
ANNUAL

FLEET SERVICES FUND

2024
**FINANCIAL
REPORT**



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Public Utility Board

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

FLEET SERVICES FUND

Table of Contents

Financial Data	1
Management Discussion and Analysis	2
Financial Statements	7
Statements of Net Position (Unaudited)	8
Statements of Revenue, Expenses and Changes in Net Position (Unaudited).....	10
Statement of Net Position (Unaudited).....	11
Statements of Cash Flows (Unaudited)	12
Notes to Financial Statements	14
Required Supplementary Information	27
Proportionate Share of the Net Pension Liability Last 10 Years.....	28
Schedule of Contributions Liability Last 10 Years.....	28
Statistical Data (Unaudited)	29
Ten-Year Financial Review	30
Fleet Plant in Service	32
Taxes and Employee Welfare Contributions	33
Graphs	35

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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, 2024, 2023 and 2022. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues, provide an overview of the Fund's financial activities, and identify changes in the Fund's financial position. 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 (GAAP) in the United States of America 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, 2024 and 2023, 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 being 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 operating, non-capital financing, capital and related financing, and investing activities.

The notes to the 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 2024, Fleet Services realized net gain of \$1.4 million compared to net gain of \$135,000 recorded in 2023, as restated. Operating revenues increased \$1.3 million in 2024 or 23.6%. Operating expenses increased \$20,000 or 0.4%. The overall result is a net increase in operating income of \$1.3 million from a year earlier.

In 2023, Fleet Services realized net gain of \$135,000, as restated, compared to net gain of \$1.5 million recorded in 2022. Operating revenues decreased \$263,000 in 2023 or 4.4%. Operating expenses increased \$1.2 million or 26.2%, as restated. The overall result is a net decrease in operating income of \$1.4 million from a year earlier.

Selected Financial Information

(in thousands)

Category	2022	2023 (As Restated)	2024
Operating Revenues	\$ 5,916	\$ 5,653	\$ 6,986
Operating Expenses	4,444	5,608	5,629
Operating Income (Loss)	1,472	45	1,357
Other Income	(3)	78	80
Transfers In/ (Out)	-	12	-
Change in Net Position	\$ 1,469	\$ 135	\$ 1,437
Current Assets	\$ 2,489	\$ 2,205	\$ 3,318
Other Assets	1,352	-	-
Deferred Outflows	743	1,496	1,413
Capital Assets (Net)	794	1,185	1,652
Total Assets	5,378	4,886	6,383
Total Liabilities	3,621	4,514	4,584
Deferred Inflows	1,546	27	17
Net Investment in Capital Assets	794	1,185	1,652
Restricted	1,352	-	-
Unrestricted	(1,935)	(840)	130
Total Net Position	\$ 211	\$ 345	\$ 1,782

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 \$7.0 million in 2024, \$5.6 million in 2023 and \$5.9 million in 2022.

Maintenance revenues are mainly related to staff labor and were \$4.8 million in 2024, \$3.9 million in 2023 and \$3.7 million in 2022.

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 \$0.9, \$0.5, and \$0.8 million in 2024, 2023, and 2022, respectively.

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 \$1.0 million in 2024, \$1.0 million in 2023 and \$1.2 million in 2022.

Fuel and fuel loading revenues are affected by year to year changes in vehicle usage and fluctuations in fuel prices. Fuel related revenues were \$80,000, \$88,000, and \$88,000 for 2024, 2023 and 2022, respectively.

Pool car revenues are based on usage and were \$118,000, \$111,000 and \$181,000 for 2024, 2023 and 2022, respectively.

Expenses

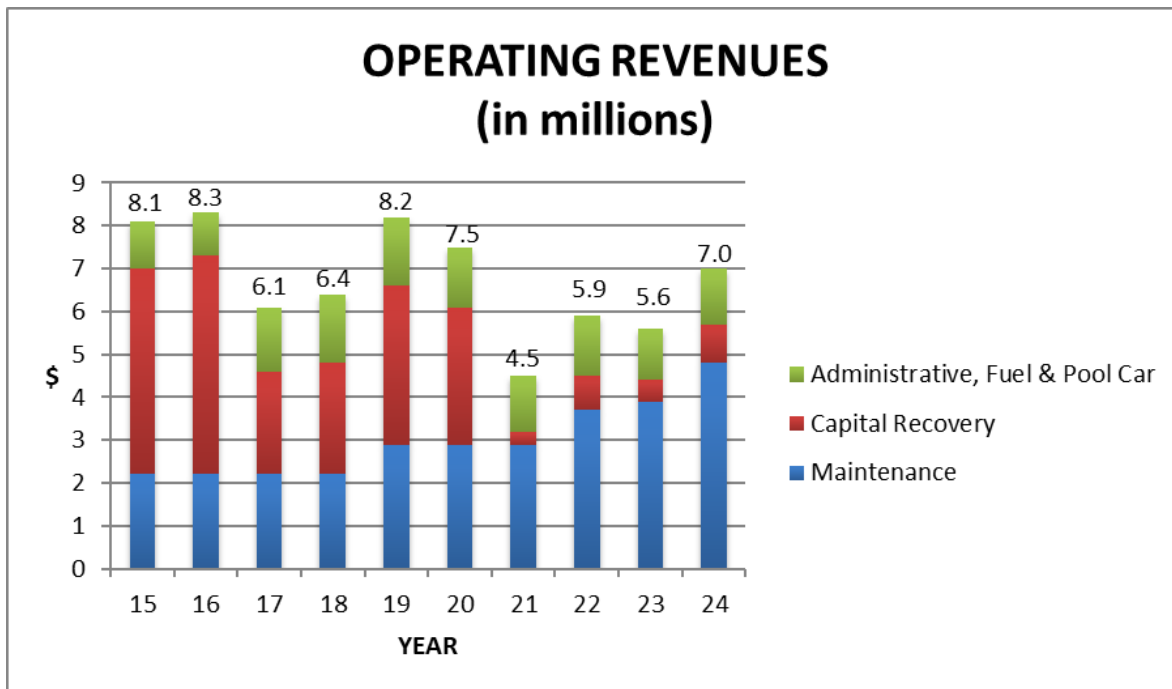
Fleet Services operating expense is comprised of four major categories: Repairs and servicing, stores operations, administration and depreciation. Fleet services expenses were \$5.7, \$5.6 and \$4.4 million in 2024, 2023, as restated, and 2022, respectively.

