

TABLE 1

## GENERAL GOVERNMENT REVENUES BY SOURCE

## LAST TEN FISCAL YEARS

| FISCAL YEAR | TAXES          | LICENSES AND PERMITS | INTER-GOVERNMENTAL REVENUES | CHARGES FOR SERVICES | FINES AND FORFEITURES | MISCELLANEOUS REVENUES (INCLUDING INTEREST) | TOTALS         |
|-------------|----------------|----------------------|-----------------------------|----------------------|-----------------------|---|----------------|
| 1993        | \$ 101,638,948 | \$ 3,790,340         | \$ 77,621,034               | \$ 26,375,856        | \$ 4,047,365          | \$ 7,657,311                                | \$ 221,130,854 |
| 1994        | 114,749,036    | 4,466,613            | 97,517,664                  | 27,238,145           | 4,304,762             | 9,878,293                                   | 258,154,513    |
| 1995        | 119,615,517    | 4,181,740            | 104,604,466                 | 27,887,311           | 4,690,778             | 12,672,761                                  | 273,652,573    |
| 1996        | 117,562,696    | 3,766,067            | 124,370,685                 | 31,545,606           | 4,036,584             | 11,807,240                                  | 293,088,878    |
| 1997        | 127,974,018    | 4,050,215            | 145,412,725                 | 28,844,843           | 3,850,044             | 12,200,905                                  | 322,332,750    |
| 1998        | 136,088,896    | 4,821,282            | 145,059,992                 | 36,539,460           | 4,250,604             | 11,560,156                                  | 338,320,390    |
| 1999        | 145,918,537    | 5,309,735            | 149,925,771                 | 39,009,433           | 3,984,003             | 13,276,042                                  | 357,423,521    |
| 2000        | 157,784,539    | 5,186,538            | 152,770,473                 | 42,409,379           | 4,615,293             | 17,344,824                                  | 380,111,046    |
| 2001        | 169,772,004    | 5,530,989            | 175,910,643                 | 45,531,984           | 4,755,863             | 15,977,552                                  | 417,479,035    |
| 2002        | 184,014,349    | 6,010,603            | 182,751,976                 | 47,531,142           | 5,753,669             | 12,783,096                                  | 438,844,835    |

Includes general, special revenue, debt service and capital project funds.

TABLE 2

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS**

| <u>FISCAL<br/>YEAR ENDED<br/>DECEMBER 31</u> | <u>GENERAL<br/>GOVERNMENTAL<br/>SERVICES</u> | <u>PUBLIC SAFETY</u> | <u>PHYSICAL<br/>ENVIRONMENT</u> | <u>LEGAL AND<br/>JUDICIAL</u> |
|--|--|----------------------|---------------------------------|-------------------------------|
| 1993   | \$ 20,350,159                                | \$ 50,840,759        | \$ 12,638,204                   | \$ 27,855,650                 |
| 1994   | 23,222,432                                   | 58,971,398           | 16,574,705                      | 29,974,417                    |
| 1995   | 24,157,613                                   | 64,418,832           | 21,800,941                      | 33,010,762                    |
| 1996   | 25,049,898                                   | 69,584,425           | 23,979,985                      | 38,792,962                    |
| 1997   | 26,284,880                                   | 74,154,471           | 21,724,491                      | 42,705,456                    |
| 1998   | 28,084,174                                   | 78,684,938           | 22,114,652                      | 44,294,460                    |
| 1999   | 28,178,759                                   | 83,867,506           | 22,669,938                      | 45,784,181                    |
| 2000   | 29,344,635                                   | 89,300,179           | 23,569,266                      | 47,811,507                    |
| 2001   | 31,547,624                                   | 96,555,252           | 32,373,257                      | 51,699,432                    |
| 2002   | 33,809,403                                   | 102,253,589          | 27,446,890                      | 54,512,257                    |

  

| <u>FISCAL<br/>YEAR ENDED<br/>DECEMBER 31</u> | <u>TRANSPORTATIO<br/>N</u> | <u>ECONOMIC<br/>ENVIRONMENT</u> | <u>HEALTH AND<br/>HUMAN<br/>SERVICES</u> | <u>CULTURE AND<br/>RECREATION</u> |
|--|----------------------------|---------------------------------|--|-----------------------------------|
| 1993   | \$ 26,203,269              | \$ 15,976,133                   | \$ 29,807,513                            | \$ 5,300,391                      |
| 1994   | 28,409,082                 | 17,517,189                      | 40,409,725                               | 5,586,373                         |
| 1995   | 29,850,076                 | 18,162,127                      | 44,276,719                               | 6,169,160                         |
| 1996   | 34,231,584                 | 23,081,828                      | 48,047,461                               | 6,280,240                         |
| 1997   | 34,058,849                 | 14,536,328                      | 66,843,944                               | 6,466,161                         |
| 1998   | 34,434,312                 | 11,997,952                      | 69,166,859                               | 6,416,664                         |
| 1999   | 33,186,095                 | 13,581,889                      | 73,317,876                               | 6,594,279                         |
| 2000   | 32,895,084                 | 15,542,406                      | 90,673,596                               | 6,814,102                         |
| 2001   | 35,977,046                 | 16,458,967                      | 110,455,012                              | 7,284,826                         |
| 2002   | 37,296,246                 | 16,337,421                      | 100,350,796                              | 8,821,355                         |

  

| <u>FISCAL<br/>YEAR ENDED<br/>DECEMBER 31</u> | <u>CAPITAL<br/>PROJECT</u> | <u>DEBT<br/>SERVICE</u> | <u>TOTAL</u>   |
|--|----------------------------|-------------------------|----------------|
| 1993   | \$ 19,402,093              | \$ 2,078,231            | \$ 210,452,402 |
| 1994   | 33,026,510                 | 2,316,287               | 256,008,118    |
| 1995   | 33,296,861                 | 3,890,021               | 279,033,112    |
| 1996   | 31,696,085                 | 3,478,763               | 304,223,231    |
| 1997   | 28,545,875                 | 3,354,035               | 318,674,490    |
| 1998   | 23,925,015                 | 3,475,139               | 322,594,165    |
| 1999   | 28,185,260                 | 3,554,324               | 338,920,107    |
| 2000   | 27,462,117                 | 3,868,545               | 367,281,437    |
| 2001   | 43,496,627                 | 5,163,184               | 431,011,227    |
| 2002   | 49,266,571                 | 6,178,954               | 436,273,482    |

Includes general, special revenue, debt service, and capital project funds.

