this agreement was a call for cessation of the participation in WMIPF. The contributions submitted for the December 31, 2019, payroll was the final contributions made on behalf of the employees in this unit. As of December 31, 2021, there were no employees participating in the plan. Those employees who vested would be eligible for benefits based on their date of withdrawal.

There were no contribution rates applicable for 2021 and 2020. There were no contributions in 2021 and 2020.

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

As of December 31, 2021, the Division reported a liability of \$3,242,205 for its proportionate share of the collective total withdrawal liability of \$17,525,433 compared to \$2,555,220, at December 31, 2020. The current portion of the withdrawal liability is \$249,838 as of December 31, 2021 and there was no current liability as of December 31, 2020. At December 31, 2021 and 2020, the Division's proportion was 18.5% and 18.2%, respectively. For the year ended December 31, 2021, the Division recognized a withdrawal expense of \$749,445.

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

NOTE 6 COVID-19 PANDEMIC

The COVID-19 pandemic is ongoing, and the duration and severity of the crisis are uncertain. The City and the Division took aggressive budget actions in early 2020 to manage the impacts of COVID-19. The actions included, but are not limited to, the following: reduction of 2020 revenue projections, eliminated discretionary spending, cancelled planned projects, established purchasing and contract freezes, established a hiring freeze, put certain staff on temporary furloughs and did targeted lay-offs. During the 2021-2022 budget development process the City took quick action to reduce the expenses through program eliminations, reduced hiring, and temporary furloughs to address the projected revenue losses. In 2021, the City's tax revenues performed better than projections and the City was able to return funding for a limited number of one-time programs and investments. The City and the Division will continue to monitor the community impacts of COVID-19 and remain flexible on responding to community needs.

The Division and the City has been operating under a utility shut-off moratorium since March 2020 due to the COVID-19 pandemic. In March 2020, the City Mayor issued an emergency rule that prohibits utility shutoff due to nonpayment of fees and charges for residential and commercial customers during the City Mayor's emergency proclamation. The State issued a similar moratorium on disconnecting electric, water and other utility services due to nonpayment and charging fees for late payment or reconnection for certain utilities. The State-wide moratorium on disconnections for nonpayment terminated on September 30, 2021. The City moratorium ended on March 31, 2022. Effective April 1, 2022, late fees and other collection processes resumed.

Subsequent to the moratorium end date on March 31, 2022, City utility customer with an outstanding balance incurred from the months of the COVID-19 pandemic was placed on an automatic, interest-free, 24-month installment plan. The City has been encouraging customers to take advantage of current relief assistance dollars and is developing long-term payment programs. The City anticipates that it will be able to address delinquencies using those tools and does not expect that accounts receivable will be a primary driver for future rate increases.

While the aggregate amount of outstanding receivables is greater than prior years, the amount is not expected to have a material impact on the Division and the City.

NOTE 7 SUBSEQUENT EVENTS

In Mid-May of 2022, the City expects to receive approximately \$30.4 million, the second tranche of funds from the American Rescue Plan Act ("ARPA"). Based on allocation projections, the City was allocated with approximately \$60.9 million in ARPA assistance, of which \$30.5 million was received in May of 2021. ARPA provides \$350 billion to help states, counties, cities and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Funds received under the ARPA may be used for authorized purposes relating to mitigating the fiscal effects of the COVID-19 pandemic, including responding to the public health emergency, providing governmental services, and making certain infrastructure investments, among other purposes. The City will monitor and apply for additional Federal and State support for expenses related to responding to the COVID-19 pandemic if and as such relief becomes available.

Required Supplementary Information

Proportionate Share of the Net Pension Liability Last 10 Years*

	As of Measurement Date December 31,					
	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset) as a percentage	0.89%	0.88%	0.94%	0.94%	0.96%	1.05%
Employer's proportion share of net pension liability (asset)	(\$165,846)	\$1,025,298	(\$367,979)	\$874,422	\$835,359	(\$101,261)
Employer's covered payroll	\$2,241,155	\$2,100,109	\$2,179,654	\$2,152,532	\$2,244,782	\$2,183,372
Employer's proportionate share of net pension liability (asset) as a percentage of its covered employee payroll	-7.40%	48.82%	-16.88%	40.62%	38.81%	-4.64%
Plan fiduciary net position as a percentage the total pension liability	101.08%	92.81%	102.53%	93.91%	93.94%	100.71%

Schedule of Contributions Last 10 Fiscal Years*

	Fiscal Year Ended December 31,					
	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$255,239	\$244,845	\$247,180	\$227,116	\$227,848	\$239,770
Contributions in relation to the contractually required employer contribution	(255,239)	(244,845)	(247,180)	(227,116)	(227,848)	(239,770)
Employer contribution deficiency (excess)	-	-	-	-	-	-
Employer's covered employee payroll	\$2,463,679	\$2,241,155	\$2,100,109	\$2,179,654	\$2,152,532	\$2,244,782
Employer contribution as a percentage of covered-employee payroll	10.36%	10.92%	11.77%	10.42%	10.59%	10.68%

* The above schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Division will present information for available years.

