



Washington State Auditor's Office

Government that works for citizens

Financial Statements Audit Report

Tacoma Transportation Benefit District

Pierce County

For the period January 1, 2013 through December 31, 2015

Published July 18, 2016

Report No. 1016779





Washington State Auditor's Office

July 18, 2016

Mayor and City Council
Tacoma Transportation Benefit District
Tacoma, Washington

Report on Financial Statements

Please find attached our report on the Tacoma Transportation Benefit District's financial statements.

We are issuing this report in order to provide information on the District's financial condition.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Tacoma Transportation Benefit District
Pierce County
January 1, 2013 through December 31, 2015**

Mayor and City Council
Tacoma Transportation Benefit District
Tacoma, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Tacoma Transportation Benefit District, Pierce County, Washington, as of and for the years ended December 31, 2015, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 27, 2016.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In addition, we noted certain matters that we will report to the management of the City in a separate letter dated July 12, 2016.

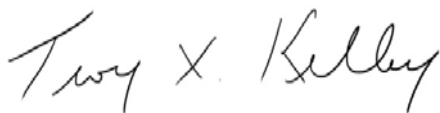
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

May 27, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Tacoma Transportation Benefit District Pierce County January 1, 2013 through December 31, 2015

Mayor and City Council
Tacoma Transportation Benefit District
Tacoma, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Tacoma Transportation Benefit District, Pierce County, Washington, as of and for the years ended December 31, 2015, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed on page 9.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tacoma Transportation Benefit District, as of December 31, 2015, 2014 and 2013, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

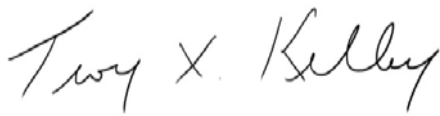
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 17 and budgetary comparison information on pages 30 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

May 27, 2016

FINANCIAL SECTION

**Tacoma Transportation Benefit District
Pierce County
January 1, 2013 through December 31, 2015**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2015
Management's Discussion and Analysis – 2014
Management's Discussion and Analysis – 2013

BASIC FINANCIAL STATEMENTS

Balance Sheet – Governmental Funds – 2015
Balance Sheet – Governmental Funds – 2014
Balance Sheet – Governmental Funds – 2013
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2015
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2014
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2013
Notes to Financial Statements – 2015
Notes to Financial Statements – 2014
Notes to Financial Statements – 2013

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Information – 2015
Budgetary Comparison Information – 2014
Budgetary Comparison Information – 2013

**Tacoma Transportation Benefit District
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2015**

The following is an overview and analysis of the financial activities of the Tacoma Transportation Benefit District (the TBD) for the year ended December 31, 2015. This management discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any changes in the financial position. Please read this information in conjunction with the TBD's financial statements.

Background

On November 20, 2012, the Tacoma City Council created the TBD, through adoption of Ordinance 28099, that established a TBD for the purposes of acquiring, constructing, improving, providing, and funding transportation improvements within the TBD consistent with any state, regional, or local transportation plans, and necessitated by existing or reasonably foreseeable congestion levels.

On November 27, 2012, The Tacoma Transportation Benefit District Board authorized a vehicle license fee of \$20. In June of 2013, the Washington State Department of Licensing began collecting vehicle license fees on behalf of the TBD to fund local transportation improvements within the district. The City of Tacoma 2013-2014 Biennium Budget, as passed by the City Council, assumed \$4 million in estimated TBD revenues for transportation improvements within the TBD.

Overview of the Financial Statements

The TBD's basic financial statements are comprised of: 1) Balance Sheet, 2) Statement of Revenues, Expenditures and Changes in Fund Balances, and 3) Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances.