TABLE 3

**PROPERTY TAX LEVIES AND COLLECTIONS  
PIERCE COUNTY OPERATING FUNDS**

**LAST TEN FISCAL YEARS**

| <b>FISCAL YEAR</b> | <b>ORIGINAL TAX LEVY</b> | <b>NET ADJUSTMENTS TO TAX LEVIES (1)</b> | <b>CURRENT TAX COLLECTIONS</b> | <b>PERCENT OF LEVY COLLECTED</b> | <b>DELINQUENT TAX COLLECTIONS</b> | <b>TOTAL TAX COLLECTIONS</b> | <b>TOTAL COLLECTIONS AS A PERCENT OF CURRENT LEVY</b> | <b>OUTSTANDING DELINQUENT TAXES</b> | <b>OUTSTANDING DELINQUENT TAXES AS A PERCENT OF CURRENT LEVY</b> |
|--------------------|--------------------------|--|--------------------------------|----------------------------------|-----------------------------------|------------------------------|---|-------------------------------------|--|
| 1993               | \$ 64,399,995            | \$ (90,032)                              | \$ 61,487,062                  | 95.48 %                          | \$ 2,736,099                      | \$ 64,223,161                | 99.73 %   | \$ 4,497,670                        | 6.98 %   |
| 1994               | 71,566,270               | (105,109)                                | 68,612,670                     | 95.87                            | 2,868,236                         | 71,480,906                   | 99.88   | 4,477,925                           | 6.26   |
| 1995               | 76,903,300               | (38,545)                                 | 73,537,603                     | 95.62                            | 2,736,866                         | 76,274,469                   | 99.18   | 5,068,211                           | 6.59   |
| 1996               | 74,759,646               | 48,152                                   | 71,590,625                     | 95.76                            | 3,382,857                         | 74,973,482                   | 100.29  | 4,902,527                           | 6.56   |
| 1997               | 82,051,214               | 28,197                                   | 78,854,942                     | 96.10                            | 3,033,538                         | 81,888,480                   | 99.80   | 5,093,458                           | 6.21   |
| 1998               | 87,015,153               | 17,703                                   | 83,350,324                     | 95.79                            | 3,373,834                         | 86,724,158                   | 99.67   | 5,402,156                           | 6.21   |
| 1999               | 93,897,771               | (120,131)                                | 89,992,180                     | 95.84                            | 3,380,686                         | 93,372,866                   | 99.44   | 5,806,930                           | 6.18   |
| 2000               | 102,382,041              | 223,390                                  | 98,342,765                     | 96.05                            | 3,876,200                         | 102,218,965                  | 99.84   | 6,193,396                           | 6.05   |
| 2001               | 112,001,798              | (112,658)                                | 107,063,755                    | 95.59                            | 3,786,231                         | 110,849,986                  | 98.97   | 7,232,550                           | 6.46   |
| 2002               | 116,920,354              | (92,313)                                 | 112,048,775                    | 95.83                            | 4,531,866                         | 116,580,641                  | 99.71   | 7,479,950                           | 6.40   |

TABLE 4

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

| (1) LEVY YEAR | REAL PROPERTY     |                |                        | PERSONAL PROPERTY |                |                        | TOTAL             |                        | (2) RATIO OF ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE | PERCENTAGE CHANGE IN TOTAL ASSESSED VALUE FROM PRIOR YEAR |
|---------------|-------------------|----------------|------------------------|-------------------|----------------|------------------------|-------------------|------------------------|---|---|
|               | ASSESSED VALUE    | (2) R.P. RATIO | ESTIMATED ACTUAL VALUE | ASSESSED VALUE    | (2) P.P. RATIO | ESTIMATED ACTUAL VALUE | ASSESSED VALUE    | ESTIMATED ACTUAL VALUE |   |   |
| 1993          | \$ 22,945,311,935 | 89.3 %         | \$ 25,691,638,225      | \$ 1,548,246,795  | 99.5 %         | \$ 1,556,026,930       | \$ 24,493,558,730 | \$ 27,250,665,155      | 89.9 %  | 14.68 %   |
| 1994          | 24,544,790,551    | 86.9           | 28,244,868,298         | 1,594,239,258     | 95.7           | 1,665,871,743          | 26,139,029,809    | 29,910,740,041         | 87.4  | 6.72  |
| 1995          | 26,420,440,530    | 87.0           | 30,368,322,448         | 1,692,362,502     | 98.4           | 1,719,880,591          | 28,112,803,032    | 32,088,203,039         | 87.6  | 7.55  |
| 1996          | 27,916,471,071    | 86.0           | 32,461,012,873         | 1,841,852,245     | 100.0          | 1,841,852,245          | 29,758,323,316    | 34,302,865,118         | 86.8  | 5.85  |
| 1997          | 29,714,021,932    | 90.2           | 32,942,374,647         | 1,982,006,619     | 94.4           | 2,099,583,283          | 31,696,028,551    | 35,041,957,930         | 90.5  | 6.51  |
| 1998          | 31,690,062,868    | 92.3           | 34,333,762,587         | 2,053,630,674     | 99.5           | 2,063,950,426          | 33,743,693,542    | 36,397,713,013         | 92.7  | 6.46  |
| 1999          | 33,236,280,976    | 91.4           | 36,363,545,926         | 2,007,216,432     | 99.9           | 2,009,225,658          | 35,243,497,408    | 38,372,771,583         | 91.8  | 4.44  |
| 2000          | 35,741,729,190    | 92.3           | 38,723,433,575         | 2,190,652,786     | 100.0          | 2,190,652,786          | 37,932,381,976    | 40,914,086,361         | 92.7  | 7.63  |
| 2001          | 39,188,940,253    | 93.1           | 42,093,383,730         | 2,275,314,401     | 98.2           | 2,317,020,775          | 41,464,254,654    | 44,410,404,505         | 93.4  | 9.31  |
| 2002          | 42,631,871,443    | 92.7           | 45,989,073,833         | 2,387,333,556     | 97.7           | 2,443,534,858          | 45,019,204,999    | 48,432,608,691         | 93.0  | 8.57  |

(1) Property taxes are levied in the current year  
 (2) Ratios provided by Assessor-Treasurer's office.

