



# *Annual Comprehensive Financial Report*

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**Year Ended** December 31, 2023  
Pierce County, Washington



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## Annual Comprehensive Financial Report

Year Ended December 31, 2023

Pierce County, Washington

**Mike Griffus** Chief Executive Officer

**Prepared by The Finance Division**

**Christopher Schuler** Chief Financial Officer

**Danette Rogers** Finance Manager

# *A Message from the CEO*

In 2023, Pierce Transit laid the groundwork for future improvements, including adopting **ORCA LIFT**, a reduced fare program that decreases barriers to using public transportation; making our fleet cleaner and greener by switching all diesel-powered vehicles to **Renewable Diesel**; introducing **battery electric vehicles** into our agency and Rideshare fleets; and launching Runner on-demand service in Puyallup.

We also **focused on safety**, rounding out our Public Safety workforce to support a safe transit experience for you.

In 2023 we spent a lot of time with you – the people of Pierce County – attending more than **100 outreach events** to talk with you about our agency's services, collecting your feedback and suggestions to improve our services, and helping with community events, such as providing express rides to the **JBLM Airshow & Warrior Expo**.

Again, thank you for your **ongoing support** of your local transit service, Pierce Transit. We look forward to serving you in even more ways in 2024.



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**Pierce Transit**  
**Annual Comprehensive Financial Report**  
**Year Ended December 31, 2023**

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# *Your Ride, Your Way*

**In the summer of 2023, Pierce Transit launched its “Bus System Recovery Plan” public involvement process to strategically increase transit service.**

The process was designed to help Pierce Transit better understand customers’ current needs and how to bounce back from the impacts of the COVID-19 pandemic, including recommendations for service options that will help improve mobility for all residents, current riders, and future riders.

We conducted open houses and surveys, asking the public to weigh in on how the agency should prioritize its limited resources and what services are most important. The community responded that they would like to see more frequent bus service, and more expanded hours of service. Based on this public input, Pierce Transit created a Recovery Plan that will enhance bus service in six phases, as staffing and funding allow. Pierce Transit’s Planning department embarked on an unprecedented approach to align routes and schedules, improve service connectivity for passengers, boost on-time performance, and reduce split shifts for Bus Operators, supporting better work/life balance in our workforce.

We implemented the first phase of the plan in March 2024 with improved route schedules, a new on-demand Runner service in Gig Harbor, and the new Stream Community Line between Spanaway and Tacoma.



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June 25, 2024

Pierce County Public Transportation  
Benefit Area Corporation

To the Chair of the Board of Commissioners, Board of Commissioners and Citizens of Pierce County:

## **I. TRANSMITTAL OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT**

Pierce County Public Transportation Benefit Area Corporation (Pierce Transit) presents to you the Annual Comprehensive Financial Report (ACFR) for the year ending December 31, 2023. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not outweigh their benefits, Pierce Transit's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that its financial statements will be free from material misstatement. We believe the data, including management's discussion and analysis, the financial statements, supporting schedules and statistical tables, as presented, is accurate in all material aspects and that adequate internal controls are in place to ensure that it presents fairly the financial position and results of the operations of Pierce Transit. All disclosures necessary to enable the reader to gain the maximum understanding of Pierce Transit's business have been included.

The Washington State Auditor's Office has issued an unmodified ("clean") opinion on Pierce Transit's financial statements for the year ended December 31, 2023. The independent auditor's report is located at the front of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A.

Pierce Transit's Board of Commissioners has adopted operating, insurance and capital reserve policies to ensure that financial resources are managed in a prudent manner. More information on these reserve policies can be found in the MD&A section of this report.

## **II. PROFILE OF THE AGENCY**

The Pierce County Public Transportation Benefit Area Corporation, AKA "Pierce Transit," was formed in 1979 when voters passed a 0.3 % sales tax to fund public transportation. By authorizing this taxing authority, a municipal corporation was formed under Chapter 36.57A of the revised Code of Washington. In February 2002, Pierce County voters approved a ballot measure increasing local sales tax support from 0.3% to 0.6%. The current rate remains at .6%. The maximum sales tax percentage authorized to be levied is .9%.



Pierce Transit is a single enterprise that uses the same accrual method of accounting as a private enterprise. Under this method of accounting, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

Pierce Transit is governed by an appointed, ten-member Board of Commissioners. The Board is made of elected officials representing Pierce County, Tacoma, Lakewood, Puyallup, University Place, and the smaller towns and cities in Pierce Transit's service area, and one non-voting representative of the largest union representing Pierce Transit employees. Appointments are for three-year terms.

The Chief Executive Officer (CEO) is responsible for implementation of the policies authorized by the Board of Commissioners. To provide effective overall management for the Agency, the CEO has established five divisions: Administration, Finance, Service Delivery and Support, Maintenance, and Planning and Community Development.

Pierce Transit provides fixed route, specialized transportation (SHUTTLE), micro-transit (Runner), and rideshare (previously called vanpool) services. Rideshare matching services is provided to local and regional employers. Pierce Transit's fixed route bus service is provided along approximately 31 routes throughout Pierce County. This service is centered on a network of transit center hubs and park and ride lots. Pierce Transit supports regional express bus service in cooperation with Sound Transit, Puget Sound's Regional Transit Authority. Since 1999, the popular Seattle Express service from Lakewood to Seattle has been funded by Sound Transit and operated by Pierce Transit. Pierce Transit operates 11 routes for Sound Transit service. In 2023, Pierce Transit fixed route services carried 6.1 million passengers while Sound Transit services operated by Pierce Transit carried 2.8 million passengers for a combined total of 8.9 million passengers.

Specialized transportation services, known as SHUTTLE, is provided within  $\frac{3}{4}$  of a mile of our bus routes for individuals in the community with a qualifying that are unable to use fixed route bus services. SHUTTLE is provided directly by Pierce Transit employees and through contracts with local transportation providers. In 2023, total ridership was 262,611.

Micro-transit service, known as Runner, was added in late 2022 and an additional zone in Puyallup was added in November 2023. The service allows riders to use a mobile app or call for on-demand trips within specific zones in the agency's service area. Runner covers five zones: Joint-Base Lewis McChord, Tide Flats, Ruston, Spanaway, and Puyallup. In 2023, ridership was 15,786. The Runner service has been proven to be successful and continues to grow. There are more zones in the planning.

In 2023, Pierce Transit, along with other transit agencies in Washington, transitioned the name of our Vanpool program to Rideshare. This new title reflects the many ways the service can be used. Instead of just vans, there are new options of vehicles such as SUVs and sedans that can accommodate smaller groups and there are different sizes of van available as well. Many of the new vehicles are also fuel-efficient and eco-friendly. The Rideshare (vanpool) program was added to the mix of services in 1986. With 412,041 annual passenger boardings, the Rideshare program accounted for 6.1% of the Agency's total ridership in 2023 (excluding Sound Transit ridership).





As in 2022, Pierce Transit saw an increase in ridership in 2023 on all modes of service. Overall ridership increased by 22.3% for the year.

## Strategic Plan

In 2023, Pierce Transit formed a focus group of employees across all divisions in the agency to review its Strategic Plan and provide the Executive Team a framework to build the new Strategic Plan. The process included many work sessions with a consultant, review, and revision of the plan by the Executive Team and Board input on the direction in which the agency should go. The 2024 Strategic Plan reflects the needs of today's customers, community, and employees. After many months of work, the final draft of the Strategic Plan was submitted to the Board of Commissioners for approval. The new Strategic Plan quickly became tagged "4 in 24." The 2024-2029 Strategic Plan establishes four major goals:

### **Goal 1 Adopt a "Customer First" Mindset**

The first corner of the "strategic building," and the foremost goal, is to foster a customer first mindset throughout our organization, ensuring that our riders' needs, comfort, safety, and satisfactions are at the heart of everything we do.

### **Goal 2 Engage With the Community Through Outreach, Partnerships, and Listening Opportunities**

Next to holding customers as the highest priority, ensuring the broader community is also engaged and supportive is critical to the long-term sustainability of the agency. Partnerships with public, community, and private organizations are critical to our role in the community and fulfilling our mission.

### **Goal 3 Elevate the Employee Experience**

Pierce Transit employees deliver essential services to the community and are the most important element of the agency. Quality services can only be provided with a dedicated, professional, engaged workforce. Therefore, employee retention and engagement should be a top agency priority.

### **Goal 4 Assure Sustainability of Agency's Finances, Infrastructure, and Environment**

The fourth corner of the "strategic building" is the agency's financial and physical assets. Ensuring that finances can sustain the agency's plan and that physical assets remain in quality and functional condition is essential to long-term sustainability. As a major source of vehicle emissions, it is also important that the agency meet the needs of the community and the riders for environmentally sound practices and emission policies.

The Strategic Plan is used to develop initiatives and action plans with specific measurable goals to help track progress toward achieving the desired outcomes.

## Long Term Financial and Service Planning

Pierce Transit updates its long term forecast annually in conjunction with the budget development. Assumptions used in the forecast model are based on several factors, including recent economic trends, external agency forecasts (such as the Washington State economic forecast), and internal agency trends and



plans as aligned with the Strategic Plan and other documents. The forecast model builds on the budget as a base for future years.

The outlook of long term financial and service planning is to create a budget that allows improving the experience of public transportation for our customers and laying the path for new and expanded services in the future. The agency continues to remain focused on restoring service back to pre-pandemic levels and the efforts showed with increased service hours and ridership in 2023. The effort will remain a focus in 2024 . There are some challenges to face, including staffing levers to meet service demands and growth as well as inflation in cost of goods and services.

The 2024 budgeted expenditures for all funds are approximately \$312 million, balanced by expected revenues and reserves. Sales tax is expected to generate \$113 million in revenue, making up 84% of the total budgeted operating revenues in 2024 (excluding the revenue from our contract to provide Sound Transit regional service). While sales tax collections are projected to increase above 2023 level, uncertainty exists around the future collections as there has been some signs of retail sales slowing. The six-year plan shows a modest 3.65 percent average annual increase, well below our historical average increase of 5.7 percent. Costs continue to escalate faster than prior years bringing another uncertainty. However, there is an effort on improving productivity, reducing costs, and obtaining grants for service and projects. Operating expenditures are increasing by 17.9 percent over 2023 levels, due primarily in filling vacant positions with an eye toward restoring service to 95 percent of pre-COVID levels. The budget includes 999 full-time equivalents (FTE) or 1,002 positions. Fixed-route service hours for 2024 are planned to be maintained at 475,000, just shy of the budgeted 500,000 service hours pre-COVID.

The Six-Year Financial Plan is sustainable for operations. Reserves and operating transfers will be used over the next six years to provide capital infrastructure that supports service plans. Additional grants and/or other funding sources will be required to fully implement the planned capital program. Reserves comply with required levels established by the Board of Commissioners. Reserves provide the ability to deal with adverse economic conditions, emergencies, and exposure to casualty and legal risks.

Pierce Transit's goal in long-term financial and service planning is to continue to build on our solid foundation to provide an improved public transportation system that meets the needs of our communities. The budget fully meets the agency's mission: Pierce Transit improves people's quality of life by providing, safe, reliable, and accessible transportation services that are locally based and regionally connected.

Some efforts in the 2024 budget that are direct outcomes of the Strategic Plan update include:

- **Support of Enhanced Bus Service on Pacific Avenue/State Route 7:** Our commitment to providing a higher level of bus service on Pacific Avenue/State Route 7 reflects our dedication to improving transportation accessibility along this vital corridor. This initiative includes increased frequency, improved bus stops, and better connectivity to key destinations, ensuring that our riders can enjoy a more efficient and convenient commute.
- **Continued planning for future high-capacity transit service in Pierce County:** We continue to plan for the future implementation of high-capacity transit options such as Enhanced Bus or Bus Rapid Transit



(BRT) in Pierce County. Both offer a faster, more reliable transit option, and we're committed to implementing and expanding this service to benefit residents and businesses in our community.

- **Support planning and improvements for the Building 1 maintenance facility:** With the pivot to Enhanced, replacing the existing maintenance facility is no longer necessary. Investment can now be planned for our current facility to ensure transit vehicles remain safe, reliable, and efficient. We will continue to invest in infrastructure improvements to support our operations and maintain the high standards of service our riders expect.
- **Further support of increased Operator recruitment and retention:** To provide reliable and consistent service, we recognize the importance of attracting and retaining skilled operators. We will continue our efforts to recruit and support operators to meet the growing demands of our transit system, ensuring that our riders can depend on us for their transportation needs.
- **Wayfinding improvement at Tacoma Dome Station:** We are committed to enhancing the rider experience by improving wayfinding at the Tacoma Dome Station. Clear signage and information systems will make it easier for transit passengers to navigate the station, find their bus or train, and make seamless connections to their destinations.
- **Additional electric charging infrastructure to service more electric support vehicles:** As part of our commitment to sustainability and reducing our carbon footprint, we will seek funding to increase our electric charging infrastructure. This investment would support our growing fleet of electric vehicles, ensuring they remain operational and contribute to a cleaner environment.
- **Support for a modern Enterprise Resource Planning (ERP) system:** We recognize the importance of efficient business operations and data-driven decision-making. Investing in a modern ERP system will streamline our internal processes, improve data visibility and financial transparency, and empower us to make more informed choices to benefit our riders and the community.
- **Improved cyber security and IT infrastructure resilience:** In an increasingly digital world, safeguarding our IT infrastructure and data is paramount. We will prioritize investments in cybersecurity to protect sensitive information, ensure system resilience, and provide a secure environment for both our operations and our riders.

The top priorities include:

- **Transit center security:** Ensuring the safety and security of our riders and facilities remains a top priority. The agency will continue to invest in measures and technology to enhance transit center security, creating a safe and welcoming environment for all passengers.
- **Enhanced employee safety initiatives:** Our employees are the backbone of our organization, and their safety is paramount. We will build on our existing safety initiatives to provide a work environment that prioritizes the well-being of our staff, ensuring they can perform their roles effectively and safely.
- **Diversity, equity, and inclusion:** We are committed to fostering a diverse, equitable, and inclusive workplace and service environment. Our efforts in this regard will continue, promoting diversity at all levels of our organization and ensuring equitable access to our services for all members of our community.
- **Employee development:** Investing in the growth and development of our employees is essential for maintaining high-quality service. We will continue to provide opportunities for skill enhancement and career advancement, ensuring our workforce remains skilled and motivated.



- **Focus on innovative ways to provide service and increase ridership:** Innovation is key to the future of public transportations. We will remain dedicated to exploring and implementing innovative approaches to providing transit services, which will help attract more riders and meet the changing needs of our community.

These initiatives reflect our ongoing commitment to delivering safe, reliable, and accessible transportation services while addressing the needs of our community and ensuring the well-being of our riders and employees.

### III. ECONOMIC CONDITION AND OUTLOOK

It is essential to recognize the evolving landscape in which we operate. While ridership is trending toward pre-pandemic levels, the lingering effects of the post-COVID economic disruption continue to impact Pierce Transit on multiple fronts. Controlling the overall cost of services and projects remains a paramount concern. We must acknowledge the challenges posed by inflation, including uncertainties related to future fuel and vehicle prices, which will impact the cost-of-service delivery over the next few years. Moreover, supply chain disruptions and prolonged delivery times are still adding complexity to our capital projects. These challenges are considered when we assess our services, staffing, and financial resources, alongside various economic forecasts, to develop a comprehensive financial outlook. Our primary revenue source, sales tax, is closely tied to local economic conditions and retail spending. While we observed a significant rebound in consumer spending through 2022, economic uncertainties, including the possibility of a recession, necessitate ongoing monitoring and potential adjustments. Funding received for transit support from the state of Washington's Climate Control Act is potentially at risk should I-2117 pass in November's election. The loss of funding could impact service expansion.

Recruitment challenges persist as well, particularly for operators and maintenance roles, despite the region's growing working-age population. Returning to previous service levels depends on increased workforce availability and funding that aligns with escalating service costs.

The agency will continue to monitor economic conditions with a watchful eye throughout 2024, using resources effectively and efficiently, and adjusting as needed to ensure financial sustainability.

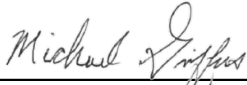
### IV. AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pierce Transit for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the 39th year that Pierce Transit has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to conform to Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.



Grateful acknowledgement is made to the entire staff of the Finance and Marketing Departments for their assistance in preparing this report. Special acknowledgement is also made to the Office of the State Auditor to provide a timely audit and opinion so that this annual comprehensive financial report could be submitted to the Government Finance Officers Association for their review and evaluation in accordance with that organization's deadlines. Finally, we wish to thank the members of the Pierce Transit Board of Commissioners for their support and assistance in the development of a strong financial system.



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Michael Griffus  
Chief Executive Officer



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Christopher Schuler  
Chief Financial Officer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Pierce Transit  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



# Board of Commissioners (as of February 2024)

Pierce Transit is a separate municipal corporation, not part of the City of Tacoma or Pierce County. Pierce Transit is governed by a nine-member Board. The Board is comprised of elected officials representing Pierce County, Tacoma, Lakewood, Puyallup, University Place and the smaller cities and towns in Pierce County. The governance structure allows for a tenth, non-voting union representative.



**Commissioner  
Kristina Walker, Chair  
Deputy Mayor of  
Tacoma  
Tacoma**



**Commissioner  
Jason Whalen, Vice  
Chair  
Mayor of Lakewood  
Lakewood**



**Commissioner  
Marty Campbell  
Pierce County Council  
Pierce County**



**Commissioner  
Olgy Diaz  
Tacoma City Council  
Tacoma**



**Commissioner  
Jim Kastama  
Mayor of Puyallup  
Puyallup & Edgewood**



**Commissioner  
Doug Fagundes  
Fife City Council  
Fife, Milton, Pacific,  
Auburn, Ruston,  
Steilacoom, and Gig  
Harbor**



**Commissioner  
John Hines  
Tacoma City Council  
Tacoma**



**Commissioner  
Ryan Mello  
Pierce County Council  
Pierce County**

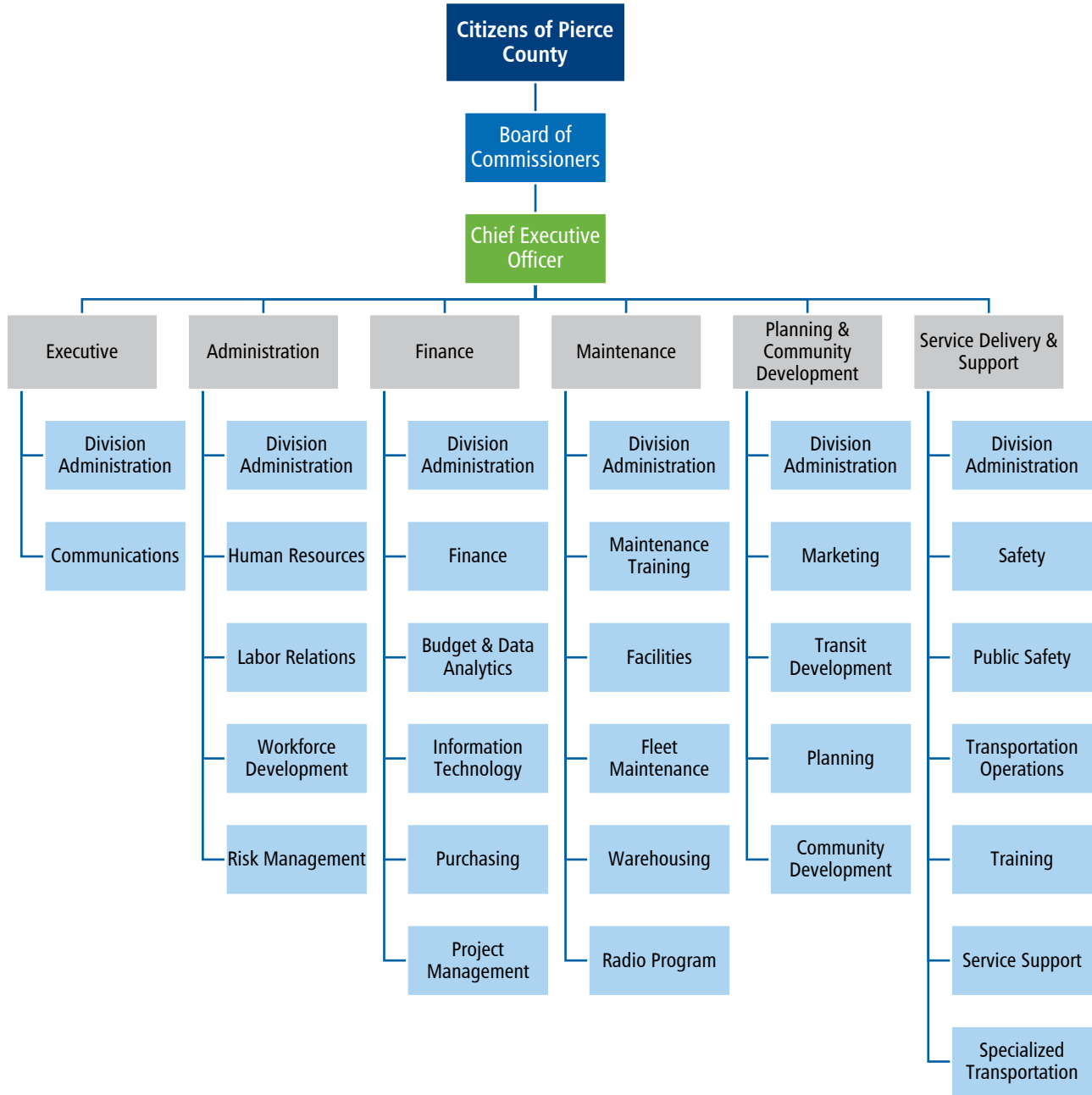


**Commissioner  
Shannon Reynolds  
Fircrest City Council  
Fircrest & University  
Place**



**John Hoheusle  
Non-Voting Labor  
Representative**

# Our Organization



# Spotlight on Safety

The SHUTTLE paratransit team operated in 2023 with zero preventable traffic incidents.

