



Office of the Washington State Auditor  
Pat McCarthy

## **Financial Statements Audit Report**

# **Greater Tacoma Regional Convention Center Public Facilities District**

**For the period January 1, 2022 through December 31, 2022**

*Published June 20, 2023*

Report No. 1032778



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**Office of the Washington State Auditor  
Pat McCarthy**

June 20, 2023

Board of Directors  
Greater Tacoma Regional Convention Center Public Facilities District  
Tacoma, Washington

**Report on Financial Statements**

Please find attached our report on the Greater Tacoma Regional Convention Center Public Facilities District's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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## INDEPENDENT AUDITOR'S REPORT

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*

### **Greater Tacoma Regional Convention Center Public Facilities District January 1, 2022 through December 31, 2022**

Board of Directors  
Greater Tacoma Regional Convention Center Public Facilities 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 governmental activities and each major fund of the Greater Tacoma Regional Convention Center Public Facilities District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 12, 2023.

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

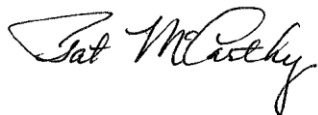
## **REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly legible.

Pat McCarthy, State Auditor

Olympia, WA

June 12, 2023

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Greater Tacoma Regional Convention Center Public Facilities District January 1, 2022 through December 31, 2022**

Board of Directors  
Greater Tacoma Regional Convention Center Public Facilities District  
Tacoma, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Greater Tacoma Regional Convention Center Public Facilities District, a discretely presented component unit of the City of Tacoma, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Greater Tacoma Regional Convention Center Public Facilities District, as of December 31, 2022, and the changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

## **Responsibilities of Management for the Financial Statements**

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2023 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 the effectiveness of the District's 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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

June 12, 2023

## **FINANCIAL SECTION**

### **Greater Tacoma Regional Convention Center Public Facilities District January 1, 2022 through December 31, 2022**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2022

#### **BASIC FINANCIAL STATEMENTS**

Governmental Funds Balance Sheet/Statement of Net Position – 2022

Governmental Funds Revenues, Expenditures, and Changes in Fund Balance/Statement  
of Activities – 2022

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual  
– 2022

Notes to Financial Statements – 2022

## **Management's Discussion and Analysis**

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### *Greater Tacoma Regional Convention Center Public Facilities District For the Year Ended December 31, 2022*

The following is an overview and analysis of the financial activities of the Greater Tacoma Regional Convention Center Public Facilities District (the District) for the year ended December 31, 2022. 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 District's financial statements.

### **Introduction**

The District was originally founded to assist in financing the construction and operation of the Greater Tacoma Convention Center (GTCC). The District and the City of Tacoma entered into an interlocal agreement in 1999 for the design, development, construction, and operation of the GTCC. Under the agreement, the City of Tacoma, as the primary funding and sole debt-issuing agency for the project, possessed all authority regarding design, development, construction, and operation of the GTCC. Insofar as the District's charter precludes it from issuing debt, all project debt was issued by the City of Tacoma. The majority of the project funding came from the City of Tacoma's Hotel/Motel Tax revenues.

Construction of the Greater Tacoma Convention & Trade Center and related parking projects were completed in October 2004, and the facility was opened on November 13, 2004.

The District is responsible for overseeing the collection and payment of the sales and use tax rebate to the City of Tacoma. The District's funds currently assist in servicing the debt issued by the City of Tacoma for design and construction of the GTCC and supporting its operations.

### **Financial Highlights**

- Total assets for 2022 were \$4,586,835, an increase of \$538,368 or 14.1% from 2021 levels.
- Sales tax revenue of \$5,743,933 is an increase of \$329,172 or 6.1 % compared to amounts collected in 2021.

### **Overview of the Financial Statements**

The District's basic financial statements are comprised of: (1) Governmental Fund Balance Sheet/Statement of Net Position, (2) Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities and 3) Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual and 4) Notes to the Financial Statements.