TABLE 5

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATION)**

**LAST TEN FISCAL YEARS**

| LEVY YEAR | COUNTY    |              |                       | STATE     | PORT OF TACOMA | RURAL LIBRARY | CITIES AND TOWNS | FIRE PROTECTION DISTRICTS | PARK DISTRICTS | SCHOOLS   | MISC. DISTRICTS | TOTALS     |
|-----------|-----------|--------------|-----------------------|-----------|----------------|---------------|------------------|---------------------------|----------------|-----------|-----------------|------------|
|           | TOTAL     | GENERAL FUND | SPECIAL REVENUE FUNDS |           |                |               |                  |                           |                |           |                 |            |
| 1993      | \$ 2.6239 | \$ 1.3930    | \$ 1.2309             | \$ 3.4275 | \$ 0.2527      | \$ 0.4269     | \$ 1.7080        | \$ 1.1021                 | \$ 0.3641      | \$ 6.1346 | \$ -            | \$ 16.0398 |
| 1994      | 2.7370    | 1.4443       | 1.2927                | 3.6012    | 0.2333         | 0.4434        | 1.7225           | 0.9512                    | 0.3566         | 6.0312    | 0.0001          | 16.0765    |
| 1995      | 2.7819    | 1.4677       | 1.3142                | 3.6743    | 0.2173         | 0.4283        | 1.7676           | 1.0576                    | 0.3354         | 5.8649    | 0.0005          | 16.1278    |
| 1996      | 2.7362    | 1.5117       | 1.2245                | 3.5537    | 0.1984         | 0.4211        | 1.7431           | 0.9793                    | 0.3374         | 5.7530    | 0.0001          | 15.7223    |
| 1997      | 2.5926    | 1.5538       | 1.0388                | 3.5893    | 0.1842         | 0.3436        | 1.9077           | 1.0401                    | 0.3001         | 5.7832    | -               | 15.7408    |
| 1998      | 2.5958    | 1.5423       | 1.0535                | 3.4511    | 0.1873         | 0.3547        | 1.8604           | 1.0336                    | 0.2872         | 5.9155    | -               | 15.6856    |
| 1999      | 2.6658    | 1.6145       | 1.0513                | 3.3195    | 0.1859         | 0.3557        | 1.8400           | 1.0578                    | 0.2601         | 5.4356    | 0.0013          | 15.1217    |
| 2000      | 2.7113    | 1.6468       | 1.0645                | 3.1806    | 0.1873         | 0.3518        | 1.8486           | 1.0635                    | 0.3001         | 5.9655    | -               | 15.6087    |
| 2001      | 2.7037    | 1.8318       | 0.8719                | 2.9987    | 0.1788         | 0.3322        | 1.8358           | 1.1083                    | 0.2282         | 5.7910    | -               | 15.1767    |
| 2002      | 2.5973    | 1.7609       | 0.8364                | 2.9160    | 0.1859         | 0.3224        | 1.7669           | 1.1628                    | 0.2604         | 5.6697    | -               | 14.8814    |

The tax rates for each type of district are an average of the levies for each individual district based on the county-wide assessed valuation.

TABLE 6A

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
UTILITY IMPROVEMENT DISTRICTS  
LAST TEN FISCAL YEARS**

| <u>YEAR</u> | <u>ASSESSMENT<br/>BILLINGS</u> | <u>ASSESSMENTS<br/>COLLECTED</u> | <u>RATIO OF<br/>COLLECTIONS<br/>TO BILLINGS</u> | <u>TOTAL<br/>OUTSTANDING<br/>ASSESSMENTS</u> |
|-------------|--------------------------------|----------------------------------|---|--|
| 1993        | \$ 3,153,996                   | \$ 3,497,767                     | 110.90  | \$ 22,970,088                                |
| 1994        | 1,174,564                      | 2,916,820                        | 248.33  | 20,164,626                                   |
| 1995        | 1,132,416                      | 2,393,241                        | 211.34  | 17,756,116                                   |
| 1996        | 1,175,572                      | 2,975,445                        | 253.11  | 14,699,636                                   |
| 1997        | 1,510,414                      | 3,904,024                        | 258.47  | 13,481,729                                   |
| 1998        | 1,243,392                      | 4,932,693                        | 396.71  | 9,869,899                                    |
| 1999        | 1,181,101                      | 1,777,841                        | 150.52  | 8,092,058                                    |
| 2000        | 1,024,913                      | 1,724,588                        | 168.27  | 6,367,471                                    |
| 2001        | 888,855                        | 5,811,647 <sup>(2)</sup>         | 653.84  | 22,846,909 <sup>(1)</sup>                    |
| 2002        | 1,311,058                      | 2,179,885                        | 166.27  | 20,968,466                                   |

(1) ULID 90-4 in amount of \$18,068,202 was added in 2001. The first installment is due January 2002.

(2) Prepayments of \$4,222,794 were received during the interest free period of ULID 90-4..

TABLE 6B

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
ROAD IMPROVEMENT DISTRICTS  
LAST TEN FISCAL YEARS**

| <u>YEAR</u> | <u>ASSESSMENT<br/>BILLINGS</u> | <u>ASSESSMENTS<br/>COLLECTED</u> | <u>RATIO OF<br/>COLLECTIONS<br/>TO BILLINGS</u> | <u>TOTAL<br/>OUTSTANDING<br/>ASSESSMENTS</u> |
|-------------|--------------------------------|----------------------------------|---|--|
| 1993        | \$ 104,245                     | \$ 159,438                       | 152.95  | \$ 646,395                                   |
| 1994        | 75,914                         | 458,114                          | 603.46  | 542,816                                      |
| 1995        | 61,378                         | 158,484                          | 258.21  | 384,332                                      |
| 1996        | 55,485                         | 100,003                          | 180.23  | 284,331                                      |
| 1997        | 49,466                         | 114,628                          | 231.73  | 202,131                                      |
| 1998        | 46,520                         | 93,094                           | 200.12  | 130,744                                      |
| 1999        | 20,316                         | 45,138                           | 222.18  | 85,605                                       |
| 2000        | 16,790                         | 22,327                           | 132.98  | 63,278                                       |
| 2001        | 14,349                         | 26,741                           | 186.36  | 36,537                                       |
| 2002        | 10,674                         | 19,191                           | 179.79  | 17,345                                       |