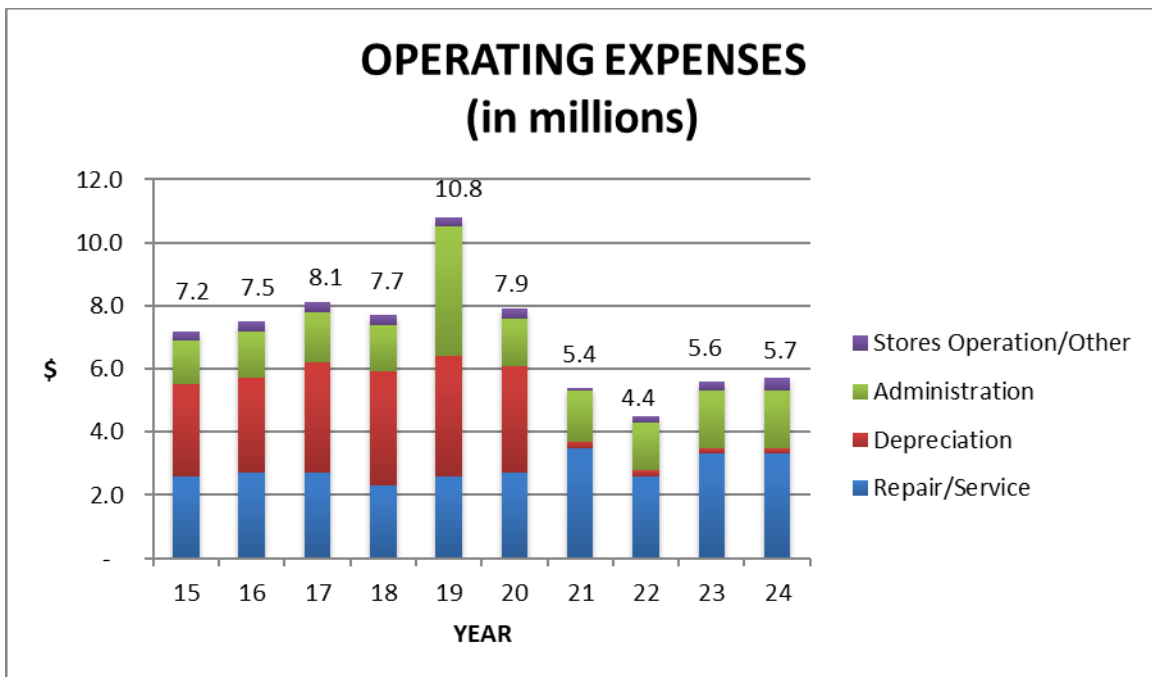
Repairs and servicing expense relates to shop operations which provide preventive and corrective maintenance and repairs to vehicles and pieces of equipment for Tacoma Public Utilities and other service groups. Repair and servicing expenses were \$3.3 million in 2024, \$3.3 million in 2023, as restated, and \$2.6 million in 2022.

Stores operation is a parts warehouse maintained by Fleet which had expenses of \$398,000, \$336,000, as restated, and \$248,000 in 2024, 2023 and 2022, respectively.

Administration expenses were \$1.8, \$1.8, as restated, and \$1.5 million in 2024, 2023 and 2022, respectively.

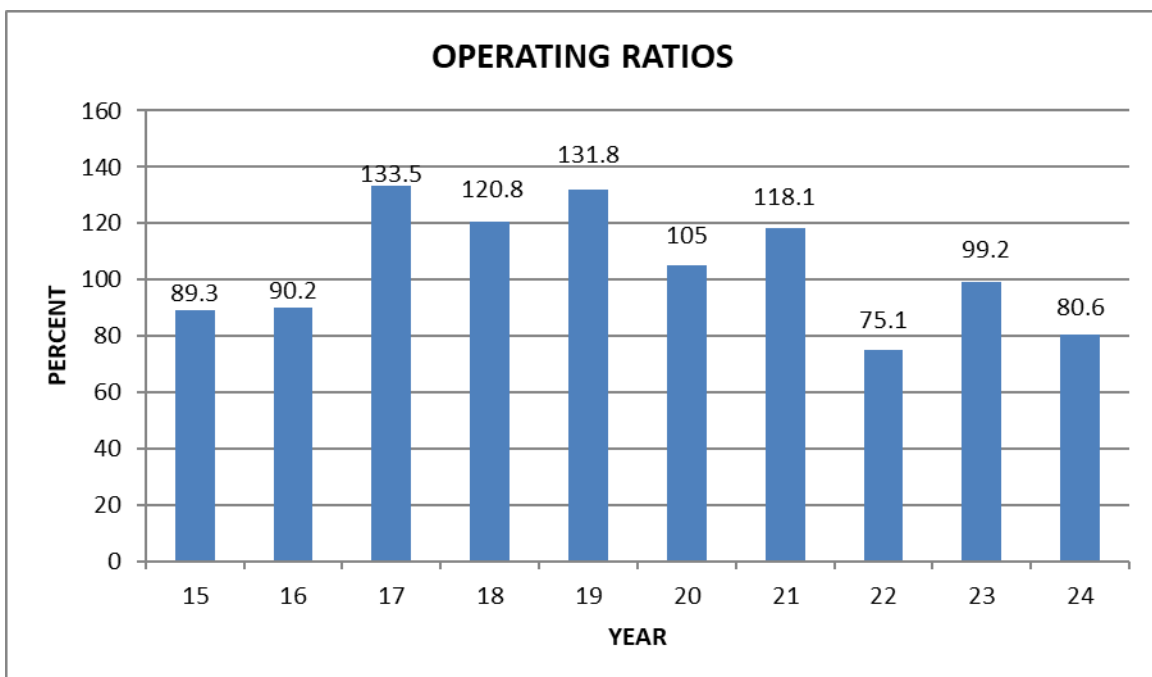
Depreciation expense was \$0.2 million in each 2024, 2023 and 2022. Fluctuations in depreciation expense are the result of timing in equipment retirements, capitalization of replacements and changes in fleet size.





Operating Ratio

The Fund's operating ratios, a common measure of efficiency and defined as operating expenses as a percentage of revenue, for 2024, 2023 and 2022 are 80.6%, 99.2%, as restated, and 75.1%, respectively. 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 increased \$15,000 from \$41,000 in 2023 to \$56,000 in 2024 primarily due to higher interest rates in City Pooled investments in 2024. Unrealized gain on fair value investment decreased \$12,000 due to lower market value of investments as of December 31, 2024.

