



City of University Place, Washington

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2020



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CITY OF UNIVERSITY PLACE, WASHINGTON
**ANNUAL COMPREHENSIVE FINANCIAL
REPORT**



FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

PREPARED BY THE FINANCE DEPARTMENT

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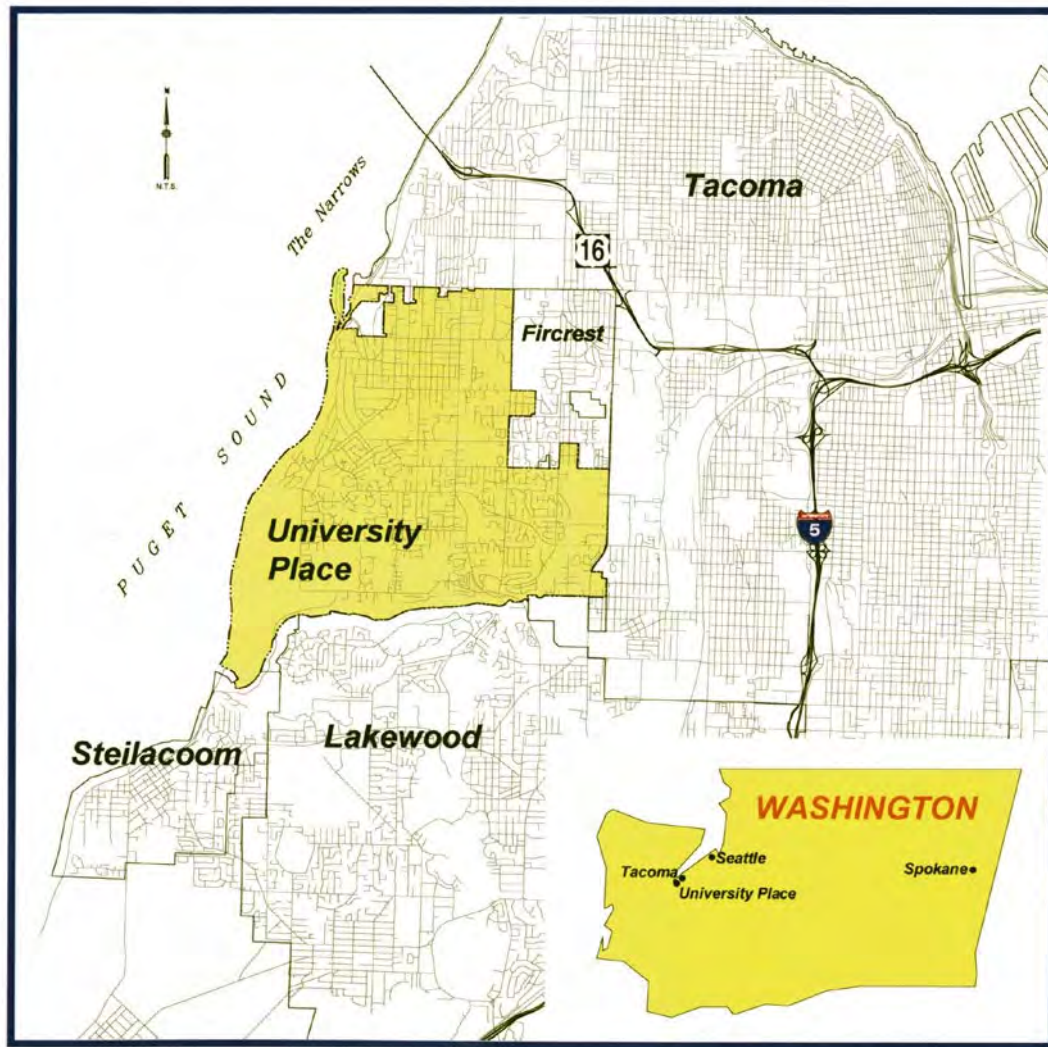
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The City of University Place

Incorporated in 1995, University Place ranks 37th in population in the State of Washington with a population of approximately 33,310. University Place encompasses an area of 8.4 square miles and is a mostly suburban residential city located on the picturesque Puget Sound just south of Tacoma. In addition to its proximity to Tacoma, University Place offers easy accessibility to Seattle, Olympia, and the Puget Sound peninsulas. University Place is easily accessible by Interstate 5 or Highway 16.

The City has a Council/Manager form of government. The City Council consists of seven council members, each of whom is elected at-large. The Council elects the Mayor from its members. The City Manager serves as the chief executive officer and is responsible for daily administration of personnel, policies and programs. The City Manager is appointed by, reports directly to, and serves at the pleasure of the Council.

City of University Place

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City of University Place

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INTRODUCTORY SECTION

Letter of Transmittal
GFOA Certificate of Achievement
List of Elected and Appointed Officials
2020 Organizational Chart



July 27, 2021

Mayor Belleci,
The University Place City Council, and
Citizens of University Place, Washington:

This letter transmits the Annual Comprehensive Financial Report of the City of University Place for the fiscal year ended December 31, 2020. This report is published annually as the official annual financial report and complies with State law (RCW 43.09.230) requiring annual reports for Washington municipal governments to be certified and filed with the State Auditor's Office in a timely fashion.

The management of the City is responsible for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to accurately present the financial position and results of operations of the various funds of the City of University Place. The report includes all disclosures necessary to enable readers to understand the City's financial activities.

This report has been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by all Governmental Accounting Standards Board (GASB) pronouncements.

This report includes all funds of the City in conformance with Governmental Accounting and Financial Reporting Standards. It includes all funds, agencies, and boards controlled by or dependent on the City of University Place. To aid the reader, the major sections of this report are segregated by divider pages, which provide introductions to the sections.