TABLE 7

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA**

**LAST TEN FISCAL YEARS**

| <u>FISCAL YEAR<br/>ENDED<br/>DECEMBER 31</u> | <u>POPULATION</u> | <u>ASSESSED<br/>VALUE<br/>(IN 000's)</u> | <u>GROSS<br/>BONDED<br/>DEBT</u> | <u>DEBT<br/>PAYABLE<br/>FROM<br/>PROPRIETARY<br/>FUNDS</u> | <u>AVAILABLE<br/>DEBT<br/>SERVICE<br/>MONIES</u> | <u>NET<br/>BONDED<br/>DEBT</u> | <u>RATIO OF<br/>NET BONDED<br/>DEBT TO<br/>ASSESSED<br/>VALUE</u> | <u>NET<br/>BONDED<br/>DEBT PER<br/>CAPITA</u> |
|--|-------------------|--|----------------------------------|--|--|--------------------------------|---|---|
| 1993   | 640,700           | \$ 24,493,559                            | \$ 27,565,000                    | \$ 11,770,000  | \$ 39,224  | \$ 15,755,776                  | 0.0006  | \$ 24.59                                      |
| 1994   | 648,900           | 26,139,030                               | 38,205,000                       | 10,845,000   | 118,829  | 27,241,171                     | 0.0010  | 41.98   |
| 1995   | 660,200           | 28,112,803                               | 36,000,000                       | 9,850,000  | 67,235   | 26,082,765                     | 0.0009  | 39.51   |
| 1996   | 665,200           | 29,758,323                               | 33,445,000                       | 8,790,000  | 179  | 24,654,821                     | 0.0008  | 37.06   |
| 1997   | 673,900           | 31,696,029                               | 32,810,000                       | 7,885,000  | 38,875   | 24,886,125                     | 0.0008  | 36.93   |
| 1998   | 686,800           | 33,743,694                               | 32,390,000                       | 6,625,000  | 8,076  | 25,756,924                     | 0.0008  | 37.50   |
| 1999   | 700,000           | 35,243,497                               | 31,620,000                       | 5,305,000  | 455,501  | 25,859,499                     | 0.0007  | 36.94   |
| 2000   | 706,000           | 37,932,382                               | 65,065,000                       | 3,930,000  | 1,725,662  | 59,409,338                     | 0.0016  | 84.15   |
| 2001   | 713,400           | 41,464,255                               | 61,335,000                       | 2,490,000  | 727,317  | 58,117,683                     | 0.0014  | 81.47   |
| 2002   | 725,000           | 45,019,205                               | 57,275,000                       | 1,275,000  | 516,563  | 55,483,437                     | 0.0012  | 76.53   |

TABLE 8

## COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2002

Under Washington State law, a county may issue general obligation debt for general county purposes in an amount not to exceed 2.5% of actual value of all taxable property. Unlimited tax debt requires an approving vote of the people; and any election to validate general obligation debt must have a voter turnout of at least 40% of those who voted in the last state general election and of those voting 60% must be in the affirmative. The County Council may, by ordinance, authorize the issuance of limited tax general obligation debt in an amount up to 1.5% of the actual valuation within the county without a vote of the people. No combination of limited or unlimited tax debt may exceed 2.5% of the actual valuation. The debt service on unlimited tax debt is secured by excess tax levies, whereas the debt service on limited tax debt is secured by taxes collected within the \$1.80 per \$1,000 of assessed value county operating levy.

|  |    |                  |                         |
|--|----|------------------|-------------------------|
| Assessed Valuation (Property Value)                                |    | \$               | 45,019,204,999          |
| A. Inside Levy (Issued without vote of the people)                 |    |                  |                         |
| Legal Limit (1.5% of property value)                               |    |                  | 675,288,075             |
| Amount of Debt Applicable to Debt Limit:                           |    |                  |                         |
| Limited Tax General Obligation Bonds                               | \$ | 56,000,000       |                         |
| Limited Tax General Obligation Proprietary Type                    |    | 1,275,000        |                         |
| Compensated Absences   |    | 15,271,000       |                         |
| Installment Contract   |    | <u>2,549,752</u> |                         |
| Total Limited Tax General Obligation Debt                          |    |                  | 75,095,752              |
| Less:  |    |                  |                         |
| Assets Available For Payment of Principal<br>in Debt Service Funds | \$ | <u>516,563</u>   |                         |
| Net Limited Tax General Obligation Debt                            |    |                  | <u>74,579,189</u>       |
| Limited Tax General Obligation Debt Margin                         |    |                  | <u>\$ 600,708,886</u>   |
| B. Outside Levy (Issued with vote of the people)                   |    |                  |                         |
| Legal Limit (2.5% of property value)                               |    | \$               | 1,125,480,125           |
| Less:  |    |                  |                         |
| Amount of Debt Applicable to Debt Limit                            |    |                  | -                       |
| Net Limited General Obligation Debt                                |    |                  | <u>74,579,189</u>       |
| Total General Obligation Debt Margin                               |    |                  | <u>\$ 1,050,900,936</u> |

(1) SOURCE: Annual statement of 2001 assessment values of property taxes payable in 2002 prepared by Assessor-Treasurer.

