

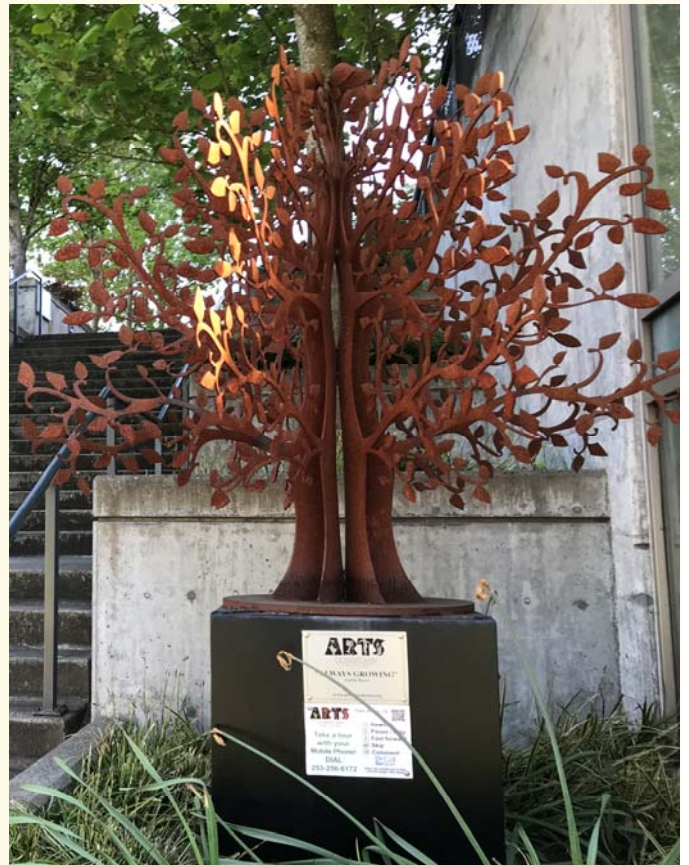
CITY OF PUYALLUP

Annual Financial Report

for the Fiscal Year Ended
December 31, 2018

City of Puyallup, Washington
333 South Meridian
Puyallup, WA 98371
www.cityofpuyallup.org

2018



CITY OF PUYALLUP

Annual Financial Report

for the Fiscal Year Ended
December 31, 2018

Table of Contents

Introduction	1
Statement of Fund Resources and Uses Arising from Cash Transactions	12
Statement of Fiduciary Fund Resources and Uses Arising from Cash Transactions	19
Notes to the Financial Statements	20
Schedule of Liabilities	30
Schedule of Expenditures of Federal Awards	31
Supplemental Information	33

CITY OF PUYALLUP
Annual Financial Report
For the Year Ended December 31, 2018
(Unaudited)

The City of Puyallup was incorporated on August 19, 1890, and is located in the south central Puget Sound region of Western Washington in Pierce County. It is about seven miles east of the City of Tacoma, with a population of 41,100 as of April 1, 2018. Puyallup is the third largest city in Pierce County and the twenty-ninth largest city in the state. The City's boundaries now encompass approximately fourteen square miles.

The City of Puyallup has a Council-Manager form of government and is an Optional Municipal Code City under the laws of the State of Washington. Six Council members are elected by district, and one is elected citywide, to four-year terms. The City Council elects a Mayor from the council membership for a two-year term. The Council appoints a City Manager who serves as chief administrator of the City.

The City is a general purpose government and provides a wide range of municipal services including police, street construction and maintenance, planning and zoning, building inspection, parks and recreation, library, cemetery, municipal court, senior center, and general administration services. The City also owns and operates water, wastewater, storm and surface water, and sanitation utility systems.

The City reports financial activity in accordance with the Cash Basis Budgeting, Accounting and Reporting System (BARS) Manual prescribed by the Washington State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

State law also provides for annual independent audits by the Washington State Auditor's Office and requires timely submission of annual financial reports to the state for review. If the City expends \$750,000 or more in federal grant awards in a year, the independent audit of the financial statements of the City is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Financial Statement and Single Audit Reports for the City are issued separately and available on the Washington State Auditor's Office website at www.sao.wa.gov.

Another state mandate requires the Washington State Auditor's Office to perform additional tests of compliance with state laws and regulations. The statute requires the independent auditor to inquire as to whether the City complied with the laws and the Constitution of the State of Washington, its own ordinances and orders, and the requirements of the Washington State Auditor's Office. Accountability Audit Reports for the City are issued separately and available on the Washington State Auditor's Office website at www.sao.wa.gov.

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law, the City also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

In 2016, the City transitioned from an accrual basis of accounting to a cash basis of accounting. Moving to a cash basis system simplified the annual reporting process and the annual financial report, making it more easily understood by most users. Additionally, the staff time required for preparing the annual report is significantly less, and overall annual audit costs are expected to be reduced.

Cash basis financial reporting requirements for balance sheet amounts are limited, so assets, liabilities and other balance sheet amounts are not reported in the City's cash basis annual financial statements. Reporting requirements for balance sheet amounts may be limited, but the cash basis system does not remove the City's responsibility for stewardship of public resources. The Washington State Auditor's Office requires that the City have policies and procedures in place to track, demonstrate accountability and ensure security of capital assets. The Schedule of Liabilities, immediately following the financial statements, also provides more details of the outstanding debt and liabilities of the City and summarizes the City's debt transactions for the fiscal year.

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

Governmental Fund Types

General Fund - This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds - These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government. The City reports the following special revenue funds:

Seizure and Forfeiture Fund - Established in accordance with RCW 69.50.505 for the purpose of depositing seized and forfeited property and monies resulting from law enforcement activities. Expenditures are limited by law to first provide for expenses directly related to the seizure. Remaining funds are distributed as set forth in RCW 69.50.505 for certain law enforcement activities.

Motel Tax Fund - Established in accordance with RCW 67.28.200 for the administration of the 7% tax collected on Motel and Hotel revenues. Expenditures are limited by law to building or maintenance and operations of tourist facilities, paying debt service on bonds sold to build tourist facilities, and enhancement of tourism.

Trial Court Improvement Fund - Established to account for funds received from the State of Washington that are restricted by state law for improvements to the City's Municipal Court.

LIFT Grant Fund - Established to account for the Local Infrastructure Financing Tool (LIFT) Grant revenues received from the State of Washington. The grant is a maximum

of \$1 million per year for up to 25 years, depending on the City's qualifying activity each year. These revenues can only be spent on eligible capital projects within the Revenue Development Area.

1st 1/4% Real Estate Excise Tax Fund - Established in accordance with RCW 35.43.040 to administer the tax collected on the sale of real estate. Expenditures are limited by law for capital improvements in designated areas.

2nd 1/4% Real Estate Excise Tax Fund - Established in accordance with RCW 35.43.040 to administer the tax collected on the sale of real estate. Expenditures are limited by law for capital improvements in designated areas.

Debt Service Funds - These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt. The City reports the following debt service funds:

2009 Revenue Bonds Fund - City Council approved bond issue refunded 1990 and 1991 bonds originally issued to construct the Public Works building.

2003 Public Works Trust Fund Loan Fund - City Council approved loan for construction activities pertaining to a project linking Meridian with 39th Avenue SE at 10th Street SE.

2003 Limited Tax General Obligation (LTGO) Bonds Fund - City Council approved bond issue provided funding for construction of the Pioneer Park Pavilion and development of the new Civic Center, including acquisition of land for the new City Hall.

2013 Unlimited Tax General Obligation (UTGO) Bonds Fund - Refunding bonds related to the 1999 voter approved bond issue which provided funding to design and build the new library.

2012 Limited Tax General Obligation (LTGO) Bonds Fund - City Council approved bond issue refunded a portion of 2004 bonds originally issued to provide funding for development of the new Civic Center, including construction of the new Activity Center and City Hall.

2007/2013/2014 Limited Tax General Obligation Bonds (LTGO) Fund - City Council approved bond issue (and related refunding bonds) provided funding for development of the new Civic Center, including construction of the new City Hall.

2008/2015 Limited Tax General Obligation (LTGO) Bonds Fund - City Council approved bond issue (and related refunding bonds) provided funding for street improvements.

Capital Projects Funds - These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets. The City reports the following capital projects funds:

Parks Capital Improvement Fund - Accounts for monies restricted or appropriated by the City Council for purchases, construction and major building repairs of parks facilities.

Facility Projects Fund - Accounts for monies appropriated by the City Council for the purpose of planning, designing, and constructing Civic Center and other governmental facility projects.

Street Fund - Accounts for taxes, transportation impact fees and other monies restricted or appropriated by the City Council for major repairs and construction of City streets.

Proprietary Fund Types

Enterprise Funds - These funds account for operations that provide goods or services to the general public and are supported primarily through user charges. The City reports the following enterprise funds:

Sanitation Utility Fund - Accounts for operations and improvements to a methane gas collection system at a landfill closed in 1975. Cash outflow also includes debt service on bonds originally issued in 1990 and 1991 to install the methane gas collection system, and bonds issued in 2011 for settlement of claims for environmental remediation.

Water Utility Fund - Accounts for operations to provide water services to the City. Activities which are primarily supported by user fees include administration, billings and collections, debt service, engineering, construction, operation, maintenance, and repairs.

Wastewater Utility Fund - Accounts for operations to provide wastewater services to the City. Activities which are primarily supported by user fees include administration, billings and collections, debt service, engineering, construction, operation, maintenance, and repairs.

Storm and Surface Water Utility Fund - Accounts for operations to provide storm water collection and disposal services to the City. Activities which are primarily supported by user fees include administration, billings and collections, debt service, engineering, construction, operation, maintenance, and repairs.

Pioneer Park Pavilion Fund - Accounts for the operation of the Pioneer Park Pavilion. Activities are supported by user fees and include administration, billing and collections, operations, maintenance, repairs, and debt service.

Internal Service Funds - These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis. The City reports the following internal service funds:

Equipment Rental Fund - Accounts for the costs of maintaining and replacing the City's vehicles and auxiliary equipment. All operations and equipment costs are factors in calculating the rates which are charged to each user department.

Insurance Fund - Provides accounting for insurance services to all City departments, including provision for losses on property, liability, workers' compensation, and unemployment compensation. Expenses are paid by the Insurance Fund and rates are charged to departments based on use and/or coverage requirements.

Information Technology Fund - Accounts for the costs of maintaining and replacing the City's information technology infrastructure. All operations and equipment costs are factors in calculating the rates which are charged to each user department.

Healthcare Insurance Fund - Provides accounting for the City's self-insured (with stop loss) medical, dental and vision benefits. Claims, stop loss premiums, and administrative costs are paid by the Healthcare Insurance Fund and premiums are charged to departments based on accrual rates set by actuaries for employees and their dependents.

Facility Maintenance Fund - Accounts for the costs of maintaining the City's various facilities and provides accounting for systematic life cycle repairs and replacement. All operations and equipment costs are factors in calculating the rates which are charged to each user department.

Fiduciary Fund Types

Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, and/or other funds.

Firemen's Pension Fund - Accounts for the payment of pension benefits and administrative costs for retired firefighters (and beneficiaries) who were employed prior to March 1, 1970. Primary revenue sources are fire insurance premium taxes, and investment interest.

For the year ended December 31, 2018, the City has chosen to early implement the requirements of GASB Statement No. 84 - Fiduciary Activities, and is no longer reporting the Firemen's Pension Plan in a fiduciary fund.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities and requires activity meeting the criteria be reported in a fiduciary fund. It was determined that the Firemen's Pension Plan does not meet these criteria, and reporting the plan in a fiduciary fund is no longer appropriate. The City is now reporting the plan as part of the General Fund.

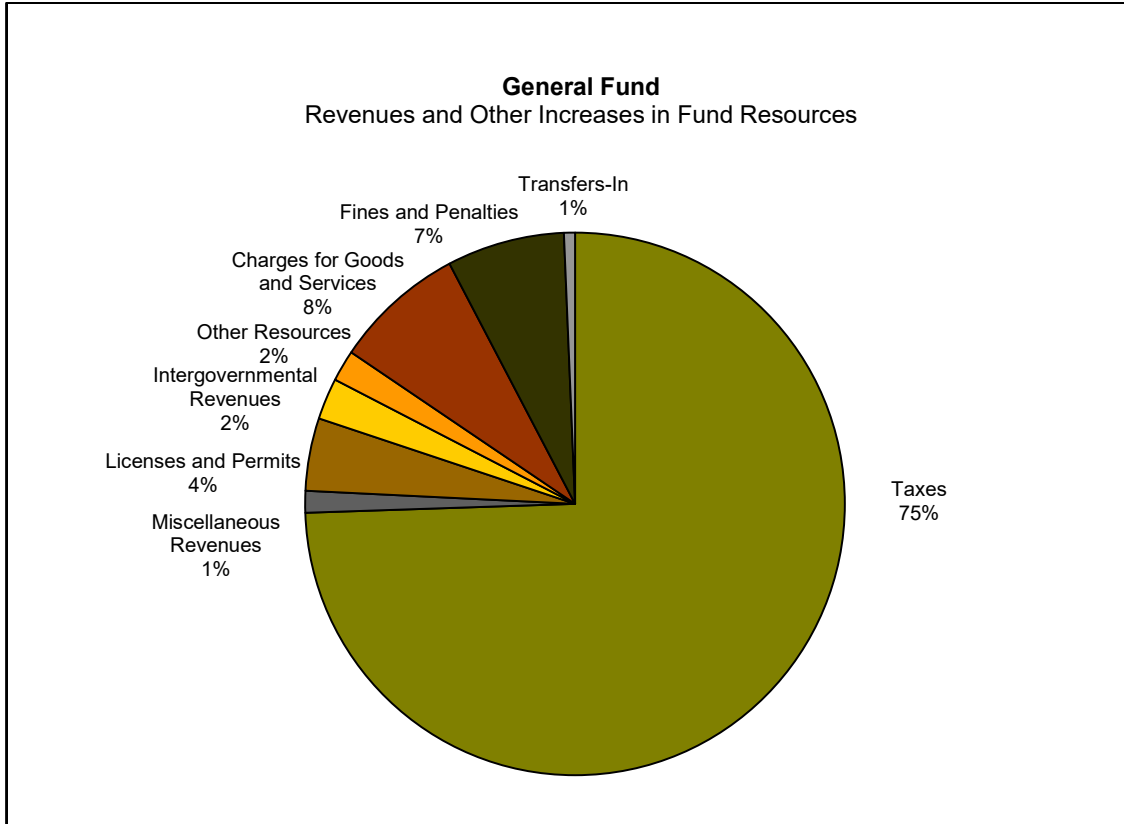
At the end of the current fiscal year, the City's funds reported combined ending cash and investments of \$57,829,619, a decrease of \$1,047,662 in comparison with the prior year. Of this total ending cash and investments, \$10,452,547 is reserved due to restrictions on use imposed by external parties or internal commitments established by the City Council. \$47,377,072 is unreserved and may be used to meet the City's ongoing obligations to citizens and creditors. Changes in ending cash and investments by fund are summarized in the following table:

Fund	2018 Cash and Investments	2017 Cash and Investments	2018 Increase/ (Decrease)
General Fund	\$ 10,030,514	\$ 8,205,310	\$ 1,825,204
Seizure and Forfeiture	232,292	401,734	(169,442)
Motel Tax	1,598,879	3,240,010	(1,641,131)
Trial Court Improvement	3,629	2,445	1,184
LIFT Grant	1,281,621	3,723,372	(2,441,751)
1st 1/4% Real Estate Excise Tax	720,348	1,041,732	(321,384)
2nd 1/4% Real Estate Excise Tax	725,248	1,046,573	(321,325)
2009 Revenue Bonds	18,714	18,326	388
2003 Trust Fund Loan	5,508	4,769	739
2003 LTGO Bonds	-	16,888	(16,888)
2013 UTGO Bonds	85,257	79,198	6,059
2012 LTGO Bonds	34,347	25,556	8,791
2007/2013/2014 LTGO Bonds	34,638	19,902	14,736
2008/2015 LTGO Bonds	126,819	123,653	3,166
Parks Capital Improvement	4,879,439	1,896,328	2,983,111
Facility Projects	558,137	121,076	437,061
Street	5,476,894	5,273,289	203,605
Sanitation	270,476	256,156	14,320
Water	3,538,484	3,725,528	(187,044)
Wastewater	15,070,706	13,906,380	1,164,326
Storm and Surface Water	4,689,803	7,999,109	(3,309,306)
Pioneer Park Pavilion	97,165	87,234	9,931
Equipment Rental	1,750,457	1,668,676	81,781
Insurance	1,171,865	1,224,598	(52,733)
Information Technology	1,039,218	840,677	198,541
Healthcare Insurance	4,271,401	3,806,692	464,709
Facility Maintenance	117,760	122,070	(4,310)
	\$ 57,829,619	\$ 58,877,281	\$ (1,047,662)

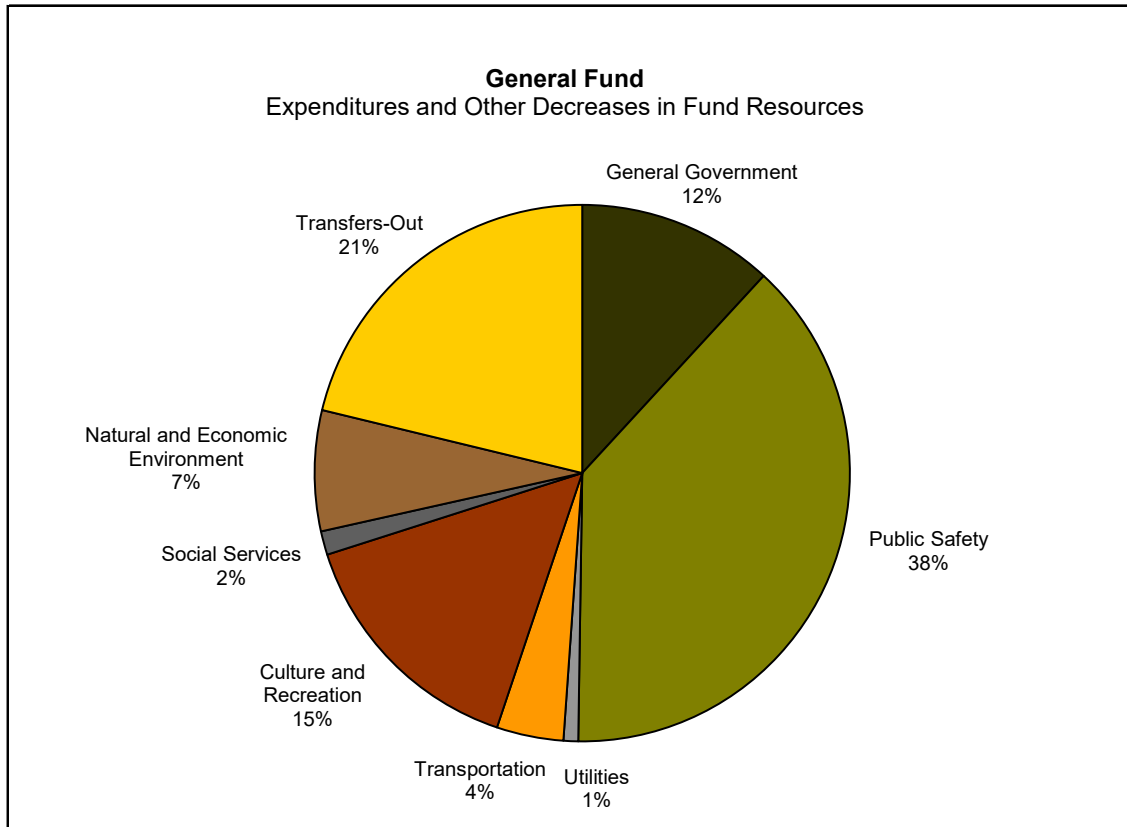
During the current fiscal year, the City's funds reported combined revenues and other increases in fund resources of \$131,092,752, and combined expenditures and other decreases in fund resources of \$132,140,414. Revenues, expenditures, and other increases and decreases in fund resources are summarized in the following table:

Fund	Revenues	Other Increases in Fund Resources	Expenditures	Other Decreases in Fund Resources	2018 Increase/ (Decrease)
General Fund	\$ 49,108,790	\$ 1,272,150	\$ 38,118,197	\$ 10,437,539	\$ 1,825,204
Seizure and Forfeiture	35,153	-	60,992	143,603	(169,442)
Motel Tax	1,387,900	-	547,765	2,481,266	(1,641,131)
Trial Court Improvement	22,165	-	-	20,981	1,184
LIFT Grant	1,013,447	-	-	3,455,198	(2,441,751)
1st 1/4% Real Estate Excise Tax	1,228,616	-	-	1,550,000	(321,384)
2nd 1/4% Real Estate Excise Tax	1,228,675	-	-	1,550,000	(321,325)
2009 Revenue Bonds	295	8,787	-	8,694	388
2003 Trust Fund Loan	737	337,025	-	337,023	739
2003 LTGO Bonds	173	85,257	-	102,318	(16,888)
2013 UTGO Bonds	784,080	-	-	778,021	6,059
2012 LTGO Bonds	8,091	995,675	-	994,975	8,791
2007/2013/2014 LTGO Bonds	14,631	1,839,982	-	1,839,877	14,736
2008/2015 LTGO Bonds	3,216	697,350	-	697,400	3,166
Parks Capital Improvement	1,736,252	5,686,554	205,336	4,234,359	2,983,111
Facility Projects	9,176	1,235,244	-	807,359	437,061
Street	4,368,971	9,137,113	3,759,802	9,542,677	203,605
Sanitation	437,082	-	88,841	333,921	14,320
Water	6,900,836	10,798	4,889,481	2,209,197	(187,044)
Wastewater	15,432,501	-	7,746,053	6,522,122	1,164,326
Storm and Surface Water	6,827,612	-	4,834,861	5,302,057	(3,309,306)
Pioneer Park Pavilion	338,867	135,492	330,538	133,890	9,931
Equipment Rental	2,660,344	211,861	1,566,607	1,223,817	81,781
Insurance	1,960,694	9,472	2,017,899	5,000	(52,733)
Information Technology	3,554,666	150,000	3,103,671	402,454	198,541
Healthcare Insurance	7,580,370	-	7,115,661	-	464,709
Facility Maintenance	2,636,652	-	2,452,104	188,858	(4,310)
	<u>\$ 109,279,992</u>	<u>\$ 21,812,760</u>	<u>\$ 76,837,808</u>	<u>\$ 55,302,606</u>	<u>\$ (1,047,662)</u>

At the end of the current fiscal year, the City's General Fund reported ending cash and investments of \$10,030,514, an increase of \$1,825,204 in comparison with the prior year. During the year, the General Fund reported combined revenues and other increases in fund resources of \$50,380,940. These revenues and other increases in fund resources are presented by source in the following table:



During the year, the General Fund also reported combined expenditures and other decreases in fund resources of \$48,555,736. These expenditures and other decreases in fund resources are presented by source in the following table:



At the end of the current fiscal year, the City had total outstanding long-term debt of \$31,819,791, a decrease of \$6,481,633 in comparison with the prior year. Changes in outstanding long-term debt are summarized in the following table:

Debt Type	2018 Outstanding Balance	2017 Outstanding Balance	Increase/ (Decrease)
General Obligation Bonds	\$ 24,275,000	\$ 28,124,573	\$ (3,849,573)
Revenue Bonds	4,890,000	6,550,000	(1,660,000)
Other Long-Term Debt	2,654,791	3,626,851	(972,060)
	<u>\$ 31,819,791</u>	<u>\$ 38,301,424</u>	<u>\$ (6,481,633)</u>

The City adopts annual appropriated budgets for the general, special revenue, enterprise, internal service and fiduciary funds. These budgets are appropriated at the fund level. Annual appropriations for these funds lapse at the fiscal year end.

Budgets for debt service and capital projects funds are adopted at the level of the individual debt issue or project for fiscal periods that correspond to the lives of debt issues or projects, and are not required to be re-appropriated each year.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. An increase in total budgeted appropriations of a fund must be authorized by the City Council. Transfers of appropriations within a fund may be authorized by the City Manager.

The City Council is made up of seven members elected to four-year terms. Six City Council members are elected by district, and one is elected citywide. The City Council elects a Mayor from the council membership for a two-year term.

The Puyallup Municipal Court judge is also elected to a four-year term. The current elected City officials are listed in the following table:

City Council	
John Palmer, Mayor	District 2
Tom Swanson, Deputy Mayor	District 3
Julie Door	District 3
Robin Farris	District 1
Cyndy Jacobsen	District 2
Dean Johnson	At Large
Jim Kastama	District 1
Other Elected Officials	
Andrea Beall	Municipal Court Judge

The City Council appoints a City Manager who serves as chief administrator of the City. The current appointed City officials are listed in the following table:

Appointed Officials	
Steve Kirkelie	Interim City Manager
Rob Andreotti	Public Works Director
Ellen Attebery	Court Administrator
Joe Beck	City Attorney
Clay Doolittle	Information Technology Manager
Scott Engle	Chief of Police
Sarah Harris	Parks and Recreation Director
Hans Hunger	City Engineer
Barbara Lopez	Finance Director
Katie Ortega	Director of Personnel
Patty Ross	Library Services Director
Tom Utterback	Development Services Director
Mary Winter	City Clerk

CITY OF PUYALLUP
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		Total for All Funds	001 General Fund	115 Seizure and Forfeiture	141 Motel Tax
Beginning Cash and Investments					
30810	Reserved	12,532,721	138,008	401,734	3,240,010
30880	Unreserved	46,344,560	8,067,302	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	42,542,676	37,523,048	-	1,367,206
320	Licenses and Permits	2,200,697	2,179,851	-	-
330	Intergovernmental Revenues	8,075,342	1,245,915	-	-
340	Charges for Goods and Services	47,121,028	3,963,629	-	-
350	Fines and Penalties	3,669,909	3,545,234	-	-
360	Miscellaneous Revenues	5,670,340	651,113	35,153	20,694
Total Revenues:		109,279,992	49,108,790	35,153	1,387,900
Expenditures					
510	General Government	20,047,156	5,735,299	-	-
520	Public Safety	19,013,243	18,574,773	60,992	-
530	Utilities	17,898,009	427,614	-	-
540	Transportation	7,278,627	1,952,218	-	-
550	Natural and Economic Environment	4,152,503	3,515,897	-	547,765
560	Social Services	689,936	689,936	-	-
570	Culture and Recreation	7,758,334	7,222,460	-	-
Total Expenditures:		76,837,808	38,118,197	60,992	547,765
Excess (Deficiency) Revenues over Expenditures:		32,442,184	10,990,593	(25,839)	840,135
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	24,845	-	-	-
397	Transfers-In	20,809,107	333,227	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	7,923	1,273	-	-
381, 395, 398	Other Resources	970,885	937,650	-	-
Total Other Increases in Fund Resources:		21,812,760	1,272,150	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	26,485,044	139,306	-	-
591-593, 599	Debt Service	7,107,628	-	-	-
597	Transfers-Out	20,689,861	10,266,036	143,000	2,481,266
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	82,573	32,197	603	-
581	Other Uses	937,500	-	-	-
Total Other Decreases in Fund Resources:		55,302,606	10,437,539	143,603	2,481,266
Increase (Decrease) in Cash and Investments:		(1,047,662)	1,825,204	(169,442)	(1,641,131)
Ending Cash and Investments					
5081000	Reserved	10,452,547	110,265	232,292	1,598,879
5088000	Unreserved	47,377,072	9,920,249	-	-
Total Ending Cash and Investments		57,829,619	10,030,514	232,292	1,598,879

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		161	171	180	190
		Trial Court	LIFT	1st 1/4%	2nd 1/4%
		Improvement	Grant	Real Estate	Real Estate
				Excise Tax	Excise Tax
Beginning Cash and Investments					
30810	Reserved	2,445	3,723,372	1,041,732	1,046,573
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	1,222,526	1,222,525
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	22,041	1,000,000	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	124	13,447	6,090	6,150
Total Revenues:		22,165	1,013,447	1,228,616	1,228,675
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		22,165	1,013,447	1,228,616	1,228,675
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	20,981	3,455,198	1,550,000	1,550,000
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		20,981	3,455,198	1,550,000	1,550,000
Increase (Decrease) in Cash and Investments:		1,184	(2,441,751)	(321,384)	(321,325)
Ending Cash and Investments					
5081000	Reserved	3,629	1,281,621	720,348	725,248
5088000	Unreserved	-	-	-	-
Total Ending Cash and Investments		3,629	1,281,621	720,348	725,248

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		204	205	206	216
		2009 Revenue	2003 Trust	2003 LTGO	2013 UTGO
		Bonds	Fund Loan	Bonds	Bonds
Beginning Cash and Investments					
30810	Reserved	-	-	-	79,198
30880	Unreserved	18,326	4,769	16,888	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	779,308
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	295	737	173	4,772
Total Revenues:		295	737	173	784,080
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		295	737	173	784,080
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	8,787	337,025	85,257	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		8,787	337,025	85,257	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	8,694	337,023	102,318	778,021
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		8,694	337,023	102,318	778,021
Increase (Decrease) in Cash and Investments:		388	739	(16,888)	6,059
Ending Cash and Investments					
5081000	Reserved	-	-	-	85,257
5088000	Unreserved	18,714	5,508	-	-
Total Ending Cash and Investments		18,714	5,508	-	85,257

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		<u>217</u>	<u>218</u>	<u>219</u>	<u>306</u>
		2012 LTGO	2007/2013/2014	2008/2015	Parks Capital
		Bonds	LTGO Bonds	LTGO Bonds	Improvement
Beginning Cash and Investments					
30810	Reserved	-	-	-	1,896,328
30880	Unreserved	25,556	19,902	123,653	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	428,063
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	1,237,467
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	8,091	14,631	3,216	70,722
Total Revenues:		8,091	14,631	3,216	1,736,252
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	205,336
Total Expenditures:		-	-	-	205,336
Excess (Deficiency) Revenues over Expenditures:		8,091	14,631	3,216	1,530,916
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	995,675	1,839,982	697,350	5,686,554
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		995,675	1,839,982	697,350	5,686,554
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	3,231,234
591-593, 599	Debt Service	994,975	1,839,877	697,400	65,625
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	937,500
Total Other Decreases in Fund Resources:		994,975	1,839,877	697,400	4,234,359
Increase (Decrease) in Cash and Investments:		8,791	14,736	3,166	2,983,111
Ending Cash and Investments					
5081000	Reserved	-	-	-	4,879,439
5088000	Unreserved	34,347	34,638	126,819	-
Total Ending Cash and Investments		34,347	34,638	126,819	4,879,439

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		321	330	401	411
		Facility	Street	Sanitation	Water
		Projects			
Beginning Cash and Investments					
30810	Reserved	-	119,229	109,224	67,852
30880	Unreserved	121,076	5,154,060	146,932	3,657,676
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	20,310
330	Intergovernmental Revenues	-	2,837,189	-	-
340	Charges for Goods and Services	-	1,431,110	429,841	6,350,488
350	Fines and Penalties	-	-	2,623	36,406
360	Miscellaneous Revenues	9,176	100,672	4,618	493,632
Total Revenues:		9,176	4,368,971	437,082	6,900,836
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	4,889,481
540	Transportation	-	3,759,802	-	-
550	Natural and Economic Environment	-	-	88,841	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	3,759,802	88,841	4,889,481
Excess (Deficiency) Revenues over Expenditures:		9,176	609,169	348,241	2,011,355
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	24,845	-	-
397	Transfers-In	1,235,244	9,112,268	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	5,050
381, 395, 398	Other Resources	-	-	-	5,748
Total Other Increases in Fund Resources:		1,235,244	9,137,113	-	10,798
Other Decreases in Fund Resources					
594-595	Capital Expenditures	807,359	8,335,743	11,899	1,946,522
591-593, 599	Debt Service	-	-	322,022	259,011
597	Transfers-Out	-	1,184,375	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	22,559	-	3,664
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		807,359	9,542,677	333,921	2,209,197
Increase (Decrease) in Cash and Investments:		437,061	203,605	14,320	(187,044)
Ending Cash and Investments					
5081000	Reserved	-	119,229	79,928	42,336
5088000	Unreserved	558,137	5,357,665	190,548	3,496,148
Total Ending Cash and Investments		558,137	5,476,894	270,476	3,538,484

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		412	422	430	501
		Wastewater	Storm and Surface Water	Pioneer Park Pavilion	Equipment Rental
Beginning Cash and Investments					
30810	Reserved	628,606	36,464	-	1,946
30880	Unreserved	13,277,774	7,962,645	87,234	1,666,730
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	536	-	-	-
330	Intergovernmental Revenues	2,712,792	257,405	-	-
340	Charges for Goods and Services	10,825,907	4,689,650	-	2,636,119
350	Fines and Penalties	65,025	20,621	-	-
360	Miscellaneous Revenues	1,828,241	1,859,936	338,867	24,225
Total Revenues:		15,432,501	6,827,612	338,867	2,660,344
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	7,746,053	4,834,861	-	-
540	Transportation	-	-	-	1,566,607
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	330,538	-
Total Expenditures:		7,746,053	4,834,861	330,538	1,566,607
Excess (Deficiency) Revenues over Expenditures:		7,686,448	1,992,751	8,329	1,093,737
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	133,892	193,846
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	1,600	-
381, 395, 398	Other Resources	-	-	-	18,015
Total Other Increases in Fund Resources:		-	-	135,492	211,861
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,402,329	5,082,077	32,793	1,215,123
591-593, 599	Debt Service	1,111,719	171,058	101,097	8,694
597	Transfers-Out	-	34,005	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	8,074	14,917	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		6,522,122	5,302,057	133,890	1,223,817
Increase (Decrease) in Cash and Investments:		1,164,326	(3,309,306)	9,931	81,781
Ending Cash and Investments					
5081000	Reserved	552,804	20,156	-	1,116
5088000	Unreserved	14,517,902	4,669,647	97,165	1,749,341
Total Ending Cash and Investments		15,070,706	4,689,803	97,165	1,750,457

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

		502	503	504	505
		Insurance	Information Technology	Healthcare Insurance	Facility Maintenance
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	1,224,598	840,677	3,806,692	122,070
388 / 588	Prior Period Adjustments, Net	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	1,943,382	3,538,636	7,439,894	2,634,905
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	17,312	16,030	140,476	1,747
Total Revenues:		1,960,694	3,554,666	7,580,370	2,636,652
Expenditures					
510	General Government	2,017,899	2,726,193	7,115,661	2,452,104
520	Public Safety	-	377,478	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,017,899	3,103,671	7,115,661	2,452,104
Excess (Deficiency) Revenues over Expenditures:		(57,205)	450,995	464,709	184,548
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	150,000	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	9,472	-	-	-
Total Other Increases in Fund Resources:		9,472	150,000	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	201,112	-	79,547
591-593, 599	Debt Service	-	200,783	-	109,311
597	Transfers-Out	5,000	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	559	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		5,000	402,454	-	188,858
Increase (Decrease) in Cash and Investments:		(52,733)	198,541	464,709	(4,310)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	1,171,865	1,039,218	4,271,401	117,760
Total Ending Cash and Investments		1,171,865	1,039,218	4,271,401	117,760

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2018

	611 Firemen's Pension
Beginning Cash and Investments	119,246
388 / 588 Prior Period Adjustments, Net	-
310-390 Additions	-
510-590 Deductions	119,246
Increase (Decrease) in Cash and Investments:	(119,246)
Ending Cash and Investments	-

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Notes to the Financial Statements
For the year ended December 31, 2018

Note 1 - Summary of Significant Accounting Policies

The City of Puyallup was incorporated on August 19, 1890, and operates under the laws of the State of Washington applicable to a non-charter code city with a council-manager form of government. The City is a general purpose local government and provides a wide range of municipal services, including police, engineering, parks and recreation, library, cemetery, street, and administrative services. The City also owns and operates water, wastewater, storm and surface water, and sanitation utility systems.

The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

Pension (and Other Employee Benefit) Trust Funds

These funds are used to report fiduciary activities for pension and OPEB plans administered through trust.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law, the City also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 3, *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Vacation leave accumulates at various rates, depending upon date of hire, contract and City policy. Vacation leave is payable upon termination of employment. Sick leave accumulates at four hours per pay period. Employees may receive some or all of accumulated sick leave upon termination of employment, depending upon date of hire, contract and City policy. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 6, *Debt Service Requirements*.

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City Council. When expenditures that meet restrictions are incurred, the City intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments are as follows:

Fund	Reserved For					Total
	Debt Service	Special Revenue	Unspent Development Fees	Trusts		
General Fund	\$ -	\$ -	\$ 88,315	\$ 21,950	\$ 110,265	
Seizure and Forfeiture	-	232,292	-	-	232,292	
Motel Tax	-	1,598,879	-	-	1,598,879	
Trial Court Improvement	-	3,629	-	-	3,629	
LIFT Grant	-	1,281,621	-	-	1,281,621	
1st 1/4% Real Estate Excise Tax	-	720,348	-	-	720,348	
2nd 1/4% Real Estate Excise Tax	-	725,248	-	-	725,248	
2013 UTGO Bonds	85,257	-	-	-	85,257	
Parks Capital Improvement	-	4,879,439	-	-	4,879,439	
Street	-	-	119,229	-	119,229	
Sanitation	79,928	-	-	-	79,928	
Water	42,336	-	-	-	42,336	
Wastewater	552,804	-	-	-	552,804	
Storm and Surface Water	20,156	-	-	-	20,156	
Equipment Rental	1,116	-	-	-	1,116	
	<u>\$ 781,597</u>	<u>\$ 9,441,456</u>	<u>\$ 207,544</u>	<u>\$ 21,950</u>	<u>\$ 10,452,547</u>	

Note 2 - Budget Compliance

A. Budgets

The City adopts annual appropriated budgets for the general, special revenue, enterprise, internal service and fiduciary funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Budgets for debt service and capital projects funds are adopted at the level of the individual debt issue or project for fiscal periods that correspond to the lives of debt issues or projects, and are not required to be re-appropriated each year.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund	Original Adopted Budget	Less: Budget Intrafund Transfers	Add: Budget Adjustments	Final Adjusted Budget	Actual Expenditures	Variance
General Fund	\$ 53,876,827	\$ 4,653,300	\$ 940,063	\$ 50,163,590	\$ 48,555,736	\$ 1,607,854
Seizure and Forfeiture	255,970	-	-	255,970	204,595	51,375
Motel Tax	2,829,369	-	302,374	3,131,743	3,029,031	102,712
Trial Court Improvement	21,500	-	-	21,500	20,981	519
LIFT Grant	2,000,000	-	1,455,198	3,455,198	3,455,198	-
1st 1/4% Real Estate Excise Tax	1,550,000	-	-	1,550,000	1,550,000	-
2nd 1/4% Real Estate Excise Tax	1,550,000	-	-	1,550,000	1,550,000	-
2009 Revenue Bonds	8,787	-	-	8,787	8,694	93
2003 Trust Fund Loan	337,025	-	-	337,025	337,023	2
2003 LTGO Bonds	102,319	-	-	102,319	102,318	1
2013 UTGO Bonds	778,721	-	-	778,721	778,021	700
2012 LTGO Bonds	995,675	-	-	995,675	994,975	700
2007/2013/2014 LTGO Bonds	1,839,982	-	750	1,840,732	1,839,877	855
2008/2015 LTGO Bonds	697,350	-	-	697,350	697,400	(50)
Parks Capital Improvement	8,228,366	2,500,000	2,497,180	8,225,546	4,439,695	3,785,851
Facility Projects	605,244	-	254,239	859,483	807,359	52,124
Street	10,921,965	2,460,000	23,622,445	32,084,410	13,302,479	18,781,931
Sanitation	518,974	-	-	518,974	422,762	96,212
Water	8,620,659	1,810,000	1,346,636	8,157,295	7,098,678	1,058,617
Wastewater	24,581,897	8,023,000	9,763,605	26,322,502	14,268,175	12,054,327
Storm and Surface Water	7,190,670	1,400,000	10,129,331	15,920,001	10,136,918	5,783,083
Pioneer Park Pavilion	500,691	-	-	500,691	464,428	36,263
Equipment Rental	3,026,596	-	151,000	3,177,596	2,790,424	387,172
Insurance	1,925,099	-	5,000	1,930,099	2,022,899	(92,800)
Information Technology	4,009,500	242,000	286,483	4,053,983	3,506,125	547,858
Healthcare Insurance	7,359,950	-	-	7,359,950	7,115,661	244,289
Facility Maintenance	2,321,582	-	-	2,321,582	2,640,962	(319,380)
	<u>\$ 146,654,718</u>	<u>\$ 21,088,300</u>	<u>\$ 50,754,304</u>	<u>\$ 176,320,722</u>	<u>\$ 132,140,414</u>	<u>\$ 44,180,308</u>

Budget adjustments are made periodically throughout the year when changes in fund appropriations are necessary. Transfers between departments within any one fund may be made by order of the City Manager. Any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City Council.

As part of the budget amendment process, unexpended portions of continuing capital project budgets are carried over into the new fiscal year. This simplifies reporting and control of these budgets.

Intrafund transfers, or transfers within the same fund, are also included in the total adopted budgets for managerial control, but have been excluded from actual expenditures.

Note 3 - Deposits and Investments

It is the City’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the City or its agent in the government’s name.

Investments are reported at original cost. Investments by type at December 31, 2018 are as follows:

	City Investments	Investments Held by the City as an Agent	Total
Cash	\$ 15,299,488	\$ -	\$ 15,299,488
Cash Equivalents			
Local Government Investment Pool	42,530,131	-	42,530,131
Total Cash and Cash Equivalents	<u>\$ 57,829,619</u>	<u>\$ -</u>	<u>\$ 57,829,619</u>
Investments	-	-	-
Total Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Cash and Investments	<u>\$ 57,829,619</u>	<u>\$ -</u>	<u>\$ 57,829,619</u>

Note 4 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City's regular levy for the year 2018 was \$1.53 per \$1,000 on an assessed valuation of \$5,666,549,214 for a total regular levy of \$8,650,098. In 2018, the City also levied \$0.14 per \$1,000 for debt service on voter approved General Obligation Bonds for the Puyallup Public Library, for a total additional levy of \$778,721.

The City's regular levy limit for the year 2018 was \$2.10 per \$1,000 of assessed value.

Note 5 - Interfund Loans

The following table displays interfund loan activity during 2018:

Borrowing Fund	Lending Fund	Balance 1/1/2018	New Loans	Repayments	Balance 12/31/2018
Parks Capital Improvement Fund	General Fund	\$ 937,500	\$ -	\$ 937,500	\$ -
		<u>\$ 937,500</u>	<u>\$ -</u>	<u>\$ 937,500</u>	<u>\$ -</u>

Note 6 - Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City and summarizes the City's debt transactions for year ended December 31, 2018.

The debt service requirements for general obligation bonds, revenue bonds, and loans are as follows:

Year	Principal	Interest	Total
2019	\$ 6,140,380	\$ 937,816	\$ 7,078,196
2020	4,492,219	796,356	5,288,575
2021	3,828,321	678,346	4,506,667
2022	3,499,451	558,411	4,057,862
2023	3,597,787	465,876	4,063,663
2024 - 2028	10,261,633	892,854	11,154,487
	<u>\$ 31,819,791</u>	<u>\$ 4,329,659</u>	<u>\$ 36,149,450</u>

Note 7 - Other Postemployment Benefit (OPEB) Plans

The City administers a single-employer, defined benefit healthcare plan, the LEOFF 1 Retiree Healthcare Plan. The plan provides lifetime healthcare benefits for eligible LEOFF 1 retirees through the City's group healthcare plans, which cover both active and retired members. Benefit provisions are established through the LEOFF Disability Board representing LEOFF 1 retirees. The LEOFF 1 Retiree Healthcare Plan does not issue a publicly available financial report.

The City contributes 100 percent of the cost of the LEOFF 1 Retiree Healthcare Plan. Plan members do not contribute to the plan. As of December 31, 2018, the plan had 35 members, all retirees. For fiscal year 2018, the City contributed \$498,344 to the plan. Plan costs are paid through the General Fund.

Note 8 - Pension Plans

A. State Sponsored Pension Plans

Substantially all City full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans:

- Public Employees' Retirement System (PERS)
- Public Safety Employees' Retirement System (PSERS)
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 P.O. Box 48380
 Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2018 (the measurement date of the plans), the City's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan	Employer Contributions	Allocation Percentage	Liability (Asset)
PERS 1	\$ 825,038	0.123430%	\$ 5,512,426
PERS 2/3	1,119,942	0.145143%	2,478,188
PSERS 2	54,752	0.207324%	2,569
LEOFF 1	-	0.077899%	(1,414,258)
LEOFF 2	353,748	0.203996%	(4,141,564)

LEOFF Plan 1

The City also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The City also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

B. Firemen's Pension Plan

The City also administers a closed, single-employer, defined benefit pension plan called the Firemen's Pension Plan. This system was established by the City under Chapters 41.16 and 41.18 RCW. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Membership is limited to firemen employed by the City prior to March 1, 1970, when the LEOFF retirement system was established. All benefits are financed from member contributions made prior to LEOFF, investment earnings, an allocation of 25% of all moneys received by the State from taxes on fire insurance premiums, and City contributions. As of December 31, 2018, there were a total of twelve individuals covered by this system and drawing benefits, none of which are still employed by the City.

The City's liability under the plan is composed of all benefits for firemen retired prior to March 1, 1970, and excess benefits over LEOFF for covered firemen retired after March 1, 1970, who are mainly covered by the LEOFF system (described above).

An actuarial valuation for the Firemen's Pension Plan was updated in 2015 by Milliman. The valuation projected future payouts beyond 2018 of \$3,739,000 in nominal dollars. Total plan assets were \$1,116,706 as of December 31, 2018. The total projected payouts less the plan assets results in a cash basis equivalent of net pension liability of \$2,622,294, as reported on the Schedule 09.

The funding plan for this obligation is adjusted as appropriate each year in the budget process. The latest funding plan update, as published in the 2019 Budget, expects the maximum annual City contribution to be attained in 2019 at \$80,000 per year. Payouts are expected to decrease beginning in 2029, and the City contribution is reduced in 2044.

Prior to 2018, the Firemen's Pension Plan was reported in a fiduciary fund. For the year ended December 31, 2018, the City has chosen to early implement the requirements of GASB Statement No. 84 - Fiduciary Activities, and is no longer reporting the plan in a fiduciary fund.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities and requires activity meeting the criteria be reported in a fiduciary fund. It was determined that the Firemen's Pension Plan does not meet these criteria, and reporting the plan in a fiduciary fund is no longer appropriate. The City is now reporting the plan as part of the General Fund.

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Liability and property coverage is provided through the Washington Cities Insurance Authority (WCIA). The City is a qualified self-insurer for workers' compensation and is self-insured through the State of Washington for unemployment claims. The City is also self-insured for employee healthcare benefits.

Liability and Property

The City is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 160 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

Workers' Compensation

Beginning January 1, 2004, the City became a qualified self-insurer for workers' compensation as an alternative to the state workers' compensation program. The self-insurance program is funded by City operating funds based on established Labor and Industries rates per worked hour for employer contributions and employee deductions. An excess coverage policy is carried at a premium cost of \$50,510 for 2018. The costs of the self-insurance program for workers' compensation totaled \$415,578 in 2018. The City continues to participate in the state workers' compensation program for claims existing prior to January 1, 2004.

Unemployment

The City is self-insured through the State of Washington for unemployment claims. Claims are paid to the state on a quarterly basis and totaled \$54,289 for 2018.

Healthcare

The City is self-insured for employee healthcare benefits. The Healthcare Insurance Fund was established as an internal service fund to pay medical, dental and vision healthcare claims, as well as to establish reserves for self-insurance. City operating funds contribute to the Healthcare Insurance Fund based on rates developed by an actuary. Claims exceeding \$150,000 per occurrence are covered by a stop loss policy.

CITY OF PUYALLUP
Schedule of Liabilities
For the Year Ended December 31, 2018

ID Number	Description	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.12	2013 Refunding UTGO Bonds	12/01/2019	1,510,000	-	750,000	760,000
251.11	2003 LTGO Bonds	03/01/2018	199,573	-	199,573	-
251.11	2007 LTGO Bonds	12/01/2018	720,000	-	720,000	-
251.11	2008 LTGO Bonds	07/01/2018	460,000	-	460,000	-
251.11	2012 Refunding LTGO Bonds	12/01/2024	6,215,000	-	815,000	5,400,000
251.11	2013 Refunding LTGO Bonds	12/01/2026	4,260,000	-	60,000	4,200,000
251.11	2014 Refunding LTGO Bonds	12/01/2026	9,050,000	-	845,000	8,205,000
251.11	2015 Refunding LTGO Bonds	07/01/2028	5,710,000	-	-	5,710,000
263.87	2003 Public Works Trust Fund Loan	06/01/2023	2,031,455	-	338,576	1,692,879
263.83	2014 Highway Infrastructure Account Loan	10/31/2022	305,034	24,845	-	329,879
263.96	2015 LOCAL Loan	12/01/2025	708,397	-	76,364	632,033
263.85	2016 Central Pierce Fire Property Note	09/30/2018	581,965	-	581,965	-
Total General Obligation Debt/Liabilities:			31,751,424	24,845	4,846,478	26,929,791
Revenue and Other Debt/Liabilities						
252.11	2009 Refunding Revenue Bonds	11/01/2019	585,000	-	285,000	300,000
252.11	2009 Revenue Bonds	11/01/2019	495,000	-	245,000	250,000
252.11	2011 Revenue Bonds	11/01/2020	885,000	-	285,000	600,000
252.11	2013 Refunding Revenue Bonds	06/01/2020	2,075,000	-	845,000	1,230,000
252.11	2016 Refunding Revenue Bonds	11/01/2028	2,510,000	-	-	2,510,000
264.30	State Sponsored Pension Plan Liability		10,711,370	-	2,718,187	7,993,183
264.30	Firemen's Pension Plan Liability		2,805,254	-	182,960	2,622,294
259.12	Compensated Absences Liability		3,189,564	-	80,922	3,108,642
Total Revenue and Other Debt/Liabilities:			23,256,188	-	4,642,069	18,614,119
Total Liabilities:			55,007,612	24,845	9,488,547	45,543,910

CITY OF PUYALLUP
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed Through to Subrecipients	Note
				Pass-Through Awards	Direct Awards	Total		
Office of Justice Programs, Department of Justice <i>Bulletproof Vest Program</i>	Bulletproof Vest Partnership Program	16.607	N/A	-	7,187	7,187	-	
Highway Planning and Construction								
Federal Highway Administration, Department Of Transportation (via Washington State Dept of Transportation) <i>Milwaukee Bridge Replacement</i>	Highway Planning and Construction	20.205	LA-8110	144,217	-	144,217	-	3
Federal Highway Administration, Department Of Transportation (via Washington State Dept of Transportation) <i>9th Street SW/River Road Safety Improvements</i>	Highway Planning and Construction	20.205	LA-8730	929,261	-	929,261	-	
Federal Highway Administration, Department Of Transportation (via Washington State Dept of Transportation) <i>5th Street SW/NW Adaptive Traffic Control</i>	Highway Planning and Construction	20.205	LA-9153	91,023	-	91,023	-	
Federal Highway Administration, Department Of Transportation (via Washington State Dept of Transportation) <i>North Levee Road Overlay</i>	Highway Planning and Construction	20.205	LA-9164	82,940	-	82,940	-	
	Total Highway Planning and Construction:			1,247,441	-	1,247,441	-	
Highway Safety								
National Highway Traffic Safety Administration, Department Of Transportation (via Washington Association of Sheriffs and Police Chiefs) <i>Traffic Safety Equipment</i>	State and Community Highway Safety	20.600	N/A	5,400	-	5,400	-	
National Highway Traffic Safety Administration, Department Of Transportation (via Washington Traffic Safety Commission) <i>Traffic Safety Emphasis Patrols</i>	State and Community Highway Safety	20.600	N/A	13,352	-	13,352	-	
	Total CFDA 20.600:			18,752	-	18,752	-	
National Highway Traffic Safety Administration, Department Of Transportation (via Washington Traffic Safety Commission) <i>Target Zero Teams/Holiday DUI Emphasis</i>	National Priority Safety Programs	20.616	N/A	8,422	-	8,422	-	
	Total Highway Safety:			27,174	-	27,174	-	
Environmental Protection Agency (via Washington State Department of Ecology) <i>Local Source Control</i>	National Estuary Program	66.456	C1800020	70,093	-	70,093	-	
Federal Emergency Management Agency, Department of Homeland Security (via Washington State Military Department <i>Emergency Management Performance</i>	Emergency Management Performance Grants	97.042	E18-119	22,629	-	22,629	-	
Federal Emergency Management Agency, Department of Homeland Security (via Washington State Military Department <i>Emergency Management Performance</i>	Emergency Management Performance Grants	97.042	E19-167	945	-	945	-	
	Total CFDA 97.042:			23,574	-	23,574	-	
	Total Federal Awards Expended:			1,368,282	7,187	1,375,469	-	

The accompanying notes are an integral part of this statement.

CITY OF PUYALLUP
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Note 1 - Basis of Accounting

This schedule is prepared on the same basis of accounting as the City's financial statements. The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System (BARS)* Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

Note 2 - Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Prior Period Expenditures

A portion of the amount reported referencing this note was expended in prior years, but was not reported on the Schedules of Expenditures of Federal Awards for prior years. To ensure continuity and completeness of the schedule, it is included in the 2018 Schedule of Expenditures of Federal Awards.

Note 4 - Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF PUYALLUP Supplemental Information

Population Trends

The following table lists the population for the City and the annual percentage change since 2014.

Year	Population	Change
2018	41,100	+ 1.5%
2017	40,500	+ 1.6%
2016	39,850	+ 2.3%
2015	38,950	+ 0.7%
2014	38,670	+ 1.8%

Source: State of Washington Office of Financial Management

Assessed Value Trends

The following table lists the assessed value of property in the City and the annual percentage change since 2014.

Year	Assessed Value	Change
2018	\$ 5,666,549,214	+ 10.1%
2017	5,148,032,791	+ 10.3%
2016	4,666,932,714	+ 4.4%
2015	4,469,432,936	+ 5.8%
2014	4,223,888,029	+ 4.9%

Source: Pierce County Assessor-Treasurer's Office

Top Property Tax Payers

The following table lists the top property tax payers in the City by 2018 taxable assessed value.

Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Cafaro Northwest Partnership	\$ 108,428,100	1.91%
BCC Puyallup LLC	95,738,200	1.69%
Western Washington Fair Association	90,596,000	1.60%
Puyallup Investment Partners LLC	66,294,900	1.17%
FM (Fred Meyer) Retail Services Inc	60,670,600	1.07%
Meridian Pointe Apartments LLC	55,279,900	0.98%
Wesley Homes Bradley Park LLC	46,358,500	0.82%
IAC Port 167 LLC	45,140,000	0.80%
Riverside Park Apartments LLC	41,683,700	0.74%
IAC VABP LLC	36,924,100	0.65%
Linden Lane Apartment Homes LLC	35,338,300	0.62%
Meridian Place LLC	30,897,500	0.55%
BRE WA Hamptons LLC	30,830,500	0.54%
Puget Sound Energy	30,658,725	0.54%
BRE WA Bradley Park LLC	29,837,200	0.53%
Total Top Taxpayers	\$ 804,676,225	14.20%
Total Taxable Assessed Value	\$ 5,666,549,214	

Source: Pierce County Assessor-Treasurer's Office

Property Tax Rates

The following table lists the direct property tax rates for the City since 2014.

Year	Property Tax Rates (per \$1,000 of Assessed Value)		
	Regular Levy	Bonds Levy	Total
2018	\$1.53	\$0.13	\$1.66
2017	1.64	0.15	1.79
2016	1.75	0.16	1.91
2015	1.78	0.17	1.95
2014	1.81	0.19	2.00

Source: Pierce County Assessor-Treasurer's Office

Property Tax Collections

The following table presents property taxes collected for the City since 2014.

Year	Taxes Levied	Taxes Collected in Year of Levy		Total Taxes Collected	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2018	\$ 9,428,819	\$ 9,356,912	99.24%	\$ 9,356,912	99.24%
2017	9,218,864	9,141,466	99.16%	9,201,683	99.81%
2016	8,902,928	8,823,228	99.10%	8,891,684	99.87%
2015	8,718,470	8,669,038	99.43%	8,717,449	99.99%
2014	8,422,263	8,250,682	97.96%	8,422,084	100.00%

Source: Pierce County Assessor-Treasurer's Office

Taxable Retail Sales Trends

The following table lists taxable retail sales in the City and the annual percentage change since 2014.

Year	Taxable Retail Sales	Change
2018	\$ 2,605,323,730	+ 7.8%
2017	2,416,742,059	+ 6.4%
2016	2,271,084,033	+ 6.9%
2015	2,124,412,969	+ 10.7%
2014	1,918,459,248	+ 9.5%

Source: Washington State Department of Revenue

Utility Customers

The following table lists the number of customers by utility since 2014.

Year	Utility Customers			
	Sanitation	Water	Wastewater	Storm and Surface Water
2018	11,728	11,072	11,350	11,399
2017	11,625	10,968	11,211	11,320
2016	11,551	10,877	11,085	11,233
2015	11,315	10,750	10,839	11,089
2014	11,169	10,601	10,678	10,945

Source: City of Puyallup Utility Billing Department

Revenue Bond Debt Service Coverage

The following schedule presents revenue bond debt service coverage for the City.

	2018	2017	2016
Revenues			
Sanitation Fund	\$ 437,082	\$ 439,468	\$ 433,476
Water Fund	6,900,836	7,417,874	6,222,960
Wastewater Fund	15,432,501	13,475,726	11,234,796
Storm and Surface Water Fund	6,827,612	5,679,576	5,520,469
Total Revenues	29,598,031	27,012,644	23,411,701
Expenditures			
Sanitation Fund	88,841	76,783	85,554
Water Fund	4,889,481	4,823,810	4,357,148
Wastewater Fund	7,746,053	7,285,964	6,693,476
Storm and Surface Water Fund	4,834,861	4,619,190	4,029,109
Total Expenditures	17,559,236	16,805,747	15,165,287
Excess Revenues over Expenditures	12,038,795	10,206,897	8,246,414
Less: Capital Grant Revenues	(2,852,306)	(87,209)	(431,129)
Total Available for Revenue Bond Debt Service	\$ 9,186,489	\$ 10,119,688	\$ 7,815,285
(Including System Development Charges)			
Revenue Bond Debt Service	\$ 1,865,487	\$ 2,330,288	\$ 3,163,305
Revenue Bond Debt Service Coverage	4.92	4.34	2.47

Source: City of Puyallup Finance Department

Outstanding Revenue Debt

The following table lists the City's outstanding revenue debt as of December 31, 2018.

<u>Description</u>	<u>Maturity Date</u>	<u>Authorizing Ordinance</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
2009 Revenue Bonds (Series A)	11/01/2019	2935	\$ 5,030,000	\$ 250,000
2009 Refunding Revenue Bonds (Series B)	11/01/2019	2935	6,010,000	300,000
2011 Revenue Bonds	11/01/2020	2973	2,595,000	600,000
2013 Refunding Revenue Bonds	06/01/2020	3027	5,075,000	1,230,000
2016 Refunding Revenue Bonds	11/01/2028	3114	2,510,000	2,510,000
Total Revenue Debt			<u>\$ 21,220,000</u>	<u>\$ 4,890,000</u>

Source: City of Puyallup Finance Department

Outstanding General Obligation Bonds

The following table lists the City's outstanding general obligation bonds as of December 31, 2018.

<u>Description</u>	<u>Maturity Date</u>	<u>Authorizing Ordinance</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
2012 Refunding LTGO Bonds	12/01/2024	3003	\$ 8,750,000	\$ 5,400,000
2013 Refunding LTGO Bonds	12/01/2026	3026	4,565,000	4,200,000
2013 Refunding UTGO Bonds	12/01/2019	3026	3,890,000	760,000
2014 Refunding LTGO Bonds	12/01/2026	3056	9,430,000	8,205,000
2015 Refunding LTGO Bonds	07/01/2028	3087	5,710,000	5,710,000
Total General Obligation Bonds			<u>\$ 32,345,000</u>	<u>\$ 24,275,000</u>

Source: City of Puyallup Finance Department

Legal Debt Margin

The following schedule presents the City's legal debt limit and debt margin since 2014.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Assessed Property Value	\$ 4,223,888,029	\$ 4,469,432,936	\$ 4,666,932,714	\$ 5,148,032,791	\$ 5,666,549,214
<u>General Purpose Council Approved</u>					
Debt Limit (1.5% of Assessed Value)	\$ 63,358,320	\$ 67,041,494	\$ 70,003,991	\$ 77,220,492	\$ 84,998,238
Total Net Debt Applicable to the Limit	39,899,285	38,501,651	35,031,683	30,241,424	26,169,791
Legal Debt Margin	<u>\$ 23,459,035</u>	<u>\$ 28,539,843</u>	<u>\$ 34,972,308</u>	<u>\$ 46,979,068</u>	<u>\$ 58,828,447</u>
Total Net Debt Applicable to the Limit (as a Percentage of Debt Limit)	62.97%	57.43%	50.04%	39.16%	30.79%
<u>General Purpose Voter Approved</u>					
Debt Limit (2.5% of Assessed Value)	\$ 105,597,201	\$ 111,735,823	\$ 116,673,318	\$ 128,700,820	\$ 141,663,730
Council Approved					
Net Debt Applicable to the Limit	39,899,285	38,501,651	35,031,683	30,241,424	26,169,791
Voter Approved					
Net Debt Applicable to the Limit	<u>3,591,540</u>	<u>2,980,000</u>	<u>2,250,000</u>	<u>1,510,000</u>	<u>760,000</u>
Total Net Debt Applicable to the Limit	<u>43,490,825</u>	<u>41,481,651</u>	<u>37,281,683</u>	<u>31,751,424</u>	<u>26,929,791</u>
Legal Debt Margin	<u>\$ 62,106,376</u>	<u>\$ 70,254,172</u>	<u>\$ 79,391,635</u>	<u>\$ 96,949,396</u>	<u>\$ 114,733,939</u>
Total Net Debt Applicable to the Limit (as a Percentage of Debt Limit)	41.19%	37.12%	31.95%	24.67%	19.01%
<u>Parks and Open Space Voter Approved</u>					
Debt Limit (2.5% of Assessed Value)	\$ 105,597,201	\$ 111,735,823	\$ 116,673,318	\$ 128,700,820	\$ 141,663,730
Total Net Debt Applicable to the Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 105,597,201</u>	<u>\$ 111,735,823</u>	<u>\$ 116,673,318</u>	<u>\$ 128,700,820</u>	<u>\$ 141,663,730</u>
Total Net Debt Applicable to the Limit (as a Percentage of Debt Limit)	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Utility Purposes Voter Approved</u>					
Debt Limit (2.5% of Assessed Value)	\$ 105,597,201	\$ 111,735,823	\$ 116,673,318	\$ 128,700,820	\$ 141,663,730
Total Net Debt Applicable to the Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 105,597,201</u>	<u>\$ 111,735,823</u>	<u>\$ 116,673,318</u>	<u>\$ 128,700,820</u>	<u>\$ 141,663,730</u>
Total Net Debt Applicable to the Limit (as a Percentage of Debt Limit)	0.00%	0.00%	0.00%	0.00%	0.00%
Source: City of Puyallup Finance Department					