This team of professionals operates in many tight, restrictive locations that were designed for smaller vehicles. To service their passengers, they must navigate alleys, apartment complexes, strip malls, under canopies, at shopping areas, and around heavily congested parking lots.

Their daily mission is a unique one: providing transportation services to community members who are elderly and/or have disabilities which limit their ability to safely access other forms of transportation. Without these dedicated SHUTTLE professionals doing what they do, many members of the community would suffer restrictions which could keep them homebound and even be life threatening.

Each of the operators is not just a highly skilled transit professional; they perform their duties with kindness, patience, compassion, and dedication to each of their passengers. Safety truly is their highest priority.



**Pierce Transit's Transportation Assistant Manager had this to say:**

*"Part of the reason I have stayed in this line of work for 33 years is that we care deeply about the service we provide and the passengers, as well as each other. Making sure our passengers arrive safely to each destination has always been a priority for us, from making sure customer service takes thorough information, to the driver who escorts the customer to the door. We take pride in this and having zero preventable traffic incidents just shows this commitment. I'm extremely proud of our team!"*

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

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE  
FINANCIAL STATEMENTS**

Board of Commissioners  
Pierce Transit  
Lakewood, Washington

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

**Opinion**

We have audited the accompanying financial statements of Pierce Transit as of and for the year then ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Pierce Transit, as of December 31, 2023, and the changes in financial position and cash flows thereof 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 Authority 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.

**Matters of Emphasis**

As discussed in Note 2 to the financial statements, in 2023, the Authority adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

## **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 Authority'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 Authority'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 Authority'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 and required supplementary information as listed in the table of contents 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 Information**

The other information comprises Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we will also issue our report dated June 25, 2024, on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.

Sincerely,

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 25, 2024

# *Out and About*

Pierce Transit was proud to provide express bus service to and from the 2023 Joint Base Lewis-McChord Airshow & Warrior Expo in July. The public turned out for this free event in record numbers and Pierce Transit supported attendees with free parking and bus service from two Lakewood locations.

PT Trolley, Pierce Transit's Route 101, returned during the summer to provide service between the historic downtown Gig Harbor waterfront district, Harbor Hill, and the Uptown shopping district. Trolley service ran twice a week, on Thursdays and Saturdays from July 1 through August 31, and connected riders with other routes at the Kimball Drive Park & Ride. The PT Trolley offers a fun and affordable summer activity for families, reduces traffic and the need for parking along the Gig Harbor waterfront, and benefits the environment over driving a single occupancy vehicle. You can look for this service again in Summer 2024.

To inform the community about our services, Pierce Transit employees attended more than 100 outreach events in 2023; 97 of those shifts were staffed by employees from departments across the agency who were eager to share information about Pierce Transit's services with their neighbors. Venues across the service area included community forums and networking mixers; community support organizations; special events; resource fairs; Chamber gatherings; neighborhood council and business district meetings; higher ed; healthcare; and agency presentations.



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**Pierce Transit**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2023**

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Following is management's discussion and analysis (MD&A) of Pierce Transit's financial activities for the year ended December 31, 2023. This discussion should be reviewed in conjunction with the financial statements and the accompanying notes to the financial statements, which follow this report.

## **Introduction**

Pierce Transit is a public transportation benefit area corporation providing public transportation services in Pierce County. The service covers 292 square miles, roughly 70% of the county population, and services include:

- Local and commuter bus services
- Paratransit services for the elderly and disabled
- On-demand service (Runner)
- Rideshare (formerly Vanpool) program
- Regional express bus services funded through Sound Transit

## **Financial Summary**

- As of December 31, 2023, Pierce Transit's net position totaled \$482.3 million. The Unrestricted Net Position is available to meet our primary goal of providing service to the public, self-insurance fund and to be invested in future capital improvements as discussed in Pierce Transit's six-year plan. The Unrestricted Net Position equaled \$253.9 million at year-end.
- Pierce Transit's total net position increased by \$51.4 million.
- Assets exceeded liabilities by \$476.3 million.
- Capital contributions were \$11.6 million.
- The primary source of funding is from local sales taxes. Pierce Transit saw a decrease of 2% in sales tax in 2023 from 2022.

## **Overview of the Financial Statements**

This discussion and analysis serve as an introduction to Pierce Transit's basic financial statements. The *Notes to the Financial Statements* contain more detail on the information presented in the financial statements. Pierce Transit is a stand-alone enterprise fund, and our financial statements report information using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

**Pierce Transit**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2023**

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The *Statement of Net Position* presents information on Pierce Transit's assets, liabilities, and deferred inflows and outflows with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether Pierce Transit's financial position is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing changes to the Agency's net position during the current fiscal year. All changes to net position are reported as soon as the event occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *Statement of Cash Flows* presents information on Pierce Transit's cash receipts, cash payments, and net changes in cash and cash equivalents during the fiscal year. Generally Accepted Accounting Principles require that cash flows be classified into one of four categories:

- Cash flows from operating activities
- Cash flows from non-capital financing activities
- Cash flows from capital and related financing activities
- Cash flows from investing activities

Pierce Transit's financial statements can be found following this Management Discussion and Analysis. The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided with the financial statements. *Notes to the Financial Statements* can be found following the basic financial statements.

## **Financial Position**

As noted earlier, net position serves as a useful indication of the Agency's financial strength. Pierce Transit's overall financial position improved in 2023. Net investment in capital assets increased by 8.8% or \$16.8 million. Restricted net position increased by \$44 thousand due to change in the net pension asset. Unrestricted net position increased by 15.8% or \$34.6 million. The result is an increase in total net position by 11.9% or \$51.4 million.

Current assets net of current liabilities amounted to \$126.6 million for the year ended December 31, 2023, as compared to \$128.2 million in 2022.

Pierce Transit relies heavily on sales tax revenue and in 2023, sales tax was relatively flat from 2022 showing a slight decrease of 2%. In 2023, sales tax revenue was \$109,798,330 as compared to 2022 of \$112,048,012.



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Management's Discussion and Analysis  
Year Ended December 31, 2023**

Cash and Cash equivalents and long-term investments available to meet current and future obligation increased to \$233.3 million, up from \$199.6 million in 2022.

As of December 31, 2023, Pierce Transit had no long-term debt.

**Financial Analysis**

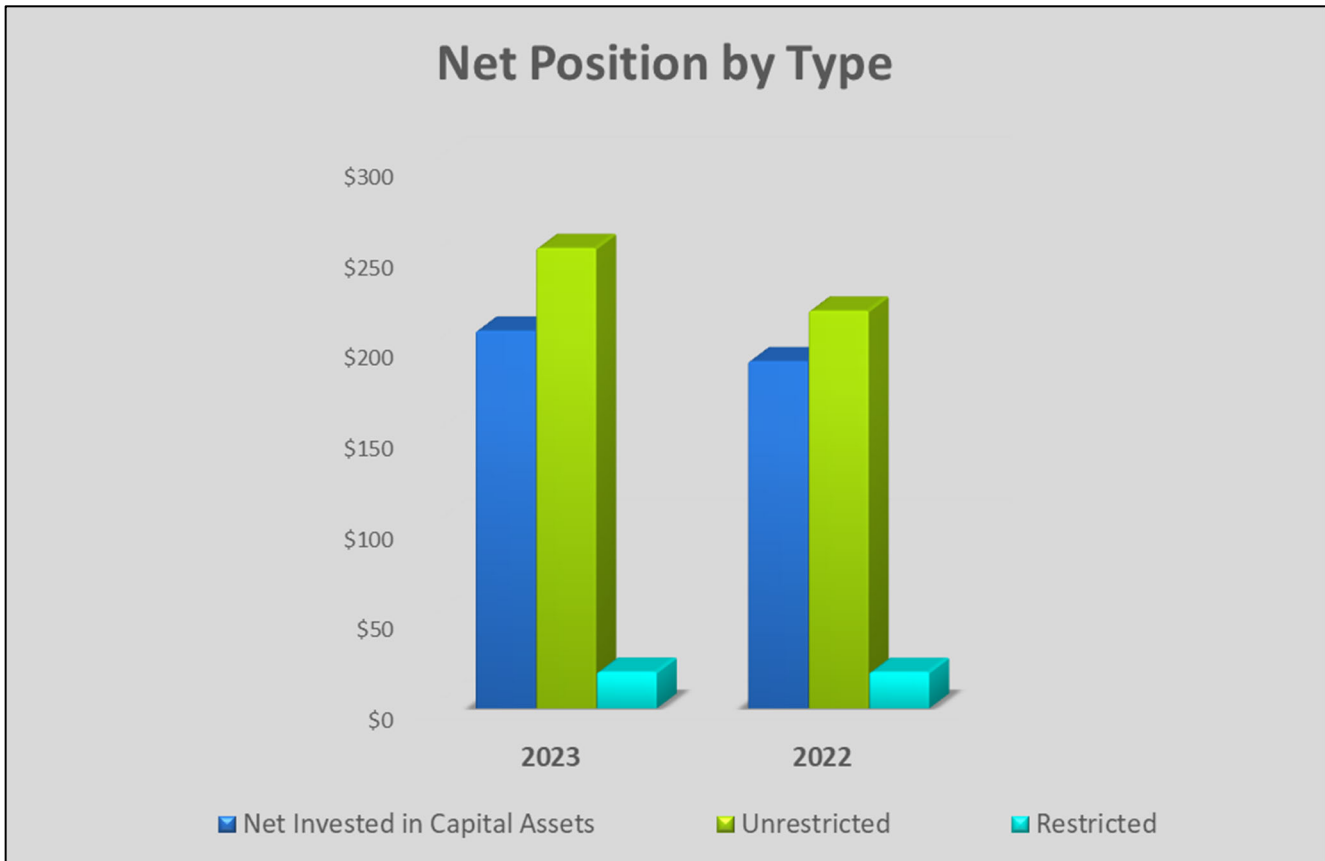
Pierce Transit's net position at the year-end was \$482.3 million as compared to \$430.8 million in 2022. A summary of net position follows.

<b>Summary Statement for Net Position For the years ending December 31, 2023 and 2022</b>		
	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Current Assets	\$ 143,533,069	\$ 156,211,453
Non-current Assets	150,630,934	\$ 120,617,318
Capital Assets	214,397,758	200,312,486
<b>Total Assets</b>	<b>508,561,761</b>	<b>477,141,257</b>
<b>Deferred Outflows of Resources:</b>	<b>18,304,037</b>	<b>20,236,883</b>
<b>Liabilities:</b>		
Current Liabilities	\$ 16,921,106	\$ 28,014,743
Non-Current Liabilities	15,381,235	16,134,825
<b>Total Liabilities</b>	<b>32,302,341</b>	<b>44,149,568</b>
<b>Deferred Inflows of Resources:</b>	<b>12,279,496</b>	<b>22,387,151</b>
<b>Net position:</b>		
Net Investment in Capital Assets	208,262,839	191,441,293
Restricted Net Position, Net Pension Asset	20,129,411	20,084,698
Unrestricted Net Position	253,891,711	219,315,430
<b>Total Net Position</b>	<b>\$ 482,283,962</b>	<b>\$ 430,841,421</b>

The improved net position was due mostly to increases in operating revenue, investments, and net investment in capital assets. Expenditures were under budget which also contributed to the net position increase of 11.9%. For more information on Pierce Transit's net position, see Note 11 in the *Notes to the Financial Statements*.

**Pierce Transit  
Management's Discussion and Analysis  
Year Ended December 31, 2023**

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Transit is a capital-intensive enterprise. In 2023, investment in capital assets increased by 7% to \$214.4 million. Pierce Transit's capital assets reflect its investment in assets such as revenue vehicles, passenger facilities, base improvements, technology, shop equipment, and right-to-use assets that are used to provide transportation to the community. These are committed assets and this portion of the net position balance is not available for future spending.

The restricted net position of \$20.1 million corresponds with the net pension asset. Restricted funds are not available for use.

Of the unrestricted net position balance, \$88.8 million has been designated by Board action (e.g., capital, workers' compensation, and unemployment self-insurance programs). Pierce Transit also has designated a reserve equal to two months of operating expenses. In 2023, this amount was \$26.4 million. The remainder (\$138.6 million) of the unrestricted funds is available to support future obligations for transportation operations.

Following is a summary to key elements of the change in Net Position for 2023:

**Pierce Transit  
Management's Discussion and Analysis  
Year Ended December 31, 2023**

**Summary Statement of Revenue, Expense and Change in Net Position  
For the years ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Operating Revenue		
Passenger Fares	\$ 6,218,947	\$ 6,133,859
Advertising	433,688	504,028
Regional Transit Service	52,127,424	49,377,052
Non-Operating Revenue:		
Subsidies	128,455,391	153,635,418
Other Revenue	11,263,579	4,464,613
<b>Total Revenue</b>	<b>198,499,029</b>	<b>214,114,970</b>
Operating Expense	137,390,179	132,447,488
Non-Operating Expense	156,711	4,574,810
Depreciation	21,077,840	16,633,376
<b>Total Expense</b>	<b>158,624,730</b>	<b>153,655,674</b>
Excess (Deficiency) before Contributions	39,874,298	60,459,294
Capital Grants	11,568,243	11,105,464
<b>Change in Net Position</b>	<b>51,442,541</b>	<b>71,564,759</b>
<b>Net Position-Beginning</b>	<b>430,841,421</b>	<b>359,276,662</b>
<b>Net Position-Ending</b>	<b>\$ 482,283,962</b>	<b>\$ 430,841,421</b>

A description of operating & non-operating revenue follows:

	<b>2023</b>	<b>2022</b>
Operating Revenue		
Passenger Fares	6,218,947	6,133,859
Advertising	433,688	504,028
Regional Transit Service	52,127,424	49,377,052
<b>Total Operating Revenue</b>	<b>58,780,059</b>	<b>56,014,939</b>
Non-Operating Revenue		
Operating Subsidies		
Sales Tax	109,798,330	112,048,012
Grants	18,657,061	41,587,406
Other Non-Operating Revenue		
Investment Revenue	10,747,423	2,169,767
Gain of Sale of Assets	94,431	1,016,508
Miscellaneous Revenue	421,725	1,278,338
<b>Total Non-Operating Revenue</b>	<b>139,718,970</b>	<b>158,100,031</b>
<b>Total Revenue</b>	<b>\$ 198,499,029</b>	<b>\$ 214,114,970</b>

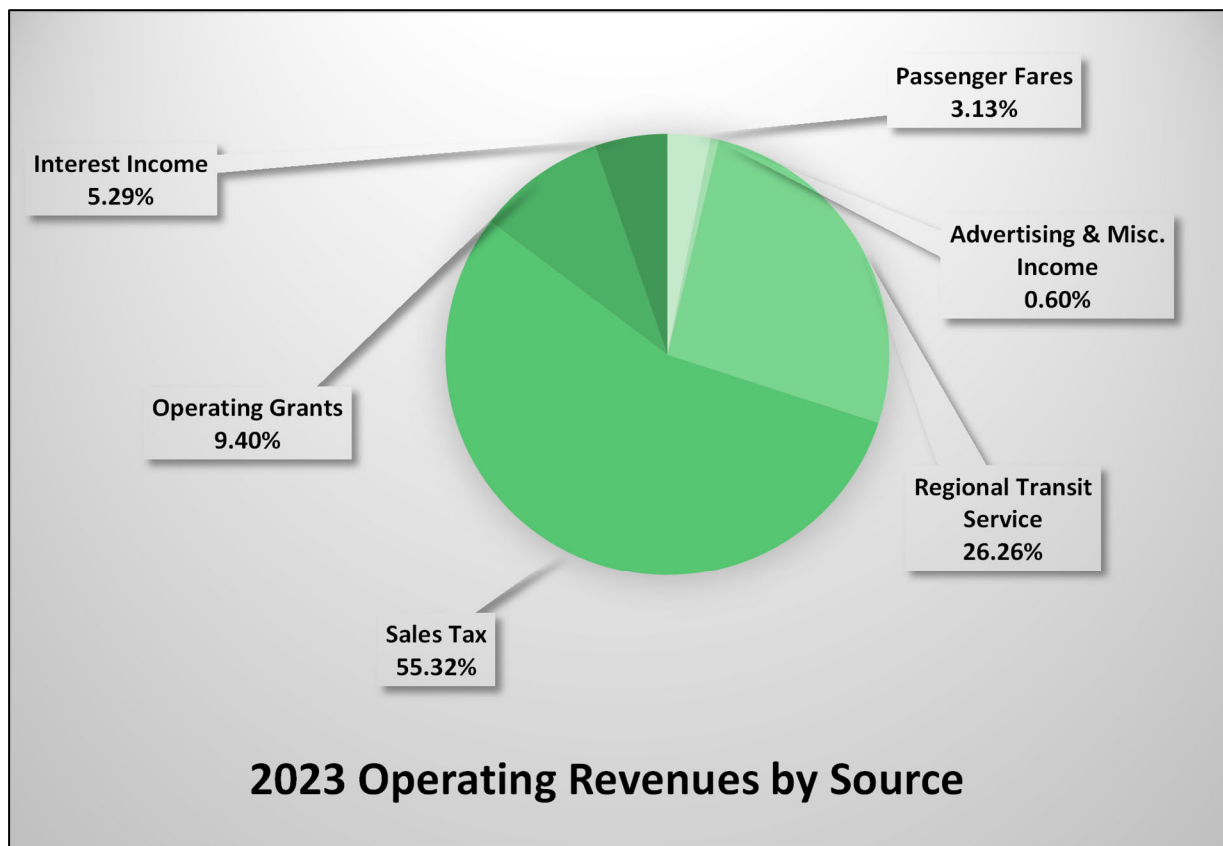
**Pierce Transit  
Management's Discussion and Analysis  
Year Ended December 31, 2023**

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## Operating Revenue

Revenue decreased in 2023 by \$15.6 million or 7.3% as compared to 2022. The decrease is contributed to the ending of operating assistance received for COVID.

Revenue sources include passenger fares, advertising, regional transit services, sales tax, operating grants, investment income and other miscellaneous non-operating sources. The below chart illustrates major revenue sources and the percentage of the contribution toward total revenue.



- Pierce Transit's passenger fares consist of revenues from the sale of passes and tickets as well as cash fares collected on-board revenue vehicles. Pierce Transit partners with six other Central Puget Sound transit agencies on a regional fare collection system (ORCA) using smart card technology. Customers can purchase fare media from any of the seven partners, regardless of where the media is used.
- Fare revenues for 2023 were \$6.2 million, an increase of 1.4% over 2022. The rise in fare revenue is due to increased ridership in all modes of service. Ridership increased in 2023 by 22.3% or 1,753,351 more rides than in 2022.