TABLE 9

**COMPUTATION OF  
DIRECT AND OVERLAPPING DEBT**

December 31, 2002

| <u>JURISDICTION</u>               | <u>NET DEBT<br/>OUTSTANDING</u> | <u>PERCENTAGE<br/>APPLICABLE TO<br/>PIERCE COUNTY</u> | <u>AMOUNT<br/>APPLICABLE TO<br/>PIERCE COUNTY</u> |
|-----------------------------------|---------------------------------|---|---|
| Direct Debt:                      |                                 |   |   |
| Pierce County                     | <u>\$ 56,000,000</u>            | 100%  | <u>\$ 56,000,000</u>                              |
| Overlapping Debt:                 |                                 |   |   |
| Cities And Towns                  | 179,459,782                     | 100%  | 179,459,782                                       |
| Port Of Tacoma                    | 44,835,000                      | 100%  | 44,835,000  |
| School Districts                  | 800,606,906                     | 100%  | 800,606,906                                       |
| Fire Protection Districts         | 24,396,604                      | 100%  | 24,396,604  |
| Park Districts                    | 30,415,754                      | 100%  | 30,415,754  |
| Rural Library District            | -                               | 100%  | -   |
| Pierce Transit                    | <u>3,585,000</u>                | 100%  | <u>3,585,000</u>                                  |
| Total Overlapping Debt            | <u>1,083,299,046</u>            |   | <u>1,083,299,046</u>                              |
| Total Direct And Overlapping Debt | <u>\$ 1,139,299,046</u>         |   | <u>\$ 1,139,299,046</u>                           |

TABLE 10

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

**LAST TEN FISCAL YEARS**

| <b>FISCAL YEAR<br/>ENDED<br/>DECEMBER 31</b> | <b>PRINCIPAL</b> | <b>INTEREST<br/>AND<br/>FISCAL<br/>CHARGES</b> | <b>TOTAL<br/>DEBT<br/>SERVICE</b> | <b>TOTAL<br/>GENERAL<br/>EXPENDITURES</b> | <b>RATIO OF<br/>DEBT SERVICE<br/>TO TOTAL<br/>GENERAL<br/>EXPENDITURES</b> |
|--|------------------|--|-----------------------------------|---|--|
| 1993   | \$ 875,000       | \$ 1,135,547                                   | \$ 2,010,547                      | \$ 210,489,499                            | 0.96 %   |
| 1994   | 935,000          | 980,427  | 1,915,427                         | 256,075,796                               | 0.75   |
| 1995   | 1,210,000        | 1,955,574                                      | 3,165,574                         | 279,614,698                               | 1.13   |
| 1996   | 1,495,000        | 1,526,543                                      | 3,021,543                         | 304,223,231                               | 0.99   |
| 1997   | 1,765,000        | 1,289,667                                      | 3,054,667                         | 318,674,490                               | 0.96   |
| 1998   | 1,860,000        | 1,348,556                                      | 3,208,556                         | 322,594,165                               | 0.99   |
| 1999   | 1,980,000        | 1,356,456                                      | 3,336,456                         | 338,920,107                               | 0.98   |
| 2000   | 2,180,000        | 1,409,828                                      | 3,589,828                         | 367,281,437                               | 0.98   |
| 2001   | 2,290,000        | 2,796,508                                      | 5,086,508                         | 431,011,227                               | 1.18   |
| 2002   | 2,845,000        | 3,176,945                                      | 6,021,945                         | 436,273,482                               | 1.38   |

TABLE 11

## REVENUE BOND COVERAGE FOR SEWER REVENUE BONDS

## LAST TEN FISCAL YEARS

|   | 1993          | 1994          | 1995          | 1996          | 1997          | 1998          | 1999          | 2000          | 2001          | 2002          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating Revenues                                  | \$ 16,082,100 | \$ 16,273,988 | \$ 16,986,405 | \$ 17,621,750 | \$ 18,113,682 | \$ 18,794,410 | \$ 19,378,300 | \$ 20,384,490 | \$ 21,188,967 | \$ 22,042,618 |
| Connection Charges                                  | 2,946,847     | 4,575,836     | 5,700,068     | 4,303,900     | 5,895,480     | 5,191,625     | 5,777,440     | 5,555,700     | 4,581,127     | 4,510,053     |
| Unrestricted Investment Income                      | 617,840       | 770,486       | 1,368,900     | 1,687,214     | 2,076,035     | 2,473,184     | 2,420,502     | 3,107,936     | 2,583,830     | 1,279,281     |
| Miscellaneous Adjustments                           | 440,860       | (52,144)      | (1,064,867)   | (92,790)      | 97,486        | 211,684       | 440,854       | (236,135)     | (654,332)     | (1,406,637)   |
| Total Revenue                                       | 20,087,647    | 21,568,166    | 22,990,506    | 23,520,074    | 26,182,683    | 26,670,903    | 28,017,096    | 28,811,991    | 27,699,592    | 26,425,315    |
| Less: Operating And<br>Maintenance Expense (1)      | 9,170,098     | 10,245,779    | 10,535,562    | 10,715,715    | 11,826,942    | 12,686,774    | 13,583,893    | 13,402,792    | 14,579,694    | 16,103,995    |
| Net Revenue Available                               | \$ 10,917,549 | \$ 11,322,387 | \$ 12,454,944 | \$ 12,804,359 | \$ 14,355,741 | \$ 13,984,129 | \$ 14,433,203 | \$ 15,409,199 | \$ 13,119,898 | \$ 10,321,320 |
| Assessment Collections<br>And Withdrawals (3)       | —             | 3,742,862     | 4,297,041     | 4,134,704     | 4,027,320     | 3,985,945     | 3,826,496     | 3,664,786     | 7,116,186     | 2,635,263     |
| Net Revenue And Assessment<br>Collections Available | \$ 10,917,549 | \$ 15,065,249 | \$ 16,751,985 | \$ 16,939,063 | \$ 18,383,061 | \$ 17,970,074 | \$ 18,259,699 | \$ 19,073,985 | \$ 20,236,084 | \$ 12,956,583 |
| Required Annual Debt Service:                       |               |               |               |               |               |               |               |               |               |               |
| Revenue Bonds (2)                                   | \$ —          | \$ 3,742,862  | \$ 4,297,041  | \$ 4,134,704  | \$ 4,027,320  | \$ 3,985,945  | \$ 3,826,496  | \$ 3,664,786  | \$ 7,631,686  | \$ 2,953,099  |
| Reserve Account Deposit (4)                         | 3,210,522     | —             | —             | —             | —             | —             | —             | —             | —             | —             |
| G.O./Revenue Bonds                                  | 1,378,545     | 1,384,035     | 1,384,328     | 1,378,948     | 1,386,564     | 1,349,541     | 1,352,311     | 1,344,474     | 1,342,626     | 1,336,706     |
| Total   | \$ 4,589,067  | \$ 5,126,897  | \$ 5,681,369  | \$ 5,513,652  | \$ 5,413,884  | \$ 5,335,486  | \$ 5,178,807  | \$ 5,009,260  | \$ 8,974,312  | \$ 4,289,805  |
| Debt Service Coverage:                              |               |               |               |               |               |               |               |               |               |               |
| Assessment and/or<br>Revenue Bonds                  | —             | 4.03%         | 3.90%         | 4.10%         | 4.56%         | 4.51%         | 4.77%         | 5.20%         | 2.65%         | 4.39%         |
| All Bonds   | 2.38%         | 2.94%         | 2.95%         | 3.07%         | 3.40%         | 3.37%         | 3.53%         | 3.81%         | 2.25%         | 3.02%         |