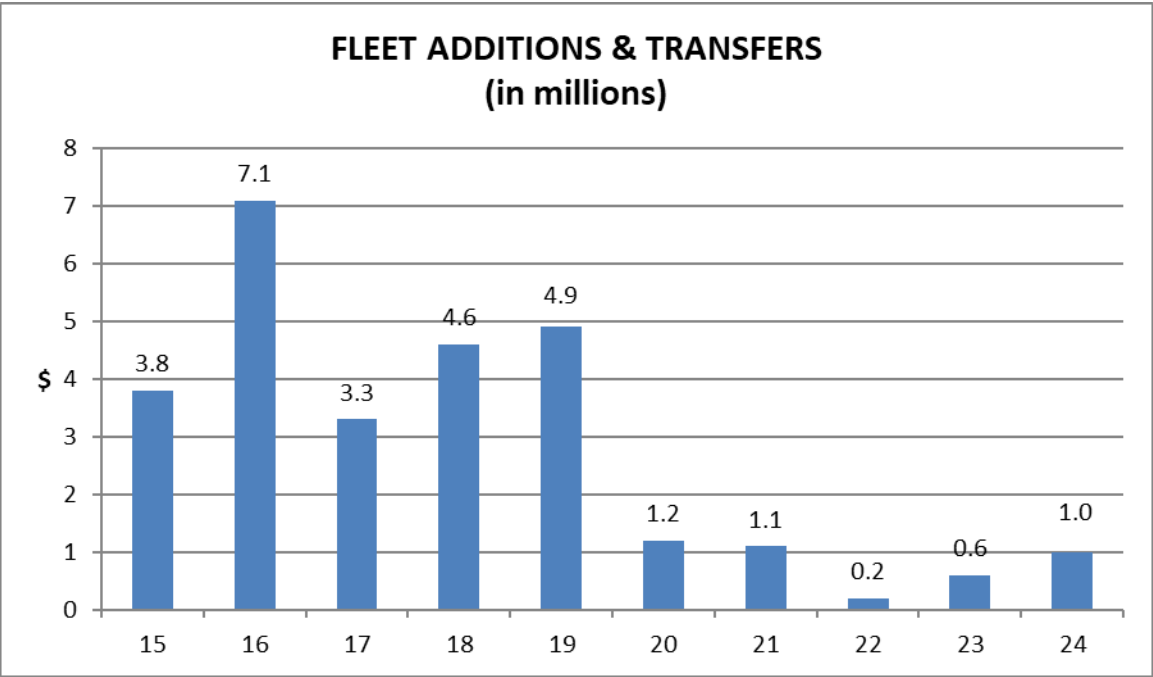
It is the practice of Fleet Services to arrange for public auction sale of vehicles and equipment that are declared surplus by the assigned sections. Seventy-four vehicles and pieces of equipment were retired in 2024 for a net loss of \$360, a decrease of \$12,000 compared to 2023. Fleet Services reported a net gain of \$12,000 in 2022, an increase of \$1,000 compared to 2022.

Transfers

There were no transfers in 2024. Transfers In was \$12,000 in 2023 for an asset for Fleet purchased by Power.

Fixed Asset Additions

Purchases of fleet vehicles and equipment in 2024 were \$1.0 million with ninety-five vehicles and pieces of equipment placed into service compared with \$564,000 in 2023 with eighty-five vehicles and pieces of equipment placed into service. Purchases of fleet vehicles and equipment in 2022 were \$185,000 with sixty-one 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, 2024 and December 31, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
FIXED		
Office Furniture and Equipment	\$616,901	\$616,901
Stores and Shop Equipment	828,661	816,064
Transportation Equipment	3,093,943	2,526,994
Power-Operated Equipment	43,924	70,766
Accumulated Depreciation	<u>(3,180,657)</u>	<u>(3,200,532)</u>
Total Fixed Assets	1,402,772	830,193
Construction Work in Progress	<u>249,545</u>	<u>355,179</u>
Net Fixed Assets	1,652,317	1,185,372
CURRENT		
Current Fund Cash & Equity in Pooled Investments	2,406,691	1,495,179
Materials and Supplies	<u>910,974</u>	<u>709,550</u>
Total Current Assets	3,317,665	2,204,729
 TOTAL ASSETS	 <u>4,969,982</u>	 <u>3,390,101</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows for Pension	<u>1,412,788</u>	<u>1,495,922</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS	 <u><u>\$6,382,770</u></u>	 <u><u>\$4,886,023</u></u>

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

	2024	2023 (As Restated)
NET POSITION AND LIABILITIES		
NET POSITION		
Net Investment in Capital Assets	\$1,652,317	\$1,185,372
Unrestricted	130,188	(839,991)
TOTAL NET POSITION	1,782,505	345,381
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable & Other	161,077	165,446
Wages Payable	226,733	164,506
Current Pension Withdrawal Liability	249,838	249,838
Total Current Liabilities	637,648	579,790
LONG-TERM LIABILITIES		
Employee Vacation and Sick Leave Accrual	312,990	281,748
Net Pension Liability	1,139,933	1,158,975
Other Long-Term Liabilities	2,492,691	2,492,691
Total Long-Term Liabilities	3,945,614	3,933,414
TOTAL LIABILITIES	4,583,262	4,513,204
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows for Pension	17,003	27,438
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS	\$6,382,770	\$4,886,023

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

Statements of Revenue, Expenses and Changes in Net Position (Unaudited)
December 31, 2024 and December 31, 2023

	DECEMBER 2024	DECEMBER 2023	YEAR TO DATE		2024/2023 VARIANCE	PERCENT CHANGE
			DECEMBER 2024	DECEMBER 2023 (As Restated)		
OPERATING REVENUE						
Maintenance Revenue	\$381,339	\$386,977	\$4,843,517	\$3,949,339	\$894,178	22.6%
Capital Recovery	41,412	82,824	896,944	496,943	400,001	80.5%
Administrative Overhead	87,542	85,291	1,048,149	1,007,857	40,292	4.0%
Fuel and Fuel Loading	7,047	4,568	79,927	88,209	(8,282)	-9.4%
Pool Car Rental	11,800	-	117,559	110,604	6,955	6.3%
Total Operating Revenue	529,140	559,660	6,986,096	5,652,952	1,333,144	23.6%
OPERATING EXPENSES						
Repairs and Servicing						
Shop Operations	320,769	459,848	3,261,718	3,314,139	(52,421)	-1.6%
Outside Services	1,037	-	5,157	14,118	(8,961)	-63.5%
Total Repairs and Servicing	321,806	459,848	3,266,875	3,328,257	(61,382)	-1.8%
Stores Operations	40,287	60,441	397,723	335,561	62,162	18.5%
Administration	111,248	111,510	1,784,085	1,781,916	2,169	0.1%
Depreciation	13,920	15,369	179,994	162,579	17,415	10.7%
Total Operating Expenses	487,261	647,168	5,628,677	5,608,313	20,364	0.4%
OPERATING INCOME	41,879	(87,508)	1,357,419	44,639	1,312,780	2940.9%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income	5,894	3,653	55,868	41,325	14,543	35.2%
Unrealized Net Gain on Fair Value Investment	2,482	14,697	2,482	14,697	(12,215)	-83.1%
Gain (Loss) on Disposition of Equipment	(3,960)	(417)	(360)	11,908	(12,268)	-103.0%
Other Non-Operating Revenues (Expenses)	12,985	2,397	21,715	9,989	11,726	117.4%
Total Non-Operating Revenues (Expenses)	17,401	20,330	79,705	77,919	1,786	2.3%
Net Gain/(Loss) Before Transfers	59,280	(67,178)	1,437,124	122,558	1,314,566	1072.6%
Transfers In/(Out)	-	12,031	-	12,031	(12,031)	-100.0%
CHANGE IN NET POSITION	<u>\$59,280</u>	<u>(\$55,147)</u>	1,437,124	134,589	\$1,302,535	967.8%
NET POSITION - BEGINNING OF YEAR			345,381	210,792		
TOTAL NET POSITION - END OF YEAR			<u>\$1,782,505</u>	<u>\$345,381</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, 2024