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview, and analysis within a Management's Discussion & Analysis (MD&A) to accompany the basic financial statements. This letter of transmittal is designed to complement, and be read in conjunction with, the MD&A. The City of University Place's MD&A can be found immediately following the independent auditor's report.

REPORTING ENTITY

The City of University Place is located on the picturesque Puget Sound halfway between the state capitol of Olympia and the state's largest city, Seattle. Boasting beautiful scenic views of the Olympic Mountains, Mount Rainier, and the Puget Sound, University Place is easily accessible by Interstate 5 or Highway 16. Including 8.4 square miles, the City is a lovely community in which its 33,310 residents can live, work, and play.

The City of University Place incorporated on August 31, 1995. The City is a non-charter Optional Code City with a Council-Manager form of government. The City Council consists of seven Councilmembers, each of whom is elected at-large. The Council elects the Mayor from its members. The City Manager serves as the chief executive officer and is responsible for daily administration of personnel, policies, and programs. The City Manager is appointed by, reports directly to, and serves at the pleasure of the Council.

At the direction of Council, the City maintains a relatively small staff (currently 51.5 full time equivalents) for a city its size and contracts with public and private entities for many services. City services provided include police protection, jail services, municipal court, animal control, construction and maintenance of streets, surface water management, building inspection, planning and zoning, park maintenance, recreation programs, and general administration.

The City Manager coordinates the work of the City staff utilizing a flat and flexible organizational structure. Maintaining a flat organization allows staff to work interdepartmentally as needed, while continuing to focus on performing quality work in their primary departments. The City departments include: Finance, Public Safety, Development Services, Engineering, Parks & Public Works, and the City Manager's Department. The City Manager's Department includes the City Manager's Office, the Deputy City Manager for Finance and Administrative Services and the Deputy City Manager for Community and Economic Development. The City Attorney's Office is also separate from other departments, and reports to the City Manager. See the Organizational Chart for more details.

The City contracts with Pierce County for law enforcement, animal control and jail services. West Pierce Fire and Rescue provides fire protection and emergency medical services. Court services are contracted with the City of Lakewood. Tacoma Public Utilities delivers water and electric services. Pierce County Public Works and Utilities provide sewer services. Pierce Transit offers public transportation services. The Pierce County Library District makes library and reference services available to residents. The University Place School District (UPSD) No. 83 and the Tacoma School District provide educational programs for kindergarten through high school students.

ECONOMIC CONDITIONS AND OUTLOOK

Nation and Region

The national economy and the Puget Sound Region entered a pandemic-induced recession in the first quarter of 2020. The National Bureau of Economic Research announced in early June 2020 that the U.S. economy had entered a recession after reaching a 'peak' in the business cycle in February 2020. Real Gross Domestic Product decreased 3.5 percent, compared with an increase of 2.2 percent in 2019.

The Bureau of Labor Statistics reported that from 2019 to 2020, consumer prices for all items rose 1.4 percent. This is down from 2.3 percent in 2019 and 1.9 percent in 2018.

Housing activity in Pierce County took a temporary hit in the second quarter of 2020, with new listings down 27.5 percent and closed sales fell 21.4 percent compared to second quarter 2019. In the fourth quarter new listings and closed sales were up 23.6 and 21.7 percent, respectively compared to fourth quarter 2019. In November of 2019 there were just 1.1 months of residential inventory, compared with .42 months of inventory in November 2020. Locally the City issued 20 new single-family residential permits and 0 Duplex permit in 2020, compared to 66 & 1 issued in 2019.

During 2020 the National Unemployment Rate was 8.1 percent according to the Bureau of Labor Statistics. Pierce County unemployment spiked to 18.7 percent in April and dipped below 10 percent by August. This is an increase from 5.1 percent in 2019.

Local

In 2020 the number of licensed businesses in the City totaled 1,738 which is an increase from the 2019 total of 1,497. This total includes home occupancy businesses.

To address the revenue reductions resulting from the recession, the City substantially reduced staff and expenditures in 2009 and has maintained the reduced service levels through 2020. To ensure that the City has resources sufficient to meet all of its financial and legal obligations the City maintains a five-year financial forecast, which it updates annually.

The City's financial forecast shows that the City will have sufficient revenues to meet all of its obligations through the 10 year forecast period.

Staff is continuing to monitor impacts from the continued Covid19 pandemic. We continue to see reduced Fuel Tax and Gambling Tax revenues. Staff has identified cuts to 2021 budgets to offset the revenue loss.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

City Finances

It goes without saying that 2020 has been an interesting year. The arrival of COVID-19 and the resulting economic shock has affected all of us on a personal and professional basis. Last March, the City shut down City Hall and other City facilities, reduced expenditures and service levels, and started what would become a year of uncertainty. With the assistance of almost \$1.5 million in Federal CARES Act funds, the City provided financial assistance to 91 businesses and 83 households. The funds also provided the City with resources to facilitate social distancing and remote operations.

With the close of the year, the City's overall financial condition turned out to be remarkably resilient. The City's General Fund revenues increased from 2019, resulting in a budget surplus. The surplus is partly due to budget cuts, and partly due to unexpected growth in sales tax revenue.

The City Council also made adjustments that have put the City on stronger financial footing going forward. In November, the Council adopted a utility tax on the services of public utility providers, including sewer, electric and water utilities provided by Pierce County and the City of Tacoma. The tax will be 6%, with 3% implemented in April of 2021, and an additional 3% taking effect in April 2022. The sewer utility tax will be dedicated to the Street Fund, the water utility tax dedicated to the Public Safety Fund, and the electric utility tax dedicated to the General Fund. We project that, barring any substantial unexpected events, the tax will provide the City with a strong financial position for at least the next ten to fifteen years.