Governmental Fund Balance Sheet/Statement of Net Position – This statement presents a snapshot view of the assets of the District, the liabilities it owes and the net difference or fund balance/net position. It focuses on the resources available for future operations.

## Management's Discussion and Analysis

### *Greater Tacoma Regional Convention Center Public Facilities District For the Year Ended December 31, 2022*

Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities – This statement presents all revenues and expenditures of the District during the fiscal year, including other sources and uses.

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – This statement presents the budgeted amount and actual result, and the difference of all revenue and expenditures of the District.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read in conjunction with the financial statements.

### Financial Analysis

The Districts total assets increased in 2022 by \$538,368 or 14.1% from 2021. The District had \$4,586,835 in total assets comprising of \$3,616,053 in cash and cash equivalents, and \$970,782 in taxes receivable for 2022. The increase in assets was due to increased Sales and Tax revenue driven by increased event activities in 2022. Total assets for 2021 were \$4,108,467.

The District's liability for December 31, 2022 was \$4,586,835, an overall increase of \$568,368 from 2021 and all due to the City of Tacoma for financial support of the District.

#### Condensed Statement of Net Position

	2022	2021
ASSETS		
Current and other assets	\$4,586,835	\$4,018,467
TOTAL ASSETS	4,586,835	4,018,467
DEFERRED OUTFLOW OF RESOURCES	-	-
LIABILITIES		
Current and other liabilities	4,586,835	4,018,467
TOTAL LIABILITIES	4,586,835	4,018,467
DEFERRED INFLOW OF RESOURCES	-	-
TOTAL NET POSITION	\$ -	\$ -

## Management's Discussion and Analysis

*Greater Tacoma Regional Convention Center Public Facilities District  
For the Year Ended December 31, 2022*

### Revenues

Overall revenues increased by 5.2% or \$280,844 from 2021 for a total of \$ 5,691,162 in 2022. Sales and use tax revenues increased by \$329,172 or 6.1 % from 2021 for a total of \$5,743,933 as a result of increased event activities compared to 2021. Investment earnings for 2022 decreased by 1,087.7 % or -\$48,328 from 2021 for a total of -\$52,771 significantly due to GASB 31 – fair value reporting of all investment

### Expenses

In 2022, total expenses increased by \$280,844 to \$5,691,162 from 2021. Contributions to the City of Tacoma are used to pay for the operations, debt service, interests and capital reserves increased by \$271,459 or 5.0 % from 2021. Operating expenses increased by \$9,385 or 867.4 % from 2021 due to the audit cost increase.

#### Condensed Statement of Activities

	2022	2021
GENERAL REVENUES		
Sales and use tax	\$ 5,743,933	\$ 5,414,761
Investment earnings	(52,771)	(4,443)
Total revenues	<u>5,691,162</u>	<u>5,410,318</u>
EXPENSES		
Contributions	5,680,695	5,409,236
Accounting services	10,467	1,082
Total expenses	<u>5,691,162</u>	<u>5,410,318</u>
Change in net position	<u>-</u>	<u>-</u>
NET POSITION - Ending	<u>\$ -</u>	<u>\$ -</u>

### Economic Outlook

The District was formed to construct the Greater Tacoma Convention Center that acts as an economic engine for the entire region.

Prior to closure due to the COVID-19 Pandemic, the Greater Tacoma Convention Center hosted an average of 250 events annually with more than 121,000 attendees. Since January 2022, the GTCC has resumed complete event activity with event volume approaching normal levels. We anticipate this trend to continue with a return to full business in 2023. Over 35,000 room nights are confirmed through 2028, for an estimated \$32.5 million in economic impact over the next six years.

## **Management's Discussion and Analysis**

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*Greater Tacoma Regional Convention Center Public Facilities District  
For the Year Ended December 31, 2022*

The adjacent and connected 4-star, 304 room convention center headquarter hotel as well as several new hotels in the Public Facilities District tax region have generated additional revenue from hotel-motel taxes which will be reinvested into GTCC. Additional rooms will make GTCC more attractive for larger events which generate higher economic impact and overall revenue in the future.