Tacoma Transportation Benefit District (Fund 1070)
Condensed Balance Sheet
December 31, 2015
(in actual dollars)

	2015	2014	Increase (Decrease)	% Change
ASSETS and OUTFLOWS of RESOURCES				
Current and other assets:	\$790,731	\$410,653	\$380,078	92.6%
Total Assets	\$790,731	\$410,653	\$380,078	92.6%
Deferred Outflows of Resources:	0	0	0	0.0%
Total Assets and Deferred Outflows of Resources	\$790,731	\$410,653	\$380,078	92.6%
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
Liabilities:	\$0	\$0	\$0	0.0%
Deferred Inflows of Resources:	0	0	0	0.0%
Fund Balances:				
Restricted	790,731	410,653	380,078	92.6%
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$790,731	\$410,653	\$380,078	92.6%

Tacoma Transportation Benefit District
Condensed Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015
(in actual dollars)

	2015	2014	Increase (Decrease)	% Change
REVENUES				
Taxes	\$2,776,384	\$2,591,598	\$184,786	7.1%
Investment Earnings	170	79	91	115.6%
Total Revenues	\$2,776,554	\$2,591,677	\$184,877	7.1%
EXPENDITURES				
Current:	29	0	29	2800.0%
Excess (Deficiency) of Revenues over Expenditures	\$2,776,525	\$2,591,677	\$184,848	7.1%
OTHER FINANCING SOURCES (USES)				
Transfers-Out	(\$2,396,447)	(\$2,571,573)	\$175,126	-6.8%
Net Change in Fund Balances	\$380,078	\$20,105	\$359,973	1790.5%
Fund Balances-Beginning	\$410,653	\$390,548	\$20,105	5.1%
Fund Balances-Ending	\$790,731	\$410,653	\$380,078	92.6%

Assets

At the end of 2015, the District had \$790,731 in total assets, comprised of \$369,981 in cash and cash equivalents, and \$420,750 in taxes receivable.

At the end of 2014 (the first full year of the District), the District had \$410,653 in total assets, comprised of \$250 in cash and cash equivalents, and \$410,403 in taxes receivable.

Revenues

In 2015, total revenues increased by \$184,877 to \$2,776,554. Tax revenue increased \$184,786 and investment earnings increased \$91.

In 2014 (the first full year of the District), total revenues were \$2,591,677. Tax revenues were \$2,591,598 and investment earnings were \$79.

Expenditures

In 2015, total expenditures decreased by \$175,155 to \$2,396,476. Current operating expenditures were \$29 and Transfers Out for Projects were \$2,396,447.

In 2014 (the first full year of the District), total expenditures (Transfers Out for Projects) were \$2,571,573.

**Tacoma Transportation Benefit District
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2014**

The following is an overview and analysis of the financial activities of the Tacoma Transportation Benefit District (the TBD) for the year ended December 31, 2014. This management discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any changes in the financial position. Please read this information in conjunction with the TBD's financial statements.

Background

On November 20, 2012, the Tacoma City Council created the TBD, through adoption of Ordinance 28099, that established a TBD for the purposes of acquiring, constructing, improving, providing, and funding transportation improvements within the TBD consistent with any state, regional, or local transportation plans, and necessitated by existing or reasonably foreseeable congestion levels.

On November 27, 2012, The Tacoma Transportation Benefit District Board authorized a vehicle license fee of \$20. In June of 2013, the Washington State Department of Licensing began collecting vehicle license fees on behalf of the TBD to fund local transportation improvements within the district. The City of Tacoma 2013-2014 Biennium Budget, as passed by the City Council, assumed \$4 million in estimated TBD revenues for transportation improvements within the TBD.

Overview of the Financial Statements

The TBD's basic financial statements are comprised of: 1) Balance Sheet, 2) Statement of Revenues, Expenditures and Changes in Fund Balances, and 3) Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances.