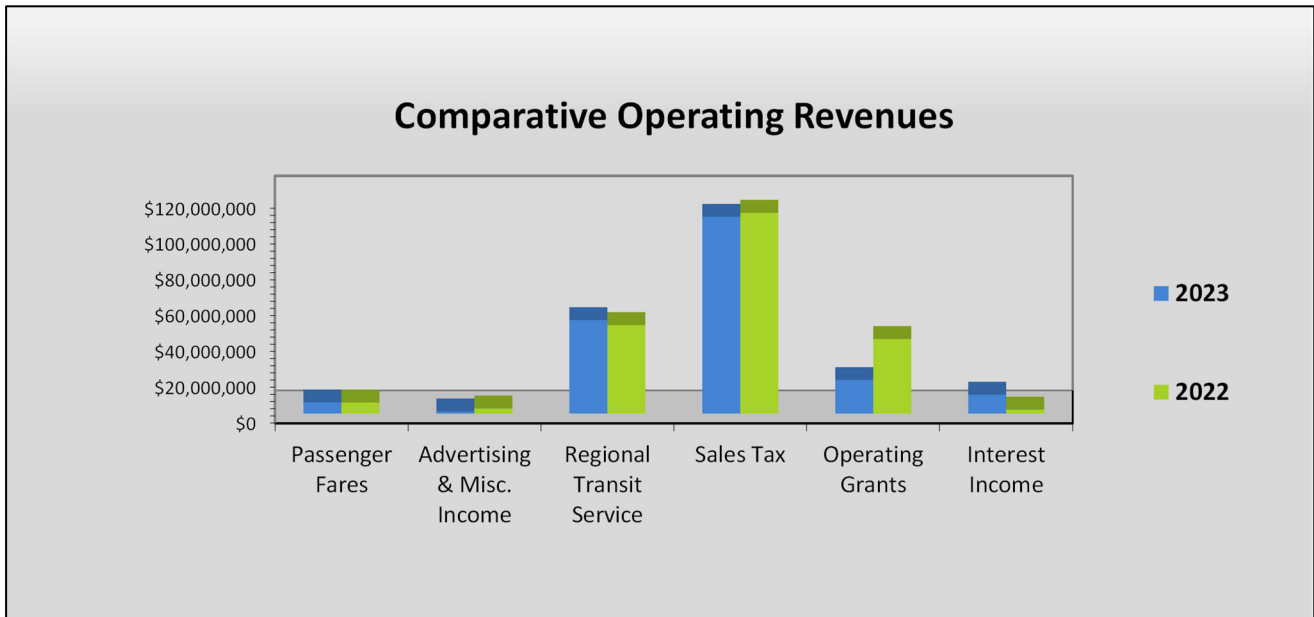
**Pierce Transit  
Management’s Discussion and Analysis  
Year Ended December 31, 2023**

Following is a table representing ridership by type of service for 2023 and 2022:

<b>Ridership</b>	<b>2023</b>	<b>2022</b>
Fixed Route Pierce Transit	6,096,759	4,946,334
Fixed Route Sound Transit	2,821,392	2,311,128
Specialized Transportation	262,611	209,416
Runner Service	15,787	5,610
Rideshare (formerly Vanpool)	412,041	382,751
<b>Total</b>	<b>9,608,590</b>	<b>7,855,239</b>

- Advertising revenues for 2023 decreased by 14% compared to 2022.
- Regional transit service is the fixed route express service provided for Sound Transit, Puget Sound’s Regional Transit Authority. An inter-local agreement between Pierce Transit and Sound Transit establishes the operating parameters of this service. Included in the agreement is a method for determining and allocating Pierce Transit costs to provide this service. The current operating agreement is through December 31, 2025 with options for additional years. Regional transit service also includes service to Lakeland Hills in Auburn, funded by King County Metro and the city of Auburn. Revenues generated from the regional transit service were \$52.1 million in 2023, increasing 5.6%, as compared to \$49.4 million in 2022.
- Sales tax, accounting for 55.3% of Pierce Transit’s revenue, decreased by \$2.2 million or 2.01% less than 2022. Sales tax revenue for 2022 was \$109.8 million as compared to \$112 million in 2022.
- In 2023, operating grant revenue totaled \$18.7 million as compared to \$41.6 million in 2022, a decrease of 55.1%. The main reason for the decrease was the ending of COVID-related assistance received since 2020. Grant revenue for operating was received from the federal government through the American Rescue Plan Act of 2021 (ARPA) for the remaining funds to assist with the impact of COVID-19, the Federal Transit Administration, and the Washington State Department of Transportation.
- Investment earnings in 2023 was \$10.7 million, including unrealized gain on investments from fair value adjustments on long-term investments, as compared to \$2.2 million in 2022.

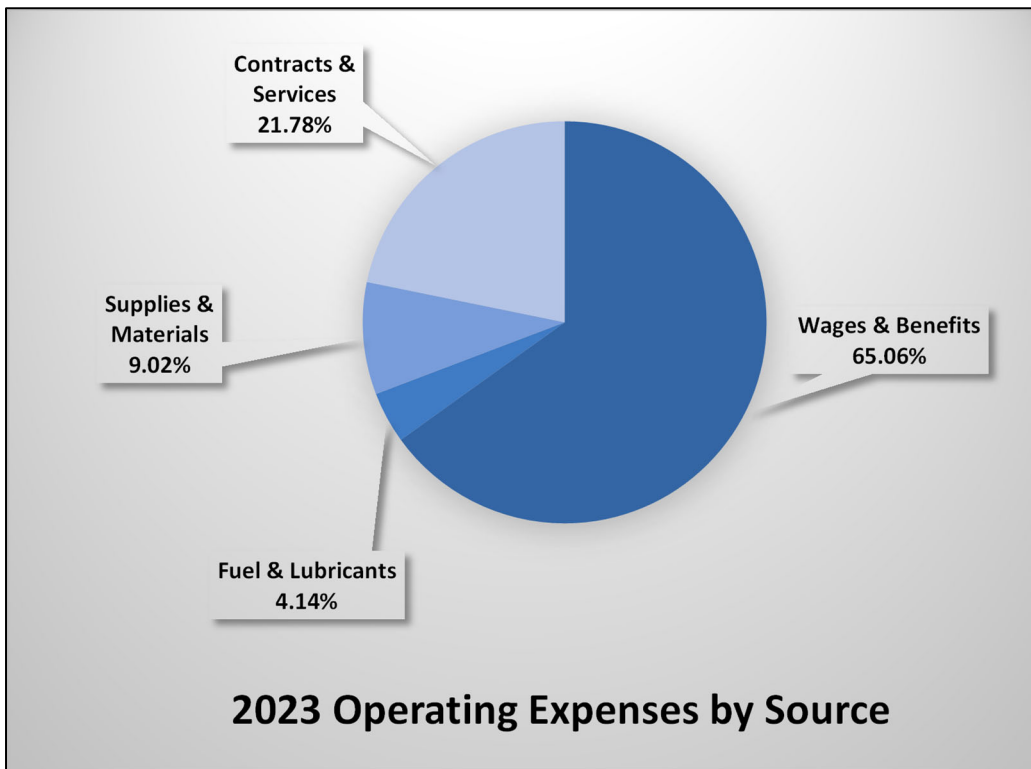
**Pierce Transit  
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### Operating Expenses

In 2023, operating expenses were \$158.5 million, an increase of 6.3% from the prior year.

The chart below summarizes expenses by major function.



**Pierce Transit  
Management's Discussion and Analysis  
Year Ended December 31, 2023**

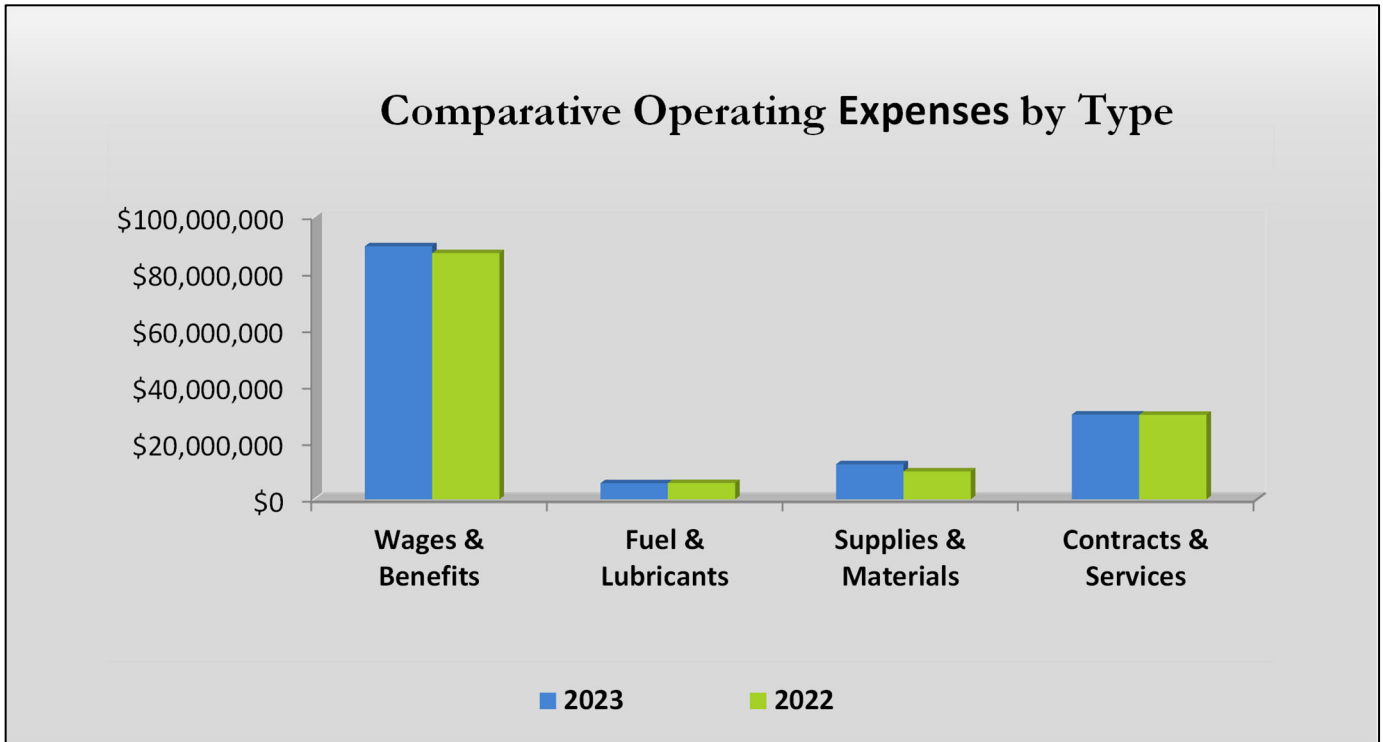
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This can be contributed to increases to employee wages and benefits, increase in cost of supplies, and additional assets being depreciated and amortized.

Wages and Benefits for 2023 were \$89.5 million and comprise 65.1% of the operating expenses (exclusive of depreciation and amortization). The results are an increase over 2022 of \$2.4 million or 2.8%.

Depreciation and amortization increased by \$4.4 million or 26.7% due to capital asset purchases and the completion of the new fuel and wash facility being depreciated. The increase in capital assets, net of depreciation and amortization, was \$48.1 million in 2023 and \$6.8 million in 2022.

The following graph represents operating expenses for 2023 and 2022.





**Pierce Transit  
Management's Discussion and Analysis  
Year Ended December 31, 2023**

<b>Operating Expenses:</b>	<b>2023</b>	<b>2022</b>
Wages & Benefits	\$89,489,510	\$87,069,757
Fuel & Lubricants	5,687,839	5,738,452
Supplies & Materials	12,406,095	9,858,978
Contracts & Services	29,806,735	29,780,302
Depreciation /Amortization	21,077,840	16,633,376
<b>Total Operating Expenses</b>	<b>158,468,019</b>	<b>149,080,864</b>
<b>Non-Operating Expenses:</b>		
Lease/SBITA Interest Expense	153,303	111,429
Grant Exchange Funds	-	4,463,382
<b>Total NonOperating Expenses</b>	<b>153,303</b>	<b>4,574,811</b>
<b>Total Expenses</b>	<b>\$158,621,322</b>	<b>\$153,655,675</b>

Total operating expenses, exclusive of depreciation/amortization and capital, are most directly impacted by the number of service hours Pierce Transit operates. Service hours include drive time while in service, deadhead, and layover. In 2023, service hours increased by 6.8% or 60,692 hours.

Following is a table representing the number of service hours by type of service for 2023 and 2022:

<b>Service Hours:</b>	<b>2023</b>	<b>2022</b>
Fixed Route Pierce Transit	424,009	411,323
Fixed Route Sound Transit	255,055	258,448
Specialized Transportation	169,032	138,537
Runner Service	7,035	2,810
Rideshare (formerly Vanpool)	102,663	85,984
<b>Total</b>	<b>957,794</b>	<b>897,102</b>

## Capital Assets

Capital assets include revenue vehicles, support vehicles, work in progress, land, buildings, shop equipment, passenger facilities, right-to-use, subscription-based information technology assets, and other assets having a life of more than one year with an acquisition value of more than \$5,000 or an aggregated cost of \$50,000 for like-item purchases.

**Pierce Transit  
Management's Discussion and Analysis  
Year Ended December 31, 2023**

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Pierce Transit's capital assets as of December 31, 2023, totaled \$214.4 million, net of accumulated depreciation and amortization. This compares to 2022 capital assets of \$200.3 million. 2023 capital assets increased by 7%, or \$14.1 million.

Capital contributions in 2023 totaled \$11.6 million. Capital grants and other capital funds accounted for 35.4% of Pierce Transit's capital acquisitions in 2023.

Capital acquisitions and construction in progress during 2023 totaled \$32.7 million and included the following major capital assets:

- \$15.1 million for Building & Site improvements
- \$2.9 million for Technology projects
- \$14.7 million for Equipment & Vehicles

For a more detailed discussion on capital assets, see Note 3 in the *Notes to the Financial Statements*.

### **Economic Factors**

The economic conditions in 2023 were overall positive. The lower cost of living in Pierce County over King County attracts businesses and residents alike and gives access to diverse industries and skilled workers. Inflation trended downward and is expected to continue in the year ahead. The Pierce County Economic Index, which is mainly influenced by fluctuations in the county's total real personal income and real personal income per capita, rebounded slightly in 2023 after experiencing an upsurge in 2020 and 2021 due to COVID related stimulus funds, followed by a decline in 2022 once stimulus funds were no longer available. Even with the positive conditions in Pierce County, there were challenges in 2023. Retail sales activity slowed and impacted sales tax revenue received by Pierce Transit. Sales tax revenue is the Transit's main source of revenue and primarily used for operating service. The decline in retail activity can be attributed mostly to increased cost of goods and services, and increased interest rates. While there was a decline in sales tax revenue, interest earned from investments, fare revenue and regional transit service revenue increased from 2022. Per the Pierce County Economic Development Report, labor force grew in 2023, though the unemployment rate increased. Strong job sectors included education and health services with the construction sector second. This is forecasted to change in 2024 with no growth in overall employment expected in Pierce County. Rising mortgage rates had an impact on the housing market. There was a decline in the number of sales in 2023 and is expected to decline or at best remain flat, provided the Federal Reserve eases interest rates in 2024.

There is some uncertainty as we move into 2024 with rising cost of services and other factors that could impact service expansion and projects at Pierce Transit. Supply chain and delivery times are still adding complexity of capital projects and Pierce Transit has placed some projects on hold as a result.

**Pierce Transit  
Management's Discussion and Analysis  
Year Ended December 31, 2023**

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Vehicle prices have increased significantly resulting in the inability to purchase as many vehicles needed. Fuel and maintenance of vehicles and facilities prices have risen which impacts the cost of service. Another challenge Pierce Transit continues to face is recruitment of operators and maintenance staff needed to meet desired service levels. Pierce Transit is also keeping an eye on the potential impact of losing funding from sources tied to the Climate Control Act should I-2117 pass.

The 2024 Budget and the Six-Year Financial Plan are sustainable for operations. Capital infrastructure will be funded through reserves and operating transfers and is focused on supporting service plans; however, grants and other funding sources will be required to fully implement the planned capital program. The financial outlook for Pierce Transit supports efforts to improve service to meet the needs of the community, investment in infrastructure improvements, ensure transit vehicles are safe, reliable, and efficient, support increased operator recruitment and retention, and other projects to better improve business operations.

Pierce Transit remains focused, optimistic, and committed in providing excellent service to the community and adjusting to the impacts of the economy as needed through sound financial practices.

### **Request for Information**

This financial report is designed to provide a general overview of Pierce Transit's finances for anyone who is interested. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to:

Danette Rogers  
Finance Manager  
Pierce Transit  
3701 96<sup>th</sup> St SW  
Lakewood, WA 98499

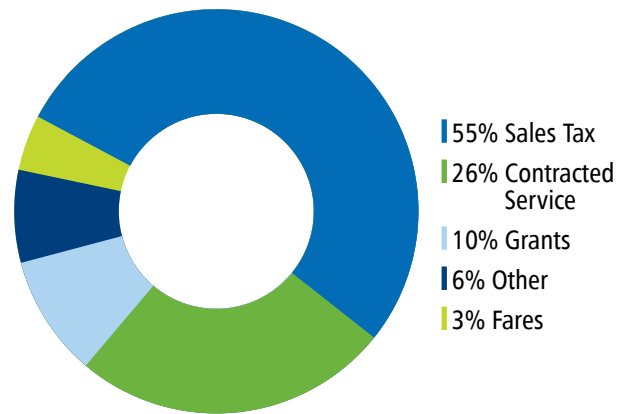


# Using Your Tax Dollars Responsibly

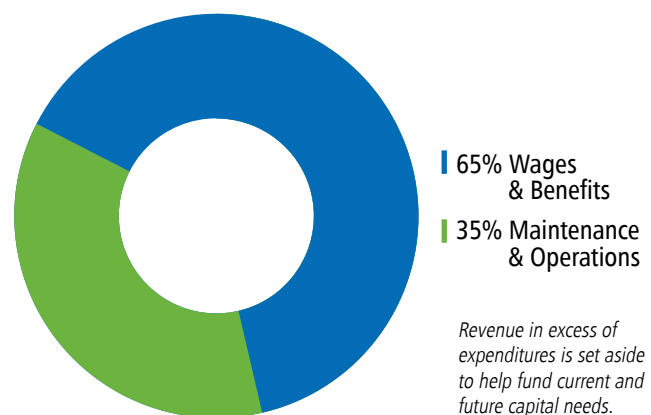
The vast majority of funding for Pierce Transit’s services comes from local sales tax. The agency collects 6/10ths of a penny on every dollar spent, or six cents on a \$10 purchase. This is the lowest rate among similar-sized transit agencies in Washington state; in fact, peer agencies in Snohomish and Thurston counties receive sales tax at double that rate, giving them the opportunity to provide more local transit service. Pierce Transit provides as much service as possible with the funding available; the agency also maintains a healthy reserve as required by agency policy. In 2023 Pierce Transit earned the Certificate of Achievement for Excellence in Financial Reporting for the 39th year in a row, the highest level of recognition in governmental accounting and financial reporting.

Almost 70 percent of Pierce Transit’s budgeted expenditures pay for employees to provide the service in the form of wages and benefits. Eighty-four percent of Pierce Transit’s employees are directly related to service on the street; just 16 percent are in administrative roles. Some of the agency’s revenue comes from providing Sound Transit Express contracted services.