Transportation Benefit District Vehicle License Fees

An area of concern in 2019 was the passage of a statewide initiative ("I-976") that would have eliminated the City's \$35 vehicle license fee. The fee generated approximately \$840,000 a year in revenue that was dedicated to street maintenance. In 2020, the Washington State Supreme Court struck down the initiative, preserving our ability to continue assessing the fee.

The City has set aside all vehicle license fee revenue collected since the passage of the initiative, just in case the Supreme Court upheld the legality of the initiative and ordered the return of any fees collected after the effective date of the initiative. Due to this positive balance and the allocation of the newly adopted sewer utility tax to the Street Fund, Council decided to reduce the vehicle license fee from \$35 to \$10 for the next five years.

Development

Construction of a five-story mixed-use building was completed on Lot 12 in Town Center. The project included 10,000 square foot of commercial space and 125 apartments above two-stories of underground parking. Construction has started on a new 6-story, 80-unit apartment building in the Mixed-Use Urban zone. The project is expected to be completed in the fall of 2021.

Forward Looking

As we look forward, we continue to deal with the complexities and uncertainty created by COVID-19. However, we believe the City is in a strong financial position to deal with these challenges. With the strength of the macroeconomic conditions in the region, we anticipate a stabilization of the economy in late 2021 and continued economic and fiscal growth.

OUTLOOK FOR THE FUTURE

On July 2, 2018, City Council adopted the following Goals and Priorities for the 2019/2020 Biennium:

1. Utilize a targeted business retention/recruitment strategy, complete a Strength, Weakness, Opportunities and Threats (SWOT) analysis priorities:
 - Business that can thrive with UP's geographic, social and quality of life assets.
 - Select business types that have the optimum ratio between tax revenue and the cost to provide local government services to that business type.
 - Use the UP-Business SWOT Analysis to prioritize business types in certain zoning districts in the overlay district and other zoning actions.
 - Consider optimum tax to cost of service impacts in the SEPA process when applicable so that certain high return business construction impacts are balanced with their long-term positive net cost for government services.
 - Further develop strategies to market "Opportunity Properties." Pay particular attention to attracting mid-sized employers looking to be near the boom in King County.
2. Implement an electronic citizens/public communications strategy.
 - Virtual communication and social media.
 - Complete and implement e-communication to the public.
 - Complete/enhance what we have, create new e-platforms.
 - Develop a comprehensive communication strategy and implement by end of year.
3. Hold citywide 25-year celebration that will highlight accomplishments and solicit future needs/expectations.
 - UP Citizens involved in meaningful way to recraft the community vision for the next long-term planning horizon. (Comp Plan update)
4. Conduct a detailed review of public safety needs with commission, community, and business input and develop long range planning document.
5. Complete and implement action plans for the Subarea Plans.
6. Unneeded City property sold, returning it to tax paying purposes.

7. Explore partnering with UPSD to do an advisory bond measure to hire additional police officers for school and neighborhood safety.
8. Increase strategic reserves 1% each budget cycle until reserves reach a best practice standard of 13% of GF.
9. Part-time community/volunteer position.
10. Understand and define citizen involvement and value of volunteers/events on community image and desirability.
11. Conservative forecasting and expenditures to ensure debt reduction.
 - Continue our conservative financial business practices.
 - Continue to look for opportunities to pay down principle and reduce interest rate.
12. Develop a policy for prioritizing one time and excess revenues to support police and transportation based on identified planning document.
13. Lower Park Impact fees and SWM fees.
14. Establish a viable homeless action plan and partner with existing services.
15. Increase staff awareness/education of Council's direction on overall service to the community.
"Service that results in citizen trust and confidence."
16. Work on a solution with the UPSD for ½ days and support youth centric services – open gyms along with programs: Dance/Sports.
17. Develop a City value statement which includes transparency and integrity in the City's actions and communications. Use the value statement.

FINANCIAL INFORMATION

The City of University Place is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are being met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of the relative cost and benefits of the control system requires estimates and judgments by management.

Single Audit

As a recipient of federal, state, and county financial assistance, the City is required to maintain an adequate internal control structure to ensure compliance with applicable laws and regulations. This internal control structure is subject to periodic evaluation by management and the State Auditor's Office.

As part of the City's single audit, tests are performed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as the government's compliance with applicable laws and regulations. The results of the City's single audit for the year ended December 31, 2020, indicated that there were no material weaknesses in the internal control structure.

Budgetary Controls

The City maintains budgetary controls in accordance with the revised Code of Washington (RCW 35A.34). The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds (except the Donations Fund), and Debt Service Funds are included in the annual appropriated budget. The level of budgetary control at which expenditures cannot legally exceed the appropriated amount is established at the individual fund level. The Internal Service Funds are management budgets only and are therefore not presented in the CAFR.

The Parks and Development Services Funds were established to identify revenues and expenditures related to the operation of these divisions. Development Services is being funded primarily through permit fees. Parks Maintenance and the non-fee supported activities in Development Services are also funded by transfers from the General Fund.

In August 2010, the City Council approved a resolution dedicating the property tax to public safety and defined public safety expenses. The Police and Public Safety Fund was established in 2012 to identify revenues and expenditures related to the operation of police services, court services, jail, city attorney's office, crime prevention, animal control, code enforcement and emergency management. Revenues supporting this fund include property taxes, revenues identified by state statutes collected in support of public safety, fines and forfeitures, pet license fees, and grants.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All appropriations lapse at year-end with the exception of multi-year capital improvement projects. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

INDEPENDENT AUDIT

State law requires an annual audit of all City books of account, financial records, and transactions by the State Auditor, an independently elected State official. The 2020 audit of the City has been completed in conformance with generally accepted auditing standards. The financial statements of all City funds have been included in this audit. The City has been given an unmodified opinion for 2020. The State Auditor's report on the General Purpose Financial Statements is included in the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of University Place for its Annual Comprehensive Financial Report for fiscal the year ended December 31, 2019. This was the twenty third consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated service of the Finance Department staff, especially Leslie Blaisdell, Finance Director.