Invested in Capital Assets:		
Balance January 1, 2024	\$1,185,372	
Capital Additions	447,070	
Depreciation	<u>19,875</u>	
Total Invested in Capital Assets		1,652,317
Restricted Net Position:		
Balance January 1, 2024	-	
Additions	-	
Net Reductions through December 31, 2024	<u>-</u>	
Total Restricted Net Position December 31, 2024		-
Unrestricted Net Position:		
Balance January 1, 2024, as restated	(839,991)	
Net Reductions through December 31, 2024	<u>970,179</u>	
Total Unrestricted Net Position December 31, 2024		<u>130,188</u>
TOTAL NET POSITION DECEMBER 31, 2024		<u>\$1,782,505</u>

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

Statements of Cash Flows (Unaudited)

	YEAR TO DATE	
	DECEMBER 31, 2024	DECEMBER 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash From Customers	\$6,989,220	\$5,652,952
Cash Paid to Suppliers	(1,449,569)	(1,793,798)
Cash Paid to Employees	(4,060,932)	(3,790,686)
Taxes Paid	26	36
Cash from Other Revenues	<u>21,715</u>	<u>9,953</u>
Net Cash From Operating Activities	1,500,460	78,457
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer to/from Other Funds	<u>-</u>	<u>12,031</u>
Net Cash From Non-Capital Financing Activities	-	12,031
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Expenditures, Net	(647,298)	(563,638)
Proceeds from Sales of Capital Assets	<u>-</u>	<u>21,550</u>
Net Cash From Financing Activities	(647,298)	(542,088)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income (Loss) ^a	<u>58,350</u>	<u>56,022</u>
Net Cash From Investing Activities	<u>58,350</u>	<u>56,022</u>
Net Change in Cash and Equity in Pooled Investments	911,512	(395,578)
Cash and Equity in Pooled Investments at January 1	<u>1,495,179</u>	<u>1,890,757</u>
Cash and Equity in Pooled Investments at December 31	<u>\$2,406,691</u>	<u>\$1,495,179</u>

^a Increases and decreases in the fair value of investments are treated as additions or deductions to cash and equity in pooled investments and long term-term investments. Information on the increases and decreases in the fair value of long-term investments is shown in the Noncash Investing, Capital, and Financing Activities section of the Statement of Cash Flows.

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

	YEAR TO DATE	
	DECEMBER 31, 2024	DECEMBER 31, 2023 (As Restated)
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:		
Operating Income (Loss)	\$1,357,419	\$44,639
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities:		
Pension (Credits) Expenses	53,656	239,256
Depreciation Expense	179,994	162,579
Other Revenues	21,715	9,989
Cash from changes in operating assets and liabilities:		
Materials and Supplies	(201,424)	(111,349)
Accounts Payable & Other	(4,369)	(5,398)
Other Liabilities	-	(312,298)
Salaries, Fringe Benefits and Compensated Absences	93,469	51,039
Total Adjustments	143,041	33,818
Net Cash From Operating Activities	\$1,500,460	\$78,457
Noncash Investing, Capital, and Financing activities		
Unrealized Gain (Loss) on Fair Value Investment	\$2,482	\$14,697

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 and related equipment.

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.

Accounting Changes – Effective for the fiscal year 2024, the Division implemented the following new accounting and reporting standards issued by the GASB:

GASB Statement No. 100 – *Accounting Changes and Error Corrections*. This statement was issued in June 2022 as an amendment to GASB Statement No. 62 to enhance accounting and financial reporting requirements for accounting changes and error corrections. The goal is to provide clearer, more reliable, relevant, consistent, and comparable information to support decision-making and accountability assessments. This statement categorizes accounting changes into three types: (1) Changes in accounting principles, (2) Changes in accounting estimates, and (3) Changes to or within the financial reporting entity. The statement defines the transactions or events that constitute these changes and specifies that for certain changes in accounting principles and measurement methodologies, the new principle or methodology must be justified as preferable to the previous one. This preferability should align with the qualitative characteristics of financial reporting: understandability, reliability, relevance, timeliness, consistency, and comparability. Additionally, this statement provides guidance for correcting errors in previously issued financial statements. The Division implemented GASB Statement No. 100 for the fiscal year ended December 31, 2024 and included a change in accounting principle from GASB No. 101 as discussed below on Statements of Revenues, Expenses and Changes in Net Position.

GASB Statement No. 101 – *Compensated Absences*. This statement superseded the requirements of GASB Statement No. 16, Accounting for Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosure. The implementation of this standard requires a liability to be recorded for compensated absences and reported in the government-wide and proprietary financial statements for (a) leave that has not been used and (b) leave that has been used but not yet paid or settled through noncash means. Compensated absence liability is recognized for leave that has not been used if (i) the leave is attributable to services already rendered, (ii) the leave accumulates, and (iii) the leave is more likely than not to be used for time off or settled through noncash means. The Division implemented the provisions of GASB Statement No. 101 effective January 1, 2023, and restated financial results for the year ended December 31, 2023, as required by the standard (see Note 2).

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 and the equity in pooled investments is considered cash for cash flow reporting purposes.

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, 2024 and 2023 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 money market fund and is collateralized by short-term legal investments.

Materials and Supplies Inventory – Materials and supplies consist primarily of items for maintenance of Division assets and are valued at the lower of average cost or fair market value.

Capital Assets, Depreciation and Amortization – Capital assets are stated at original cost, which includes both direct costs of construction or acquisition and indirect costs. The cost of maintenance and repairs is charged to expense as incurred, while the cost of replacements, additions, and betterments are capitalized. Assets are capitalized when costs exceed \$5,000 and the useful life exceeds one year.

Depreciation and amortization are depreciated primarily using a straight-line method over the estimated useful life of the asset.

Construction Work in Progress – Capitalizable costs incurred on projects which are not in service or ready for use are held in construction work in progress. When the asset is ready for service, related costs are transferred to capital assets. Upon determining that a project will be abandoned, the related costs are charged to expense.

Asset Impairment - The Division periodically reviews the carrying amount of its long-lived assets for impairment. An asset is considered impaired when estimated future cash flows are less than the carrying amount of the asset. In the event the carrying amount of such asset is not deemed recoverable, the asset is adjusted to its estimated fair value. Fair value is generally determined based on discounted future cash flows. There was no impairment existed in 2024 or 2023.

Compensated Absences – The City has two different policies for compensated absences.

The vacation and sick leave policy allows employees to accrue vacation based on the number of years worked with a maximum accrual equal to the amount earned in a two-year period. These employees also accrue one day of sick leave per month without any ceiling on the maximum accrued. Employees in this policy accumulate sick leave at the rate of one day per month with no maximum accumulation specified. Employees receive 25% of the value at retirement or 10% upon termination for any other reason. In the event of death, beneficiaries receive 25% of the value.