**2023 Revenue Sources**  
\$198 Million



**2023 Operating Expenditures**  
\$159 Million



*Revenue in excess of expenditures is set aside to help fund current and future capital needs.*

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**Pierce Transit  
Financial Statements  
Year Ended December 31, 2023**

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**Financial Statements**

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**Pierce Transit  
Statement of Net Position  
December 31, 2023**

<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 12,388,067
Restricted Cash and Cash equivalents	90,396,746
Accounts Receivable	110,116
Sales Tax Receivable	19,048,470
Due From Other Governments	14,955,557
Prepaid Expenses	1,295,973
Inventories	5,338,141
<b>TOTAL CURRENT ASSETS</b>	<u>143,533,069</u>
<b>NON-CURRENT ASSETS</b>	
Long-term Investments	130,501,523
Net Pension Asset	20,129,411
Capital Assets Not Being Depreciated:	
Land	16,417,573
Work in Progress	66,778,458
Capital Assets Depreciable/Amortized	
Right-to-Use Lease Assets	4,312,755
Right-to-Use Subscription-based IT Agreement Assets	2,704,783
Structures & Improvements	109,976,458
Site Improvements	67,818,985
Machinery & Equipment	217,458,393
Less: Accumulated Depreciation and Amoritization	<u>(271,069,645)</u>
Total Capital Assets Depreciable, Net of Depreciation and Amoritization	<u>131,201,728</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>365,028,692</u>
<b>TOTAL ASSETS</b>	<b>\$ 508,561,761</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pension	<u>18,304,037</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>18,304,037</b>
<b>CURRENT LIABILITIES</b>	
Checks Payable	\$ 328,349
Accounts Payable	4,518,030
Unearned Revenue	494,540
Retainage Payable	123,369
Wages and Benefits Payable	2,033,735
Compensated Absences	4,512,217
Lease Liability	372,401
Subscription-based IT Agreements liability	561,176
Due to Other Governments	1,820,702
Provision for Uninsured Claims	<u>2,156,587</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>16,921,106</u>



**Pierce Transit**  
**Statement of Net Position - Continued**  
**December 31, 2023**

<b>NON CURRENT LIABILITIES</b>	
Lease Liability - Long Term	3,231,208
Subscription-based IT Agreements liability - Long Term	541,722
Compensated Absences	2,147,616
Net Pension Liability	9,460,689
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>15,381,235</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 32,302,340</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pension	12,279,496
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>12,279,496</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	208,262,839
Restricted, Net Pension Asset	20,129,411
Unrestricted	253,891,711
<b>TOTAL NET POSITION</b>	<b>\$ 482,283,962</b>

See accompanying notes to the financial statements.

**Pierce Transit**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year ended December 31, 2023**

<b>OPERATING REVENUE</b>	
Passenger Fares	\$ 6,218,947
Advertising	433,688
Regional Transit Service	52,127,424
<b>TOTAL OPERATING REVENUE</b>	<u>58,780,059</u>
<b>OPERATING EXPENSES</b>	
Operations	76,777,462
Maintenance	27,691,544
Non-Vehicle Maintenance	5,595,866
General & Administration	27,325,307
Depreciation and Amortization	21,077,840
<b>TOTAL OPERATING EXPENSES</b>	<u>158,468,019</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(99,687,961)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>	
Operating Subsidies:	
Sales Tax	109,798,330
Grants	18,657,061
Other:	
Interest Revenue	10,747,423
Lease Interest Expense	(114,124)
Subscription-based IT Agreements Interest Expense	(39,179)
Gain (Loss) on Termination of Lease	(3,408)
Gain (Loss) on Disposal of Assets	94,431
Miscellaneous Non-Operating Revenue	421,725
<b>NET NON-OPERATING REVENUE</b>	<u>139,562,259</u>
<b>EXCESS (DEFICIENCY) BEFORE CONTRIBUTIONS</b>	39,874,298
Capital Grants	11,568,243
<b>CHANGE IN NET POSITION</b>	<u>51,442,541</u>
<b>NET POSITION-BEGINNING</b>	<u>430,841,421</u>
<b>NET POSITION-ENDING</b>	<u>\$ 482,283,962</u>

See accompanying notes to financial statements

**Pierce Transit**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**

**INCREASE(DECREASE)IN CASH AND CASH EQUIVALENTS:**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash Received From Customers	\$	58,539,372
Cash Payments to Suppliers for Goods & Services		(49,904,783)
Cash Payments to Employees for Services		(99,235,275)
Miscellaneous Non-Operating Income		421,725
<b>Net Cash Used By Operating Activities</b>		<u><b>(90,178,962)</b></u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Sales Tax Received		109,720,420
Operating Grants Received		22,009,023
<b>Net Cash Provided By Noncapital Financing Activities</b>		<u><b>131,729,444</b></u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Acquisition and Construction of Capital Assets		(36,262,755)
Capital Grants and Contributions		17,664,364
Principal Paid on Debt		(1,567,583)
Interest Paid on Debt		(153,303)
Proceeds From Sale of Equipment		1,738,199
<b>Net Cash Used By Capital and Related Financing Activity</b>		<u><b>(18,581,078)</b></u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of Investment Securities		(25,000,000)
Net Interest on Investments		5,778,521
<b>Net Cash Used By Investing Activities</b>		<u><b>(19,221,480)</b></u>

Net Increase (Decrease) in Cash and Cash Equivalents		3,747,925
Cash and Cash Equivalents at Beginning of Year		99,036,888
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$</b>	<u><b>102,784,812</b></u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Loss		<u>\$ (99,687,961)</u>
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**ADJUSTMENTS TO RECONCILE OPERATING TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Depreciation and Amortization		21,077,840
Miscellaneous Non-Operating Income		421,725

See accompanying notes to the financial statements.

**Pierce Transit**  
**Statement of Cash Flows - Continued**  
**Year Ended December 31, 2023**

**CHANGE IN ASSETS AND LIABILITIES FROM OPERATIONS:**

(Increase) Decrease in Receivables	95,379
(Increase) Decrease in Inventories	(403,059)
(Increase) Decrease in Prepaid Expenses/Deposits	(519,365)
(Increase) Decrease in Due from Other Governments	7,883,179
Increase (Decrease) in Checks Payable	(189,087)
Increase (Decrease) in Accounts Payable	(918,762)
Increase (Decrease) in Unearned Revenue	114,049
Increase (Decrease) in Retainage	(5,506)
Increase (Decrease) in Wages and Benefits Payable	(288,125)
Increase (Decrease) in Due to Other Governments	(8,156,360)
Increase (Decrease) in Compensated Absences	622,540
Increase (Decrease) Net Pension Asset, Liability Related Deferred Inflows and Outflows	(10,080,181)
Increase (Decrease) in Provision for Uninsured Claims	(145,268)
<b>TOTAL ADJUSTMENTS</b>	9,508,999
<b>Net Cash Used By Operating Activities</b>	\$ (90,178,962)

**Non-cash Capital and Related Financing Activities**

Acquisition of Capital Assets for Leases and SBITAs	\$	3,720,861
(Increase) Decrease in Fair Market Value of Investments		(246,372)

See accompanying notes to the financial statements.

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Pierce Transit (the Agency) conform to Generally Accepted Accounting Principles (GAAP) applicable to governmental units. The following summary of the more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying financial statements.

**A. Reporting Entity**

The Pierce County Public Transportation Benefit Area Corporation, hereinafter Pierce Transit (PTBA), was authorized to begin operation of a public transportation system in 1980. On January 1, 1980, Pierce Transit assumed the operations of the City of Tacoma Transit System.

Pierce Transit is a municipal corporation formed under the authority of Chapter 36.57A of the Revised Code of Washington. Pierce Transit operates fixed route, specialized transportation (SHUTTLE and Runner), and vanpool transportation services to Pierce County, within Pierce Transit's service area. In addition, rideshare matching services and commute trip reduction assistance is provided to local and regional employers.

Pierce Transit is governed by an appointed Board of Commissioners whose members are elected by the jurisdictions they represent, is legally separate from other entities, and is fiscally independent of other state and local government entities. The criteria, set forth in the Government Accounting Standards Board (GASB) Statement 14, indicate that Pierce Transit is a primary government for reporting purposes and that there are no additional entities or funds for which the Agency has reporting responsibilities. The Pierce Transit Board is comprised of nine voting member and one non-voting member from the Amalgamated Transit Union. The City of Tacoma has three members, the City of Lakewood has one member, the cities of Fircrest and University Place have one member (shared agreement), the cities of Puyallup and Edgewood have one member (shared agreement), and the cities/towns of Fife, Milton, Pacific, Auburn, Gig Harbor, Ruston, and Steilacoom are represented by one member that is elected amongst the member jurisdictions.

Pierce Transit has an undivided interest in a non-equity joint venture, jointly governed with six other agencies for the provision of regional fare collection (ORCA) services. Pierce Transit's undivided interests in the assets, liabilities and operations of the ORCA regional fare collection system are consolidated within these financial statements on a proportionate basis.

**B. Measurement Focus, Basis of Accounting**

Pierce Transit is a single proprietary fund prepared in conformity with generally accepted accounting principles. Proprietary funds are accounted for on the accrual basis of accounting.

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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Under this method, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received, regardless of the timing of related cash flows.

Revenues and expenses are categorized as operating or non-operating. Operating revenues and expenses are those directly associated with the provision of transportation service. Non-operating revenues and expenses are those secondary to the provision of transportation service.

**C. Assets, Liabilities, and Net Position**

**1. Cash and Cash Equivalents (See Note 7 – Deposits and Investments)**

Cash and cash equivalents include cash on hand, demand deposits and short-term investments purchased with a remaining maturity of three months or less. Long-term investments are those with a maturity date of longer than three months. Pierce Transit invests all temporary cash surpluses in the Local Government Investment Pool (LGIP)

**2. Investments (See Note 7 – Deposits and Investments)**

Pierce Transit's investment policies are governed by regulations established for public funds by Washington State. Investments other than the LGIP are carried at Fair Value in accordance with GASB No. 72. Pierce Transit invests cash in a Separately Managed Account at the Office of the State Treasurer.

**3. Receivables (See Note 10 – Receivables)**

Accounts receivable are amounts owed from organizations and customers for various services. Sales tax receivable consists of sales tax and related interest. Receivables due from other governments are largely comprised of outstanding balances owed from regional transit services and grants.

**4. Inventories**

Inventories in governmental funds consist of fuel, lube and oil, antifreeze, transmission fluid, and repair parts held for consumption. Purchases are recorded as increases to inventory. Expenses are recorded as the materials are used. All inventory is valued on the moving weighted average cost method, except for fuel which is valued on First in/First Out (FIFO) method beginning September 2023 (See Note 2 – Accounting and Reporting Changes). Inventories at December 31, 2023 were \$5,338,141.

**5. Restricted Assets (See Note 11 – Net Position)**

As of December 31, 2023, Pierce Transit has restricted assets in the amount of \$20,129,411 as equal to the amount of Net Pension Asset.

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**6. Capital Assets (See Note 3 – Capital Assets)**

Capital assets, which include property, plant, and equipment, are reported in the financial statements. Capital assets are defined by Pierce Transit as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Like items purchased together are capitalized if the value of the transaction is at least \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset.

The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

<i>Asset Category</i>	<i>Years</i>
Land	Not Depreciated
Work in Progress	Not Depreciated
Site Improvements	10 years
Buildings	10 to 20 years
Buses	6 to 12 years
Machinery, Equipment, and Furniture	3 to 5 years
Other Vehicles	5 years

**7. Leases and Subscription-Based IT Arrangements (SBITA) (See Note 8 – Leases; See Note 13 Subscription-Based IT Arrangements)**

Pierce Transit is a lessee for various noncancelable leases of land, building and radio towers. PT also has noncancellable SBITAs for the right to use information technology software. For leases and SBITAs that meet the capitalization threshold, PT recognizes a lease or subscription liability, respectively, and an intangible right-to-use lease or subscription asset in the proprietary fund financial statements. Lease and Subscription liabilities with an initial, individual value of \$50,000 or more are recognized.

At the commencement of a lease, Pierce Transit initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease



**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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asset is amortized using the straight-line basis method over the shorter of the lease term or the useful life of the underlying asset.

The subscription liability is initially measured at the present value of the payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the amount of the subscription liability, plus any subscription payments made at or before the subscription commencement date and capitalizable implementation costs, less any vendor incentives received at or before the subscription commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

Key estimates and judgements related to leases/SBITAs include how Pierce Transit determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/subscription term, and (3) lease/subscription payments.

- Pierce Transit uses the interest rate charged by the lessor/vendor as the discount rate. When the interest rate charged by the lessor/vendor is not provided, Pierce Transit generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable periods of the lease or SBITA. Payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that Pierce Transit is reasonably certain to exercise for a lease.

Pierce Transit monitors changes in circumstances that may require remeasurement of a lease or subscription liability. When certain changes occur that are expected to significantly affect the amount of the lease, the liability is remeasured, and a corresponding adjustment is made to the lease or subscription asset.

For leases and SBITAs below the capitalization threshold and leases and SBITAs with a maximum possible term of 12 months or less at commencement, an expense is recognized based on the provisions of the contract.

**8. Compensated Absences (See Note 4 – Changes in Long-Term Liabilities)**

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. All vacation and sick pay are accrued when incurred in the proprietary financial statements.

Vacation accrual balances shall not exceed an amount equal to two (2) years' accruals. PTO accrual balance shall not exceed six hundred (600) hours. All vacation or PTO hours are cashed out at 100% up to the maximum allowed if the employee separates after completing probation.

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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For sick leave, 50% of the value is paid upon retirement, disability separation or death of the employee. Employees separating in good standing are paid out 20% of the value of their sick leave. The maximum payout is 960 hours for sick leave.

**9. Pensions (See Note 9 – Pension Plans)**

For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans, and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement System and the Tacoma Employees Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

For purposes of calculating the restricted net position related to the net pension asset, Pierce Transit includes the net pension asset only as per the GASB preferred method which is “the restricted net position is equal to the net pension asset. Both deferred inflows and deferred outflows are excluded from the calculation.”

**10. Unearned Revenue**

Amounts are recognized as receivables but not revenues on the Statement of Net Position because revenue recognition criteria have not been met. Unearned revenue is made up of prepaid fare revenue and a grant. It amounted to \$494,540 in 2023.

**NOTE 2: ACCOUNTING AND REPORTING CHANGES**

**New Pronouncements**

In 2023, Pierce Transit implemented Governmental Accounting Standards Board (GASB) Statement 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. GASB 96 was effective for fiscal years ending June 15, 2022, and after. The objective of the Statement is to better meet the information needs of financial statement users by a) establishing uniform accounting and financial reporting requirements for SBITAs; b) improving the comparability of financial statements among governments that have entered into SBITAs; and c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. (See Note 1.7 and Note 14, Subscription-Based Information Technology Arrangements.)

**Fuel Inventory Valuation Change**

Historically, all inventory has been valued on the moving weighted average cost method. To recognize a more precise value of fuel inventory given the volatility in pricing, the calculation method for diesel and unleaded fuel inventories has been changed from the weighted average

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

cost method to the First in-First Out (FIFO) method beginning September 1, 2023. A reconciliation of the general ledger inventory balance as compared to the fuel tank reading values resulted in entries to the inventory accounts. Entries made to adjust the value of fuel inventory were \$24,147.

**NOTE 3: CAPITAL ASSETS**

Capital Assets activity for the year ended December 31, 2023 was as follows:

<b>2023 Capital Assets</b>				
<b>Description</b>	<b>Balance 1/1/2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 12/31/2023</b>
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 16,417,573	\$ -	\$ -	\$ 16,417,573
Work in Progress	100,747,221	32,723,285	(66,692,048)	66,778,458
Subtotal	117,164,794	32,723,285	(66,692,048)	83,196,030
<b>Capital Assets Being Depreciated or Amortized:</b>				
Structures*	85,218,108	24,758,350		109,976,458
Site Improvements*	55,009,847	12,809,138		67,818,985
Machinery & Equipment	204,021,686	28,229,664	(14,792,957)	217,458,393
Right-to-Use Lease Asset	3,579,906	1,016,078	(283,229)	4,312,755
Subscription-Based IT Assets	-	2,704,783		2,704,783
Subtotal	347,829,547	69,518,013	(15,076,186)	402,271,373
<b>Less Accumulated Depreciation and Amortization For:</b>				
Structures*	(75,667,995)	(2,874,239)		(78,542,233)
Site Improvements*	(45,682,869)	(2,174,142)		(47,857,011)
Machinery & Equipment	(142,857,382)	(14,456,794)	14,607,030	(142,707,147)
Right-to-Use	(473,608)	(452,641)	83,019	(843,230)
Subscription-Based IT Assets		(1,120,024)		(1,120,024)
Subtotal	(264,681,854)	(21,077,840)	14,690,049	(271,069,645)
<b>Total Capital Assets, Net of Accumulated Depreciation and Amortization</b>	<b>\$ 200,312,486</b>	<b>\$ 81,163,458</b>	<b>\$ (67,078,185)</b>	<b>\$ 214,397,759</b>

\*Asset and depreciation were reclassified from Structures to Site Improvements from a prior period that impacted beginning balances. The reclassification did not impact the net beginning balance.

Work in progress as of December 31, 2023 consisted of the following projects:

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

Work in Progress	
Bldg & Site Imp.	\$ 47,252,203
Technology Projects	8,370,984
Equip & Veh	11,155,271
<b>Total Work in Progress</b>	<b>\$ 66,778,458</b>

**NOTE 4: CHANGES IN LONG-TERM LIABILITIES**

During the year ended December 31, 2023, the following changes occurred in long-term liabilities:

Note	Business Type Activities	Beginning	Additions	Reductions	Ending	Due Within
		Balance 1/1/2023			Balance 12/31/2023	
4A	Compensated Absences	\$ 6,037,293	7,710,506	7,087,966	\$ 6,659,833	4,512,217
4B	Net Pension Liability	\$ 11,321,348		1,860,659	\$ 9,460,689	
4C	Lease Liability	\$ 3,165,168	1,016,079	577,638	\$ 3,603,609	372,401
4D	SBITA Liability	\$ -	2,704,783	1,601,885	\$ 1,102,898	561,176
	<b>Total Change in Long Term Liabilities</b>	<b>\$ 20,523,809</b>	<b>11,431,368</b>	<b>11,128,148</b>	<b>\$ 20,827,029</b>	<b>5,445,794</b>

**A. Compensated Absences**

Employees accrue vacation or PTO based on tenure at annual rates ranging from 13 to 34 days per year. Vacation accrual balances shall not exceed an amount equal to two (2) years' accruals. PTO accrual balance shall not exceed six hundred (600) hours. All vacation or PTO hours are cashed out at 100% up to the maximum allowed if the employee separates after completing probation. In 2019, a new PTO plan was implemented for non-represented employees with a maximum accrual of 600 hours. Non-represented employees with 21 or more years of service were grandfathered in the original vacation plan, while all other non-represented employees were placed in the new PTO leave plan.

As of December 31, 2023, total vacation and PTO accruals are listed as follows:

PTO/Vacation-Current	\$ 4,379,652
PTO/Vacation-Non-Current	486,628
<b>Total Vacation Leave Liability</b>	<b>\$ 4,866,280</b>

Sick leave is recorded as an expense at the time of payment, which occurs upon usage or termination. Fifty percent of the value is paid upon retirement or death of the employee, 20% is paid upon termination for any other reason. There is no cap on the accrual for sick leave; however, the maximum payout is 960 hours.

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

The estimated liability for these sick leaves payouts is as follows:

Current Liability based on usage or terminations	\$	132,566
Non-current Liability based on expected future payoffs		1,660,987
<b>Total Sick Leave Liability</b>	<b>\$</b>	<b>1,793,553</b>

A reconciliation of current and long-term employee compensated absences follows:

Balance beginning	\$	4,074,868
Employee leave earned		5,224,077
Employee leave paid		(4,786,728)
<b>Compensated Absences-Current</b>	<b>\$</b>	<b>4,512,217</b>
Balance beginning	\$	1,962,425
Employee leave earned		2,486,429
Employee leave paid		(2,301,238)
<b>Compensated Absences-Noncurrent</b>	<b>\$</b>	<b>2,147,616</b>

**B. Pensions**

See Note 9 – Pension Plans for information.

**C. Leases**

See Note 8 – Leases

**D. Subscription-Based IT Arrangements**

See Note 13 – Subscription-based IT Arrangements

**E. Other Liabilities**

Pierce Transit has identified certain assets which may have external retirement obligations, including 14 underground storage tanks (UST), 13 of which have now been decommissioned and replaced with above ground storage tanks. The one remaining UST useful life and retirement costs are not considered material.