In addition, staff in all City departments and outside agencies should be recognized for responding so positively to requests for the detailed information that accompanies each annual audit. The role of the State Auditor's Office should also be acknowledged for their significant contribution to this report.

Finally, we wish to express our appreciation to the Mayor and City Council for their ongoing support and for providing their encouragement, interest, and assistance in conducting the financial operations of the City in a sound and progressive manner.

Respectively submitted,

A handwritten signature in cursive script, reading "Stephen P. Sugg".

Stephen P. Sugg, P.E.
City Manager

A handwritten signature in cursive script, reading "Eric Faison".

Eric Faison
Executive Director/Finance and Admin. Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of University Place
Washington**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Executive Director/CEO



CITY OF UNIVERSITY PLACE ELECTED & APPOINTED OFFICIALS December 31, 2020

ELECTED OFFICIALS



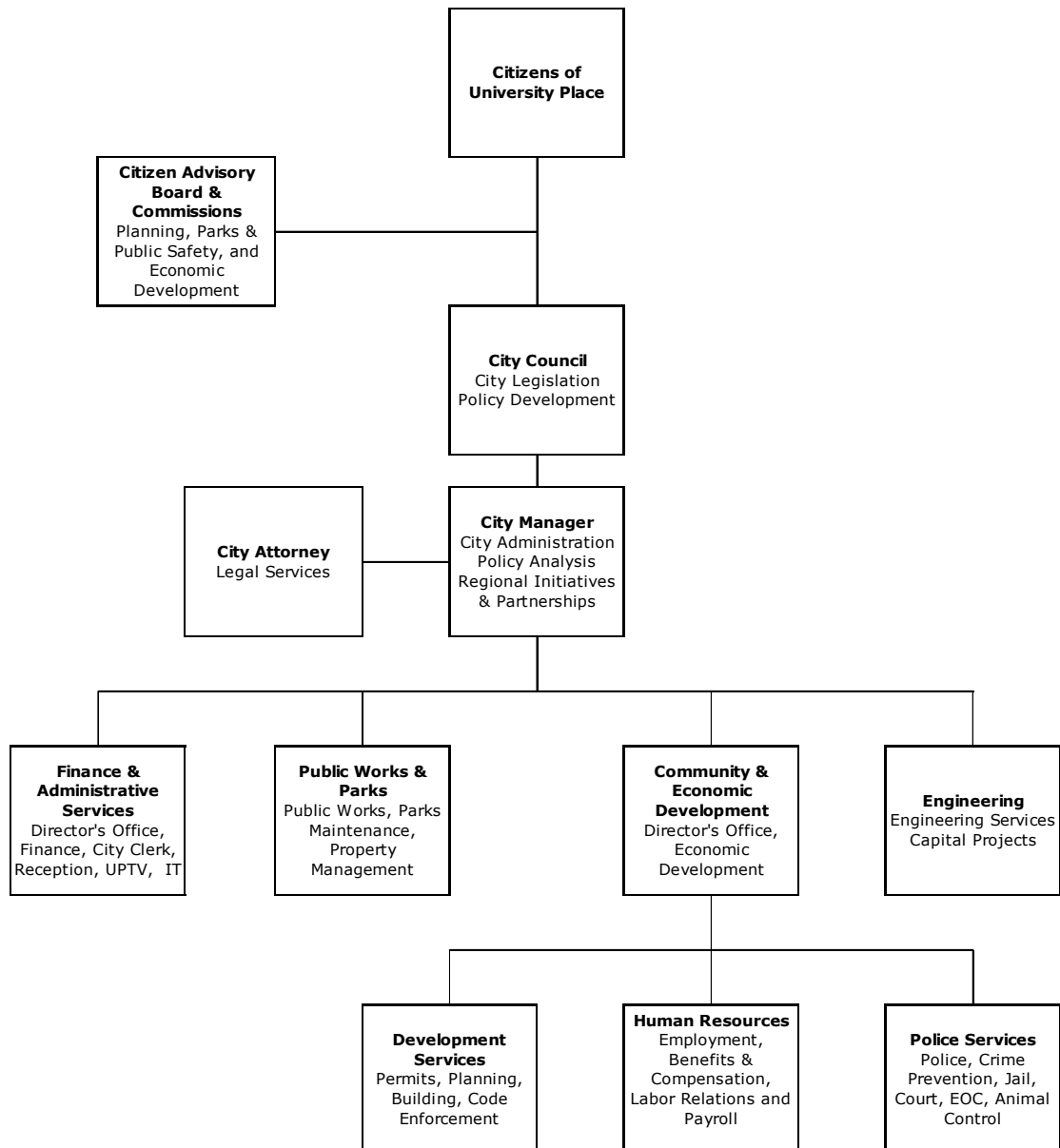
APPOINTED OFFICIALS

City Manager
Executive Director/Communications & Economic Development
Executive Director/Finance and Administration
City Attorney
Finance Director/Risk Manager
Parks/Public Works Director
City Engineer
Police Chief
Development Services Director

Stephen P. Sugg
Mariza Craig
Eric Faison
Matt Kaser
Leslie Blaisdell
Gary Cooper
Jack Ecklund
Greg Premo
David Swindale

ORGANIZATIONAL STRUCTURE

City of University Place



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FINANCIAL SECTION

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplemental Information
Combining & Individual Fund Statements and Schedules
Supplemental Information

Colegate Playground Matting – Before & After





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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Council
City of University Place
University Place, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of University Place, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of University Place, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 9 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards are presented for the purposes of additional analysis and are not a required part of the basic 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. This information has been subjected to auditing procedures applied in the audit of the basic 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 basic financial statements taken as a whole.