Tacoma Transportation Benefit District (Fund 1070)
Condensed Balance Sheet
December 31, 2014
(in actual dollars)

	2014	2013	Increase (Decrease)	% Change
ASSETS and OUTFLOWS of RESOURCES				
Current and other assets:	\$410,653	\$390,548	\$20,105	5.1%
Total Assets	\$410,653	\$390,548	\$20,105	5.1%
Deferred Outflows of Resources:	0	0	0	0.0%
Total Assets and Deferred Outflows of Resources	\$410,653	\$390,548	\$20,105	5.1%
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
Liabilities:	\$0	\$0	\$0	0.0%
Deferred Inflows of Resources:	0	0	0	0.0%
Fund Balances:				
Restricted	410,653	390,548	20,105	5.1%
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$410,653	\$390,548	\$20,105	5.1%

Tacoma Transportation Benefit District
Condensed Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014
(in actual dollars)

	2014	2013	Increase (Decrease)	% Change
REVENUES				
Taxes	\$2,591,598	\$1,532,310	\$1,059,288	69.1%
Investment Earnings	79	95	(16)	-17.0%
Total Revenues	\$2,591,677	\$1,532,405	\$1,059,272	69.1%
EXPENDITURES				
Current:	0	0	0	0.0%
Excess (Deficiency) of Revenues over Expenditures	\$2,591,677	\$1,532,405	\$1,059,272	69.1%
OTHER FINANCING SOURCES (USES)				
Transfers-Out	(\$2,571,573)	(\$1,141,857)	(\$1,429,716)	125.2%
Net Change in Fund Balances	\$20,105	\$390,548	(\$370,443)	-94.9%
Fund Balances-Beginning	\$390,548	\$0	\$390,548	100.0%
Fund Balances-Ending	\$410,653	\$390,548	\$20,105	5.1%

Assets

At the end of 2014, the District had \$410,653 in total assets, comprised of \$250 in cash and cash equivalents, and \$410,403 in taxes receivable.

At the end of 2013 (the first and partial year of the District), the District had \$390,548 in total assets, comprised of \$211 in cash and cash equivalents, and \$390,337 in taxes receivable.

Revenues

In 2014, total revenues increased \$1,059,272 to \$2,591,677. Tax revenue increased \$1,059,288 and investment earnings decreased \$16.

In 2013 (the first and partial year of the District), total revenues were \$1,532,405. Tax revenues were \$1,532,310 and investment earnings were \$95.

Expenses

In 2014, total expenses (Transfers Out for projects) increased \$1,429,716 to \$2,571,573.

In 2013 (the first and partial year of the District), total expenses (Transfers Out for projects) were \$1,141,857.

**Tacoma Transportation Benefit District
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2013**

The following is an overview and analysis of the financial activities of the Tacoma Transportation Benefit District (the TBD) for the year ended December 31, 2013. This management discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any changes in the financial position. Please read this information in conjunction with the TBD's financial statements.

Background

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Overview of the Financial Statements

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The fiscal year ending December 31, 2013, was the first year the TBD had any financial activity, so there is no comparative financial data.

Tacoma Transportation Benefit District (Fund 1070)
Condensed Balance Sheet
December 31, 2013
(in actual dollars)

	2013	2012	Increase (Decrease)	% Change
ASSETS and OUTFLOWS of RESOURCES				
Current and other assets:	\$390,548	\$0	\$390,548	100%
Total Assets	\$390,548	\$0	\$390,548	100%
Deferred Outflows of Resources:	0	0	0	0%
Total Assets and Deferred Outflows of Resources	\$390,548	\$0	\$390,548	100%
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES				
Liabilities:	\$0	\$0	\$0	0%
Deferred Inflows of Resources:	0	0	0	0%
Fund Balances:				
Restricted	390,548	0	390,548	100%
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$390,548	\$0	\$390,548	100%

Tacoma Transportation Benefit District
Condensed Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013
(in actual dollars)