**NOTE 5. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

**A. Constructions Commitments**

Commitments on active construction and capital projects as of December 31, 2023 are itemized as follows:

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

Project Type	Spent to Date	Remaining Commitment
Buildings and Site Improvements	4,425,064	5,696,175
Maintenance and Operations Base Improvements	12,238,448	16,025,196
Bus Rapid Transit/Enhanced Bus Service	30,588,691	4,122,308
Vehicles and Equipment	11,155,271	3,938,970
Technology	8,370,984	4,182,887

Projects underway as of December 31, 2023, included base facility improvements, Spanaway Transit Center, transit center improvements, enhanced bus service, CAD/AVL and various technology upgrades or replacements, vehicle replacement, and equipment.

**B. Other Commitments**

**1. Regional Fare Collection System (ORCA)**

Seven regional transit agencies participate in a One Regional Card for All (ORCA) fare payment system, that simplifies and establishes a common collection system throughout the Puget Sound region. Participating agencies include Pierce Transit, King County Metro, Sound Transit, Everett Transit, Washington State Ferries, Kitsap Transit and Community Transit. A smart card is an intelligent fare card that stores information including fare type and stored value in either cash or transit passes.

The original agreement, signed in April 2003, established the respective roles and responsibilities of the Agencies in the development and operating phases of the ORCA system. The system was phased in beginning in April 2009 and an amended agreement establishing the design, implementation, operation, and maintenance of the ORCA was signed. This amended agreement further defines and establishes a framework for the operating phase of the system. The participating agencies have committed to utilizing the system for a minimum of 10 years and funding proportionate shares of regionally shared costs.

The system is governed by a Joint Board consisting of one representative from each participating agency. The funds collected through the sale of ORCA fare media to the public by participating agencies is remitted to Sound Transit acting as fiscal agent under the terms of the interlocal agreement. Fare revenue is apportioned by the fiscal agent and remitted to the participating agency that provided the transit service.

Pierce Transit's financial statements reflect its portion of ORCA fare revenues and expenses. ORCA fare revenue as of December 31, 2023 was \$2,919,828 with operating expenses of \$616,996.

**Pierce Transit  
Notes to Financial Statements  
Year Ended December 31, 2023**

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**2. Combined Communications Network**

In January 2015, Pierce Transit entered into an agreement with Pierce County to provide the maintenance, operation, and governance of a county wide radio system to be called the Pierce Transit – Pierce County Combined Communications Network (CCN) of shared radio and microwave systems to carry voice and data traffic. Pierce Transit has discontinued participation in CCN after the Board of Commissioners approved ending the contract at the November 8, 2021 Board meeting, effective December 31, 2021. At the time of this report, Pierce Transit is waiting for Pierce County to complete the lease agreement with King County for the Top Hat radio tower. The leases for the other two towers were transferred in early 2023 to Pierce County.

**NOTE 6: CONTINGENCIES AND LITIGATIONS**

Pierce Transit has recorded in its financial statements all material liabilities, including an estimate for situations not yet resolved but where, based on available information, management believes it is probable that payment will have to be made. In the opinion of management, Pierce Transit’s insurance policies and self-insurance reserves are adequate to pay all known or pending claims.

Pierce Transit has received several federal- and state-assisted grants for specific purposes that are subject to review and audit. Such audits could lead to requests for reimbursements for expenses disallowed under the terms of the grants. In the opinion of management, such disallowances, if any, will be immaterial and will not have any significant effect on the financial position of Pierce Transit.

**NOTE 7: DEPOSITS AND INVESTMENTS**

As of December 31, 2023, Pierce Transit had the following cash, cash equivalents, and investments:

Demand Deposits	\$	1,965,392
Local Government Investment Pool		100,819,421
Separately Managed Account		130,501,523
<b>Total Cash, Equivalents, and Investments</b>	<b>\$</b>	<b>233,286,336</b>

**A. Deposits**

All demand deposits are entirely insured by the Federal Deposit Insurance Corporation and by the Washington Public Deposit Protection Commission.



**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**B. Local Government Investment Pool**

Pierce Transit is a participant in the Local Government Investment Pool (LGIP). The LGIP was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington Office of the State Treasurer.

The LGIP is a qualified, unrated, external investment pool that is not registered with the Securities and Exchange Commission (SEC). All investments are subject to written policies and procedures adopted by the State Treasurer's office. The LGIP is considered extremely low risk. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. Investments in the LGIP are reported at amortized cost which is the same as the value per share. The LGIP does not have any legally binding guarantees of share value. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals and functions as a demand deposit account where the Transit receives an allocation of its proportionate share of pooled earnings using an amortized cost methodology. Contributions or withdrawals can be made on a daily basis. Unrealized gains and losses due to changes in the fair values are not distributed to Pierce Transit.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <https://www.tre.wa.gov>.

**C. Investments**

The investment practices of Pierce Transit are governed by an investment policy adopted by the Board of Commissioners. The policy addresses interest rate risk, credit risk, and concentration of credit risk. Allowable investments are limited as follows:

- U.S. Government obligations
- U.S. Government agency obligations
- Certificates of deposit issued by commercial banks and thrift institutes that are public depositories in the state of Washington.
- Repurchase agreements collateralized by liquid, marketable securities having a fair value of at least 102% of the repurchase price.
- Banker's acceptance issued by any qualified depository in the state of Washington or by the 30 largest foreign banks and the 30 largest domestic banks as listed by the American Banking Association.
- Washington State Local Government Investment Pool. The Washington State Investment Board regulates pool investments.
- Money Market accounts insured by the FCIC.

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**Separately Managed Account** – Pierce Transit entered into an Interagency Agreement with the State of Washington’s Office of the State Treasurer in June 2022 to authorize the State Treasurer’s Office to invest funds in a Separately Managed Account. An initial deposit of \$100 million was made. An additional investment of \$25 million was made in 2023. The State Treasurer invests these funds in accordance with the State’s investment policies and procedures. Pierce Transit receives monthly reports of investment activity and records interest earned. At year end, Pierce Transit reported the investments at fair value in accordance with GASB 72 and made adjusting entries to balance the portfolio. Changes in fair value are included as a change in revenue in the financial statements.

**Interest Rate Risk** - Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity, the greater the sensitivity of its fair value to changes in market interest rates. Pierce Transit’s investment policy is designed to manage the exposure to interest rate risk through diversification and by purchasing a combination of short and long-term investments that mature evenly over time.

**Credit Risk** - Pierce Transit's investment policy requires diversification of investments across security types, financial institutions, and maturities as follows:

- No more than 50% of the Agency's total portfolio may be invested in a single type of security.
- No more than 50% of the Agency's total portfolio may be purchased from a single financial institution except for the Washington State Local Government Investment Pool.
- No more than 25% of the Agency's total portfolio may be invested in any given issue with a specific maturity. Investment maturities may not exceed two years.

**Custodial Credit Risk** – All investments purchased by Pierce Transit are held and registered in the Transit’s name in the trust or safekeeping department of a financial institution as established by a written third-party safekeeping agreement between the Transit and financial institution. Investments in the Separately Managed Account are purchased by the state of Washington’s Office of the State Treasurer and are held and registered in the State’s name in the trust or safekeeping department of a financial institution as established by a written third-party agreement between the State and financial institution.

**Fair Value** – Pierce Transit measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. GASB 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value as follows:

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities on the date of measurement.

Level 2: Directly or indirectly observable inputs available in active markets as of measurement date.

Level 3: Unobservable inputs used in cases where financial instruments are considered illiquid, with no significant market activity and little or no pricing information on the date of measurement.

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Debt Securities				
Discount Notes	\$ 4,969,258		\$ 4,969,258	
U.S. Treasuries	55,194,129		55,194,129	
Fixed Rate Bonds	14,791,220		14,791,220	
U.S. Agencies Floating Rate Notes	7,516,757		7,516,757	
Callable Securites	16,671,458		16,671,458	
Supra-Bullet	24,600,901		24,600,901	
<b>Total Investments by Fair Value Level</b>		-	\$ 123,743,723	-
Total Investments Measured at Fair Value	<u>\$ 123,743,723</u>			
Other Securities Not Measured at Fair Value				
State LGIP	<u>6,757,800</u>			
	<u>\$ 130,501,523</u>			

**NOTE 8: LEASES**

**A. Right-to-Use Lease Assets and Liabilities**

**1. Real Estate Leases**

Pierce Transit entered into three real estate lease agreements for the purpose of operating Park and Rides at Tacoma Community College (TCC), Tacoma Mall and Kimball Drive. All leases were in before January 1, 2022, but all leases are recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. For accounting purposes, the right-to-use lease asset and lease liability are reported at the present value of the future minimum lease payments using 3.5 percent interest rate. The initial rent of \$389,765 (TCC) \$517,583(Tacoma Mall), and \$1,928,919 (Kimball Drive) was used to calculate the present value of these leases.

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Pierce Transit entered into the agreement with TCC originally on November 1, 1983. The agreement allows for an annual rent adjustment on November 1 of each year based on the Consumer Price Index for All Urban Consumers in the Seattle-Tacoma-Bremerton area. Annual sum shall never be adjusted downward nor increase more than 5%. The lease does not convey ownership and the term is through October 31, 2029. The original date of the Tacoma Mall agreement was November 15, 1984. The current amendment beginning in 2016 allows the annual rent to be increased 3% annually through the termination date of December 31, 2030. The lease does not convey ownership. Pierce Transit entered into the agreement with Tacoma Public Utilities for Kimball Drive Park and Ride on August 15, 1997. Every five years, TPU may evaluate the value of the property and adjust the rent. The lease does not convey any right, title, or interest in the property.

For all real estate leases, future adjustments and changes to rents will be accounted for and recalculated for additional interest related to lease liability when incurred.

## **2. Building Lease**

Pierce Transit entered into a building lease agreement for the purpose of operating our service provided by our contract with First Transit. The lease began before January 1, 2022, but the lease is recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation using present value and an interest rate of 2.5%. The lease does not convey ownership at the end of the lease or provide a purchase option.

The original lease was effective July 10, 1999. The amendment at implementation expired June 30, 2023. The amendment has an option to renew for up to two (2) additional consecutive periods of five (5) years. It is likely Pierce Transit will exercise the option for the additional periods. In June 2023, this lease was extended for an additional 5 years. The new expiration date is June 30, 2028. The right-to-use lease asset and lease liability were remeasured using the 2.5 percent interest rate. Future adjustments to rent will be accounted for and recalculated for additional interest related to lease liability when incurred.

## **3. Tower Leases**

Pierce Transit holds three leases relating to the CCN. (See Note 5B.2) These leases were measured in the same method as the real estate and building leases at the beginning of the implementation period of January 1, 2022. Two of the tower leases were terminated in 2023 and the right-to-use lease asset and lease liability were reduced for those. The Indian Hill tower lease ended on March 31, 2023. A gain on termination of \$3,535 was recorded for this lease. The Hemlock tower lease ended on May 30, 2023. A loss on termination of \$6,943 was recorded for this lease. It is expected that the Top Hat tower lease will be transferred to Pierce County in 2024.

**Pierce Transit**  
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The table below is the summary of the lease assets and the related accumulated amortization:

	Beginning Balance 1/1/23	Increases	Decreases	Ending Balance 12/31/23
Leased Real Estate	\$ 3,079,727	\$1,016,079	\$ -	\$4,095,806
Leased Tower	500,178	-	(283,229)	216,949
<b>Total Right -to-Use Lease Assets</b>	<b>3,579,906</b>	<b>1,016,079</b>	<b>(283,229)</b>	<b>4,312,755</b>
Accumulated Amort - Leased Real Estate	(363,667)	(384,224)	-	(747,891)
Accumulated Amort - Leased Tower	(109,941)	(68,417)	83,019	(95,340)
<b>Total Amortization</b>	<b>(473,608)</b>	<b>(452,641)</b>	<b>83,019</b>	<b>(843,230)</b>

As of December 31, 2023, the principal and interest requirements to maturity are as follows:

Year Ended December 31	Principal	Interest	Total
<b>2024</b>	\$372,401	\$117,911	\$490,312
<b>2025</b>	399,669	104,914	504,584
<b>2026</b>	402,061	91,146	493,207
<b>2027</b>	397,103	77,523	474,626
<b>2028</b>	301,814	64,408	366,222
<b>2029-2033</b>	617,374	239,804	857,178
<b>2034-2038</b>	622,721	143,319	766,039
<b>2039-2043</b>	490,466	26,543	517,009
<b>Total</b>	<b>\$3,603,609</b>	<b>\$865,569</b>	<b>\$4,469,178</b>

**NOTE 9: PENSION – SPONSORED PLANS**

**A. PERS/TERS**

The following table represents the aggregate pension amounts for all plans for the year 2023:

<b>Aggregate Pension Amounts - All Plans</b>	
Pension liabilities	(9,460,689)
Pension assets	20,129,411
Deferred outflows of resources	18,304,038
Deferred inflows of resources	(12,279,499)
Pension expense/expenditures	(3,042,487)

Substantially all Pierce Transit’s full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems. Tacoma Transit

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employees electing to remain in the Tacoma Employees' Retirement System (TERS) when Pierce Transit took over operations of Tacoma Transit in 1980 are covered by TERS, which is a defined benefit plan. Employees who moved from participating agencies of TERS to Pierce Transit remain in TERS. There are currently 15 employees covered under TERS, with the remaining employees covered by the Public Employees Retirement Systems (PERS).

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

The Tacoma Employees' Retirement System (TERS), a pension trust fund of the City of Tacoma, Washington, issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information.

The TERS ACFR may be downloaded at [www.cityoftacoma.org/retirement](http://www.cityoftacoma.org/retirement).

**Public Employees' Retirement System (PERS)**

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

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**Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
January – June		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
<b>TOTAL</b>	<b>10.39%</b>	<b>6.00%</b>
July - August		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
<b>TOTAL</b>	<b>9.39%</b>	<b>6.00%</b>
September - December		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
<b>TOTAL</b>	<b>9.53%</b>	<b>6.00%</b>

Pierce Transit’s actual contributions to Plan 1 were \$2,384,077 for the year ended December 31, 2023.

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member’s AFC times the member’s years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member’s 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

**Contributions**

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plan 2/3 defined benefit required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

<b>PERS Plan 2/3</b>			
<b>Actual Contribution Rates</b>	<b>Employer 2/3</b>	<b>Employee 2</b>	<b>Employee 3</b>
January – June			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	3.85%		
Administrative Fee	0.18%		
<b>TOTAL</b>	<b>10.39%</b>	<b>6.36%</b>	
July - August			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.85%		
Administrative Fee	0.18%		
<b>TOTAL</b>	<b>9.39%</b>	<b>6.36%</b>	
September - December			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.97%		
Administrative Fee	0.20%		
<b>TOTAL</b>	<b>9.53%</b>	<b>6.36%</b>	

Pierce Transit’s actual PERS Plan 2/3 contributions were \$4,456,737 for the year ended December 31, 2023.



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**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2023 with a valuation date of June 30, 2022. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2021 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g., active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Methods did not change from the prior contribution rate setting June 30, 2021 Actuarial Valuation Report (AVR). OSA did make an assumption change to adjust TRS Plan 1 assets, LEOFF Plan 1/2 assets, and LEOFF participant data to reflect certain material changes occurring after the June 30, 2022 measurement date.

**Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7.0%.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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Therefore, the long-term expected rate of return of 7.0% was used to determine the total liability.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the DRS pension plan investments of 7.0% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

**Estimated Rates of Return by Asset Class**

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021. The inflation component used to create the table is 2.2% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
	<b>100%</b>	

**Sensitivity of the Net Pension Liability/(Asset)**

The table below presents Pierce Transit's net pension liability calculated using the discount rate of 7%, as well as what Pierce Transit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
2023 PERS 1	\$12,178,467	\$8,717,114	\$5,696,167
2023 PERS 2/3	\$21,893,147	(\$20,129,411)	(\$54,653,598)

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**Tacoma Employees' Retirement System**

The Tacoma Employees' Retirement System (TERS) is a cost-sharing, multiple-employer defined benefit public employee pension plan, covering most of the employees of the City of Tacoma. Other members include certain employees of Pierce Transit, South Sound 911 and the Tacoma Pierce County Health Department who established membership in TERS when these agencies were still City of Tacoma departments. TERS provides retirement, disability, and death benefits.

The measurement date for TERS is December 31, 2022, which is up to one year prior to the reporting date of this report and allowable per GASB Statement 68.

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

The TERS member contribution rate is established the Tacoma City Council. The TERS required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

<b>TERS Contribution Rate</b>	<b>Employer</b>	<b>Employee</b>
2023	11.34%	9.66%

Pierce Transit's actual contributions to TERS plan were \$196,881 for the year ended December 31, 2023.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the TERS pension plan investments is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the System's investment advisors as of December 31, 2022. The target asset allocation is based on the TERS Investment Policy Statement dated November 2022. Rates of return for each major asset class included in the pensions plan's target asset allocation are summarized in the table below.

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Asset Class	Target Allocation	Long-Term Expected Geometric Rate of Return (30 year period)
Global Equity	34.5%	5.08%
Investment Grade Fixed Income	19.5%	2.35%
Private Equity	10.0%	7.78%
High Yield Bonds	6.0%	4.28%
US Long Gvt Bonds	3.00%	2.38%
Emerging Market Debt	5.00%	4.04%
Master Limited Partnerships	4.00%	5.73%
Private Real Estate	10.0%	3.35%
US Bank / Leveraged loans	3.00%	3.75%
Infrastructure	5.00%	4.12%
Assumed Inflation - Mean		2.50%
Assumed Inflation - Standard Deviation		1.41%
Portfolio 10 year Geometric Rate of Return		7.04%
Portfolio Standard Deviation		11.04%
<b>Long-Term Expected Rate of Return, net of investment expenses</b>		<b>6.75%</b>

**Sensitivity Analysis of Net Pension Liability (Asset)**

The table below presents Pierce Transit’s net pension liability as of the December 31, 2022 measurement date calculated using the discount rate of 6.75 percent, as well as what Pierce Transit’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percent point lower (5.75 percent) or 1-percent higher (7.75 percent) than the current rate.

TERS	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
	\$2,113,819	\$743,575	(\$398,282)

**Pension Plan Fiduciary Net Position**

Detailed information about DRS and TERS pension plans’ fiduciary net position is available in the separately issued DRS and TERS financial report.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Pierce Transit reported its proportionate share of the net pension liabilities and assets as follows:

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Plan	Liability (or Asset)
PERS 1*	8,717,114
PERS 2/3*	(20,129,411)
TERS**	743,575

\*As of June 30, 2023    \*\* As of December 31, 2022

At June 30, Pierce Transit's proportionate share of the collective net DRS pension liabilities was as follows:

	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportionate Share
PERS 1	0.406604%	0.381872%	-0.024732%
PERS 2/3	0.525714%	0.491119%	-0.034595%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2023 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans.

At December 31, Pierce Transit's proportionate share of the collective TERS net pension liabilities was as follows:

	Proportionate Share 12/31/21	Proportionate Share 12/31/22	Change in Proportionate Share
TERS	0.36725%	0.49511%	0.12786%

The employer contributions to TERS were used in determining each employer's proportionate share of the collective pension amounts for the calendar year ended December 31, 2022.