Statistical Data (Unaudited)

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Ten-Year Financial Review

STATEMENTS OF NET POSITION	2012	2013	2014	2015
ASSETS				
Fixed - Net	\$20,043,909	\$20,270,054	\$21,386,337	\$22,275,221
Current	26,873,162	22,007,068	23,472,087	23,333,088
Other	-	-	-	101,261
Total Assets	46,917,071	42,277,122	44,858,424	45,709,570
Deferred Outflows	-	-	-	240,412
TOTAL ASSETS AND DEFERRED OUTFLOWS	46,917,071	42,277,122	44,858,424	45,949,982
LIABILITIES				
Current and Long-Term	4,558,862	1,039,418	1,987,209	1,476,341
Deferred Inflows	-	-	-	106,900
NET POSITION	42,358,209	41,237,704	42,871,215	44,366,741
TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	\$46,917,071	\$42,277,122	\$44,858,424	\$45,949,982
STATEMENTS OF INCOME				
OPERATING REVENUES				
Maintenance Revenue	\$2,333,084	\$2,101,367	\$2,097,335	\$2,196,833
Capital Recovery	1,497,410	1,372,888	4,689,984	4,826,427
Pool Car Rental	82,423	73,772	125,367	136,685
Administrative and Fuel	727,395	1,115,860	1,141,785	914,378
Total Operating Revenues	4,640,312	4,663,887	8,054,471	8,074,323
OPERATING EXPENSES				
Repairs and Servicing	2,451,583	2,274,301	2,844,024	2,578,812
Stores Operations	267,989	326,773	398,011	308,946
Administration	1,228,920	1,323,636	1,592,691	1,386,437
Depreciation	2,716,103	2,570,362	2,768,745	2,937,475
Total Operating Expenses	6,664,595	6,495,072	7,603,471	7,211,670
OPERATING INCOME (LOSS)	(2,024,283)	(1,831,185)	451,000	862,653
NON-OPERATING INCOME (EXPENSE)				
Interest Income	92,913	(99,756)	54,921	(24,043)
Net Other Income (Expense)	247,292	165,334	474,892	193,493
Total Non-Operating Income (Expense)	340,205	65,578	529,813	169,450
Net Income (Loss) Before Contributions & Transfers	(1,684,078)	(1,765,607)	980,813	1,032,103
Total Capital Contributions	46,877	-	-	-
Transfers to/from Other Funds	370,066	645,102	652,698	338,904
NET INCOME (LOSS)	(\$1,267,135)	(\$1,120,505)	\$1,633,511	\$1,371,007

2016	2017	2018	2019	2020	2021
\$26,250,230	\$25,980,731	\$26,967,361	\$27,788,291	\$3,224,371	\$779,752
20,350,890	19,066,508	17,009,728	17,548,246	2,128,172	3,597,263
-	-	367,979	-	165,846	-
46,601,120	45,047,239	44,345,068	45,336,537	5,518,389	4,377,015
964,710	915,881	471,904	1,213,509	492,034	902,102
47,565,830	45,963,120	44,816,972	46,550,046	6,010,423	5,279,117
1,928,210	1,707,781	927,596	5,401,123	3,791,792	6,394,293
55,923	188,408	626,385	134,723	632,007	142,751
45,581,697	44,066,931	43,262,991	41,014,200	1,586,624	(1,257,927)
\$47,565,830	\$45,963,120	\$44,816,972	\$46,550,046	\$6,010,423	\$5,279,117
\$2,176,445	\$2,176,378	\$2,178,241	\$2,917,271	\$2,809,630	\$2,903,046
5,122,589	2,360,298	2,634,745	3,677,556	3,163,591	285,757
123,377	125,755	127,890	137,685	57,999	234,078
874,367	1,433,703	1,416,352	1,484,723	1,456,450	1,122,115
8,296,778	6,096,134	6,357,228	8,217,235	7,487,670	4,544,996
2,712,254	2,716,794	2,254,005	2,616,231	2,688,049	3,537,698
329,268	337,500	307,445	299,936	329,849	74,940
1,451,298	1,589,619	1,526,791	4,120,377	1,495,737	1,568,717
2,988,385	3,492,861	3,589,783	3,795,052	3,351,357	185,807
7,481,205	8,136,774	7,678,024	10,831,596	7,864,992	5,367,162
815,573	(2,040,640)	(1,320,796)	(2,614,361)	(377,322)	(822,166)
48,726	(2,988)	115,934	277,092	188,199	(199,052)
348,476	528,862	400,922	88,478	(213,160)	19,799
397,202	525,874	516,856	365,570	(24,961)	(179,253)
1,212,775	(1,514,766)	(803,940)	(2,248,791)	(402,283)	(1,001,419)
-	-	-	-	-	-
2,181	-	-	-	(39,025,293)	(1,843,132)
\$1,214,956	(\$1,514,766)	(\$803,940)	(\$2,248,791)	(\$39,427,576)	(\$2,844,551)