The Introductory and Statistical Sections and the Schedule of State and Local Financial Assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 27, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy, State Auditor

Olympia, WA

July 27, 2021

City of University Place Management's Discussion and Analysis

The management of the City of University Place offers readers of its financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole. It is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial positions, and identify fund issues or concerns. The Management Discussion and Analysis (MD&A) is designed to focus on the report year's activities, resulting changes, and currently known facts. We encourage readers to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal in the introductory section and the Financial Statements that follow.

Financial Information

The City's government-wide financial statements have been prepared on the full-accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). The City's fund financial statements for governmental funds (General, Special Revenue, Debt Service, and Capital Projects) have been prepared on the modified accrual basis of accounting in conformity with GAAP. The City's proprietary funds (Enterprise and Internal Service) are accounted for on the accrual basis. A detailed discussion on government-wide and fund financial statements is provided later in this report.

Financial Highlights

Net Position - The assets and deferred outflows of the City of University Place exceeded its liabilities and deferred inflows at the close of the most recent year by \$100,378,161. Of this amount, \$28,622,107 is classified as restricted and unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position - The City's total net position increased by \$4,854,326. Of the \$4,854,326 increase, the Business-type activities contributed to an operating increase of \$598,590 before transfers out of \$76,676 resulting in an overall increase of \$521,914. The City transferred out \$76,676 for Surface Water Management capital related construction projects. Governmental activities continue to provide growth due to the economic recovery which has brought growth in construction, real estate sales and higher assessed property values, all of which result in an increase in revenues. Sales tax increased in 2020 when compared to 2019. Increased single-family residential construction in the City resulted in increased license and permit fees. Additionally, University Place has been the recipient of capital construction grants and contributions which have offset a significant amount of the cost of construction for various projects.

As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$28,959,386, an increase of \$4,383,029 in comparison with the prior year. Of this amount, \$8,917,559 is available for spending at the government's discretion (unassigned fund balance) and \$7,012,124 is restricted by legislation to specific purposes. The committed classification is established by Council ordinance for specific uses. There is one committed fund balance of \$1,235,491 for the Strategic Reserve Fund. Assigned classifications total \$11,794,212. Committed, assigned and unassigned monies have been designated by management to address budget amendments, equipment replacement, street improvements, facility repairs, and property acquisitions. These monies assist to minimize future debt and are intended to provide a cushion against significant downturns in revenue and to maintain sufficient working capital and cash flow to meet daily financial needs.

From the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds, revenues, received primarily from property, sales, utility and general taxes, were used to support the major activities of the City government:

- General Government – Administration, Finance, City Attorney, Human Resources, City Clerk, Community Information and Outreach, and Court Services;
- Public Safety – Police, Jail, Crime Prevention, Emergency Operations and Animal Control;
- Culture and Recreation – Parks Maintenance;
- Economic Environment – Planning, Development Services, Code Enforcement, and Economic Development;
- Transportation – Public Works, Streets, and Surface Water Management;
- Physical Environment – Building Maintenance and Property Management

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of University Place basic financial statements. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the required components, the City's annual report also includes other supplementary information. The first set of supplementary information is the Combining Statements. These provide Balance Sheets, Schedules of Revenues, Expenditures, and Changes in Fund Balances with Budget to Actual Comparisons, Statement of Net Position, and Cash Flows for all Non-Major Funds. The other set of supplementary information is the Statistical Section. This section provides a ten-year view of the City's revenues, expenditures, debt obligations and capacity, the City's largest taxpayers, and those entities with the largest employment within the City of University Place. This section provides a long-term perspective on the City's economy.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances in a manner that is similar to a private-sector business.

The Statement of Net Position presents information on all the City of University Place assets and liabilities, and deferred inflows/outflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of University Place is improving or deteriorating. The focus of the Statement of Net Position is designed to be similar to a bottom line for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused vacation leave). This is intended to summarize and simplify the user's analysis of costs of various governmental services and/or subsidy to various business-type activities. The Governmental Activities reflects the City of University Place's basic functions: General Government; Public Safety; Physical Environment; Transportation; Economic Environment; and Culture and Recreation. Property, sales, and utility taxes finance the majority of these functions.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of University Place, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The focus is on Major Funds, rather than types. A Major Fund is defined in the following manner:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total (assets, liabilities, etc.) for all funds of that category or type (that is, total governmental or total enterprise funds); and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual government fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined; or
- Any other governmental or enterprise fund the government's officials believe is particularly important to financial statement users.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of government. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Funds are established for various purposes and the Fund Financial Statement allows for the demonstration of sources and uses and/or budgeting compliance associated therewith. These statements begin in the required supplemental information section. The City of University Place maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Works Capital Improvement Fund, Municipal Facilities Capital Improvement Fund, and Debt Service Fund. All of these funds are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements in the other supplementary information described below.

The City of University Place adopts a biennial appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds maintained by the City include an enterprise fund and three internal service funds. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City of University Place uses an enterprise fund to account for its Storm Water Management.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and equipment, information and technology systems, property management and risk management activities. Because these services benefit governmental functions they have been included within governmental activities in the government-wide financial statements.