**Pension Expense**

For the year ended December 31, 2023, Pierce Transit recognized pension expense as follows:

Pension Expense	2023
PERS 1	\$ (888,555)
PERS 2/3	(2,458,249)
TERS	304,317
<b>TOTAL</b>	<b>\$ (3,042,487)</b>

**Pierce Transit**  
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**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2023, Pierce Transit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

<b>PERS 1</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		(983,328)
Changes of assumptions	0	0
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	1,054,678	
<b>TOTAL</b>	<b>1,054,678</b>	<b>(983,328)</b>

<b>PERS 2/3</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	4,100,338	(224,907)
Net difference between projected and actual investment earnings on pension plan investments		(7,585,979)
Changes of assumptions	8,451,023	(1,841,990)
Changes in proportion and differences between contributions and proportionate share of contributions	1,446,096	(1,594,082)
Contributions subsequent to the measurement date	2,262,934	
<b>TOTAL</b>	<b>16,260,391</b>	<b>(11,246,958)</b>

**Pierce Transit**  
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TERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	51,458	(16,762)
Net difference between projected and actual investment earnings on pension plan investments	578,748	
Changes of assumptions	146,140	
Changes in proportion and differences between contributions and proportionate share of contributions	15,741	(32,450)
Contributions subsequent to the measurement date	196,881	
<b>TOTAL</b>	<b>988,968</b>	<b>(49,212)</b>

\*TERS Measurement date is December 31, 2022

Deferred outflows of resources related to pensions resulting from Pierce Transit's contributions to DRS and TERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	PERS 1
2024	(669,015)
2025	(841,366)
2026	518,773
2027	8,280
2028	0
Thereafter	0

Year ending December 31:	PERS 2/3
2024	(3,734,525)
2025	(4,443,470)
2026	6,048,949
2027	2,253,452
2028	2,385,786
Thereafter	240,307

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Year ending December 31:	TERS
2023	66,917
2024	218,313
2025	137,129
2026	322,446
2027	(1,931)
Thereafter	0

**B. Deferred Compensation Plan**

Pierce Transit offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plans are offered and administered through Empower Retirement Company and MissionSquare. Pierce Transit contributes up to 4.25% of annual salary for employees with fewer than 10 years of service, up to 5.25% for employees with 10 – 14 years of service, and up to 6% for employees with 15 years of service or more. In 2023, Pierce Transit contributed \$2,376,859 and employees contributed \$3,736,834. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Beginning in fiscal year 1998, existing assets in the plan are held in a qualified custodial account. The custodian holds the Plan's assets for the exclusive benefit of participants and beneficiaries. The Plan's assets are not the legal property of Pierce Transit and are not subject to claims of the Agency's creditors. Therefore, deferred compensation funds are not shown on the balance sheet.

**NOTE 10: RECEIVABLES – DUE FROM OTHER GOVERNMENTS**

Receivables due to Pierce Transit for year ending December 31, 2023 are detailed as follows:

Other Operating Partnerships	\$ 6,164,077
Fuel Tax Refund	214,274
Regional Transit Service Revenues	7,895,189
Capital Grants	682,017
Due from Other Governments	\$ 14,955,557

**NOTE 11: NET POSITION**

Pierce Transit's Board of Commissioners has established reserve policies for Pierce Transit's capital and insurance programs. The net position amount designated for insurance is set at a level to adequately protect the Agency from self-insurance risks. The amount designated will be maintained in an amount enough to fund the capital requirements identified in the Six-Year Plan



**Pierce Transit**  
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plus an amount equal to three prior years of local depreciation, excluding buildings and structures. Funds designated for capital are intended to fund currently approved capital projects and to replace capital equipment and facilities as they wear out. The Board of Commissioners as a part of the budget process reviews the level of the self-insurance and capital designations annually.

Net position is increased when revenues are greater than expenses and decreased when expenses exceed revenues.

Net Investment in Capital Assets	\$ 208,262,839
Total Restricted Net Position	20,129,411
Unrestricted Net Position	
Operating	165,041,992
Self-Insurance	6,036,944
Capital Replacement/Expansion	<u>82,812,776</u>
Total Unrestricted Net Position	<u>253,891,712</u>
Net Position	<u>\$ 482,283,962</u>

Net Investment in Capital Assets is calculated as follows:

Net Investment in Capital Assets Calculation	
Total Capital Assets	\$ 485,467,403
Less: Accumulated Depreciation/Amortization	<u>271,069,645</u>
Net Capital Assets	214,397,758
Less:	
Outstanding Debt Principal (leases & SBITAs)	(4,706,506)
Payables	(1,311,323)
Retainage Payable	(117,089)
Net Investment in Capital Assets	<u>\$ 208,262,839</u>

**Pierce Transit**  
**Notes to Financial Statements**  
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**NOTE 12: RISK POOL AND INSURANCE**

**A. Risk Pool**

Since January 1, 2010, Pierce Transit has been a member of the Washington State Transit Insurance Pool (WSTIP). WSTIP is a 25-member governmental risk pool located in Olympia, Washington. WSTIP supplies Pierce Transit's auto liability, general liability, public official's liability coverage, property coverage, auto physical damage coverage, boiler and machinery coverage, employee fidelity/crime coverage, and cyber-liability coverage.

At the end of 2023, Pierce Transit retained a \$25,000 for its all-risk property coverage which includes auto physical damage. Pierce Transit has a \$5,000 deductible for public official's liability coverage and has no deductible for general and auto liability risks covered by WSTIP.

WSTIP was formed by Interlocal Agreement on January 1, 1989, pursuant to Chapters 48.61 and 39.34 RCW. The purpose for forming WSTIP was to provide member transit agencies joint self-insurance, joint purchasing of insurance and joint contracting for hiring of personnel to provide risk management, claims handling, and administrative services. Transit agencies joining WSTIP must remain members for a minimum of 36 months. Members may withdraw after that time by giving six-month's written notice and at the end of the fiscal year. Any member who withdraws will not be allowed to rejoin for a period of 36 months.

Transit authorities applying for membership in WSTIP may do so on approval of a simple majority vote of the WSTIP Board of Directors. Underwriting and rate-setting policies have been established after consultation with actuaries. WSTIP members are subject to a supplemental assessment in the event of deficiencies. If WSTIP's assets were to be exhausted, members would be responsible for WSTIP's liabilities. WSTIP is regulated by the Washington State Risk Manager and audited annually by the Washington State Auditor.

WSTIP utilizes a combination of self-insurance, reinsurance, and excess insurance to provide the limits noted in the summary below. Carriers include Government Entities Mutual, Munich Reinsurance of America, Hallmark Specialty Insurance Company, and Allied World Assurance Company for the liability lines; Evanston and The Burlington Insurance Company for auto physical damage; American International Group Inc (AIG)/National Union Fire Insurance for the crime policy; and Beazley Cyber Services for the cyber liability policy. The excess property carrier for all risk property and boiler and machinery is Alliant Property Insurance Program provided by Alliant Insurance Services.

Pierce Transit has not presented any claims to WSTIP in the last year that exceeded its current coverage limits through WSTIP.

Here is a summary of coverage provided in 2023:

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

RISK / EXPOSURE		COVERAGE	DEDUCTIBLE
<b>GENERAL LIABILITY:</b>			
Bodily Injury & Property Damage	\$25 million	Per occurrence	\$0
Personal Injury and Advertising Injury	\$25 million	Per offense	\$0
Contractual liability	\$25 million	Per occurrence	\$0
Vanpool Driver Medical Expense Protection	\$35,000	Per occurrence	\$0
Underinsured Motorist Coverage (by mode)	\$60,000	Per occurrence	\$0
Permissive Use of a Member-Owned Motor Vehicle	\$100,000 for property damage and \$300,000 for bodily injury	Per occurrence	\$0
Agency, rental, and personal/private vehicle occupants not covered by workers compensation or transit passengers	\$100,000 for property damage and \$300,000 for bodily injury	Per occurrence	\$0
		Per occurrence	\$0
Endorsement 1: <b>COMMUNICABLE DISEASE LIABILITY:</b>	\$500,000	Per occurrence	\$0
Annual aggregate for all Members or Additional Covered Parties	\$2 million		
<b>PUBLIC OFFICIALS LIABILITY</b>	\$25 million	Per occurrence and aggregate	\$5,000
Endorsement 1: <b>VIOLATIONS OF WAGE &amp; HOUR LAWS</b>	\$250,000	Per occurrence	\$25,000
Annual aggregate per Member	\$250,000		
<b>PROPERTY COVERAGE</b> All perils subject to the following sublimits:	\$500 million	Per occurrence, all perils and insureds/members combined	\$25,000
Flood zones A & V – annual aggregate	\$10 million	Per occurrence, annual aggregate	\$500,000
All flood zones except A & V – annual aggregate	\$50 million	Per occurrence, annual aggregate	\$500,000
Earthquake, volcanic eruption, landslide, and mine subsidence --	\$35 million	Per occurrence, annual aggregate	5% subject to \$500,000 minimum per occurrence per unit
<b>AUTO PHYSICAL DAMAGE</b> Auto Physical Damage (below \$250,000 in value)	Fair market value		\$25,000
Auto Physical Damage for all vehicles valued over \$250,000 and less than 10 years old	Replacement Cost	Limited to \$1.6 million any one vehicle	\$25,000

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

<b>BOILER AND MACHINERY</b>	\$100 million		\$250,000 or \$350,000 depending on size of boiler
<b>CRIME / PUBLIC EMPLOYEE DISHONESTY</b> including faithful performance. Also includes:	\$2 million	Per occurrence	\$10,000
Employee theft	\$2 million	Per occurrence	\$10,000
Forgery or alteration	\$2 million	Per occurrence	\$10,000
Inside the premises – theft of money and securities	\$2 million	Per occurrence	\$10,000
Inside the premises – robbery or safe burglary of other property	\$2 million	Per occurrence	\$10,000
Outside premises	\$2 million	Per occurrence	\$10,000
Computer fraud	\$2 million	Per occurrence	\$10,000
Funds Transfer Fraud	\$2 million	Per occurrence	\$10,000
Money orders and counterfeit money	\$2 million	Per occurrence	\$10,000

<b>CYBER LIABILITY INSURANCE</b>		<b>Coverage</b>	<b>Deductible</b>
Annual Policy and Program Aggregate Limit of Liability for all policy holders (not just WSTIP members)	\$45 million		
Insured/Member Annual Aggregate Limit of Liability	\$2 million		\$5,000
<b>BREACH RESPONSE COSTS</b>	\$500,000	Aggregate for each insured/member (limit is increased to \$1 million if Beazley Nominated Service Providers are used)	
<b>FIRST PARTY LOSS</b>			
Business Interruption			
<i>Resulting from Security Breach</i>	\$750,000	Aggregate limit	
<i>Resulting from System Failure</i>	\$500,000	Aggregate limit	
Dependent Business Loss			
<i>Resulting from Security Breach</i>	\$750,000	Aggregate limit	
<i>Resulting from System Failure</i>	\$100,000	Aggregate limit	
Cyber Extortion Loss	\$750,000	Aggregate limit	
Data Recovery Costs	\$750,000	Aggregate limit	
<b>LIABILITY</b>			
Data & Network Liability	\$2 million	Aggregate limit	
Regulatory defense and penalties	\$2 million	Aggregate limit	
Payment Card Liabilities & Costs	\$2 million	Aggregate limit	
Media Liability	\$2 million	Aggregate limit	
<b>eCRIME</b>			
Fraudulent Instruction	\$75,000	Aggregate limit	
Funds Transfer Fraud	\$75,000	Aggregate limit	

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

Telephone Fraud	\$75,000	Aggregate limit	
CRIMINAL REWARD	\$25,000	Limit	
COVERAGE ENDORSEMENTS			
Reputation Loss	\$100,000	Limit of Liability	
Claims Preparation Costs for Reputation Loss Claims Only	\$50,000	Limit of Liability	
Computer Hardware Replacement Costs	\$100,000	Limit of Liability	
Invoice Manipulation	\$100,000	Limit of Liability	
Cryptojacking	\$25,000	Limit of Liability	

In addition to the coverage detailed in the basic Cyber Liability insurance description, Pierce Transit has chosen to purchase additional limits. This limit will be in excess to any limit of the basic cyber liability policy and increases the availability of insurance and/or drop down if the basic policy limits, which are shared with all policy holders, are exhausted. The extra limit is not shared with any other policy holder or WSTIP member. Pierce Transit elected \$2 million (in excess of \$2 million). The carrier is Palomar Excess & Surplus Insurance Company.

**Extra Auto Physical Damage Limits**

In addition to the coverage detailed in the basic Auto Physical Damage insurance description, Pierce Transit has chosen to purchase additional limits. This limit will be in excess to any limit of the basic auto physical damage policy and increases the availability of insurance. Pierce Transit elected to purchase \$10 million (in excess of \$20 million). The carrier is The Burlington Insurance Company.

**Underground Storage Tank – Pollution Liability Insurance Policy**

Pierce Transit purchases an Underground Storage Tank – Pollution Liability insurance policy. The policy term is October 1 and renews annually. The carrier is Mid-Continent Casualty Company. Insurance provisions on each policy were essentially the same. The insuring agreement has coverage parts for bodily injury and property damage liability, government mandated cleanup costs liability, and defense and claims handling expenses. The limit of coverage is \$1 million per environmental incident with a \$1 million aggregate and a \$500,000 limit on defense per environmental incident. Pierce Transit has a \$10,000 deductible per environmental incident. Tanks must be listed to be covered.

**Covered Locations Pollution Liability Insurance Policy**

Pierce Transit purchases a Covered Locations Pollution Liability insurance policy. The policy term is from February 27, 2023 to April 4, 2024. The carrier is Beazley Eclipse. The insuring agreement has coverage parts for covered location pollution liability coverage – new pollution conditions, covered location pollution liability coverage – existing pollution conditions, transportation pollution liability, and non-owned disposal site pollution liability. The policy covers cleanup costs,

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

damages, and claims expenses. The limit of coverage is \$5 million each pollution condition – includes claims expenses with a \$5 million aggregate including claims expenses. Pierce Transit has a \$100,000 deductible per pollution condition. Locations must be listed to be covered.

**B. Unemployment and Workers Compensation Insurance**

Pierce Transit continues to be self-insured for unemployment compensation and self-insured for \$1 million for workers’ compensation (industrial insurance), with excess workers’ compensation (EWC) retained consistent with statutory requirements. Self-insurance assets have been set aside for these workers’ compensation claims, which are administered by a third-party administrator.

On December 31, 2023, the self-insurance assets totaled \$8,265,987 of which a liability of \$2,156,587 is recorded for workers’ compensation and unemployment compensation claims for which it may be ultimately liable, including a provision for claims incurred but not yet reported.

These liabilities are Pierce Transit's best estimate of claims based upon available information. No outstanding liabilities have been removed from the balance sheet due to the purchase of annuity contracts from third parties in the name of claimants. Claim settlements in the past three years have not exceeded insurance coverage. A reconciliation of claims liabilities follows:

	<b>2023</b>
Balance beginning of year	\$ 2,301,855
Provision for incurred claims	1,271,757
Payments made for claims	(1,417,024)
Claims liabilities end of year	<u>\$ 2,156,587</u>

**C. Health and Welfare**

Pierce Transit is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents, and other beneficiaries through a designated account within the Trust.

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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As of December 31, 2023, 264 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-city entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2023, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two

**Pierce Transit**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW, and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor’s office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board (“GASB”). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor’s office.

**NOTE 13: SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

Pierce Transit has a variety of noncancellable subscription-based information technology arrangements (SBITAs) for the right to use information technology hardware and software. The table below is the summary of the subscription-based IT arrangements and the related accumulated amortization:

	Beginning Balance 1/1/23	Increases	Decreases	Ending Balance 12/31/23
IT Software Subscriptions	\$ -	\$2,704,783	\$ -	\$2,704,783
<b>Total Right -to-Use Lease Assets</b>	-	2,704,783	-	2,704,783
Accumulated Amort - IT Software Subscriptions	-	(1,120,024)	-	(1,120,024)
<b>Total Amortization</b>	-	(1,120,024)	-	(1,120,024)

As of December 31, 2023, the principal and interest requirements to maturity are as follows:

Year Ended December 31	Principal	Interest	Total
<b>2024</b>	\$561,176	\$19,607	\$580,783
<b>2025</b>	340,067	8,239	348,306
<b>2026</b>	192,144	1,208	193,352
<b>2027</b>	9,511	40	9,551
<b>2028</b>	-	-	-
<b>Total</b>	<b>\$1,102,898</b>	<b>\$29,094</b>	<b>\$1,131,992</b>





# *Supporting Our Community*

Pierce Transit does more than provide traditional transit rides. We also jump in to help our community in unique ways, and when it's needed most. In 2023 Pierce Transit provided free rides to cooling centers when the weather got hot, and rides to warming centers when temperatures dropped, ensuring everyone had access to comfortable shelter.

In 2023 the agency adopted ORCA LIFT, a reduced adult fare program available to low-income individuals that reduces barriers in using public transportation to access community resources. Pierce Transit also provided free ride days throughout the year, including the day after Thanksgiving to encourage people to ride the bus to shop local. The agency also continued to support young people in accessing education, jobs and other resources with our free rides for youth program, and the number of those rides grew by 200 percent in 2023.

These are just a few of the ways Pierce Transit serves as a critical resource to the people of Pierce County.



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## REQUIRED SUPPLEMENTARY INFORMATION

**Pierce Transit**  
 Schedule of Employer Contributions  
**Public Employees Retirement System (PERS) 1**  
 For the year ended December 31  
 Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019
Statutorily or contractually required contributions	\$ 2,384,077	\$ 2,573,078	\$ 2,730,240	\$ 3,179,192	\$ 3,368,552
Contributions in relation to the statutorily or contractually required contributions	<u>2,384,077</u>	<u>2,573,078</u>	<u>2,730,240</u>	<u>3,179,192</u>	<u>3,368,552</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 70,099,571	\$ 68,007,795	\$ 63,100,514	\$ 66,023,720	\$ 67,662,518
Contributions as a percentage of covered payroll	3.40%	3.78%	4.33%	4.82%	4.98%

	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 3,393,572	\$ 3,095,083	\$ 2,775,078	\$ 2,407,649
Contributions in relation to the statutorily or contractually required contributions	<u>3,393,572</u>	<u>3,095,083</u>	<u>2,775,078</u>	<u>2,407,649</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 66,326,248	\$ 62,554,076	\$ 59,829,190	\$ 53,375,452
Contributions as a percentage of covered payroll	5.12%	4.95%	4.64%	4.51%

**Notes to Schedule:**

\*Until a full 10-year trend is compiled, only information for those years available is presented.

## REQUIRED SUPPLEMENTARY INFORMATION

**Pierce Transit**  
 Schedule of Employer Contributions  
**Public Employees Retirement System (PERS) 2/3**  
 For the year ended December 31  
 Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019
Statutorily or contractually required contributions	\$ 4,456,737	\$ 4,326,488	\$ 4,507,343	\$ 5,214,950	\$ 5,155,760
Contributions in relation to the statutorily or contractually required contributions	<u>4,456,737</u>	<u>4,326,488</u>	<u>4,507,343</u>	<u>5,214,950</u>	<u>5,155,760</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 70,074,351	\$ 67,835,309	\$ 62,927,990	\$ 65,845,330	\$ 67,465,766
Contributions as a percentage of covered payroll	6.36%	6.38%	7.16%	7.92%	7.64%

	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 4,959,391	\$ 4,223,914	\$ 3,542,370	\$ 3,025,923
Contributions in relation to the statutorily or contractually required contributions	<u>4,959,391</u>	<u>4,223,914</u>	<u>3,542,370</u>	<u>3,025,923</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 65,959,038	\$ 62,059,236	\$ 59,266,162	\$ 52,817,995
Contributions as a percentage of covered payroll	7.52%	6.81%	5.98%	5.73%

**Notes to Schedule:**

\*Until a full 10-year trend is compiled, only information for those years available is presented.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Pierce Transit**

Schedule of Employer Contributions

**Tacoma Employees Retirement System (TERS)**

For the year ended December 31

Last 10 Fiscal Years

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Statutorily or contractually required contributions	\$ 196,881	\$ 168,298	\$ 118,753	\$ 99,496	\$ 80,250
Contributions in relation to the statutorily or contractually required contributions	<u>196,881</u>	<u>168,298</u>	<u>118,753</u>	<u>99,496</u>	<u>80,250</u>
Contribution deficiency (excess)	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Covered payroll	\$ 1,803,345	\$ 1,484,109	\$ 1,047,205	\$ 877,390	\$ 707,672
Contributions as a percentage of covered payroll	10.92%	11.34%	11.34%	11.34%	11.34%

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Statutorily or contractually required contributions	\$ 66,435	\$ 73,435	\$ 69,705	\$ 54,224	\$ 48,847
Contributions in relation to the statutorily or contractually required contributions	<u>66,435</u>	<u>73,435</u>	<u>69,705</u>	<u>54,224</u>	<u>48,847</u>
Contribution deficiency (excess)	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Covered payroll	\$ 588,467	\$ 679,954	\$ 645,417	\$ 502,074	\$ 452,287
Contributions as a percentage of covered payroll	11.29%	10.80%	10.80%	10.80%	10.80%

**Notes to Schedule:**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Pierce Transit**  
 Schedule of Proportionate Share of the Net Pension Liability (Asset)  
**Public Employees Retirement System (PERS) 1**  
 As of June 30  
 Last 10 Fiscal Years\*

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Employer's proportion of the net pension liability (asset)	0.381872%	0.406604%	0.406819%	0.443014%	0.500234%
Employer's proportionate share of the net pension liability (asset)	\$ 8,717,114	\$ 11,321,348	\$ 4,968,212	\$ 15,640,786	\$ 19,235,773
Covered payroll	\$ 68,077,239	\$ 65,900,772	\$ 62,252,274	\$ 69,168,194	\$ 67,342,562
Employer's proportionate share of the net pension liability as a percentage of covered payroll	12.80%	17.18%	7.98%	22.61%	28.56%
Plan fiduciary net position as a percentage of the total pension liability	80.16%	76.56%	88.74%	68.64%	67.12%

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Employer's proportion of the net pension liability (asset)	0.470955%	0.489281%	0.482721%	0.479064%
Employer's proportionate share of the net pension liability (asset)	\$ 21,033,010	\$ 23,216,765	\$ 25,924,391	\$ 25,059,502
Covered payroll	\$ 64,592,987	\$ 60,959,719	\$ 57,083,737	\$ 52,159,102
Employer's proportionate share of the net pension liability as a percentage of covered payroll	32.56%	38.09%	45.41%	48.04%
Plan fiduciary net position as a percentage of the total pension liability	63.22%	61.24%	57.03%	59.10%

**Notes to Schedule:**

\*Until a full 10-year trend is compiled, only information for those years available is presented.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Pierce Transit**

Schedule of Proportionate Share of the Net Pension Liability (Asset)

**Public Employees Retirement System (PERS) 2/3**

As of June 30

Last 10 Fiscal Years\*

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Employer's proportion of the net pension liability (asset)	0.491119%	0.525714%	0.518743%	0.572846%	0.639412%
Employer's proportionate share of the net pension liability (asset)	\$ (20,129,411)	\$ (19,497,581)	\$ (51,675,149)	\$ 7,326,374	\$ 6,210,865
Covered payroll	\$ 68,002,749	\$ 65,712,856	\$ 62,074,686	\$ 68,982,010	\$ 67,064,474
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-29.60%	-29.67%	-83.25%	10.62%	9.26%
Plan fiduciary net position as a percentage of the total pension liability	107.02%	106.73%	120.29%	97.22%	97.77%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Employer's proportion of the net pension liability (asset)	0.594352%	0.617009%	0.605330%	0.603019%	
Employer's proportionate share of the net pension liability (asset)	\$ 10,148,031	\$ 21,438,113	\$ 30,477,887	\$ 21,546,213	
Covered payroll	\$ 64,157,443	\$ 60,435,521	\$ 56,544,917	\$ 51,566,025	
Employer's proportionate share of the net pension liability as a percentage of covered payroll	15.82%	35.47%	53.90%	41.78%	
Plan fiduciary net position as a percentage of the total pension liability	95.77%	90.97%	85.82%	89.20%	

**Notes to Schedule:**

\*Until a full 10-year trend is compiled, only information for those years available is presented.