### **Requests for Information**

The financial report is designed to provide a general overview of the Greater Tacoma Regional Convention Center Public Facilities District finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Tacoma, Public Facilities District  
747 Market St. Room 132  
Tacoma, Washington 98402

**Greater Tacoma Regional Convention Center Public Facilities Distric**  
**Governmental Fund Balance Sheet/Statement of Net Position**  
**December 31, 2022**

	General Fund Government Activites
	<u>2022</u>
ASSETS	
Cash and cash equivalents	\$3,616,053
Taxes receivable	<u>970,782</u>
Total assets	<u>4,586,835</u>
DEFERRED OUTFLOW OF RESOURCES	<u>-</u>
Total assets and deferred outflows of resources	<u><u>4,586,835</u></u>
LIABILITIES	
Due to City of Tacoma	<u>4,586,835</u>
Total liabilities	<u>4,586,835</u>
DEFERRED INFLOW OF RESOURCES	<u>-</u>
FUND BALANCE/NET POSITION	-
Total liabilities, deferred inflows of resources and net position	<u><u>\$4,586,835</u></u>

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

**Greater Tacoma Regional Convention Center Public Facilities District**  
**Governmental Funds Revenues, Expenditures, and Changes in Fund Balance/Statement**  
**of Activities**

**For the Year Ended December 31, 2022**

	General Fund Governmental Activities
	<u>2022</u>
GENERAL REVENUES	
Sales and use tax	\$ 5,743,933
Investment earnings	<u>(52,771)</u>
Total revenues	<u>5,691,162</u>
EXPENDITURES/EXPENSES:	
Contributions	5,680,695
Accounting services	<u>10,467</u>
Total expenditures/expenses	<u>5,691,162</u>
Change in fund balance/Net position	-
Fund balance / net position - beginning of year	<u>-</u>
Fund balance / net position - end of year	<u><u>\$ -</u></u>

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



**Greater Tacoma Regional Convention Center Public Facilities District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts 2021-2022 Biennium		Actual Biennium To-Date Thru	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>12/31/2022</u>	<u>Over (Under)</u>
REVENUES				
Sales and use tax	\$ 10,062,373	\$ 10,062,373	\$ 11,158,694	\$ 1,096,321
Investment earnings	34,008	34,008	(57,214)	(91,222)
Total revenues	10,096,381	10,096,381	11,101,480	1,005,099
EXPENDITURES				
Contributions	10,091,381	10,091,381	11,089,931	998,550
Accounting services	5,000	5,000	11,549	6,549
Total expenditures	10,096,381	10,096,381	11,101,480	1,005,099
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance - January 1	-	-	-	-
Fund balance - December 31	\$ -	\$ -	\$ -	\$ -

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

## **Notes to the Financial Statements**

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*Greater Tacoma Regional Convention Center Public Facilities District  
For the Year Ended December 31, 2022*

### **Note 1 – Summary of Significant Accounting Policies**

#### **A. Reporting Entity**

The accompanying financial statements present the activities of the Greater Tacoma Regional Convention Center Public Facilities District (the District). The District is a public corporation organized under the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23, and created pursuant to an interlocal agreement between the Cities of Fife, Lakewood, Tacoma, University Place and Pierce County.

For financial reporting purposes, in conformance with GASB Statement No. 14 as amended by GASB Statement No. 39 and GASB No. 80 along with GASB Statement 34 amended by GASB Statement 61, the District is considered a discretely presented component unit of the City of Tacoma and it presented as so in the City's financial statements. 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.

The District entered into an interlocal agreement with the City of Tacoma to assist with, finance, and otherwise facilitate, the construction and operation of the Greater Tacoma Convention Center (GTCC). In order to accomplish this, the District imposed a sales and use tax rebate of not more than 0.033 % under RCW 82.08 and 82.12. The revenues are paid to the City of Tacoma and used primarily for the debt service for bonds issued by the City of Tacoma to fund the design, development, construction and operation of the GTCC. Further, the District assigned title to the GTCC inclusive of the real property, buildings, fixtures, furnishings, appurtenances, and improvements, to the City of Tacoma. This interlocal agreement was entered into November 1, 1999 and was amended on September 2, 2003 to include unincorporated areas of Pierce County as part of the District.