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information includes financial information and disclosures that are required by the Governmental Accounting Standards Board (GASB) but are not considered a part of the basic financial statements. Budgetary comparison schedules for certain major governmental funds are presented immediately following the notes to the basic financial statements.

Other Supplementary Information includes the combining statements for the non-major capital projects funds and budgetary comparison schedules for non-major capital projects funds and sub funds. These are presented immediately following the required supplementary information.

Government-wide Financial Analysis

The City has prepared the financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The City's Proprietary Funds include all Internal Service Funds and an Enterprise Fund which are included in the governmental activities and business-type activities for the entity-wide statements. The following table reflects a Summary of Net Position for the year 2020 with comparative totals for 2019.

Table 1
Condensed Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 30,147,878	\$ 25,461,017	\$ 4,725,212	\$ 4,211,976	\$ 34,873,090	\$ 29,672,993
Capital assets	100,216,659	102,815,367	11,270,358	11,359,261	111,487,017	114,174,628
Total assets	130,364,537	128,276,384	15,995,570	15,571,237	146,360,107	143,847,621
Deferred outflows of resources	1,719,922	1,742,604	88,087	71,477	1,808,009	1,814,081
Liabilities						
Other liabilities	1,632,827	1,745,440	22,826	19,113	1,655,653	1,764,553
Non-current liabilities	45,280,940	47,036,217	392,148	409,426	45,673,088	47,445,643
Total liabilities	46,913,767	48,781,657	414,974	428,539	47,328,741	49,210,196
Deferred inflows of resources	401,271	800,322	59,943	127,349	461,214	927,671
Net position						
Net invested in capital assets	60,512,728	61,301,736	11,243,326	11,285,365	71,756,054	72,587,101
Restricted for						
Debt service	240,064	239,224	-	-	240,064	239,224
Surface and storm water management	-	-	4,365,414	3,801,461	4,365,414	3,801,461
Capital facilities plan financing	2,282,190	1,569,676	-	-	2,282,190	1,569,676
Traffic impact-roadway improvements	2,542,155	2,427,070	-	-	2,542,155	2,427,070
Parks capital improvement	1,773,211	1,361,555	-	-	1,773,211	1,361,555
Other	174,505	237,139	-	-	174,505	237,139
Unrestricted	17,244,568	13,300,609	-	-	17,244,568	13,300,609
Total net position	\$ 84,769,421	\$ 80,437,009	\$ 15,608,740	\$ 15,086,826	\$ 100,378,161	\$ 95,523,835

There are five basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

- Net Result of Activities – which will impact (increase/decrease) current assets and unrestricted net position.
- Borrowing for Capital – which will increase current assets and long-term debt.
- Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, which is an increase in related net debt that will not change the net investment in capital assets.
- Principal Payment on Debt – which will reduce current assets and reduce long-term debt and will reduce unrestricted net position and increase net investment in capital assets.
- Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of University Place, assets and deferred outflows exceeded liabilities and deferred inflows by \$100,378,161 at the close of the most recent year.

By far the largest portion of the City of University Place net position (71.49 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of \$28,622,107 may be used to meet the City's ongoing obligations to citizens and creditors.

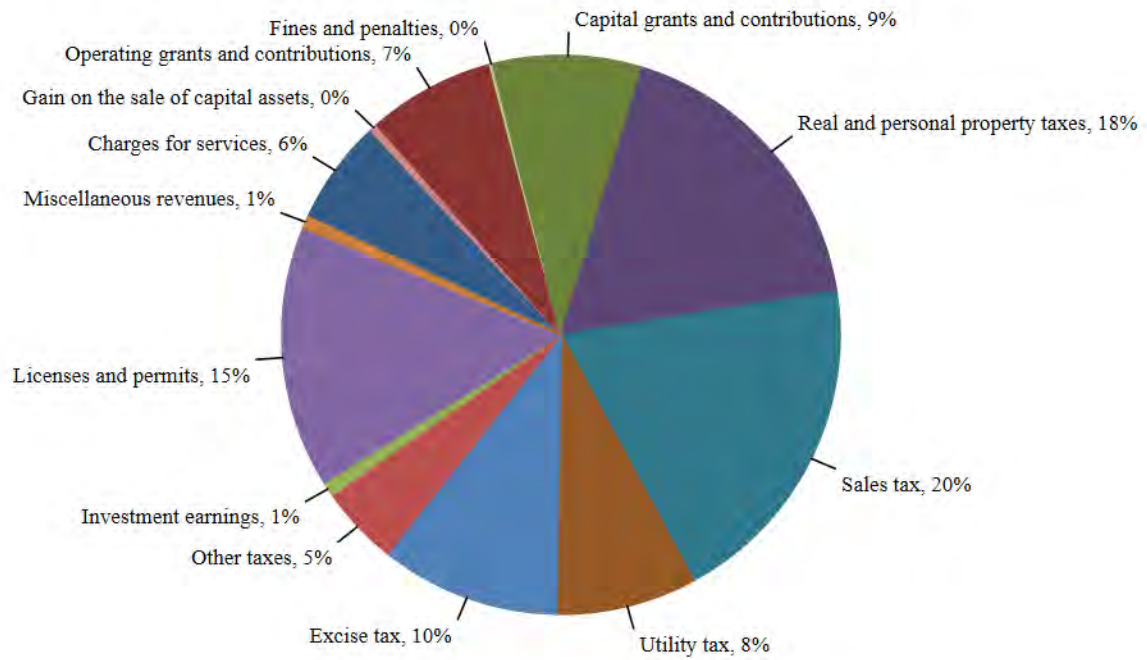
City of University Place's change in net position from the current year activities on the statement of activities increased by \$4,954,501.