**Pierce Transit**  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
**Tacoma Employees Retirement System (TERS)**  
As of December 31 (measurement date)  
Last 10 Fiscal Years\*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Employer's proportion of the net pension liability (asset)	0.49511%	0.36725%	0.32046%	0.26538%	0.23239%
Employer's proportionate share of the net pension liability (asset)	\$ 743,575	(587,117)	240,999	(53,437)	294,290
Covered payroll	\$ 1,484,109	1,047,205	877,390	707,672	588,467
Employer's proportionate share of the net pension liability as a percentage of covered payroll	50.10%	-56.07%	27.47%	-7.55%	50.01%
Plan fiduciary net position as a percentage of the total pension liability	93.02%	107.74%	96.22%	101.08%	92.81%
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Employer's proportion of the net pension liability (asset)	0.28145%	0.27297%	0.22088%	0.20435%	
Employer's proportionate share of the net pension liability (asset)	(119,702)	274,143	206,402	(21,186)	
Covered payroll	679,954	645,417	502,074	452,287	
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-17.60%	42.48%	41.11%	-4.68%	
Plan fiduciary net position as a percentage of the total pension liability	102.53%	93.91%	93.94%	100.71%	

**Notes to Schedule:**

\*Until a full 10-year trend is compiled, only information for those years available is presented. The measurement date for TERS in one year behind the district's reporting date.





# What's Next?

Where is your local transit agency going next?  
Here are a few destinations along our road in 2024:

**Gig Harbor Runner.** In late March 2024 Pierce Transit introduced its next on-demand Runner service, this one in Gig Harbor. The Gig Harbor Runner offers new ways to connect to high schools and the Tacoma Community College Gig Harbor campus; shopping areas; medical appointments, including at St. Anthony Hospital; other transit services; and more.

**Stream Community Line.** Starting April 1, Pierce Transit implemented a high-capacity transit service on Pacific Avenue between Spanaway and downtown Tacoma. This "Stream Community Line" service is frequent, rapid and convenient, with upgraded amenities at stations, and fewer stops, contributing to a faster trip. Stream buses run on weekdays from 5:30 to 7:30 a.m. and 4 to 7 p.m. The service is offered in addition to the existing Route 1, which runs along this roadway, and makes a new stop at Tacoma Dome Station for additional transit connections. Stream Community Line is a partnership with MultiCare, which is the official naming sponsor of the line.

**Improved Bus Schedules.** This Spring Pierce Transit made schedule improvements to most of its routes. This includes scheduling buses that stop at the same place to come together at a similar time, vastly improving the transit experience for riders making connections. We also conducted an in-depth analysis of each route based on traffic and other factors, resulting in more accurate schedules and better on-time performance.



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**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

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This part of Pierce Transit’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Pierce Transit’s overall financial health. This information presented in this section has not been audited.

<b>Contents</b>	<b>Tables</b>
<b>Financial Trends</b> Schedules contain trend information to help reader understand Pierce Transit’s financial performance has changed over time. <i>Net Position, Changes in Net Position, Expenses Comparison by Type</i>	<b>1-3</b>
<b>Revenue Capacity</b> Schedules contain information to assist the reader assess Pierce Transit’s revenue sources. <i>Revenue and Subsidies Comparison, Fixed Route Farebox Recovery, Fare History, Taxable Sales Comparisons for Pierce County</i>	<b>4-7</b>
<b>Debt Capacity</b> Schedules help the reader assess Pierce Transit’s ability to issue debt. <i>Legal Debit Margin, Ratio of General Bonded Debt to Assessed Value, Computation of Direct and Overlapping Debt, Direct and Overlapping Sales Tax Rates</i>	<b>8-11</b>
<b>Demographic and Economic Information</b> Schedules present demographic and economic indicators to help reader understand the environment in which Pierce Transit financial activities take place. <i>Pierce County Demographic and Economic Information, Principal Employers</i>	<b>12-13</b>
<b>Operating Information</b> Schedules contain service and operating data to help reader understand how the financial report relates to the service and activities provided by Pierce Transit. <i>Pierce Transit Employees by Function, Statistics by Modes, Key Performance Measures, Vehicles Available for Maximum Service</i>	<b>14-20</b>
<b>Grant Information</b> Schedule shows reader Pierce Transit’s capital grant history <i>Capital Grant History</i>	<b>21</b>

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

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**FINANCIAL TRENDS  
Net Position  
Table 1  
Ten-Year Comparison**

Year	Net Invested in Capital Assets	Restricted	Unrestricted	Total
2014	\$108,863,153		\$127,191,451	\$236,054,604
2015	\$110,277,027		\$80,587,979	\$190,865,006
2016	\$103,796,164		\$86,625,478	\$190,421,642
2017	\$98,503,799		\$82,934,624	\$181,438,423
2018	\$109,854,158		\$88,990,467	\$198,844,625
2019	\$122,739,121		\$97,123,689	\$219,862,810
2020*	\$127,478,667	\$53,437	\$134,341,803	\$261,873,907
2021**	\$169,957,739	\$51,675,149	\$137,643,774	\$359,276,662
2022	\$191,441,293	\$20,084,698	\$219,315,430	\$430,841,421
2023	\$208,262,839	\$20,129,411	\$253,891,711	\$482,283,962

NOTES:

\* Unrestricted and restricted net position for 2020 were restated as described in the 2021 Annual Comprehensive Financial Report.

\*\* Ending net position for 2021 was restated by (\$973,192) as described in the 2022 Annual Comprehensive Financial Report

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**FINANCIAL TRENDS  
Changes in Net Position  
Table 2  
Ten-Year Comparison**

<b>Operating Revenue</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Passenger Fares	\$12,212,748	\$12,628,413	\$11,912,836	\$12,137,563	\$12,014,669
Advertising	710,527	782,601	669,885	528,090	334,350
Regional Transit Service	36,262,906	36,207,706	40,421,292	42,357,818	48,337,317
Total Operating Revenue	49,186,181	49,618,720	53,004,013	55,023,471	60,686,336
<b>Non-Operating Revenue</b>					
Sales Tax	66,612,814	72,076,026	76,947,406	81,799,746	87,679,018
Operating Grants	10,929,323	8,659,858	12,675,536	3,960,468	4,038,035
Investment Revenue	115,634	190,114	650,061	977,716	2,246,988
Miscellaneous Revenue	3,317,254	1,330,092	2,136,898	2,106,020	2,258,510
Gain(Loss)on Disposal of Assets	1,414,746	278,983	904,555	129,173	-1,420,030
Total Non-Operating Revenue	82,389,771	82,535,073	93,314,456	88,973,123	94,802,521
<b>Total Revenue</b>	<b>131,575,952</b>	<b>132,153,792</b>	<b>146,318,469</b>	<b>143,996,594</b>	<b>155,488,857</b>
<b>Operating Expense</b>					
Fixed Route	92,989,803	93,589,034	105,737,573	111,514,727	111,136,301
Demand Response	17,555,294	17,347,709	17,872,486	18,744,963	14,938,131
Rideshare (Vanpool)	4,315,559	4,182,296	4,335,728	4,599,679	4,914,313
Depreciation & Amortization	14,683,193	16,292,407	17,289,674	18,692,559	19,198,491
Total Operating Expense	129,543,849	131,411,446	145,235,461	153,551,928	150,187,236
<b>Non-Operating Expense</b>					
Expense of Capital Items	20,380	9,995	365,535	84,873	5,447
Grant Exchange Funds	1,139,554	520,173	1,889,408	396,312	879,816
Total Non-Operating Expense	1,159,934	530,168	2,254,943	481,185	885,263
<b>Total Expense</b>	<b>130,703,783</b>	<b>131,941,614</b>	<b>147,490,404</b>	<b>154,033,113</b>	<b>151,072,499</b>
Net Position before Contribution	872,169	212,178	(1,171,935)	(10,036,519)	4,416,358
Capital Grants	7,782,173	2,397,798	728,571	1,053,300	12,989,844
<b>Change in Net Position</b>	<b>\$8,654,342</b>	<b>\$2,609,976</b>	<b>(\$443,364)</b>	<b>(\$8,983,219)</b>	<b>\$17,406,202</b>

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**FINANCIAL TRENDS  
Changes in Net Position  
Table 2 - Continued  
Ten-Year Comparison (Continued)**

<b>Operating Revenue</b>	<b>2019</b>	<b>2020</b>	<b>2021 (Restated)</b>	<b>2022</b>	<b>2023</b>
Passenger Fares	\$11,820,799	\$6,391,850	\$5,987,961	\$6,133,859	\$6,218,947
Advertising	468,865	515,512	493,154	504,028	433,688
Regional Transit Service	51,063,462	48,387,960	47,683,047	49,377,052	52,127,424
<b>Total Operating Revenue</b>	<b>63,353,126</b>	<b>55,295,322</b>	<b>54,164,161</b>	<b>56,014,939</b>	<b>58,780,059</b>
<b>Non-Operating Revenue</b>					
Sales Tax	90,647,576	91,744,911	107,084,956	112,048,012	109,798,330
Operating Grants	4,427,104	27,548,223	34,231,597	41,587,406	18,657,061
Investment Revenue	2,048,424	646,711	205,859	2,169,767	10,747,423
Miscellaneous Revenue	2,468,303	1,738,514	10,720,891	1,278,338	421,725
Gain(Loss)on Disposal of Assets	763,500	165,607	624,430	1,016,508	94,431
<b>Total Non-Operating Revenue</b>	<b>100,354,907</b>	<b>121,843,966</b>	<b>152,867,732</b>	<b>158,100,031</b>	<b>139,718,970</b>
<b>Total Revenue</b>	<b>163,708,033</b>	<b>177,139,288</b>	<b>207,031,893</b>	<b>214,114,970</b>	<b>198,499,029</b>
<b>Operating Expense</b>					
Fixed Route	117,728,594	109,351,373	95,797,563	111,470,206	114,351,878
Demand Response	15,453,604	11,976,004	13,517,249	16,669,076	18,645,180
Rideshare (Vanpool)	4,842,558	3,836,144	3,607,557	4,308,206	4,393,121
Depreciation & Amortization	19,080,300	17,275,468	14,732,605	16,633,376	21,077,840
<b>Total Operating Expense</b>	<b>157,105,056</b>	<b>142,438,989</b>	<b>127,654,974</b>	<b>149,080,864</b>	<b>158,468,019</b>
<b>Non-Operating Expense</b>					
Expense of Capital Items	127	-	-	-	156,711
Grant Exchange Funds	1,143,468	4,945,230	4,063,915	4,463,382	-
<b>Total Non-Operating Expense</b>	<b>1,143,595</b>	<b>4,945,230</b>	<b>4,063,915</b>	<b>4,463,382</b>	<b>156,711</b>
<b>Total Expense</b>	<b>158,248,651</b>	<b>147,384,219</b>	<b>131,718,889</b>	<b>153,544,246</b>	<b>158,624,730</b>
<b>Net Position before Contribution</b>	<b>5,459,382</b>	<b>29,755,069</b>	<b>75,313,005</b>	<b>71,564,760</b>	<b>39,874,298</b>
Capital Grants	15,558,803	12,256,028	22,089,750	11,105,464	11,568,243
<b>Change in Net Position</b>	<b>\$21,018,185</b>	<b>\$42,011,097</b>	<b>\$97,402,755</b>	<b>\$82,670,224</b>	<b>\$51,442,541</b>

Notes:

Change in net position for 2021 was restated by (\$973,192) as described in the 2022 Annual Comprehensive Financial Report

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**FINANCIAL TRENDS  
Expense Comparisons by Type  
Table 3  
Ten-Year Comparison**

	2014	2015	2016	2017	2018
<b>Personnel</b>	\$79,508,733	\$81,104,494	\$90,104,950	\$92,928,926	\$88,609,702
<b>Fuel &amp; Lubricants</b>	7,529,537	5,518,422	4,721,708	5,341,710	5,899,707
<b>Supplies &amp; Materials</b>	5,706,244	6,658,429	7,846,725	10,536,061	9,904,478
<b>Contracts &amp; Services</b>	22,116,142	21,837,695	25,272,731	26,052,672	26,574,858
<b>Depreciation &amp; Amortization</b>	14,683,193	16,292,407	17,289,674	18,692,559	19,198,491
<b>Capital Acquisition</b>	16,267,985	17,767,302	14,404,102	13,656,384	32,322,861
<b>Loss Disposal of Assets</b>	-	-	-	-	1,420,030
<b>Previously Capitalized Items</b>	20,380	9,995	365,535	84,873	5,447
<b>Grant Exchange Funds</b>	1,139,554	520,173	1,889,408	396,312	879,816
<b>TOTAL</b>	\$146,971,768	\$149,708,917	\$161,894,506	\$167,689,497	\$184,815,390

**FINANCIAL TRENDS  
Expense Comparisons by Type  
Table 3 - Continued  
Ten-Year Comparison**

	2019	2020	2021	2022	2023
<b>Personnel</b>	\$93,427,970	\$84,212,552	\$72,998,578	\$87,069,757	\$89,489,510
<b>Fuel &amp; Lubricants</b>	5,894,374	3,412,575	4,427,016	5,738,452	5,687,839
<b>Supplies &amp; Materials</b>	9,131,566	9,311,433	8,018,667	9,858,978	12,406,095
<b>Contracts &amp; Services</b>	29,570,846	28,226,961	27,478,109	29,891,731	29,960,040
<b>Depreciation &amp; Amortization</b>	19,080,300	17,275,468	14,732,605	16,633,376	21,077,840
<b>Capital Acquisition</b>	32,602,693	22,015,014	57,568,440	45,755,527	32,723,285
<b>Loss Disposal of Assets</b>	-	-	-	-	-
<b>Previously Capitalized Items</b>	127	-	-	-	-
<b>Grant Exchange Funds</b>	1,143,468	4,945,230	4,063,915	4,463,382	-
<b>TOTAL</b>	\$190,851,344	\$169,399,233	\$189,287,330	\$199,411,203	\$191,344,609

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**REVENUE CAPACITY  
Revenue and Subsidies Comparisons  
Table 4  
Ten-Year Comparison**

	2014	2015	2016	2017	2018
<b>Passenger Fares</b>	\$12,212,748	\$12,628,413	\$11,912,836	\$12,137,563	\$12,014,669
<b>Regional Transit Service</b>	36,262,906	36,207,706	40,421,292	42,357,818	48,337,317
<b>Advertising</b>	710,527	782,601	669,885	528,090	334,350
<b>Interest Income</b>	115,634	190,114	650,061	977,716	2,246,988
<b>Sales Tax</b>	66,612,814	72,076,026	76,947,406	81,799,746	87,679,018
<b>Operating Grants</b>	10,929,323	8,659,858	12,675,536	3,960,468	4,038,035
<b>Capital Grants</b>	7,782,173	2,397,798	728,571	1,053,300	12,989,844
<b>Gain on Disposal of Assets</b>	1,414,746	278,983	904,555	129,173	-
<b>Miscellaneous</b>	3,317,254	1,330,092	2,136,898	2,106,020	2,258,510
<b>Total</b>	<b>\$139,358,125</b>	<b>\$134,551,591</b>	<b>\$147,047,040</b>	<b>\$145,049,894</b>	<b>\$169,898,731</b>

**REVENUE CAPACITY  
Revenue and Subsidies Comparisons  
Table 4 - Continued  
Ten-Year Comparison**

	2019	2020	2021 (Restated)	2022	2023
<b>Passenger Fares</b>	\$11,820,799	\$6,391,850	\$5,987,961	\$6,133,859	\$6,218,947
<b>Regional Transit Service</b>	51,063,462	48,387,960	47,683,047	49,377,052	52,127,424
<b>Advertising</b>	468,865	515,512	493,154	504,028	433,688
<b>Interest Income</b>	2,048,424	646,711	205,859	2,169,767	10,747,423
<b>Sales Tax</b>	90,647,576	91,744,911	107,084,956	112,048,012	109,798,330
<b>Operating Grants</b>	4,427,104	27,548,223	34,231,597	41,587,406	18,657,061
<b>Capital Grants</b>	15,558,803	12,256,028	22,089,750	11,105,464	11,568,243
<b>Gain on Disposal of Assets</b>	763,500	165,607	624,430	1,016,508	94,431
<b>Miscellaneous</b>	2,468,303	1,738,514	10,720,891	1,278,338	421,725
<b>Total</b>	<b>\$179,266,836</b>	<b>\$189,395,316</b>	<b>\$229,121,645</b>	<b>\$225,220,434</b>	<b>\$210,067,272</b>



**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**REVENUE CAPACITY  
Fixed Route Farebox Recovery  
Table 5  
Ten-Year Comparison**

Year	Farebox Recovery
2014	17%
2015	17%
2016	13%
2017	13%
2018	13%
2019	12%
2020	6.6%
2021	6.4%
2022	6.1%
2023	5.6%

**REVENUE CAPACITY  
Fare History  
Table 6  
Ten-Year Comparison**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Cash Fares</b>										
Adult	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Senior/Disabled/Youth*	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Shuttle	0.75	0.75	1.25	1.75	1.75	1.75	1.75	1.75	1.75	1.75
<b>Passes</b>										
Adult Pass-Local	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00
Adult Pass-Regional	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00
Senior/Disabled Pass-Local	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Senior/Disabled/Youth* Pass-Regional	27.00	27.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Adult All Day Pass-Local	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Senior/Disabled Day Pass	-	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Youth All Day Pass	-	2.50	2.50	2.50	2.50	2.50	2.50	2.50	Free	Free
Shuttle	27.00	27.00	45.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00

NOTES:  
Youth fares for riders 18 years of age and under were eliminated in 2022.