City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Fleet Plant in Service
For the Year Ended December 31, 2021

FIXED ASSET ACCOUNTS					
	Book Cost 1/1/21	Additions 2020	Retirements 2020	Transfers & Adjustments	Book Cost 12/31/21
Office Furniture and Equipment	\$616,901	\$ -	\$ -	\$ -	\$616,901
Stores and Shop Equipment	719,411	-	-	-	719,411
Transportation Equipment	2,489,652	-	(60,787)	-	2,428,865
Power-Operated Equipment	70,766	-	-	-	70,766
Construction Work in Progress	<u>2,316,545</u>	<u>1,101,802</u>	<u>-</u>	<u>(3,350,208)</u>	<u>68,139</u>
TOTAL FIXED ASSETS	<u>\$6,213,275</u>	<u>\$1,101,802</u>	<u>(\$60,787)</u>	<u>(\$3,350,208)</u>	<u>\$3,904,082</u>

ACCUMULATED DEPRECIATION ACCOUNTS						
	Depreciation Rate %	Accumulated Depreciation 1/1/20	Annual Accrual Cr.	Retirements	Transfers & Adjustments	Accumulated Depreciation 12/31/20
Office Furniture and Equipment	Various	\$562,593	\$5,422	\$ -	\$ -	\$568,015
Stores and Shop Equipment	Various	657,845	13,750	-	-	671,595
Transportation Equipment	Various	1,723,908	164,405	(50,381)	-	1,837,932
Power-Operated Equipment	Various	<u>44,558</u>	<u>2,230</u>	<u>-</u>	<u>-</u>	<u>46,788</u>
TOTAL ACCUMULATED DEPRECIATION		<u>\$2,988,904</u>	<u>\$185,807</u>	<u>(\$50,381)</u>	<u>\$ -</u>	<u>\$3,124,330</u>

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City of Tacoma, Washington
Department of Public Utilities
Fleet Services Fund

Taxes and Employee Welfare Contributions
For the Year 2021

FEDERAL

Social Security (FICA)		\$185,362
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STATE OF WASHINGTON

Retail Sales Tax	296,329	
State Employment Security	<u>3,180</u>	
Total		<u>299,509</u>

TOTAL TAXES		<u><u>\$484,871</u></u>
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Taxes as a % of Total Revenues of \$4,544,996		10.67%
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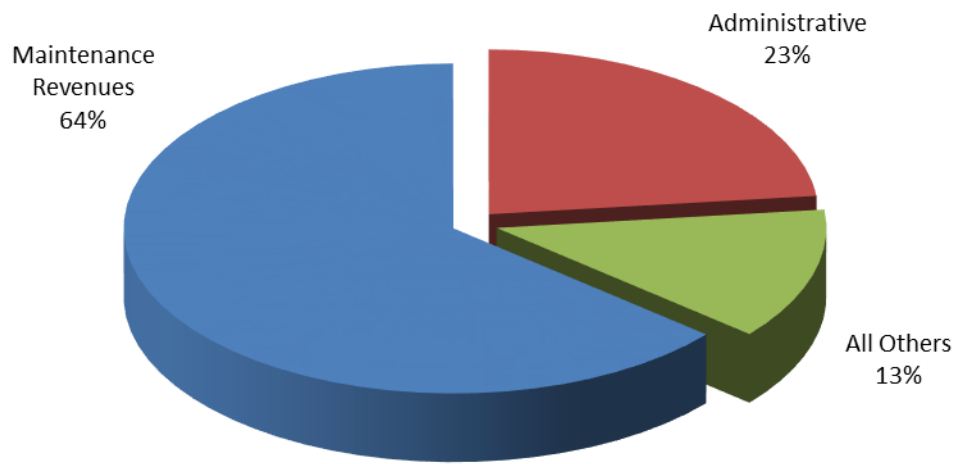
EMPLOYEE WELFARE CONTRIBUTIONS

Industrial Insurance and Medical Aid	\$27,498	
City of Tacoma Pension Fund	271,872	
Washington Dental Service	44,546	
Pierce County Medical Bureau	<u>544,962</u>	

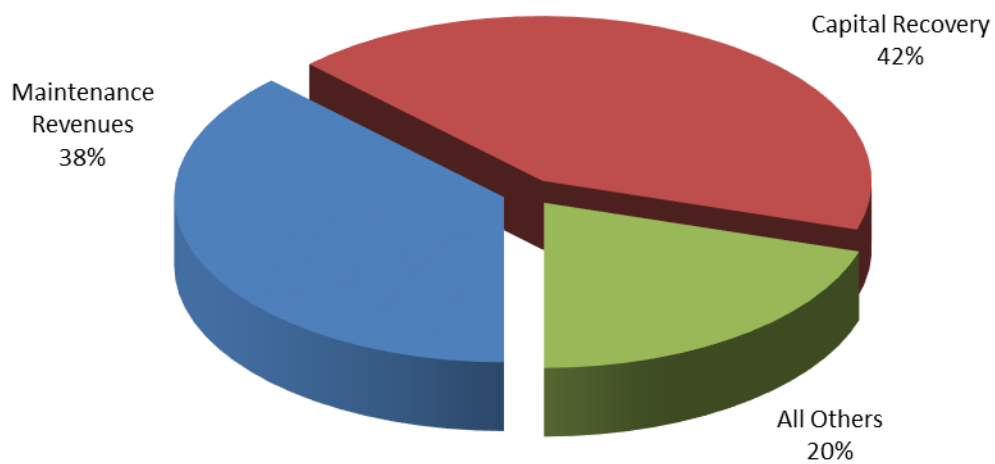
TOTAL EMPLOYEE WELFARE CONTRIBUTIONS		<u><u>\$888,878</u></u>
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Graphs

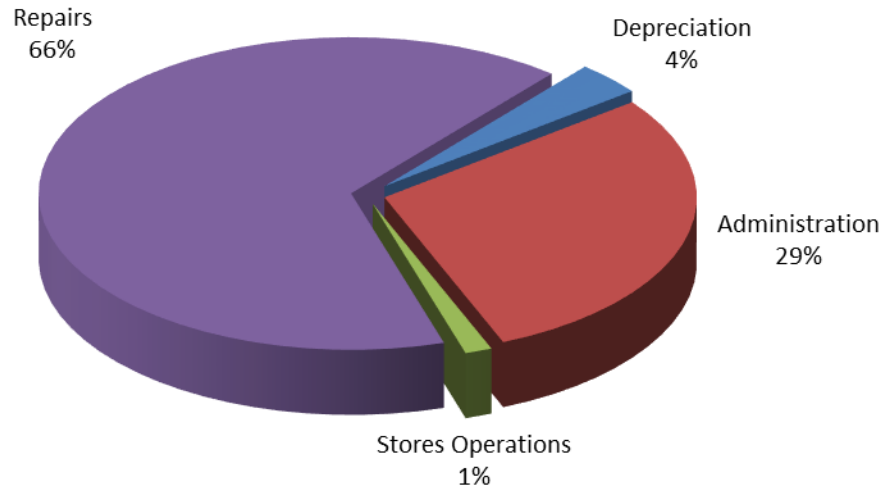
TOTAL OPERATING REVENUES
Year to Date - December 2021 (\$4,544,996)



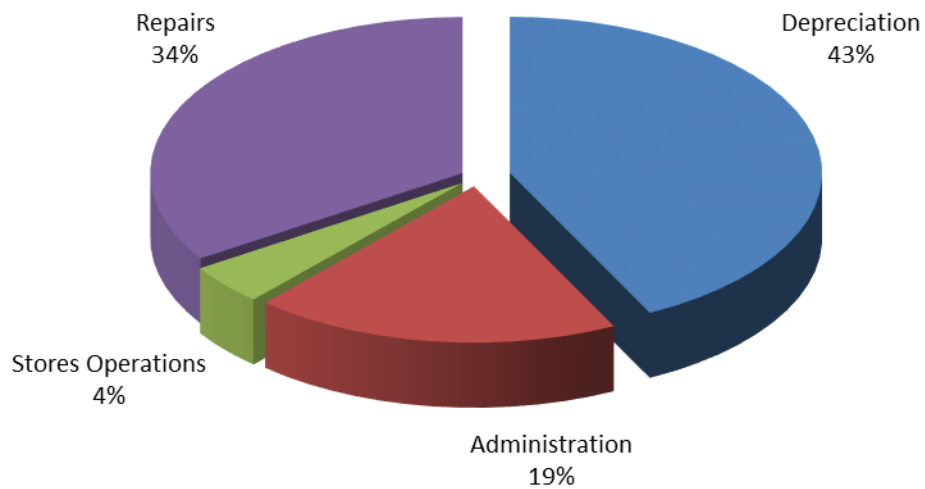
TOTAL OPERATING REVENUES
Year to Date - December 2020 (\$7,487,670)



TOTAL OPERATING EXPENSES
Year to Date - December 2021 (\$5,367,162)



TOTAL OPERATING EXPENSES
Year to Date - December 2020 (\$7,864,992)





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