City revenues are tracking as forecasted and the City is meeting, and will continue to meet, all operational and debt obligations according to the adopted budget. In August of 2019 Standard & Poor's Ratings Services raised its long-term rating on the City of University Place's outstanding general obligation (GO) bonds to AA+/ Outlook Stable from AA/ Outlook Stable. In January of 2018 Moody's Ratings Services raised its long-term rating on the City of University Place's outstanding general obligation (GO) bonds to AA2/ Outlook from AA3/ Outlook.

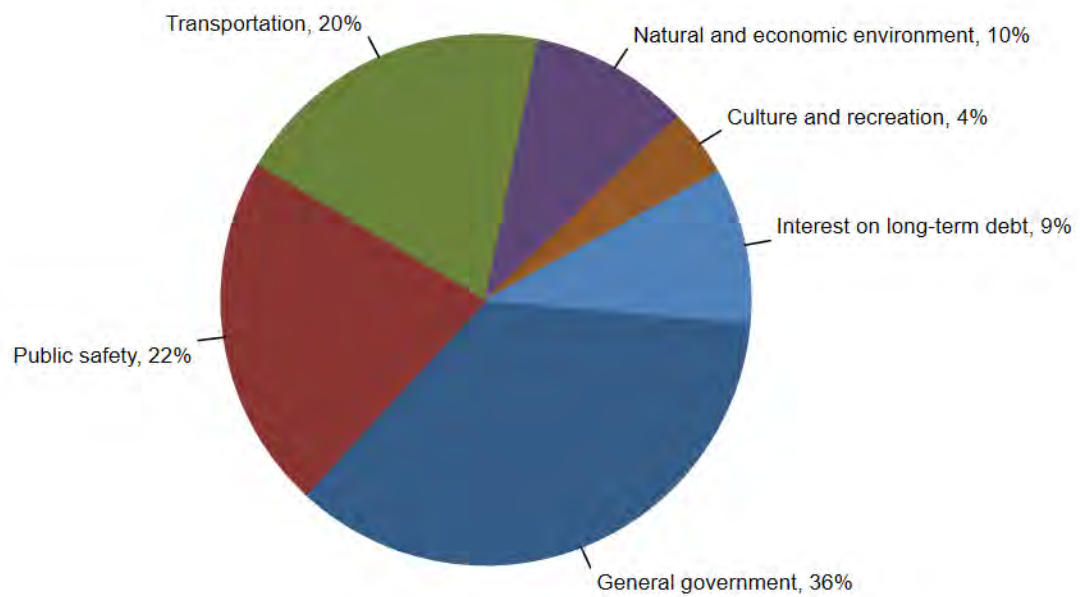
Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 1,537,467	\$ 1,451,886	2,813,139	2,823,158	\$ 4,350,606	\$ 4,275,044
Operating grants and contributions	1,852,868	326,855	50,000	-	1,902,868	326,855
Capital grants and contributions	2,175,517	2,337,267	-	-	2,175,517	2,337,267
General revenue						
Taxes						
Real and personal property	4,479,979	4,396,021	-	-	4,479,979	4,396,021
Sales	4,928,570	4,701,463	-	-	4,928,570	4,701,463
Utility	2,059,743	2,088,097	-	-	2,059,743	2,088,097
Excise and other	3,779,198	3,622,946	-	-	3,779,198	3,622,946
Licenses and permits	3,811,593	3,750,149	-	-	3,811,593	3,750,149
Fines and penalties	47,434	45,738	-	-	47,434	45,738
Miscellaneous revenues	170,979	183,876	1,444	-	172,423	183,876
Investment earnings	210,501	495,885	-	-	210,501	495,885
Gain on the sale of capital assets	120,000	120,000	-	-	120,000	120,000
Total revenues	<u>25,173,849</u>	<u>23,520,183</u>	<u>2,864,583</u>	<u>2,823,158</u>	<u>28,038,432</u>	<u>26,343,341</u>
Expenses						
General government	7,417,412	5,321,829	-	-	7,417,412	5,321,829
Public safety	4,521,917	4,470,208	-	-	4,521,917	4,470,208
Transportation	4,099,911	5,838,408	-	-	4,099,911	5,838,408
Natural and economic environment	2,035,481	1,804,795	-	-	2,035,481	1,804,795
Health and human services	-	10,782	-	-	-	10,782
Culture and recreation	846,994	1,005,497	-	-	846,994	1,005,497
Interest on long-term debt	1,960,644	2,168,299	-	-	1,960,644	2,168,299
Surface Water Management	-	-	2,265,993	2,220,002	2,265,993	2,220,002
Total expenses	<u>20,882,359</u>	<u>20,619,818</u>	<u>2,265,993</u>	<u>2,220,002</u>	<u>23,148,352</u>	<u>22,839,820</u>
Excess (deficiency) before contributions, special items, and transfers	<u>4,291,490</u>	<u>2,900,365</u>	<u>598,590</u>	<u>603,156</u>	<u>4,890,080</u>	<u>3,503,521</u>
Transfers	76,676	289,128	(76,676)	(289,128)	-	-
Insurance recoveries	64,421	37,281	-	-	64,421	37,281
Change in net position	<u>4,432,587</u>	<u>3,226,774</u>	<u>521,914</u>	<u>314,028</u>	<u>4,954,501</u>	<u>3,540,802</u>
Beginning net position	80,437,009	77,519,566	15,086,826	14,748,353	95,523,835	92,267,919
Prior period adjustments	(100,175)	(309,331)	-	24,445	(100,175)	(284,886)
Beginning net position restated	<u>80,336,834</u>	<u>77,210,235</u>	<u>15,086,826</u>	<u>14,772,798</u>	<u>95,423,660</u>	<u>91,983,033</u>
End of net position	<u>\$ 84,769,421</u>	<u>\$ 80,437,009</u>	<u>\$ 15,608,740</u>	<u>\$ 15,086,826</u>	<u>\$ 100,378,161</u>	<u>\$ 95,523,835</u>

Revenues by Source Governmental Activities



Governmental Expenditures by Function



Financial Analysis of the City's Funds

Governmental funds. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of University Place's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Fund balances of governmental funds are classified according to five specifically defined categories. In order from most restrictive to least restrictive, these categories are Nonspendable, Restricted, Committed, Assigned and Unassigned. The classifications reflect the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. At the end of the year, the City of University Place's governmental funds reported combined ending fund balances of \$28,959,386. This represents an increase of \$4,383,029 from 2019. This increase was due primarily to an increase in federal grants for capital projects.