	2013	2012	Increase (Decrease)	% Change
REVENUES				
Taxes	\$1,532,310	\$0	\$1,532,310	100%
Investment Earnings	95	0	95	100%
Total Revenues	\$1,532,405	\$0	\$1,532,405	100%
EXPENDITURES				
Current:	0	0	0	0%
Excess (Deficiency) of Revenues over Expenditures	\$1,532,405	\$0	\$1,532,405	100%
OTHER FINANCING SOURCES (USES)				
Transfers-Out	(\$1,141,857)	\$0	(\$1,141,857)	100%
Net Change in Fund Balances	\$390,548	\$0	\$390,548	100%
Fund Balances-Beginning	\$0	\$0	\$0	0%
Fund Balances-Ending	\$390,548	\$0	\$390,548	100%

Tacoma Transportation Benefit District (Fund 1070)

Balance Sheet December 31, 2015 (in actual dollars)

	<u>2015</u>
ASSETS and OUTFLOWS of RESOURCES	
Cash and Cash Equivalents	\$ 369,981
Accounts Receivable	<u>420,750</u>
Total Assets	<u>790,731</u>
 Deferred Outflows of Resources	 <u>-</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 790,731</u>
 LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES	
Liabilities	<u>\$ -</u>
Total Liabilities	<u>-</u>
 Deferred Inflows of Resources	 <u>-</u>
 Fund Balances:	
Restricted	<u>790,731</u>
Total Fund Balances	<u>790,731</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 790,731</u>

The accompanying notes are an integral part of this statement

Tacoma Transportation Benefit District (Fund 1070)

Balance Sheet December 31, 2014 (in actual dollars)

	<u>2014</u>
ASSETS and OUTFLOWS of RESOURCES	
Cash and Cash Equivalents	\$ 250
Accounts Receivable	<u>410,403</u>
Total Assets	<u>410,653</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 410,653</u>
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES	
Liabilities	<u>\$ -</u>
Total Liabilities	<u>-</u>
Deferred Inflows of Resources	<u>-</u>
Fund Balances:	
Restricted	<u>410,653</u>
Total Fund Balances	<u>410,653</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 410,653</u>

The accompanying notes are an integral part of this statement

Tacoma Transportation Benefit District (Fund 1070)

Balance Sheet

December 31, 2013

(in actual dollars)

	2013
ASSETS and OUTFLOWS of RESOURCES	
Cash and Cash Equivalents	\$ 211
Accounts Receivable	390,337
Total Assets	<u>390,548</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 390,548</u>
LIABILITIES, DEFERRED INFLOWS of RESOURCES and FUND BALANCES	
Liabilities	\$ -
Total Liabilities	<u>-</u>
Deferred Inflows of Resources	<u>-</u>
Fund Balances:	
Restricted	390,548
Total Fund Balances	<u>390,548</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 390,548</u>

The accompanying notes are an integral part of this statement

Tacoma Transportation Benefit District
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2015
(in actual dollars)

	2015
REVENUES	
Taxes	\$ 2,776,384
Investment Earnings	170
Total Revenues	<u>2,776,555</u>
EXPENDITURES	
Current:	
Contract Expenditures	2,396,447
Investment Fees	29
Total Expenditures	<u>2,396,477</u>
Excess (Deficiency) of Revenues over Expenditures	<u>380,078</u>
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources and Uses	<u>-</u>
Net Change in Fund Balances	380,078
Fund Balances-Beginning	410,653
Fund Balances-Ending	<u>\$ 790,731</u>

The accompanying notes are an integral part of this statement

Tacoma Transportation Benefit District
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2014
(in actual dollars)

	2014
REVENUES	
Taxes	\$ 2,591,598
Investment Earnings	79
Total Revenues	<u>2,591,677</u>
EXPENDITURES	
Current:	
Contract Expenditures	<u>2,571,573</u>
Total Expenditures	<u>2,571,573</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20,105</u>
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources and Uses	<u>-</u>
Net Change in Fund Balances	20,105
Fund Balances-Beginning	<u>390,548</u>
Fund Balances-Ending	<u>\$ 410,653</u>

The accompanying notes are an integral part of this statement

Tacoma Transportation Benefit District
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013
(in actual dollars)