The personal time off (PTO) policy allows employees to earn 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 maximum accrual for PTO is 960 hours, and upon termination, employees are entitled to compensation for unused PTO at 100%.

The accrued liability is computed using the applicable pay rates at year end for leave and associated salary-related payments when leave is earned. Short term compensated absences include sick leave balances more likely than not to be used as time off in future reporting periods, and 10% of vacation, PTO, and sick leave at pay-out based on historical information.

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

Net Position – The Statement of Net Position reports all financial and capital resources. The difference between assets and deferred outflows and liabilities and deferred inflows is net position. There are two components of net position: net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets less accumulated depreciation reduced by the outstanding balances of any bonds, loans or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Net position components are restricted when constraints placed on net position use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. As of December 31, 2024, and 2023, there were no restricted components of Net Position.

Unrestricted net position components are those that are not “net investment in capital assets” or “restricted.”

Use of Estimates – The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. The Division used estimates in determining reported depreciation, pension liability, pension withdrawal liability. Actual results may differ from these estimates.

Reclassifications – Changes have been made to prior year account classifications as needed to conform to the current year presentation format.

NOTE 2 RESTATEMENTS

The Division restated the December 31, 2023, financial statements for the adoption of GASB Statement No. 101 – *Compensated Absences* as summarized below.

STATEMENT OF NET POSITION	2023 (As Previously Reported)	Restatement	2023 (As Restated)
NET POSITION			
Net Investment in Capital Assets	\$1,185,372	-	\$1,185,372
Unrestricted	(806,584)	(33,407)	(839,991)
TOTAL NET POSITION	<u>378,788</u>	<u>(33,407)</u>	<u>345,381</u>
CURRENT LIABILITIES			
Wages Payable	124,493	40,013	164,506
LONG-TERM LIABILITIES			
Employee Vacation and Sick Leave Accrual	288,354	(6,606)	281,748
TOTAL LIABILITIES	<u>\$4,479,797</u>	<u>\$33,407</u>	<u>\$4,513,204</u>

Notes to Financial Statements (continued)

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION	YEAR TO DATE		
	2023 (As Previously Reported)	Restatement	2023 (As Restated)
OPERATING EXPENSES			
Repairs and Servicing			
Shop Operations	\$3,285,271	\$28,868	\$3,314,139
Outside Services	14,118	-	14,118
Total Repairs and Servicing	3,299,389	28,868	3,328,257
Stores Operations	331,963	3,598	335,561
Administration	1,780,975	941	1,781,916
Depreciation	162,579	-	162,579
Total Operating Expenses	5,574,906	33,407	5,608,313
OPERATING INCOME	78,046	(33,407)	44,639
CHANGE IN NET POSITION	167,996	(33,407)	134,589
TOTAL NET POSITION - DECEMBER 31	<u>\$378,788</u>	<u>(\$33,407)</u>	<u>\$345,381</u>

STATEMENTS OF CASH FLOWS	YEAR TO DATE		
	2023 (As Previously Reported)	Restatement	2023 (As Restated)
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:			
Operating Income (Loss)	\$78,046	(\$33,407)	\$44,639
Cash from changes in operating assets and liabilities:			
Salaries, Fringe Benefits and Compensated Absences	17,632	33,407	51,039
Total Adjustments	411	33,407	33,818
Net Cash From Operating Activities	<u>\$78,457</u>	<u>-</u>	<u>\$78,457</u>

NOTE 3 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 section in the below schedule.

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

Debt Securities	As of 12/31/2024	Fair Value Measurements Using			Not Measured at Fair Value	
		Level 1	Level 2	Level 3	Amortized Cost	Cost
Cash	\$ 5,671	\$ -	\$ -	\$ -	\$ -	\$ 5,671
Money Market Fund	3,153,160	-	-	-	3,153,160	-
U.S. Treasury Securities	808,114,725	-	808,114,725	-	-	-
U.S. Agency Securities	449,364,653	-	449,364,653	-	-	-
Supranational Securities	16,351,475	-	16,351,475	-	-	-
Municipal Bonds	41,275,075	-	41,275,075	-	-	-
Corporate Securities	108,469,338	-	108,469,338	-	-	-
	<u>\$ 1,426,734,097</u>	<u>\$ -</u>	<u>\$1,423,575,266</u>	<u>\$ -</u>	<u>\$ 3,153,160</u>	<u>\$ 5,671</u>

Debt Securities	As of 12/31/2023	Fair Value Measurements Using			Not Measured at Fair Value	
		Level 1	Level 2	Level 3	Amortized Cost	Cost
Money Market Fund	\$ 1,199,500	\$ -	\$ -	\$ -	\$ 1,199,500	\$ -
U.S. Treasury Securities	643,384,888	-	643,384,888	-	-	-
U.S. Agency Securities	673,735,766	-	673,735,766	-	-	-
Supranational Securities	32,104,066	-	32,104,066	-	-	-
Municipal Bonds	22,877,649	-	22,877,649	-	-	-
Corporate Securities	77,539,603	-	77,539,603	-	-	-
	<u>\$ 1,450,841,472</u>	<u>\$ -</u>	<u>\$1,449,641,972</u>	<u>\$ -</u>	<u>\$ 1,199,500</u>	<u>\$ -</u>

Fleet's share of the City Investments shown in the table above is 0.15% and 0.10% for 2024 and 2023.

NOTE 4 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 Annual Comprehensive Financial Report (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, 2023 and 2022 (measurement date) is as follows:

	Measurement date as of December 31,	
	2023	2022
Retirees and beneficiaries currently receiving benefits	2,836	2,765
Terminated vested and other terminated participants	948	918
Active members:		
City of Tacoma	2,982	2,877
Pierce Transit	15	17
South Sound 911	-	2
Tacoma-Pierce County Health Department	328	305
Total active members	3,325	3,201
Total membership	7,109	6,884

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, 2023
Valuation Date	January 1, 2024
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, 2024, valuation date and December 31, 2023, the measurement date. Therefore, no adjustments were needed from the January 1, 2024, actuarial valuation date to the calculated liabilities as of December 31, 2023, measurement date for reporting date of December 31, 2024. There were no changes between the January 1, 2023, and January 1, 2024, 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, 2023 and 2022 for reporting date December 31, 2024 and 2023, respectively.

The target asset allocation is based on the Tacoma Employees' Retirement System Investment Policy Statement dated August 2023 and November 2022 for reporting date December 31, 2024, and 2023, respectively.