(1) Per the bond covenants, maintenance and operating expenses exclude depreciation and amortization of the utility plant.

(2) In 1985, all outstanding sewer revenue and assessment bonds were refunded. The refunding bond covenants required that the bonds be allocated into sewer revenue and assessment bonds in relation to the respective amounts of each type of bonds outstanding at the time of issuance of the new bonds. All future parity bonds issued in excess of the pledged assessment rolls are deemed to be sewer revenue bonds.

(3) In 1993, all outstanding sewer revenue and assessment bonds were refunded. The new bonds and future parity bonds are now revenue bonds.

(4) The required Reserve Account deposit is a result of the 1993 refunding of the then outstanding revenue bonds.

TABLE 12

## DEMOGRAPHIC STATISTICS

## LAST TEN FISCAL YEARS

| <u>FISCAL YEAR<br/>ENDED<br/>DECEMBER 31</u> | <u>POPULATION (1)</u> | <u>SCHOOL<br/>ENROLLMENT (2)</u> | <u>UNEMPLOYMENT<br/>RATE</u> |
|--|-----------------------|----------------------------------|------------------------------|
| 1993   | 640,700               | 122,218                          | 7.5 %                        |
| 1994   | 648,900               | 124,664                          | 6.5                          |
| 1995   | 660,200               | 126,487                          | 6.2                          |
| 1996   | 665,200               | 129,116                          | 6.3                          |
| 1997   | 673,900               | 132,101                          | 4.5                          |
| 1998   | 686,800               | 134,212                          | 4.5                          |
| 1999   | 700,000               | 134,635                          | 4.6                          |
| 2000   | 701,000               | 135,476                          | 5.2                          |
| 2001   | 713,400               | 137,334                          | 6.4                          |
| 2002   | 725,000               | 139,759                          | 6.7                          |

TABLE 13

## PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

## LAST TEN FISCAL YEARS

| FISCAL YEAR<br>ENDED<br>DECEMBER 31 | ASSESSED                                   | BUILDING |                       | COMMERCIAL<br>BANK<br>DEPOSITS |
|-------------------------------------|--|----------|-----------------------|--------------------------------|
|                                     | VALUATION<br>REAL AND PERSONAL<br>PROPERTY | QUANTITY | PERMITS (1)<br>AMOUNT |                                |
| 1993                                | \$ 24,493,558,730                          | 8,693    | \$ 617,831,036        | \$ 6,286,839,000 (2)           |
| 1994                                | 26,139,029,809                             | 8,358    | 626,812,382           | 5,805,524,000 (2)              |
| 1995                                | 28,112,803,032                             | 8,141    | 521,650,520           | 5,675,462,000 (2)              |
| 1996                                | 29,758,323,316                             | 9,065    | 589,157,067           | 5,499,943,000 (2)              |
| 1997                                | 31,696,028,551                             | 10,167   | 691,657,810           | 4,252,865,000 (3)              |
| 1998                                | 33,743,693,542                             | 11,066   | 766,255,496           | 4,380,750,000 (3)              |
| 1999                                | 35,243,497,408                             | 11,259   | 842,407,806           | 4,449,677,000 (3)              |
| 2000                                | 37,932,381,976                             | 10,155   | 863,040,316           | 4,808,000,000 (3)              |
| 2001                                | 41,464,254,654                             | 8,943    | 901,035,026           | 5,331,706,000 (3)              |
| 2002                                | 45,019,204,999                             | 9,826    | 979,226,705           | 5,652,000,000 (3)              |

Sources: (1) The City of Tacoma, City of Lakewood and Pierce County Building Departments

(2) Key Bank of Washington at December 31.

(3) FDIC at June 30.

TABLE 14

## PRINCIPAL TAXPAYERS

December 31, 2002

| TAXPAYER  | TYPE OF BUSINESS                 | 2001<br>ASSESSED<br>VALUATION (1) | PERCENTAGE<br>OF TOTAL<br>ASSESSED<br>VALUATION |
|---|----------------------------------|-----------------------------------|---|
| Puget Sound Energy  | Electric and Natural Gas Utility | \$ 383,779,197                    | 0.85%   |
| The Boeing Company (2)  | Airplane Manufacturer            | 338,732,846                       | 0.75  |
| U.S. West Communications, Inc.  | Telecommunications               | 233,703,974                       | 0.52  |
| Fred Meyer Stores   | Retail Sales                     | 153,102,628                       | 0.34  |
| Intel Corporation   | Semiconductor Manufacturer       | 125,998,345                       | 0.28  |
| Leroy Miller/Tacoma Mall Corporation  | Retail Shopping Mall             | 121,060,318                       | 0.27  |
| Simpson Tacoma Kraft Company  | Paper and Pulp Mill              | 118,595,729                       | 0.26  |
| NWBC dba Lakewood Industrial Park   | Industrial Park                  | 113,267,746                       | 0.25  |
| ERP Operating LP/Holly Property Holdings Inc.<br>/Holly Residential Properties/Wellsford Developers | Construction                     | 108,135,042                       | 0.24  |
| Costco Wholesale corp.  | Retail Sales                     | 95,026,208                        | 0.21  |
| Oscar Hokold  | Rental Properties/Development    | 92,021,654                        | 0.20  |
| South Hill Co./Cafaro Co.   | Retail Shopping Mall             | 82,776,500                        | 0.18  |
| Microchip Technology, Inc.  | Electronics Manufacturer         | 82,606,556                        | 0.18  |
| Glacier Northwest, Inc  | Construction                     | 75,477,969                        | 0.17  |
| Weyerhaeuser Company<br>/Weyerhaeuser Real Estate   | Wood Products/Real Estate        | 75,175,312                        | 0.17  |
| Telephone Trans-Pacific Corp. I, II, & III  | Industrial Park                  | 70,634,335                        | 0.16  |
| Western Washington Fair   | State Fair                       | 54,413,539                        | 0.12  |
| Telephone Utilities Of WA, Inc  | Telecommunications Services      | 54,364,099                        | 0.12  |
| State Farm Mutual Automobile Insurance  | Insurance Company                | 51,475,167                        | 0.11  |
| Toray Composites, Inc.  | Composite Manufacturing          | 46,787,587                        | 0.10  |
| Frederickson Power  | Electric Utility                 | 46,657,820                        | 0.10  |
| Peninsula Light Co.   | Electric Utility                 | 43,164,291                        | 0.10  |
| Pioneer Chlor Alkali Co.. Inc   | Petroleum Refining               | 40,426,533                        | 0.09  |
| Sprint Corp.  | Telecommunications               | 40,225,014                        | 0.09  |
| Total Assessed Valuation of Principal Taxpayers   |                                  | <u>\$ 2,647,608,409</u>           | <u>5.88%</u>                                    |
| Total 2001 Taxable Value of Pierce County (3)   |                                  | <u>\$ 45,019,204,999</u>          | <u>100.00%</u>                                  |