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

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**REVENUE CAPACITY  
2023 & 2014 Taxable Sales Comparisons  
Table 7  
Pierce County**

	<b>2023</b>	
	<b>Taxable Sales</b>	<b>Sales Tax</b>
Retail Trade	\$11,639,922,433	\$54,546,636
Services	4,675,567,611	21,910,497
Contracting	3,772,636,222	17,679,209
Manufacturing	355,566,940	1,666,247
Transportation/Utilities	221,463,363	1,037,815
Wholesaling	1,263,789,946	5,922,332
Finance/Insurance/Real Estate	1,493,190,170	6,997,341
Other Business	8,163,134	38,254
<b>TOTAL</b>	<b>\$23,430,299,819</b>	<b>\$109,798,330</b>

	<b>2014</b>	
	<b>Taxable Sales</b>	<b>Sales Tax</b>
Retail Trade	\$6,579,475,803	\$35,210,304
Services	3,203,260,837	11,494,944
Contracting	1,843,534,598	9,752,376
Manufacturing	229,737,677	1,236,744
Transportation/Utilities	66,359,957	282,718
Wholesaling	704,030,339	3,791,085
Finance/Insurance/Real Estate	899,448,382	4,813,431
Other Business	5,832,565	31,213
<b>TOTAL</b>	<b>\$12,447,418,911</b>	<b>\$66,612,814</b>

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NOTES:  
Source: WA ST Department of Revenue Quarterly Business Review

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**DEBT CAPACITY  
Legal Debt Margin  
Table 8  
2023**

	<b>Non-voted</b>	<b>Maximum Debt Capacity*</b>
Assessed Valuation	\$87,622,821,270	\$87,612,604,510
Debt Limitation (%)*	0.38%	1.25%
Debt Limitation (\$)	\$328,585,580	\$1,095,157,556
Less: Outstanding Debt	-	-
Debt Margin	<u>\$328,585,580</u>	<u>\$1,095,157,556</u>

NOTES:

\* The maximum debt capacity includes both non-voted and voted debt.

**DEBT CAPACITY  
Ratio of General Bonded Debt to Assessed Value and Net Debt per Capita  
Table 9  
Ten-Year Comparison**

	Population	Assessed Value (In Thousands)	General Bonded Debt	Leases/ SBITAs	% Ratio of Debt to Assessed Value	Debt Per Capita
2014	821,300	36,980,312	-	-	-	-
2015	830,120	39,008,715	-	-	-	-
2016	861,310	42,832,915	-	-	-	-
2017	876,764	47,849,779	-	-	-	-
2018	891,299	54,227,667	-	-	-	-
2019	904,890	59,976,079	-	-	-	-
2020	921,147	65,354,691	-	-	-	-
2021	925,708	74,714,148	-	-	-	-
2022	923,479	87,801,112	-	3,165,168	4%	3.43
2023	927,380	87,622,821	-	4,706,507	5%	5.08

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**DEBT CAPACITY  
Computation of Direct and Overlapping Debt  
Table 10  
2023**

	Net Bonded Debt Outstanding	Percentage Applicable*	Authority Share
Pierce Transit	\$ -	100.00%	\$ -
City of Tacoma	154,933,000	30.54%	47,316,538
Pierce County	102,915,000	42.27%	43,502,171
			90,818,709
PTBA Population			605,222
Direct Debt as a % of Personal Income			0.00%
Direct and Overlapping Debt per Capita			\$ -

NOTES:  
\*Applicable percentage determined by the ratio of assessed valuation in overlapping unit to assessed valuation in Pierce Transit's service area.

**DEBT CAPACITY  
Pierce County Direct and Overlapping Sales Tax Rate  
Table 11  
Ten-Year Comparison**

Year	Direct PTBA Sales Tax Rate	Other Local Sales Tax Rate	State Sales Tax Rate	Total PTBA Sales Tax Rate
2014	0.6%	2.3%	6.5%	9.4%
2015	0.6%	2.3%	6.5%	9.4%
2016	0.6%	2.3%	6.5%	9.4%
2017	0.6%	2.8%	6.5%	9.9%
2018	0.6%	2.8%	6.5%	9.9%
2019	0.6%	2.8%	6.5%	9.9%
2020	0.6%	2.8%	6.5%	9.9%
2021	0.6%	2.9%	6.5%	10.0%
2022	0.6%	2.9%	6.5%	10.0%
2023	0.6%	3.0%	6.5%	10.1%

NOTES:  
\*Unincorporated PTBA  
Source: Department of Revenue

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

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**DEMOGRAPHIC AND ECONOMIC INFORMATION**  
*Pierce County Demographic and Economic Information*  
**Table 12**  
**Ten-Year Comparison**

<b>Fiscal Year Dec 31</b>	<b>Pierce County Population</b>	<b>Median Household Income (1)</b>	<b>Personal Income (2) (In Thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2014	821,300	59,998	36,282,818	43,613	129,803	7.3
2015	830,120	59,953	37,957,559	45,044	128,800	6.8
2016	861,310	61,042	40,228,355	46,706	134,810	6.3
2017	876,764	65,246	43,148,793	49,214	134,816	5.4
2018	891,299	69,278	46,449,056	52,114	136,159	5.7
2019	904,890	75,407	N/A	N/A	137,032	5.0
2020	921,147	79,243	48,481,266	53,572	141,383	7.2
2021	925,708	80,236	51,664,015	56,532	129,258	4.5
2022	923,479	85,492	57,004,972	43,575	136,322	4.8
2023	927,380	93,420	55,630,100	59,986	137,726	5.5

**NOTES:**

- Sources: (1) US Census Bureau  
(2) US Bureau of Economic Analysis  
(3) Washington State Superintendent of Public Instruction  
(4) Washington State Employment Security Department as of December 31, 2023 (not seasonally updated)  
(N/A) Not Available

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**DEMOGRAPHIC AND ECONOMIC INFORMATION  
Principal Employers  
Comparison of Employees and Percent to Total Employment  
Table 13  
2021 and 2012**

<b><u>Top Ten Employers for 2021**</u></b>			
Employer	Employees	Percent of Total County Employment	Type
Joint Lewis McChord	54,000	16.82%	Military
MultiCare Health	8,264	2.57%	Health Care
Washington State	7,859	2.45%	Government
Franciscan Health	5,682	1.77%	Health Care
Tacoma Public Schools	3,649	1.14%	Education
City of Tacoma and Tacoma Public Utilities	3,623	1.13%	Government
Pierce County Government	3,304	1.03%	Government
Puyallup School District	2,711	0.84%	Education
Bethel School District	2,689	0.84%	Education
Safeway and Albertsons	2,153	0.67%	Retail
<b>Total</b>	<b>93,934</b>	<b>29.25%</b>	
<b>2021 Pierce County Employment*</b>	<b><u>321,100</u></b>		

<b><u>Top Ten Employers for 2012</u></b>			
Employer	Employees	Percent of Total County Employment	Type
Federal Government	56,624	21.34%	Military
Local Public Schools (K-12)	13,352	5.03%	Government
MultiCare Health	6,547	2.47%	Health Care
Washington State Employees	6,488	2.45%	Government
Franciscan Health	5,709	2.15%	Health Care
City of Tacoma (Public Utilities Included)	3,620	1.36%	Government
Pierce County	2,872	1.08%	Government
Washington Higher Education	2,632	0.99%	Government
Emerald Queen	2,200	0.83%	Entertainment
Wal-Mart	1,785	0.67%	Retail
<b>Total</b>	<b>101,829</b>	<b>38.38%</b>	
<b>2012 Pierce County Employment*</b>	<b><u>265,300</u></b>		

NOTES:

Source: Tacoma-Pierce County Economic Development Board

\*US Bureau of Labor Statistics – County Employment

\*\*2022 and 2023 not available at time of publication. No recent updates since 2021 from Tacoma-Pierce County Economic Development Board.

Pierce Transit  
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Year ended December 31, 2023

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**OPERATING INFORMATION**  
*Pierce Transit Employee by Function*  
**Table 14**  
*Ten-Year Comparison*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operations	601	631	659	692	675	676	623	576	620	596
Maintenance	136	142	149	155	152	154	163	153	154	170
Administration	99	97	110	113	111	113	112	107	110	119
<b>Total</b>	836	870	918	960	938	943	898	836	884	885

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

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**OPERATING INFORMATION  
Fixed Route – Pierce Transit  
Table 15  
Ten-Year Comparison**

	2014	2015	2016	2017	2018
Annual Boardings	10,231,241	9,104,337	8,588,447	8,543,157	8,654,242
Annual Passenger Fare Revenues	\$ 8,858,933	\$ 9,366,803	\$ 8,576,749	\$ 8,735,996	\$ 8,621,720
Actual Revenue Miles	4,401,270	4,411,207	4,534,746	4,903,678	5,002,372
Actual Revenue Hours	385,007	388,736	399,839	428,267	446,429
Actual Service Miles	5,214,341	5,247,115	5,404,224	5,685,182	5,792,496
Actual Service Hours	429,535	432,755	444,950	471,683	490,585

**OPERATING INFORMATION  
Fixed Route – Pierce Transit  
Table 15 - Continued  
Ten-Year Comparison**

	2019	2020	2021	2022	2023
Annual Boardings	8,376,891	4,755,960	4,363,240	4,946,334	6,096,759
Annual Passenger Fare Revenues	\$ 8,456,158	\$ 4,461,166	\$ 4,462,150	\$ 4,207,548	\$ 4,290,475
Actual Revenue Miles	5,019,818	4,271,293	4,558,354	4,147,616	4,291,662
Actual Revenue Hours	444,082	388,928	407,561	374,687	387,028
Actual Service Miles	5,847,190	5,015,621	5,263,736	4,816,789	4,951,925
Actual Service Hours	491,882	432,154	447,203	411,323	424,009

Notes:  
Source: National Transit Database (NTD)



Pierce Transit  
 Statistical Section  
 Year ended December 31, 2023

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**OPERATING INFORMATION**  
*Sound Transit*  
*Fixed Route Services*  
**Table 16**  
*Ten-Year Comparison*

	2014	2015	2016	2017	2018
Annual Boardings	5,150,733	5,171,408	5,084,331	5,095,968	5,222,584
Actual Revenue Miles	5,668,357	5,576,611	5,627,241	5,609,756	5,629,325
Actual Revenue Hours	241,568	245,746	245,746	257,801	261,496

**OPERATING INFORMATION**  
*Sound Transit*  
*Fixed Route Services*  
**Table 16 - Continued**  
*Ten-Year Comparison*

	2019	2020	2021	2022	2023
Annual Boardings	5,251,005	2,338,192	1,950,596	2,311,128	2,821,392
Actual Revenue Miles	5,688,942	5,060,246	5,024,661	4,495,480	4,462,756
Actual Revenue Hours	265,893	230,977	227,724	207,037	207,582

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Notes:  
 Source: National Transit Database (NTD)

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

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**OPERATING INFORMATION**  
*Specialized Transportation (SHUTTLE and Runner)*  
**Table 17**  
*Ten-Year Comparison*

	2014	2015	2016	2017	2018
Annual Boardings	372,631	368,411	347,991	324,753	300,043
Annual Passenger Fare Revenues	\$ 236,993	\$ 235,046	\$ 318,760	\$ 350,733	\$ 394,485
Actual Revenue Miles	2,362,686	2,336,378	2,264,711	2,139,954	2,041,875
Actual Revenue Hours	166,445	166,951	163,336	157,514	145,574
Actual Service Miles	2,692,403	2,673,095	2,601,373	2,465,168	2,347,588
Actual Service Hours	184,902	186,770	184,075	178,092	164,381

**OPERATING INFORMATION**  
*Specialized Transportation (SHUTTLE and Runner)*  
**Table 17 - Continued**  
*Ten-Year Comparison*

	2019	2020	2021	2022	2023
Annual Boardings	291,142	149,628	163,024	215,036	278,398
Annual Passenger Fare Revenues	\$ 397,603	\$ 180,140	\$ 204,660	\$ 276,364	\$ 387,612
Actual Revenue Miles	2,013,555	1,181,242	1,367,835	1,717,331	2,095,276
Actual Revenue Hours	144,543	82,433	96,106	124,217	153,755
Actual Service Miles	2,312,348	1,380,883	1,580,101	1,979,738	2,414,192
Actual Service Hours	162,733	94,343	109,261	141,277	176,067

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Notes:  
Directly operated and purchased transportation services.  
Includes Runner Service  
Source: National Transit Database (NTD)

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

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**OPERATING INFORMATION  
Rideshare Statistics  
Table 18  
Ten-Year Comparison**

	2014	2015	2016	2017	2018
Annual Boardings	906,686	849,159	828,348	810,383	783,571
Annual Passenger Fare Revenues	\$ 3,116,822	\$ 3,026,565	\$ 3,017,326	\$ 3,050,834	\$ 2,998,464
Actual Revenue Miles	4,708,917	4,580,152	4,707,552	4,771,222	4,729,543
Actual Revenue Hours	140,256	143,234	146,880	147,103	146,913

**OPERATING INFORMATION  
Rideshare Statistics  
Table 18 - Continued  
Ten-Year Comparison**

	2019	2020	2021	2022	2023
Annual Boardings	740,207	397,472	323,089	382,827	412,041
Annual Passenger Fare Revenues	\$ 2,874,591	\$ 1,750,544	\$ 1,321,152	\$ 1,535,720	\$ 1,599,237
Actual Revenue Miles	4,529,043	3,015,970	2,583,536	3,028,340	3,421,086
Actual Revenue Hours	135,978	83,295	73,511	85,991	102,663

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Notes:  
Source: National Transit Database (NTD)

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**OPERATING INFORMATION  
Key Performance Measures  
Table 19  
Ten-year Comparison**

	2014	2015	2016	2017	2018
<b>FIXED ROUTE:</b>					
Annual Boardings	10,231,241	9,104,337	8,588,447	8,543,157	8,654,242
Cost per Service Hour	\$ 124.71	\$ 130.55	\$ 143.34	\$ 144.54	\$ 141.15
Farebox Recovery	17%	17%	13%	13%	13%
Passengers per Service Hour	23.8	21	19.3	18.1	17.6
Cost per Passenger	\$ 5.24	\$ 6.21	\$ 7.43	\$ 7.98	\$ 8.00
<b>SHUTTLE:</b>					
Annual Boardings	372,631	368,411	347,991	324,753	300,043
Cost per Service Hour	\$ 94.94	\$ 92.88	\$ 98.07	\$ 105.25	\$ 90.88
Farebox Recovery	1%	1%	2%	2%	3%
Passengers per Service Hour	2	2	1.9	1.8	1.8
Cost per Passenger	\$ 47.11	\$ 47.09	\$ 51.88	\$ 57.72	\$ 49.79
<b>RIDESHARE:</b>					
Annual Boardings	906,686	849,159	828,348	810,383	783,571
Cost per Service Hour	\$ 30.77	\$ 29.20	\$ 29.66	\$ 31.27	\$ 33.45
Farebox Recovery	72%	72%	69%	66%	61%
Passengers per Service Hour	6.5	5.9	5.6	5.5	5.3
Cost per Passenger	\$ 4.76	\$ 4.93	\$ 5.26	\$ 5.68	\$ 6.27
<b>RUNNER:</b>					
Annual Boardings	N/A	N/A	N/A	N/A	N/A
Cost per Service Hour	N/A	N/A	N/A	N/A	N/A
Farebox Recovery	N/A	N/A	N/A	N/A	N/A
Passengers per Service Hour	N/A	N/A	N/A	N/A	N/A
Cost per Passenger	N/A	N/A	N/A	N/A	N/A

Notes:

Service hours are defined as the hours and miles a vehicle is on the road (including revenue, recovery, and deadhead)  
Runner Service tracked in 2023.

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**OPERATING INFORMATION  
Key Performance Measures  
Table 19- Continued  
Ten-year Comparison**

	2019	2020	2021	2022	2023
<b>FIXED ROUTE:</b>					
Annual Boardings	8,376,891	4,755,898	4,363,240	4,946,334	6,096,759
Cost per Service Hour	\$ 144.00	\$ 156.72	\$ 154.67	\$ 174.00	\$ 179.85
Farebox Recovery	12%	7%	6%	6%	6%
Passengers per Service Hour	17	12	11	12	14.4
Cost per Passenger	\$ 8.46	\$ 14.24	\$ 15.85	\$ 14.47	\$ 12.51
<b>SHUTTLE:</b>					
Annual Boardings	291,142	149,628	163,024	215,026	262,611
Cost per Service Hour	\$ 94.96	\$ 126.94	\$ 123.70	\$ 92.97	\$ 100.34
Farebox Recovery	3%	2%	2%	2%	2.3%
Passengers per Service Hour	1.8	1.6	1.5	1.5	1.6
Cost per Passenger	\$ 53.08	\$ 80.04	\$ 82.90	\$ 76.68	\$ 64.58
<b>RIDESHARE:</b>					
Annual Boardings	740,207	397,472	322,801	382,827	412,041
Cost per Service Hour	\$ 35.61	\$ 46.05	\$ 49.18	\$ 49.69	\$ 44.07
Farebox Recovery	59%	46%	37%	36%	35%
Passengers per Service Hour	5.4	4.8	4.4	4.5	4.0
Cost per Passenger	\$ 6.54	\$ 9.65	\$ 11.18	\$ 11.16	\$ 10.98
<b>RUNNER:</b>					
Annual Boardings	N/A	N/A	N/A	N/A	15,786
Cost per Service Hour	N/A	N/A	N/A	N/A	\$ 271.90
Farebox Recovery	N/A	N/A	N/A	N/A	0.1%
Passengers per Service Hour	N/A	N/A	N/A	N/A	2.2
Cost per Passenger	N/A	N/A	N/A	N/A	\$ 121.18

Notes:  
Service hours are defined as the hours and miles a vehicle is on the road (including revenue, recovery, and deadhead)  
Runner service began in late 2022 and was included in Shuttle numbers. Separated from Shuttle in 2023 and tracked as separate service.

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

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**OPERATING INFORMATION**  
*Vehicles Available for Maximum Service*  
**Table 20**  
*Ten-year Comparison*

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Pierce Transit Buses	175	176	195	200	211	197	179	176	169	164
SHUTTLE Vans	97	97	97	100	99	122	101	100	111	116
Vanpool Vans	381	405	439	456	483	412	377	304	277	263
	653	678	731	756	756	731	657	580	557	543

**Pierce Transit  
Statistical Section  
Year ended December 31, 2023**

**GRANT INFORMATION  
Capital Grant History  
Table 21  
Ten-Year Comparison**

<b>FTA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Section 3	\$ 1,183,372	\$ 329,438	\$ 823	\$ -	\$ 2,661,287
Section 4	1,460,896	535,952	246,507	47,016	1,683,887
Section 9	4,461,195	579,872	392,673	679,887	7,191,511
Other	-	-	88,568	326,397	111,605
<b>WA STATE</b>					
Misc Grants	676,710	952,536	-	-	525,077
<b>LOCAL</b>					
Partnerships	-	-	-	-	816,477
<b>Totals</b>	<b>\$ 7,782,173</b>	<b>\$ 2,397,798</b>	<b>\$ 728,571</b>	<b>\$ 1,053,300</b>	<b>\$ 12,989,844</b>

**GRANT INFORMATION  
Capital Grant History  
Table 21 – Continued  
Ten-Year Comparison**

<b>FTA</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Section 3	\$ 223,348	\$ -	\$ 11,367,120	\$ 3,939,284	\$ 5,066,971
Section 4	55,454		127,608	-	-
Section 9	9,087,443				
Other	810,240	463,051	234,956	10,137	121,880
<b>WA STATE</b>					
Misc Grants	2,518,313	3,506,650	7,905,372	5,183,385	4,480,322
<b>LOCAL</b>					
Partnerships	2,864,005	8,286,327	2,454,694	1,972,208	1,899,070
<b>Totals</b>	<b>\$ 15,558,803</b>	<b>\$ 12,256,028</b>	<b>\$ 22,089,750</b>	<b>\$ 11,105,014</b>	<b>\$ 11,568,243</b>



## *Mission*

Improve people's quality of life by providing safe, reliable and accessible transportation services that are locally based and regionally connected.

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