Notes to Financial Statements (continued)

Asset Class	Reporting date			
	December 31, 2024		December 31, 2023	
	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Investment Grade Fixed Income	21.5%	2.28%	19.5%	2.35%
US Bank/ Leveraged Loans	2.0%	4.12%	3.0%	3.75%
US Long Government Bonds	3.0%	2.43%	3.0%	2.38%
High Yield Bonds	5.0%	3.93%	6.0%	4.28%
Emerging Market Debt	5.0%	2.80%	5.0%	4.04%
Global Equity	19.0%	4.35%	34.5%	5.08%
Low Volatility Global Equity	9.5%	4.47%	-	-
Private Real Estate	10.0%	3.53%	10.0%	3.35%
Private Equity	15.0%	7.15%	10.0%	7.78%
Private Credit	3.0%	5.90%	-	-
Master Limited Partnerships	-	-	4.0%	5.73%
Infrastructure	7.0%	5.28%	5.0%	4.12%
Assumed Inflation - Mean		2.50%		2.50%
Assumed Inflation - Standard Deviation		1.44%		1.41%
Portfolio 10 year Geometric Rate of Return		6.60%		7.04%
Portfolio 30 year Arithmetic Rate of Return		7.89%		-
Portfolio 30 year Geometric Rate of Return		7.28%		-
Portfolio Standard Deviation		11.55%		11.04%
Long-Term Expected Rate of Return, net of investment expenses		6.75%		6.75%

Sensitivity Analysis – The following presents the net pension liability (asset) of the System, calculated using the discount rate of 6.75%, as of December 31, 2024 and 2023, as well as what the System’s net pension liability (asset) 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	Current Discount Rate	1% Increase
As of December 31, 2024	5.75%	6.75%	7.75%
Net pension liability (asset)	\$ 3,397,602	\$ 1,139,933	\$ (741,251)
	1% Decrease	Current Discount Rate	1% Increase
As of December 31, 2023	5.75%	6.75%	7.75%
Net pension liability (asset)	\$ 3,294,712	\$ 1,158,975	\$ (620,784)

Notes to Financial Statements (continued)

As of December 31, 2024 and 2023, the deferred inflows and outflows of resources are as follows:

	December 31, 2024		December 31, 2023	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference Between Expected and Actual Experience	\$ (16,058)	\$ 241,979	\$ (26,127)	\$ 80,206
Changes of assumptions	-	140,001	-	227,781
Net Difference Between Projected and Actual Earnings	-	711,547	-	902,067
Changes in Employer Proportion	(945)	51	(1,311)	4
Contributions Made Subsequent to the Measurement Date	-	319,210	-	285,864
Total	<u>\$ (17,003)</u>	<u>\$ 1,412,788</u>	<u>\$ (27,438)</u>	<u>\$ 1,495,922</u>

The Division reported \$319,210 as deferred outflows of resources related to the amounts associated with contributions subsequent to the measurement date and will be recognized as a reduction of the total pension liability in the fiscal year ending December 31, 2025.

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:

2025	\$ 338,261
2026	214,911
2027	507,860
2028	(2,642)
2029	18,185
	<u>\$ 1,076,575</u>

At December 31, 2024, the Division reported a pension liability of \$1,139,933 for its proportionate share of the total System, compared to a pension liability of \$1,158,975 at December 31, 2023. The proportionate share of the Fleet Division is 0.84% of total System's pension liability as of December 31, 2024 and 2023. The proportionate share was based on the actual contributions for the year as of December 31, 2024 and 2023.

NOTE 5 FLEET SERVICES FUND

Fleet Services' management conducts a biennial assessment of the maintenance and capital needs of department owned vehicles and equipment. It is the Fund's policy to maintain the working cash balance of 60 days of current budget expenditures.

Fleet Services Fund provides administration, repair and maintenance of the vehicles and related equipment for Power, Water, and Rail (collectively "business units"), and replacements for the pool cars and service division vehicles.

Fleet Services Fund manages and maintains the vehicles and equipment for the business units and establishes appropriate rates to cover other fleet operating expenses. All equipment owned or leased by the business units that is not exclusively used by the Power, Water, or Rail are assets of Fleet Services Fund.

NOTE 6 WESTERN METAL INDUSTRY PENSION FUND

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

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

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

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

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

On December 3, 2019, the Tacoma City Council approved the collective bargaining agreement for the International Association of Machinists and Aerospace Workers District Lodge 160, Local Lodge 297 covering City of Tacoma General Unit. Contained in this agreement was a call for cessation of the participation in the Plan. The contributions submitted for the December 31, 2019 payroll were the final contributions made on behalf of the employees in this unit. As of December 31, 2024, 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 2024 and 2023. There were no contributions paid by the City in 2024 and 2023.

On November 5, 2021, the City received a Withdrawal Liability Demand Letter from the Plan. The actuaries for the Fund 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 of December 31, 2021. The initial \$337,619 payment was due on or before January 1, 2022 which was comprised of \$169,829 attributable to the partial withdrawal and \$167,790 attributable to the complete withdrawal. Subsequent payments are 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. There was no payment made in 2024 and \$1.7 million payment was made in 2023.

As of December 31, 2024 and 2023, the Fund reported a liability of \$2,742,529 for its proportionate share of the City’s collective total withdrawal liability of \$14,824,481. The current portion of the withdrawal liability is \$249,838 as of December 31, 2024 and 2023. At December 31, 2024 and 2023, the Division’s proportion was 18.5%. There was no withdrawal expense for the year ended December 31, 2024 and 2023.

On January 26, 2022, the City submitted an appeal over the liability calculation subject to the Employee Retirement Income Security Act of 1974 (ERISA). On April 12, 2023, the City submitted a Demand and Notice of Initiation Arbitration to American Arbitration Association. On January 2, 2024, the City received the ruling on motions for summary judgement and award regarding the interest rate used to calculate the withdrawal liability from American Arbitration Association. On January 23, 2024, the City filed a complaint to enforce arbitration award to United States District Court Western District of Washington in Seattle. The outcome of the complaint is uncertain at the time of the report issuance and may affect the estimated liability amount.

Required Supplementary Information

Proportionate Share of the Net Pension Liability Last 10 Years

	As of Measurement Date December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability (asset) as a percentage	0.84%	0.84%	0.92%	0.96%	0.89%	0.88%	0.94%	0.94%	0.96%	1.05%
Employer's proportion share of net pension liability (asset)	\$ 1,139,933	\$1,158,975	(\$1,351,730)	\$667,073	(\$165,846)	\$1,025,298	(\$367,979)	\$874,422	\$835,359	(\$101,261)
Employer's covered payroll	\$2,590,647	\$2,356,953	\$2,472,739	\$2,463,679	\$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	44.00%	49.17%	-54.67%	27.08%	-7.40%	48.82%	-16.88%	40.62%	38.81%	-4.64%
Plan fiduciary net position as a percentage the total pension liability	93.49%	93.02%	107.74%	96.22%	101.08%	92.81%	102.53%	93.91%	93.94%	100.71%

Schedule of Contributions Liability Last 10 Years

	Fiscal Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$319,210	\$285,864	\$288,177	\$285,275	\$255,239	\$244,845	\$247,180	\$227,116	\$227,848	\$239,770
Contributions in relation to the contractually required employer contribution	(319,210)	(285,864)	(288,177)	(285,275)	(255,239)	(244,845)	(247,180)	(227,116)	(227,848)	(239,770)
Employer contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Employer's covered employee payroll	\$2,811,044	\$2,590,647	\$2,356,953	\$2,472,739	\$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	11.36%	11.03%	12.23%	11.54%	10.36%	10.92%	11.77%	10.42%	10.59%	10.68%