(1) Totals include valuation of real, personal and operating properties.

(2) Disputed value of \$247 million has been removed per RCW 84.52.018.

(3) 2001 taxable value is basis for 2002 property tax levies.

**MISCELLANEOUS STATISTICS**

December 31, 2002

*Pierce County*, incorporated in 1852, operates under a Home Rule Charter adopted by a vote of the citizens of the County in 1980 and is organized under the Executive-Council form of government. The county is the second most populous county in Washington with an estimated 2002 population of 725,000. There are 21 incorporated cities and towns within the county. Tacoma, the county seat, is the state's third largest city.

The county covers 1,794 square miles (1676 of land and 118 of water). Altitudes in the county range from sea level on Puget Sound to the peak of Mount Rainier at 14,411 feet. *Pierce County* has approximately 125 miles of saltwater shoreline and an abundance of lakes and national forests for excellent recreational opportunities. The county's transportation system consists of 1,500 miles of roadway, 150 bridges, 60 traffic signals, and a ferry operation. Commencement Bay, the principal port area of *Pierce County* and one of the world's finest deep water harbors, is an arm of Puget Sound which opens to the Pacific Ocean.

*Pierce County* possesses a varied economy. The deep water Port of Tacoma which is now the second largest port in Washington and one of the largest in the world contributes significantly to the County's position as a major regional trade and service center. The manufacturing sector produces lumber and wood products, metals, chemicals, food clothing, computer/semiconductor chips and parts, and airplane parts. Agricultural products include berries, lettuce, beans, cabbage, and daffodil bulbs. The county is the nation's number one producer of rhubarb.

*Pierce County* is an important rail center served by two transcontinental railroads: Union Pacific and Burlington Northern Santa Fe. Seattle-Tacoma International Airport is located about 20 miles north of Tacoma. Over 200 motor freight lines provide local and long-distance hauling services. Interstate Highway 5 (the major north-south route on the west coast) passes directly through Tacoma. Additionally, the local area is served by extensive ferry and transit systems, and by a well-developed network of highways and freeways. The toll free Narrows Bridge provides direct access to residential and recreational areas of the Olympic Peninsula.

**MAJOR CORPORATE EMPLOYERS**

|  |       |
|--|-------|
| Multicare Health Systems .....                 | 4,519 |
| Franciscan Health System .....                 | 2,892 |
| Good Samaritan Hospital .....                  | 1,600 |
| Intel Corporation .....                        | 1,500 |
| Fred Meyer Stores .....                        | 1,093 |
| The Boeing Company (Frederickson site).....    | 1,000 |
| Albertson's Inc.....                           | 958   |
| State Farm Insurance Companies .....           | 952   |
| Frank Russell Co. - Investment Management..... | 950   |
| Supervalu .....                                | 776   |

**EDUCATION**

Educational needs within *Pierce County* are provided by 15 school districts. Four institutions of higher learning, Pacific Lutheran University, University of Puget Sound, Tacoma Community College, and Pierce College, have main campuses located in the county. Evergreen State College, City University, and the University of Washington each maintain a branch campus in Tacoma. In addition, Washington State University operates agricultural extension programs in the county.

**LABOR FORCE AND EMPLOYMENT IN TACOMA-PIERCE COUNTY**

The labor data on the following page is based on the resident labor force for the Tacoma Metropolitan Statistical Area (an area coterminous with *Pierce County*). The labor data presented is compiled by the State of Washington Employment Security Department and represents average monthly employment levels for each year.