	2013
REVENUES	
Taxes	\$ 1,532,310
Investment Earnings	95.00
Total Revenues	<u>1,532,405.00</u>
EXPENDITURES	
Current:	
Contract Expenditures	<u>1,141,857.00</u>
Total Expenditures	<u>1,141,857.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>390,548.00</u>
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources and Uses	<u>-</u>
Net Change in Fund Balances	390,548.00
Fund Balances-Beginning	-
Fund Balances-Ending	<u>\$ 390,548</u>

The accompanying notes are an integral part of this statement

**Tacoma Transportation Benefit District
Notes to Financial Statements
For the Fiscal Year Ended December 31, 2015**

Note 1 – Summary of Significant Accounting Policies

A. Reporting Entity

The accompanying financial statements present the activities of the Tacoma Transportation Benefit District (the District).

For financial reporting purposes, in conformance with GASB Statement No. 14 and as amended by GASB Statement No. 39, the District is considered a blended component unit of the City of Tacoma. The City of Tacoma includes in its financial statements all governmental activities, organizations and functions, whether they are structured as funds, account groups, departments, agencies, institutions, boards, commissions, districts, authorities, or in other ways for which the Tacoma City Council is financially accountable.

B. Basis of Accounting and Presentation

The accounting policies of the District conform to Generally Accepted Accounting Principles as applicable to special-purpose governments engaged in governmental activities.

The District uses the modified accrual basis of accounting. Under this method, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonable estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Expenditures are recognized when incurred. The District considered revenues derived from vehicle license fees available when they are collected within 60 days after year-end.

C. Assets, Liabilities and Fund Balance

1. Cash and Cash Equivalents

The District’s cash and cash equivalents are held and controlled by the City of Tacoma Treasurer.

The ending balance of cash on hand increased from \$250 for the period ending December 31, 2014 to \$369,981 for the period ending December 31, 2015. The monthly remittances from the District to the City of Tacoma were controlled by an adopted budget, therefore only budgeted amounts were remitted.

The District’s cash and cash equivalents include cash on hand and short term investments with original or remaining maturities of three months or less when

purchased, and cash and investments in the City-wide investment pool. Investments, including equity in pooled cash and investments are stated at fair value. The City of Tacoma uses a pooled investment portfolio. Each fund receives interest based on a pro-rata share of its cash balance to the total cash invested. Portfolio earnings are distributed daily based on cash balances of the participating funds.

2. Taxes Receivable

Tax revenues are collected as a result of the District's imposed \$20 vehicle license fee, as provided by Chapter 36.73 of the Revised Code of Washington. These revenues are collected by the State of Washington's Department of Licensing, and remitted via the State of Washington's Department of Revenue on a monthly basis to the City of Tacoma Treasurer for deposit.

D. Revenues and Expenditures

1. Expenditures

Expenditures represent transactions between the District and the City of Tacoma. As revenues are received, the District remits them to the City's Street Fund for the purpose of transportation improvements within the District.

Note 2 – Reconciliation between the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance

There is no difference between "Net Change in Fund Balance" as presented in the fund statements and the "Net Change in Fund Balance" at the entity wide level. As a result, separate entity-wide statements are not presented.

**Tacoma Transportation Benefit District
Notes to Financial Statements
For the Fiscal Year Ended December 31, 2014**

Note 1 – Summary of Significant Accounting Policies

A. Reporting Entity

The accompanying financial statements present the activities of the Tacoma Transportation Benefit District (the District).

For financial reporting purposes, in conformance with GASB Statement No. 14 and as amended by GASB Statement No. 39, the District is considered a blended component unit of the City of Tacoma. The City of Tacoma includes in its financial statements all governmental activities, organizations and functions, whether they are structured as funds, account groups, departments, agencies, institutions, boards, commissions, districts, authorities, or in other ways for which the Tacoma City Council is financially accountable.

B. Basis of Accounting and Presentation

The accounting policies of the District conform to Generally Accepted Accounting Principles as applicable to special-purpose governments engaged in governmental activities.