Statistical Data (Unaudited)

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

Ten-Year Financial Review

STATEMENTS OF NET POSITION	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
ASSETS				
Fixed - Net	\$22,275,221	\$26,250,230	\$25,980,731	\$26,967,361
Current	23,333,088	20,350,890	19,066,508	17,009,728
Other	<u>101,261</u>	<u>-</u>	<u>-</u>	<u>367,979</u>
Total Assets	45,709,570	46,601,120	45,047,239	44,345,068
Deferred Outflows	<u>240,412</u>	<u>964,710</u>	<u>915,881</u>	<u>471,904</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	45,949,982	47,565,830	45,963,120	44,816,972
LIABILITIES				
Current and Long-Term	1,476,341	1,928,210	1,707,781	927,596
Deferred Inflows	106,900	55,923	188,408	626,385
NET POSITION	<u>44,366,741</u>	<u>45,581,697</u>	<u>44,066,931</u>	<u>43,262,991</u>
 TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	 \$45,949,982	 \$47,565,830	 \$45,963,120	 \$44,816,972
STATEMENTS OF INCOME				
OPERATING REVENUES				
Maintenance Revenue	\$2,196,833	\$2,176,445	\$2,176,378	\$2,178,241
Capital Recovery	4,826,427	5,122,589	2,360,298	2,634,745
Pool Car Rental	136,685	123,377	125,755	127,890
Administrative and Fuel	<u>914,378</u>	<u>874,367</u>	<u>1,433,703</u>	<u>1,416,352</u>
Total Operating Revenues	8,074,323	8,296,778	6,096,134	6,357,228
OPERATING EXPENSES				
Repairs and Servicing	2,578,812	2,712,254	2,716,794	2,254,005
Stores Operations	308,946	329,268	337,500	307,445
Administration	1,386,437	1,451,298	1,589,619	1,526,791
Depreciation	<u>2,937,475</u>	<u>2,988,385</u>	<u>3,492,861</u>	<u>3,589,783</u>
Total Operating Expenses	7,211,670	7,481,205	8,136,774	7,678,024
OPERATING INCOME (LOSS)	862,653	815,573	(2,040,640)	(1,320,796)
NON-OPERATING INCOME (EXPENSE)				
Investment Income (Loss)	(24,043)	48,726	(2,988)	115,934
Net Other Income (Expense)	<u>193,493</u>	<u>348,476</u>	<u>528,862</u>	<u>400,922</u>
Total Non-Operating Income (Expense)	<u>169,450</u>	<u>397,202</u>	<u>525,874</u>	<u>516,856</u>
Net Income (Loss) Before Contributions & Transfers	1,032,103	1,212,775	(1,514,766)	(803,940)
Transfers to/from Other Funds	<u>338,904</u>	<u>2,181</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	\$1,371,007	\$1,214,956	(\$1,514,766)	(\$803,940)

2019	2020	2021	2022	2023 (As Restated)	2024
\$27,788,291	\$3,224,371	\$779,752	\$793,955	\$1,185,372	\$1,652,317
17,548,246	2,128,172	3,597,263	2,488,958	2,204,729	3,317,665
-	165,846	-	1,351,730	-	-
45,336,537	5,518,389	4,377,015	4,634,643	3,390,101	4,969,982
1,213,509	492,034	902,102	743,280	1,495,922	1,412,788
46,550,046	6,010,423	5,279,117	5,377,923	4,886,023	6,382,770
5,401,123	3,791,792	6,394,293	3,620,886	4,513,204	4,583,262
134,723	632,007	142,751	1,546,245	27,438	17,003
41,014,200	1,586,624	(1,257,927)	210,792	345,381	1,782,505
\$46,550,046	\$6,010,423	\$5,279,117	\$5,377,923	\$4,886,023	\$6,382,770
\$2,917,271	\$2,809,630	\$2,903,046	\$3,653,284	\$3,949,339	\$4,843,517
3,677,556	3,163,591	285,757	760,963	496,943	896,944
137,685	57,999	234,078	180,643	110,604	117,559
1,484,723	1,456,450	1,122,115	1,320,573	1,096,066	1,128,076
8,217,235	7,487,670	4,544,996	5,915,463	5,652,952	6,986,096
2,616,231	2,688,049	3,537,698	2,572,130	3,328,257	3,266,875
299,936	329,849	74,940	248,430	335,561	397,723
4,120,377	1,495,737	1,568,717	1,456,652	1,781,916	1,784,085
3,795,052	3,351,357	185,807	166,451	162,579	179,994
10,831,596	7,864,992	5,367,162	4,443,663	5,608,313	5,628,677
(2,614,361)	(377,322)	(822,166)	1,471,800	44,639	1,357,419
277,092	188,199	(199,052)	(14,031)	56,022	58,350
88,478	(213,160)	19,799	10,950	21,897	21,355
365,570	(24,961)	(179,253)	(3,081)	77,919	79,705
(2,248,791)	(402,283)	(1,001,419)	1,468,719	122,558	1,437,124
-	(39,025,293)	(1,843,132)	-	12,031	-
(\$2,248,791)	(\$39,427,576)	(\$2,844,551)	\$1,468,719	\$134,589	\$1,437,124

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

Fleet Plant in Service
For the Year Ended December 31, 2024

FIXED ASSET ACCOUNTS

	Book Cost 1/1/24	Additions 2024	Retirements 2024	Transfers & Adjustments	Book Cost 12/31/24
Office Furniture and Equipment	\$616,901	\$ -	\$ -	\$ -	\$616,901
Stores and Shop Equipment	816,064	12,597	-	-	828,661
Transportation Equipment	2,526,994	741,307	(213,367)	39,009	3,093,943
Power-Operated Equipment	70,766	-	(26,842)	-	43,924
Construction Work in Progress	355,179	249,470	(355,104)	-	249,545
TOTAL FIXED ASSETS	<u>\$4,385,904</u>	<u>\$1,003,374</u>	<u>(\$595,313)</u>	<u>\$39,009</u>	<u>\$4,832,974</u>

ACCUMULATED DEPRECIATION ACCOUNTS

	Depreciation Rate %	Accumulated Depreciation 1/1/24	Annual Accrual Cr.	Retirements	Transfers & Adjustments	Accumulated Depreciation 12/31/24
Office Furniture and Equipment	Various	\$578,860	\$5,422	\$ -	\$ -	\$584,282
Stores and Shop Equipment	Various	695,764	12,160	-	-	707,924
Transportation Equipment	Various	1,874,659	160,181	(212,036)	39,009	1,861,813
Power-Operated Equipment	Various	51,249	2,231	(26,842)	-	26,638
TOTAL ACCUMULATED DEPRECIATION		<u>\$3,200,532</u>	<u>\$179,994</u>	<u>(\$238,878)</u>	<u>\$39,009</u>	<u>\$3,180,657</u>