#### **B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

The basic financial statements include both entity-wide and fund financial statements. The District uses an alternate presentation allowable under accounting principles generally accepted in the United States that combines the fund statements and entity wide statements (the Governmental Funds Balance Sheet / Statement of Net Position and the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balance / Statement of Activities).

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements use the economic resources

## **Notes to the Financial Statements**

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### *Greater Tacoma Regional Convention Center Public Facilities District For the Year Ended December 31, 2022*

measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

The District uses the modified accrual basis of accounting for its fund statements. Under this method, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon thereafter to pay current liabilities. Expenditures are recognized when incurred. Revenues consist of sales and use tax rebates received from the State of Washington and interest earnings. The District considers revenues derived from sales and use tax available when they are collected within 60 days after year-end.

The District reports one major fund:

**General Fund:** The General Fund accounts for the financial resources of the District. The principal sources of revenue are sales and use taxes as well as interest income. The primary expenditures are contributions to the City of Tacoma to assist in the payment of debt issued for the design and construction of the Greater Tacoma Convention Center.

## **C. New GASB Implementation**

Management has reviewed all of the new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB) effective for fiscal year 2022 and has determined that they are not applicable to the District.

## **D. 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 treasury pool as agreed by the interlocal agreement between the District and the City of Tacoma. Investments, including equity in pooled cash and investments are stated at fair value. 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. The District’s cash and cash equivalents include tax revenues and the interest on investment earnings. Equity in cash and cash equivalents for year-end December 31, 2022 is \$3,616,053.

### **2. Receivable**

The District uses the modified accrual basis of accounting. In adopting this basis of accounting, the District recognizes revenue by recording various receivables and accrued revenue in its financial statements.

## Notes to the Financial Statements

*Greater Tacoma Regional Convention Center Public Facilities District  
For the Year Ended December 31, 2022*

### 3. Fund Balance/Net Position

The District has a zero net position balance at year-end as the ending liability balance should equal the ending asset balance as all assets are pledged to the City of Tacoma. The District's material liability is due to City of Tacoma to support debt service, interest, operating costs and capital reserves.

#### **Note 2 – Reconciliation of Governmental Fund Balance Sheet /Statement of Net Position and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities to Entity Wide Statements**

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

The Statement of Net Position is presented in combination with the Governmental Fund Balance Sheet and the Statement of Activities is presented in combination with the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.

**Note 3 – Cash and Investments** 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. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	As of				
Debt Securities:	12/31/2022	Level 1	Level 2	Level 3	
Agency Securities	\$ 555,411,908	\$ -	\$ 555,411,908	\$ -	
Corporate Securities	61,142,820	-	61,142,820	-	
Municipal Bonds	20,114,217	-	20,114,217	-	
Supranational Securities	19,561,285	-	19,561,285	-	
U.S. Treasury Securities	683,653,733	-	683,653,733	-	
	\$ 1,339,883,963	\$ -	\$ 1,339,883,963	\$ -	

## Notes to the Financial Statements

*Greater Tacoma Regional Convention Center Public Facilities District  
For the Year Ended December 31, 2022*

The District's share of City investments:

	As of
Cash and equity in pooled investments	12/31/2022
Cash in City pool	\$ 3,418,950
Total City pooled investments	1,339,883,963
Total	0.26%

Total cash	\$ 197,103
Total pooled investments	3,418,950
Total cash and pooled investments	\$ 3,616,053

#### **Note 4 – Tax Receivable**

Sales and use tax revenues are collected as a result of the District's imposition of 0.033 % sales and use tax rebate, and an accompanying deduction against the State of Washington's share of the sales tax per RCW 82.08 and 82.12. These revenues are collected by the State of Washington's Department of Revenue on a monthly basis and remitted to the City of Tacoma Treasurer for deposit. As of December 31, 2022, receivables totaled \$970,782.

## ABOUT THE STATE AUDITOR'S OFFICE

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

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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