**NONAGRICULTURAL EMPLOYMENT  
IN TACOMA PMSA (PIERCE COUNTY)**  
Annual Average Employment

| INDUSTRY                                     | 2001    | 2000    | 1999    | 1998    | 1997    | 1996    | 1995    | 1994    | 1993    | 1992    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>TOTAL (1)</b>                             | 243,300 | 247,000 | 243,600 | 235,000 | 232,900 | 221,600 | 217,500 | 212,600 | 206,500 | 203,700 |
| <b>MANUFACTURING</b>                         | 23,300  | 22,500  | 23,600  | 25,600  | 27,400  | 24,000  | 22,500  | 21,900  | 20,500  | 23,300  |
| Food & Kindred Products                      | 1,900   | 1,700   | 2,100   | 2,400   | 3,100   | 2,800   | 2,900   | 2,800   | 2,700   | 2,700   |
| Textiles & Apparel                           | 1,200   | 1,000   | 1,100   | 1,500   | 1,400   | 1,400   | 1,300   | 1,300   | 1,000   | 4,200   |
| Lumber & Wood Products                       | 3,800   | 3,800   | 3,900   | 4,100   | 4,000   | 4,000   | 3,900   | 4,100   | 3,900   | 4,200   |
| Paper & Allied Products                      | 1,400   | 1,300   | 1,400   | 1,500   | 1,500   | 1,400   | 1,500   | 1,400   | 1,400   | 1,900   |
| Printing, Publishing & Allied Products       | 2,400   | 2,300   | 2,200   | 2,400   | 2,700   | 2,400   | 2,400   | 2,200   | 1,900   | 1,300   |
| Concrete, Stone, Clay & Glass                | 1,500   | 1,500   | 2,700   | 1,400   | 1,300   | 1,400   | 1,400   | 1,400   | 1,400   | 1,300   |
| Metals, Primary & Fabricated                 | 2,400   | 2,400   | 2,000   | 2,100   | 1,900   | 1,900   | 1,900   | 1,600   | 1,600   | 1,600   |
| Industrial Machinery & Equipment             | 2,500   | 2,500   | 2,700   | 3,300   | 4,600   | 2,500   | 1,600   | 1,400   | 1,300   | 1,300   |
| Transportation Equipment                     | 2,300   | 2,100   | 2,400   | 2,800   | 900     | 900     | 900     | 900     | 900     | 1,000   |
| Rubber & Plastic Products                    | 1,800   | 1,400   | 1,500   | 2,000   | 1,700   | 1,300   | 1,000   | 1,200   | 1,100   | 500     |
| Other Manufacturing                          | 2,100   | 2,500   | 1,600   | 2,100   | 4,300   | 4,000   | 3,700   | 3,600   | 3,200   | 3,200   |
| <b>MINING</b>                                | 200     | 200     | 200     | 200     | 200     | 200     | 200     | 200     | 200     | 200     |
| <b>CONSTRUCTION</b>                          | 16,000  | 16,600  | 13,700  | 13,300  | 12,200  | 12,300  | 12,100  | 12,100  | 11,300  | 11,000  |
| <b>TRANSPORTATION &amp; PUBLIC UTILITIES</b> | 10,600  | 9,100   | 9,800   | 9,200   | 10,500  | 10,000  | 9,900   | 9,900   | 9,700   | 9,600   |
| <b>WHOLESALE &amp; RETAIL TRADE</b>          | 59,700  | 60,800  | 61,300  | 58,400  | 59,300  | 54,800  | 56,000  | 53,700  | 52,000  | 51,000  |
| <b>FINANCE, INSURANCE &amp; REAL ESTATE</b>  | 13,300  | 12,900  | 13,300  | 12,500  | 11,300  | 11,400  | 11,000  | 11,200  | 11,400  | 10,400  |
| <b>SERVICES</b>                              | 70,300  | 73,100  | 71,200  | 67,400  | 64,100  | 62,300  | 59,200  | 57,800  | 56,400  | 54,100  |
| <b>GOVERNMENT</b>                            | 50,000  | 51,800  | 50,500  | 48,400  | 47,900  | 46,700  | 46,600  | 45,800  | 45,000  | 44,100  |

Source: Washington State Department of Employment Security

(1) Excludes proprietors, self-employed, members of armed services, workers in private households and agriculture.

Includes full-and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

**INDUSTRY**

The principal industrial area of Tacoma, the Port of Tacoma Industrial District, is home of North America's sixth-largest port. Situated on Commencement Bay, the Port of Tacoma covers over 3,000 acres and can accommodate vessels of any draft. The Port of Tacoma revolutionized west-coast cargo transfer as the first port to build an on-dock intermodal rail yard. The port currently uses 2,400 acres of land for terminal activity and industrial development and has about 700 acres in reserve for future development. The Port recently expanded terminal space and upgraded equipment to accept post-panamax vessels, a class of cargo ship so huge it cannot squeeze through the Panama Canal.

Nearby are Fort Lewis, an 86,000-acre army base including Madigan General Hospital, and McChord Air Force Base, a major air force installation of 5,000 acres. Combined the military facilities employ about 33,000 people, including both military and civilian personnel.

TABLE 16

## SEWER UTILITY CUSTOMER STATISTICS

| Wastewater Treated<br>(in Millions of Gallons Per Day (MGPD)) |       | Customers Connected<br>at December 31 |                        |
|---|-------|---------------------------------------|------------------------|
| Year  | MGPD  | Residential<br>Units                  | Commercial<br>Accounts |
| 1993  | 12.14 | 49,072                                | 1,862                  |
| 1994  | 12.36 | 50,027                                | 1,891                  |
| 1995  | 13.38 | 54,344                                | 2,012                  |
| 1996  | 14.73 | 55,569                                | 2,033                  |
| 1997  | 15.56 | 57,865                                | 2,103                  |
| 1998  | 14.90 | 59,830                                | 2,138                  |
| 1999  | 16.30 | 62,856                                | 2,159                  |
| 2000  | 14.41 | 65,745                                | 2,216                  |
| 2001  | 15.18 | 68,247                                | 2,231                  |
| 2002  | 16.38 | 70,395                                | 2,273                  |

## Customer Rate Structure

| Customer<br>Class       | Rate<br>Methodology  | Rate                             |
|-------------------------|--|----------------------------------|
| Single Family Residence | Fixed Monthly  | \$ 19.45                         |
| Multi-Family Residence  | Fixed Monthly  | 17.64                            |
| Commercial SIC Class #1 | 0-300 mg/1 BOD or SS<br>Plus \$ /CCF Usage   | 7.50<br>1.76                     |
| Commercial SIC Class #2 | 301-500 mg/ 1 BOD or SS<br>Plus \$/CCF Usage   | 7.50<br>2.35                     |
| Commercial SIC Class #3 | 501-700 mg/ 1 BOD or SS<br>Plus \$/CCF Usage   | 7.50<br>2.54                     |
| Commercial SIC Class #4 | 701-900 mg/ 1 BOD or SS<br>Plus \$/CCF Usage   | 7.50<br>3.53                     |
| Commercial SIC Class #5 | Over 900 mg/ 1 BOD or SS<br>Plus \$/CCF Usage<br>Plus \$/LB for BOD<br>Plus \$/LB for SS | 7.50<br>1.16<br>0.1304<br>0.2886 |