The District uses the modified accrual basis of accounting. Under this method, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonable estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Expenditures are recognized when incurred. The District considered revenues derived from vehicle license fees available when they are collected within 60 days after year-end.

C. Assets, Liabilities and Fund Balance

1. Cash and Cash Equivalents

The District’s cash and cash equivalents are held and controlled by the City of Tacoma Treasurer.

The District’s cash and cash equivalents include cash on hand and short term investments with original or remaining maturities of three months or less when purchased, and cash and investments in the City-wide investment pool. Investments, including equity in pooled cash and investments are stated at fair value. The City of Tacoma uses a pooled investment portfolio. Each fund receives interest based on a pro-rata share of its cash balance to the total cash

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For the Fiscal Year Ended December 31, 2013**

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Tacoma Transportation Benefit District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2015
(in actual dollars)

	Approved Original Budget 2015-2016 Biennium	Approved Revised Budget 2015-2016 Biennium	Actual Biennium- To-Date Thru 12/31/2015	Variance With Approved Revised Budget Over (Under)
REVENUES				
Taxes	\$ 4,792,894	\$ 5,292,894	\$ 2,776,384	\$ (2,516,510)
Interest and other earnings	-	-	170	170
TOTAL REVENUES	4,792,894	5,292,894	2,776,554	(2,516,340)
EXPENDITURES				
Current:	-	-	29	29
TOTAL EXPENDITURES	-	-	29	29
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,792,894	5,292,894	2,776,525	(2,516,369)
OTHER FINANCING SOURCES (USES)				
Transfer (out)	(4,792,894)	(5,292,894)	(2,396,447)	2,896,447
TOTAL OTHER FINANCE SOURCES(USES)	(4,792,894)	(5,292,894)	(2,396,447)	2,896,447
NET CHANGE IN FUND BALANCE	-	-	380,078	380,078
FUND BALANCE - JANUARY 1	-	-	410,653	410,653
FUND BALANCE - JANUARY 1. RESTATED	-	-	410,653	410,653
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 790,731	\$ 790,731

Tacoma Transportation Benefit District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2014
(in actual dollars)

	Approved Original Budget 2013-2014 Biennium	Approved Revised Budget 2013-2014 Biennium	Actual Biennium- To-Date Thru 12/31/2014	Variance With Approved Revised Budget Over (Under)
REVENUES				
Taxes	\$ 4,098,489	\$ 4,098,489	\$ 4,123,909	\$ 25,420
Interest and other earnings	-	-	174	174
TOTAL REVENUES	4,098,489	4,098,489	4,124,083	25,594
EXPENDITURES				
Current:	4,098,489	4,098,489	3,713,430	(385,059)
TOTAL EXPENDITURES	4,098,489	4,098,489	3,713,430	(385,059)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	410,653	410,653
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	410,653	410,653
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 410,653	\$ 410,653

Tacoma Transportation Benefit District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2013
(in actual dollars)

	Approved Original Budget 2013-2014 Biennium	Approved Revised Budget 2013-2014 Biennium	Actual Biennium- To-Date Thru 12/31/2013	Variance With Approved Revised Budget Over (Under)
REVENUES				
Taxes	\$ 4,000,000	\$ 4,098,489	\$ 1,532,310	\$ (2,566,179)
Interest and other earnings	-	-	95	95
TOTAL REVENUES	4,000,000	4,098,489	1,532,406	(2,566,083)
EXPENDITURES				
Current:				
Contract Expenditures	4,000,000	4,098,489	1,141,857	(2,956,632)
TOTAL EXPENDITURES	4,000,000	4,098,489	1,141,857	(2,956,632)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	390,548	390,548
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES(USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	390,548	390,548
FUND BALANCE - JANUARY 1	-	-	-	-
FUND BALANCE - JANUARY 1. RESTATED	-	-	-	-
FUND BALANCE - DECEMBER 31	\$ -	\$ -	\$ 390,548	\$ 390,548

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov