



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements and Federal Single Audit Report

## City of Puyallup

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

*Published January 31, 2024*

Report No. 1034194



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

January 31, 2024

Council  
City of Puyallup  
Puyallup, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on the City of Puyallup's financial statements and compliance with federal laws and regulations.

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

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## City of Puyallup January 1, 2022 through December 31, 2022

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the City of Puyallup are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the City’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

##### Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

#### Federal Awards

##### Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City’s compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

## Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction Cluster – Highway Planning and Construction
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The City did not qualify as a low-risk auditee under the Uniform Guidance.

## SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



## CITY OF PUYALLUP

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### City of Puyallup January 1, 2022 through December 31, 2022

This schedule presents the status of findings reported in prior audit periods.

<b>Audit Period:</b> January 1, 2021 – December 1, 2021	<b>Report Reference No.:</b> 1031274	<b>Finding Ref. No.:</b> 2021-001	<b>ALN(s):</b> 20.205 and 21.027
<b>Federal Program Name and Granting Agency:</b> Highway Planning and Construction; COVID-19 – Coronavirus State and Local Fiscal Recovery Funds U.S. Department of Transportation, Federal Highway Administration; U.S. Department of Treasury		<b>Pass-Through Agency Name:</b> Washington State Department of Transportation (WSDOT)	
<b>Finding Caption:</b> The City lacked adequate internal controls for ensuring compliance with federal suspension and debarment requirements.			
<b>Background:</b> Federal regulations require recipients to establish and maintain internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls. Federal requirements prohibit recipients from contracting with or purchasing from parties suspended or debarred from doing business with the federal government. Whenever the City enters into contracts or purchases goods or services that it expects to equal or exceed \$25,000, paid all or in part with federal funds, it must verify the contractors have not been suspended, debarred or otherwise excluded. The City may accomplish this verification by collecting a written certification from the contractor, adding a clause or condition into the contract that states the contractor is not suspended or debarred, or checking for exclusion records in the U.S. General Services Administration’s System for Award Management at SAM.gov. The City must perform this verification before entering into the contract or paying the contractor more than \$25,000, and it must keep documentation demonstrating compliance with this federal requirement. Our audit			

found the City did not have adequate controls and did not verify that five contractors—one under the Highway Planning and Construction Cluster and four under the SLFRF program—were not suspended or debarred before paying them more than \$25,000 in federal funds.

**Status of Corrective Action: (check one)**

☒ Fully  
Corrected

☐ Partially  
Corrected

☐ Not Corrected

☐ Finding is considered no  
longer valid

**Corrective Action Taken:**

*Because the City typically does not spend federal dollars in this magnitude outside of capital projects, other department staff were not aware of suspension and debarment regulations for purchases over \$25,000. When this came to light, the City of Puyallup immediately established internal controls and purchasing processes that outlines detailed steps on where and how to ensure compliance with federal suspension and debarment requirements. This information was provided to all departments and staff was directed to follow the process for every purchase using federal funds effective immediately.*

## INDEPENDENT AUDITOR'S REPORT

### Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

#### **City of Puyallup January 1, 2022 through December 31, 2022**

Council  
City of Puyallup  
Puyallup, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Puyallup, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated January 30, 2024.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

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

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

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

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report

is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor  
Olympia, WA  
January 30, 2024

## INDEPENDENT AUDITOR'S REPORT

### Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

**City of Puyallup**  
**January 1, 2022 through December 31, 2022**

Council  
City of Puyallup  
Puyallup, Washington

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

### Opinion on Each Major Federal Program

We have audited the compliance of the City of Puyallup, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other

purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor  
Olympia, WA  
January 30, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **City of Puyallup January 1, 2022 through December 31, 2022**

Council  
City of Puyallup  
Puyallup, Washington

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

### **Unmodified and Adverse Opinions**

We have audited the financial statements of the City of Puyallup, as of and for the year ended December 31, 2022, and the related notes to the financial statements, as listed in the financial section of our report.

### **Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the City has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Puyallup, and its changes in cash and investments, for the year ended December 31, 2022, on the basis of accounting described in Note 1.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Puyallup, as of December 31, 2022, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. 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 City, 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 unmodified and adverse opinions.

## **Matter Giving Rise to Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the City in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible 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 City'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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 City'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 City's ability to continue as a going concern for a reasonable period of time; and
- We are required to 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.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Pat McCarthy, State Auditor

Olympia, WA

January 30, 2024

## **FINANCIAL SECTION**

### **City of Puyallup January 1, 2022 through December 31, 2022**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2022  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2022  
Notes to Financial Statements – 2022

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2022  
Schedule of Expenditures of Federal Awards – 2022  
Notes to the Schedule of Expenditures of Federal Awards – 2022

**City of Puyallup**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General Fund</b>	<b>115 Seizure and Forfeiture</b>	<b>118 DUI Cost Recovery</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	90,895,048	19,882,241	105,782	223,491
388 / 588	Net Adjustments	(210,623)	(94,751)	-	-
<b>Revenues</b>					
310	Taxes	50,847,278	43,961,984	-	-
320	Licenses and Permits	2,327,602	2,168,730	-	-
330	Intergovernmental Revenues	15,676,932	2,541,671	-	28,000
340	Charges for Goods and Services	50,836,062	3,710,153	-	96,729
350	Fines and Penalties	3,412,215	3,304,160	-	-
360	Miscellaneous Revenues	4,128,709	636,193	90,145	1,397
Total Revenues:		127,228,798	56,322,891	90,145	126,126
<b>Expenditures</b>					
510	General Government	24,984,577	6,509,296	-	-
520	Public Safety	25,649,287	24,875,696	27,613	160,407
530	Utilities	19,720,176	696,283	-	-
540	Transportation	6,205,942	1,833,857	-	-
550	Natural/Economic Environment	5,116,211	4,445,401	-	-
560	Social Services	1,108,316	688,716	-	-
570	Culture and Recreation	8,667,485	7,686,031	-	-
Total Expenditures:		91,451,994	46,735,280	27,613	160,407
Excess (Deficiency) Revenues over Expenditures:		35,776,804	9,587,611	62,532	(34,281)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	10,564,476	790,000	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	320,119	98,849	-	-
Total Other Increases in Fund Resources:		10,884,595	888,849	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	16,118,780	245,348	-	49,023
591-593, 599	Debt Service	4,060,112	-	-	-
597	Transfers-Out	10,564,476	5,754,877	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	7,850	-	-	-
Total Other Decreases in Fund Resources:		30,751,218	6,000,225	-	49,023
<b>Increase (Decrease) in Cash and Investments:</b>		<b>15,910,181</b>	<b>4,476,235</b>	<b>62,532</b>	<b>(83,304)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	24,297,780	-	168,314	140,187
50841	Committed	220,809	101,580	-	-
50851	Assigned	67,487,700	9,296,767	-	-
50891	Unassigned	14,588,317	14,865,378	-	-
<b>Total Ending Cash and Investments</b>		<b>106,594,606</b>	<b>24,263,725</b>	<b>168,314</b>	<b>140,187</b>

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, 2022**

		<b>119 American Rescue Plan Act</b>	<b>131 Affordable Housing</b>	<b>141 Motel Tax</b>	<b>161 Trial Court Improvement</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	5,010,237	324,791	1,269,293	8,807
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	194,001	1,683,792	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	5,918,269	-	-	21,550
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	98,641	4,786	21,963	260
Total Revenues:		6,016,910	198,787	1,705,755	21,810
<b>Expenditures</b>					
510	General Government	167,172	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	591,717	-
560	Social Services	419,600	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		586,772	-	591,717	-
Excess (Deficiency) Revenues over Expenditures:		5,430,138	198,787	1,114,038	21,810
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	533,306	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	716,473	-	153,113	20,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,249,779	-	153,113	20,000
<b>Increase (Decrease) in Cash and Investments:</b>		<b>4,180,359</b>	<b>198,787</b>	<b>960,925</b>	<b>1,810</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	9,190,596	523,578	2,230,218	10,617
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>9,190,596</b>	<b>523,578</b>	<b>2,230,218</b>	<b>10,617</b>

**City of Puyallup**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>171 LIFT Program</b>	<b>180 1st 1/4% Real Estate Excise Tax</b>	<b>190 2nd 1/4% Real Estate Excise Tax</b>	<b>205 2003 Trust Fund Loan</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	3,588,768	1,639,770	1,644,815	5,658
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	999,996	1,714,451	1,714,450	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	43,881	22,646	22,698	(1)
Total Revenues:		1,043,877	1,737,097	1,737,148	(1)
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		1,043,877	1,737,097	1,737,148	(1)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	330,480
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	330,480
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	330,479
597	Transfers-Out	272,458	1,117,536	1,117,536	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		272,458	1,117,536	1,117,536	330,479
<b>Increase (Decrease) in Cash and Investments:</b>		<b>771,419</b>	<b>619,561</b>	<b>619,612</b>	<b>-</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	4,360,187	2,259,331	2,264,427	-
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	5,658
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>4,360,187</b>	<b>2,259,331</b>	<b>2,264,427</b>	<b>5,658</b>

**City of Puyallup**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>217 2012 LTGO Bonds</b>	<b>218 2013/2014 LTGO Bonds</b>	<b>219 2015 LTGO Bonds</b>	<b>220 2014 HIA Loan</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	-	-	-	500,000
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	-
Total Revenues:		-	-	-	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	-	-	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	993,150	1,560,042	703,500	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		993,150	1,560,042	703,500	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	993,150	1,560,042	703,500	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		993,150	1,560,042	703,500	-
<b>Increase (Decrease) in Cash and Investments:</b>		-	-	-	-
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	500,000
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		-	-	-	<b>500,000</b>

**City of Puyallup**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>306 Parks Capital Improvement</b>	<b>321 Facility Projects</b>	<b>330 Street</b>	<b>401 Sanitation</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	4,042,112	1,891,626	9,402,009	582,462
388 / 588	Net Adjustments	-	-	(96,000)	-
<b>Revenues</b>					
310	Taxes	578,604	-	-	-
320	Licenses and Permits	-	-	133,716	-
330	Intergovernmental Revenues	1,009,400	-	3,281,070	-
340	Charges for Goods and Services	194,090	-	1,581,406	452,666
350	Fines and Penalties	-	-	-	2,178
360	Miscellaneous Revenues	126,711	17,031	123,783	8,846
Total Revenues:		1,908,805	17,031	5,119,975	463,690
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	2,400,597	-
550	Natural/Economic Environment	-	-	-	79,093
560	Social Services	-	-	-	-
570	Culture and Recreation	608,168	-	-	-
Total Expenditures:		608,168	-	2,400,597	79,093
Excess (Deficiency) Revenues over Expenditures:		1,300,637	17,031	2,719,378	384,597
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	184,935	4,620,335	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	96,000	-
Total Other Increases in Fund Resources:		-	184,935	4,716,335	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	3,113,341	386,560	2,809,498	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	1,105,802	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		3,113,341	386,560	3,915,300	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(1,812,704)</b>	<b>(184,594)</b>	<b>3,520,413</b>	<b>384,597</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,229,408	-	-	-
50841	Committed	-	-	119,229	-
50851	Assigned	-	1,707,032	12,707,193	967,059
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>2,229,408</b>	<b>1,707,032</b>	<b>12,826,422</b>	<b>967,059</b>

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, 2022**

		<b>411 Water</b>	<b>412 Wastewater</b>	<b>422 Storm and Surface Water</b>	<b>430 Pioneer Park Pavilion</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	5,614,224	19,250,638	8,225,109	99,841
388 / 588	Net Adjustments	(13,688)	-	-	(6,184)
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	24,620	536	-	-
330	Intergovernmental Revenues	-	-	2,685,745	-
340	Charges for Goods and Services	7,142,776	12,850,695	5,642,131	-
350	Fines and Penalties	32,817	52,519	20,541	-
360	Miscellaneous Revenues	845,457	1,127,840	357,217	407,623
Total Revenues:		8,045,670	14,031,590	8,705,634	407,623
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	5,576,658	8,587,972	4,859,263	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	373,286
Total Expenditures:		5,576,658	8,587,972	4,859,263	373,286
Excess (Deficiency) Revenues over Expenditures:		2,469,012	5,443,618	3,846,371	34,337
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	266,472	49,543	707,139	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	13,688	-	-	8,034
Total Other Increases in Fund Resources:		280,160	49,543	707,139	8,034
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	2,754,239	2,816,730	2,426,635	16,009
591-593, 599	Debt Service	-	336,100	11,482	-
597	Transfers-Out	-	-	306,681	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	7,850	-	-	-
Total Other Decreases in Fund Resources:		2,762,089	3,152,830	2,744,798	16,009
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(12,917)</b>	<b>2,340,331</b>	<b>1,808,712</b>	<b>26,362</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	420,917	-	-
50841	Committed	-	-	-	-
50851	Assigned	5,587,619	21,170,052	10,033,821	120,019
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>5,587,619</b>	<b>21,590,969</b>	<b>10,033,821</b>	<b>120,019</b>

**City of Puyallup**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>501 Equipment Rental</b>	<b>502 Insurance</b>	<b>503 Information Technology</b>	<b>504 Healthcare Insurance</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	1,735,905	936,426	947,175	3,871,171
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	191,227	-
340	Charges for Goods and Services	2,544,384	2,423,426	3,281,110	8,373,501
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	22,251	7,503	1,898	139,937
Total Revenues:		2,566,635	2,430,929	3,474,235	8,513,438
<b>Expenditures</b>					
510	General Government	-	2,796,831	3,784,186	9,286,950
520	Public Safety	-	-	585,571	-
530	Utilities	-	-	-	-
540	Transportation	1,971,488	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		1,971,488	2,796,831	4,369,757	9,286,950
Excess (Deficiency) Revenues over Expenditures:		595,147	(365,902)	(895,522)	(773,512)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	358,880	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	93,811	9,737	-	-
Total Other Increases in Fund Resources:		93,811	9,737	358,880	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	298,117	-	669,974	-
591-593, 599	Debt Service	-	-	17,620	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		298,117	-	687,594	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>390,841</b>	<b>(356,165)</b>	<b>(1,224,236)</b>	<b>(773,512)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	2,126,746	580,261	-	3,097,659
50891	Unassigned	-	-	(277,061)	-
<b>Total Ending Cash and Investments</b>		<b>2,126,746</b>	<b>580,261</b>	<b>(277,061)</b>	<b>3,097,659</b>

**City of Puyallup**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>505 Facility Maintenance</b>
<b>Beginning Cash and Investments</b>		
308	Beginning Cash and Investments	92,697
388 / 588	Net Adjustments	-
<b>Revenues</b>		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	2,542,995
350	Fines and Penalties	-
360	Miscellaneous Revenues	3
Total Revenues:		2,542,998
<b>Expenditures</b>		
510	General Government	2,440,142
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		2,440,142
Excess (Deficiency) Revenues over Expenditures:		102,856
<b>Other Increases in Fund Resources</b>		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		-
<b>Other Decreases in Fund Resources</b>		
594-595	Capital Expenditures	-
591-593, 599	Debt Service	107,739
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		107,739
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(4,883)</b>
<b>Ending Cash and Investments</b>		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	87,814
50891	Unassigned	-
<b>Total Ending Cash and Investments</b>		<b>87,814</b>

**City of Puyallup**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

		<b>Total for All Funds (Memo Only)</b>	<b>Custodial</b>
308	Beginning Cash and Investments	40,944	40,944
388 & 588	Net Adjustments	-	-
310-390	Additions	808,237	808,237
510-590	Deductions	725,670	725,670
	Net Increase (Decrease) in Cash and Investments:	82,567	82,567
508	Ending Cash and Investments	123,511	123,511

*The accompanying notes are an integral part of this statement.*

## NOTES TO THE FINANCIAL STATEMENTS

### For the Year Ended December 31, 2022

#### 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 presented using the classifications that are similar to the ending balance classification 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

The **General 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.

The **Special Revenue Funds** account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

The **Debt Service 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 **Capital Projects 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

The **Enterprise Funds** account for operations that provide goods or services to the general public and are supported primarily through user charges.

The **Internal Service 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.

The **Pension (and Other Employee Benefit) Trust Funds** are used to report fiduciary activities for pension and OPEB plans administered through trust.

The **Custodial Funds** are used to account assets that the government holds on behalf of others in a custodial capacity.

#### B. Basis of Accounting and Measurement Focus

The 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* for additional details.

#### 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, *Long-Term Debt*.

## G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed 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 the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments are as follows:

2022 Restrictions and Commitments of Ending Cash and Investments							
Fund	General Fund	Debt Service	Special Revenue	Parks Capital Impr	Unspent Development Fees	Fiduciary	Total
<b>Restricted for:</b>	\$ -	\$ 920,917	\$ 21,147,455	\$ 2,229,408	\$ -	\$ 123,510	\$ 24,421,290
Seizure and Forfeiture	-	-	168,314	-	-	-	168,314
DUI Cost Recovery	-	-	140,187	-	-	-	140,187
American Rescue Plan Act	-	-	9,190,596	-	-	-	9,190,596
Affordable Housing	-	-	523,578	-	-	-	523,578
Motel Tax	-	-	2,230,218	-	-	-	2,230,218
Trial Court Improvement	-	-	10,617	-	-	-	10,617
LIFT Program	-	-	4,360,187	-	-	-	4,360,187
1st 1/4% Real Estate Excise Tax	-	-	2,259,331	-	-	-	2,259,331
2nd 1/4% Real Estate Excise Tax	-	-	2,264,427	-	-	-	2,264,427
2014 HIA Loan	-	500,000	-	-	-	-	500,000
Parks Capital Improvement	-	-	-	2,229,408	-	-	2,229,408
Wastewater	-	420,917	-	-	-	-	420,917
Court Custodial	-	-	-	-	-	48,787	48,787
Misc Custodial	-	-	-	-	-	74,724	74,724
<b>Committed for:</b>	<b>101,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,229</b>	<b>-</b>	<b>220,809</b>
Street	-	-	-	-	119,229	-	119,229
General Fund	101,580	-	-	-	-	-	101,580
<b>Total Restricted and Committed</b>	<b>\$ 101,580</b>	<b>\$ 920,917</b>	<b>\$ 21,147,455</b>	<b>\$ 2,229,408</b>	<b>\$ 119,229</b>	<b>\$ 123,510</b>	<b>\$ 24,642,099</b>

## NOTE 2 - BUDGET COMPLIANCE

The City adopts biennial 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.

Biennial 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	2022						
	Original	Less: Budget	Plus: Budget	Final	Actual	Variance	
	Adopted Budget	Intrafund Transfers	Adjustments	Adjusted Budget	Expenditures		
General Fund	\$ 61,293,792	\$ 5,203,000	\$ 2,603,726	\$ 58,694,518	\$ 52,735,505	\$ 5,959,013	
Special Revenue Funds:							
Seizure and Forfeiture	63,460	-	2,500	65,960	27,613	38,347	
DUI Cost Recovery	52,800	-	150,090	202,890	209,430	(6,540)	
American Rescue Plan ARPA	1,300,000	-	1,722,828	3,022,828	1,836,551	1,186,277	
Affordable Housing	-	-	-	-	-	-	
Motel Tax	579,900	-	162,634	742,534	744,830	(2,296)	
Trial Court Improvement	20,000	-	-	20,000	20,000	-	
LIFT Program	1,000,000	-	-	1,000,000	272,458	727,542	
1st 1/4% Real Estate Excise Tax	1,100,000	-	-	1,100,000	1,117,536	(17,536)	
2nd 1/4% Real Estate Excise Tax	1,100,000	-	-	1,100,000	1,117,536	(17,536)	
Debt Service Funds:							
2003 Trust Fund Loan	330,490	-	-	330,490	330,479	11	
2012 LTGO Bonds	993,100	-	-	993,100	993,150	(50)	
2007/2013/2014 LTGO Bonds	1,561,000	-	-	1,561,000	1,560,042	958	
2008/2015 LTGO Bonds	704,200	-	-	704,200	703,500	700	
2014 HIA Loan	-	-	-	-	-	-	
Capital Project Funds							
Parks Capital Improvement	493,290	2,437,217	5,986,685	4,042,758	3,721,509	321,249	
Facility Projects	-	201,625	1,097,805	896,180	386,560	509,620	
Street	11,142,770	3,069,045	16,537,951	24,611,676	6,315,897	18,295,779	
Enterprise Funds							
Sanitation	226,520	-	-	226,520	79,093	147,427	
Water	9,472,870	2,564,895	3,843,702	10,751,677	5,231,101	5,520,576	
Wastewater	16,218,480	3,044,541	16,132,697	29,306,636	11,740,802	17,565,834	
Storm and Surface Water	6,532,610	1,202,488	12,465,985	17,796,107	7,604,061	10,192,046	
Pioneer Park Pavilion	354,580	-	-	354,580	389,295	(34,715)	
Internal Service Funds							
Equipment Rental	2,575,120	-	358,965	2,934,085	2,269,605	664,480	
Insurance	2,411,298	-	174	2,411,472	2,796,831	(385,359)	
Information Technology	4,943,510	22,361	1,749,251	6,670,400	5,057,351	1,613,049	
Healthcare Insurance	8,533,120	-	-	8,533,120	9,286,950	(753,830)	
Facility Maintenance	2,414,300	-	61,404	2,475,704	2,547,881	(72,177)	
	\$ 135,417,210	\$ 17,745,171	\$ 62,876,397	\$ 180,548,436	\$ 119,095,566	\$ 61,452,870	

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

Investments are reported at original cost. Investments by type on December 31, 2022 are as follows:

Type of Deposit or Investment	City of Puyallup own deposits and investments	Total
Bank Deposits	\$ 12,864,663	\$ 12,864,663
Certificates of Deposit	-	-
Local Government Investment Pool	93,853,456	93,853,456
US Government Securities	-	-
<b>Total Cash and Investments</b>	<b>\$ 106,718,118</b>	<b>\$ 106,718,118</b>

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

#### Investments in the State Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at [www.tre.wa.gov](http://www.tre.wa.gov).

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of depository financial institution, the City would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The City's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the City or its agent in the government's name.

### 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 of Puyallup's regular levy for the year 2022 was \$1.134 per \$1,000 on an assessed valuation of \$8,407,016,579 for a total regular levy of \$9,535,345.

The City's regular levy limit for the year 2021 was \$1.27 per \$1,000 of assessed value.

## NOTE 5 – LEASES

During the year ended December 31, 2022, the City adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

The City leases small equipment for \$439 per month under lease agreements for 60 and 63 months respectfully. The leases began in 2020 and 2021 and will end in 2025 and 2026.

The City leases building space for our Municipal Court. The current monthly lease amount is \$17,404 which includes a 10.13% share of operating costs. The lease began on 1/1/2019 for 60 months with an annual increase not to exceed 3% and an annual review and reallocation of operating costs. There is a one-time option to extend the lease for an additional 54-month term and it is very likely the City will exercise this extension option. The current lease including the extension period will expire on June 30, 2028.

The City leases space from the Mt. Rainier Credit Union for police business. The initial lease was for 3 years beginning 6/1/2017 at \$400 per month with an annual increase \$50. We have renewed the lease on a year-to-year basis since 2020. The current monthly lease payment is \$550 per month and the term expires on 5/31/2023, however, we have elected to renew annually so it is likely we will renew for 2024.

Lastly, the City leases water tank space from Mt. View-Edgewood Water Co. for an 800 MHz radio tower for \$2,228 per month with an annual 3% increase. The 5-year lease began in 2020 with the option to renew up to three (3) additional five (5) year terms. We have elected to renew the previous lease agreement options so it is likely we will continue to renew for the additional terms within the current lease.

The total amount paid for leases in 2022 was \$260,999. As of December 31, 2022, the future lease payments are as follows:

Year ended December 31	Total
2023	258,321
2024	259,568
2025	261,099
2026	264,914
2027	267,784
2028-2032	329,834
2033-2037	195,045
2038-2040	131,638
<b>Total</b>	<b>\$ 1,968,204</b>

## NOTE 6 – LONG-TERM DEBT

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City of Puyallup and summarizes the City's debt transactions for year ended December 31, 2022.

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

Year	Principal	Interest	Total
2023	3,847,787	465,875	4,313,662
2024	3,613,968	361,144	3,975,112
2025	2,737,666	249,746	2,987,412
2026	2,710,000	164,163	2,874,163
2027	955,000	78,000	1,033,000
2028	995,000	39,800	1,034,800
<b>Totals</b>	<b>\$ 14,859,420</b>	<b>\$ 1,358,727</b>	<b>\$ 16,218,148</b>

## NOTE 7 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The LEOFF 1 Retiree Healthcare Plan is a closed, single-employer defined-benefit OPEB plan administered by the City of Puyallup as required by RCW 41.26. The plan pays for 100% of eligible retiree's healthcare costs on a pay-as-you-go basis. As of December 31, 2022, the plan had 29 members, all retirees. As of December 31, 2022, the City of Puyallup's total OPEB liability was \$13,410,485 as calculated using the alternative measurement method. For the year ended December 31, 2022, the City of Puyallup paid \$427,933 in benefits.

## NOTE 8 – PENSION PLANS

### A. State Sponsored Pension Plans

Substantially all City of Puyallup 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 ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2022, the City's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan	Employer		Allocation	
	Contributions		Percentage	Liability (Asset)
PERS 1	\$	748,385	0.122113%	\$ 3,400,074
PERS 2/3		1,191,929	0.148366%	(5,502,570)
PSERS 2		75,281	0.170164%	(121,667)
LEOFF 1		-	0.080665%	(2,313,967)
LEOFF 2		504,861	0.243859%	(6,627,351)

#### 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, 2022, there were a total of eight 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 2022 by Milliman. The valuation projected future payouts beyond 2022 of \$3,188,000 in nominal dollars. Total plan assets were \$1,043,774 as of December 31, 2022. The total projected payouts less the plan assets result in a cash basis equivalent of net pension liability of \$3,048,000 as reported on the Schedule of Liabilities.

The funding plan for this obligation is adjusted as appropriate each year in the budget process. The latest funding plan update maintains the maximum annual City contribution was attained in 2019 at \$80,000 per year. Payouts are expected to decrease beginning in 2032 and the City contribution is reduced in 2026.

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 166 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, prior wrongful acts, 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.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown 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 \$400 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 \$90,090 for 2022. The costs of the self-insurance program for workers' compensation totaled \$608,628 in 2022. 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 \$5,643 in 2022, however, the City had a beginning credit balance of \$5,755 from 2021.

### **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 \$200,000 per occurrence are covered by a stop loss policy.

## **NOTE 10 – CONTINGENCIES AND LITIGATION**

The City of Puyallup is occasionally subjected to routine legal proceedings as it carries on with the functions of government. The City's threshold for disclosing potential losses from judgments against the City is \$50,000. While there may be potential judgments that exceed this amount, the City carries liability and property insurance through the Washington Cities Insurance Authority and also retains insurance defense counsel services.

**City of Puyallup**  
**Schedule of Liabilities**  
**For the Year Ended December 31, 2022**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	2012 Refunding LTGO Bonds	12/1/2024	2,815,000	-	910,000	1,905,000
251.11	2013 Refunding LTGO Bonds	12/1/2026	4,020,000	-	1,370,000	2,650,000
251.11	2014 Refunding LTGO Bonds	12/1/2026	3,235,000	-	-	3,235,000
251.11	2015 Refunding LTGO Bonds	7/1/2028	4,205,000	-	535,000	3,670,000
263.87	2003 Public Works Trust Fund Loan	6/1/2023	677,153	-	338,576	338,577
263.83	2014 Highway Infrastructure Acct Loan	10/31/2022	430,260	30	-	430,290
263.96	2015 LOCAL Loan	12/1/2025	386,721	-	90,876	295,845
<b>Total General Obligation Debt/Liabilities:</b>			<b>15,769,134</b>	<b>30</b>	<b>3,244,452</b>	<b>12,524,712</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
252.11	2016 Refunding Revenue Bonds	11/1/2028	2,020,000	-	255,000	1,765,000
264.30	State Sponsored Pension Plan Liability		1,456,639	1,943,435	-	3,400,074
264.30	Firemen's Pension Plan Liability		3,109,958	-	61,958	3,048,000
264.40	OPEB LEOFF 1 Retiree Healthcare Plan Liability		15,858,661	-	2,448,176	13,410,485
259.12	Compensated Absences Liability		4,865,092	-	1,048,971	3,816,121
263.12	Claims and Judgments		-	303,968	303,968	-
263.57	Small Equipment	9/14/2026	17,104	-	3,601	13,503
263.57	Small Equipment	5/31/2025	5,682	-	1,663	4,019
263.57	Building Space	6/30/2028	1,509,796	14,068	222,595	1,301,269
263.57	Building Space	5/31/2024	15,950	-	6,600	9,350
263.57	Tank Space	8/31/2040	666,602	-	26,540	640,062
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>29,525,484</b>	<b>2,261,471</b>	<b>4,379,072</b>	<b>27,407,883</b>
<b>Total Liabilities:</b>			<b>45,294,618</b>	<b>2,261,501</b>	<b>7,623,524</b>	<b>39,932,595</b>

**City of Puyallup**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF (via Dept of Justice)	COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX- 1303	9,471	-	9,471	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	F18-31440-009	193,097	-	193,097	-	
<b>Highway Planning and Construction Cluster</b>								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington DOT)	Highway Planning and Construction	20.205	LA-8110	2,142,663	-	2,142,663	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington DOT)	Highway Planning and Construction	20.205	LA-9664	196,891	-	196,891	-	
<b>Total Highway Planning and Construction Cluster:</b>				<b>2,339,554</b>	<b>-</b>	<b>2,339,554</b>	<b>-</b>	
<b>Highway Safety Cluster</b>								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WASPC)	State and Community Highway Safety	20.600	N/A	1,500	-	1,500	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WASPC)	State and Community Highway Safety	20.600	NA	30,033	-	30,033	-	

*The accompanying notes are an integral part of this schedule.*

**City of Puyallup**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2022-HVE-447	107,681	-	107,681	-	
<b>Total Highway Safety Cluster:</b>				<b>139,214</b>	<b>-</b>	<b>139,214</b>	<b>-</b>	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Treasurer)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	N/A	1,836,552	-	1,836,552	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Emergency Management Performance Grants	97.042	E22-190	33,802	-	33,802	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Emergency Management Performance Grants	97.042	E22-243	4,201	-	4,201	-	
<b>Total ALN 97.042:</b>				<b>38,003</b>	<b>-</b>	<b>38,003</b>	<b>-</b>	
<b>Total Federal Awards Expended:</b>				<b>4,555,891</b>	<b>-</b>	<b>4,555,891</b>	<b>-</b>	

**CITY OF PUYALLUP**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Note 1 - Basis of Accounting

This schedule is prepared on the same basis of accounting as the City of Puyallup's financial statements. The City uses 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 - Indirect Cost Rate

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

Note 3 – Program Costs

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following 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.

## ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

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

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