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

Taxes and Employee Welfare Contributions
For the Year 2024

FEDERAL

Social Security (FICA)		\$213,115
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STATE OF WASHINGTON

Retail Sales Tax	105,154	
State Employment Security	<u>279</u>	
Total		<u>105,433</u>

TOTAL TAXES		<u><u>\$318,548</u></u>
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Taxes as a % of Total Revenues of \$6,986,096	4.56%
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EMPLOYEE WELFARE CONTRIBUTIONS

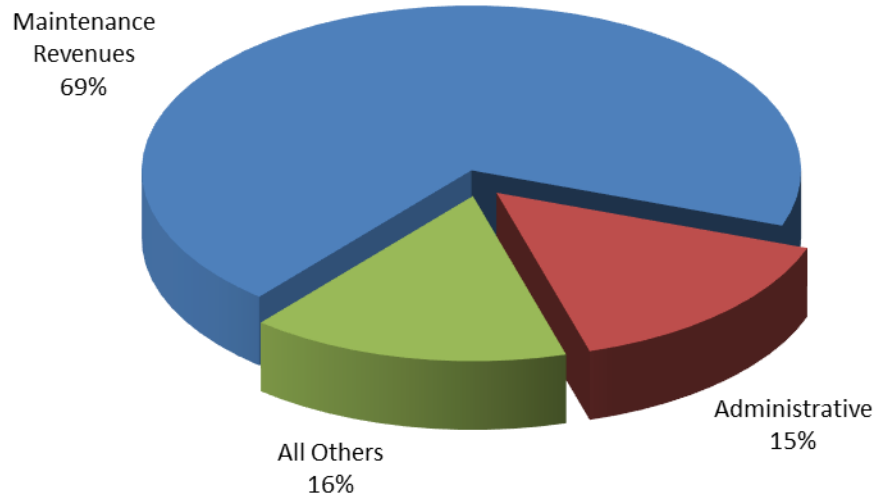
Industrial Insurance and Medical Aid	\$23,216
City of Tacoma Pension Fund	313,282
Washington Dental Service	49,583
Pierce County Medical Bureau	<u>636,766</u>

TOTAL EMPLOYEE WELFARE CONTRIBUTIONS	<u><u>\$1,022,847</u></u>
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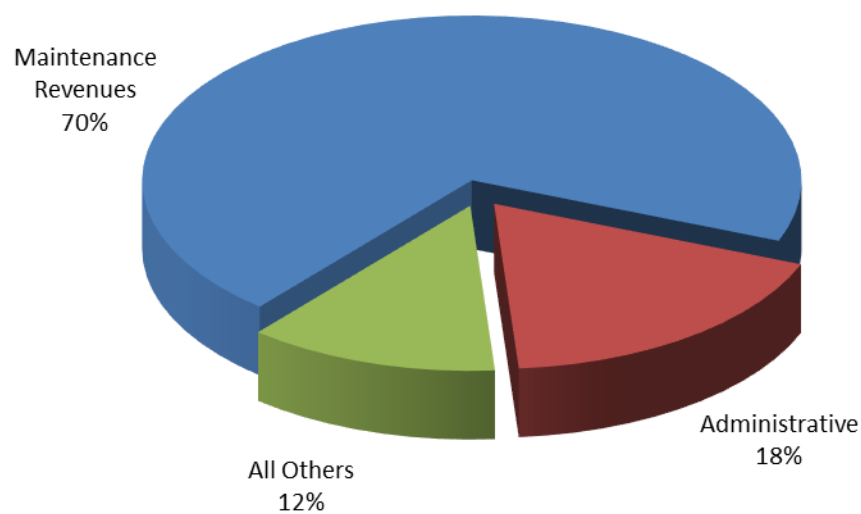
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Graphs

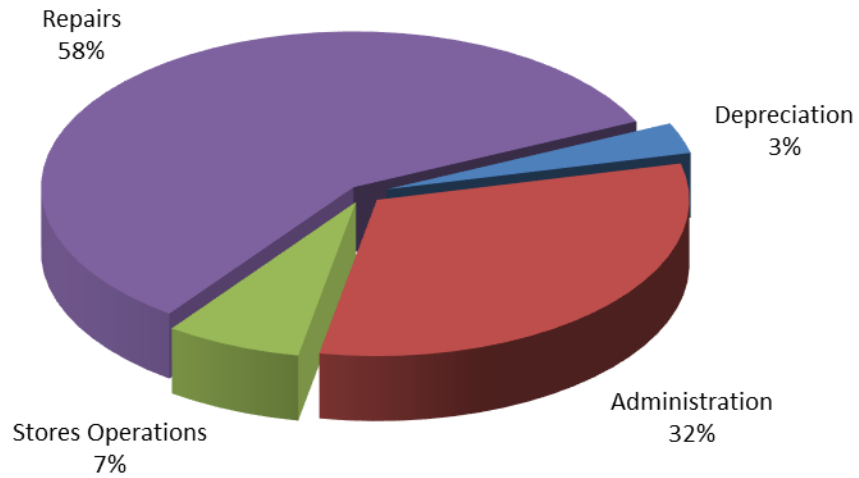
TOTAL OPERATING REVENUES
Year to Date - December 2024 (\$6,986,096)



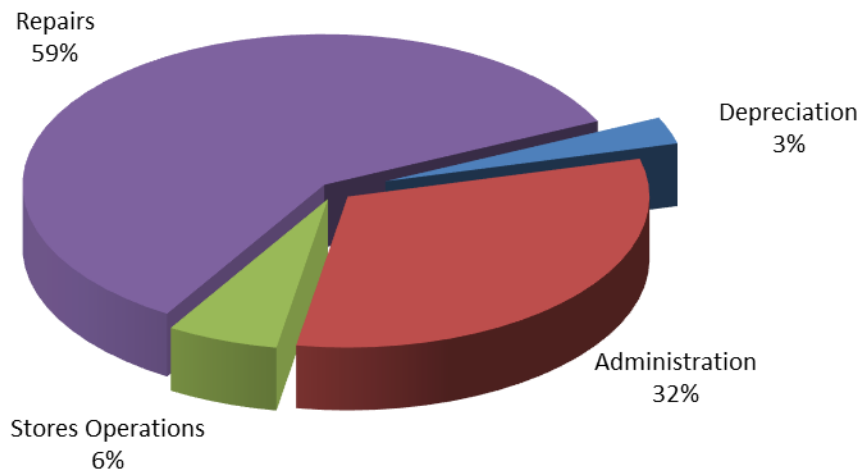
TOTAL OPERATING REVENUES
Year to Date - December 2023 (\$5,652,952)



TOTAL OPERATING EXPENSES
Year to Date - December 2024 (\$5,628,677)



TOTAL OPERATING EXPENSES
Year to Date - December 2023 (\$5,608,313)





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.