Variances in the Public Works Capital Improvement Fund are due to an increase in transfers in coming from the debt service fund. Bond proceeds were transferred to projects with the anticipated project start in FY 2021, resulting in a current year reported gain of \$3,772,737.

Variances in the Parks Capital Improvement Fund are due to increased revenues in the Parks Impact Fee. Additionally, the completed playground project came in \$44,000 underbudget. The Chambers Creek Trail project will be completed in 2021 and unexpended funds will be carried forward for expenditure in 2021. The combination resulted in a current year reported gain of \$411,656.

Variances in the Debt Service fund are due to the bonds issued in December, 2019. Bond proceed remained in the fund at year end. During 2020 the proceeds were transferred to the PW CIP Fund for expenditure. This resulted in a current year reported loss of \$3,572,995.

Proprietary funds. As previously noted, the City's proprietary funds are comprised of four internal service funds and one enterprise fund. The increase in the Surface Water Management (SWM) Fund balance is due primarily to fees collected that exceeded expenditures.

Budgetary Information

While the City utilizes a two year or biennial budget, each year is considered on its own merits for financial purposes. The 2020 budget is the second year of the current biennial budget cycle.

Sales tax revenues of \$3.37 million exceeded the budget estimate of \$2.65 million. Increased revenues were received in the Retail Trade category from increased online purchases due to Covid19. Additionally, we saw increase in the Construction category due to a large multi-family apartment project and continued residential building.

Fuel tax revenues also suffered due to Covid19 shutdowns as many employers shifted to remote work. Revenues in the amount of \$642,124 were below our budget estimate of \$772,685.

Investment income of \$188,551 was 36.08% below the budget estimate of \$295,000. The COVID-19 pandemic created turbulence in global financial markets and propelled investors into a race for liquidity, so we saw investment funds grappling with some of the issues they had confronted the global financial crisis.

Real Estate Excise taxes of \$1,662,090 exceeded the budgeted amount of \$1,313,000 due to the continued active real estate market within the City. The University Place School District is highly sought after and continues to bring families to the City.

On the expenditure side, Contingency funds in the amount of \$279,706 budgeted in the General Fund went unspent. These funds are budgeted at 2% of operating expenditures for use for unanticipated expenses and require City Council approval to spend.

The General fund transfer of \$337,675 to Information services for the Computer Hardware and Software replacements were under the budget amount of \$1,157,495 by \$819,820 due to projects being delayed. \$650,663 of the unspent funds will be carried forward to 2021.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for its governmental activities as of December 31, 2020 amounts to \$100,216,659 (net of accumulated depreciation), which is a decrease of \$2,598,708 from 2019. The additions are from a combination of new capital assets that includes land, buildings, machinery, equipment and software, infrastructure and construction in progress. The following table summarizes capital assets for the current year and a comparison with year 2019.

Table 3
Capital Assets at Year-End
(Net of Depreciation)

	2020 Total Governmental Activities	2019 Total Governmental Activities
Land	\$ 21,552,870	\$ 21,552,870
Easement	3,203,141	3,203,141
Buildings	30,599,232	32,633,693
Equipment and software	1,510,398	1,742,174
Infrastructure	40,997,439	42,277,041
Construction in progress	2,353,579	1,406,448
Total	<u>\$ 100,216,659</u>	<u>\$ 102,815,367</u>

	2020 Total Business-type Activities	2019 Total Business-type Activities
Equipment and software	\$ 287,861	\$ 342,858
Infrastructure	10,506,805	10,820,819
Construction in progress	475,692	195,584
Total	<u>\$ 11,270,358</u>	<u>\$ 11,359,261</u>

Additional information on the City's capital assets can be found in Note 3 of the Notes to the Financial Statements.

The City of University Place had total long-term debt outstanding of \$43,304,798 which includes General obligation bonds with an outstanding principal balance of \$43,070,000. The City has two types of outstanding debt: general obligation bonds and public works trust fund loans.

The following table summarizes long-term debt for the current year and a comparison with year 2019.

Table 4
Outstanding Debt at Year-End

	2020	2019
Governmental		
General obligation bonds	\$ 43,070,000	\$ 44,755,000
Public works trust fund loan	207,766	332,465
Total	<u>\$ 43,277,766</u>	<u>\$ 45,087,465</u>
Business-type Activities		
Public works trust fund loan	\$ 27,032	\$ 73,894
Total	<u>\$ 27,032</u>	<u>\$ 73,894</u>

Washington State law provides a maximum debt limit for general obligations. A city may incur debt equal to 1.5% of the City's assessed value without a vote of the people and debt for general government equal to 2.5% of the assessed value with a vote of the people. An additional 2.5% of assessed value may be incurred to finance water, sewer, and parks projects, also with a vote of the people. Based on the assessed value of property in University Place, the City's outstanding debt, subject to the State of Washington constitutional limits, the City had debt capacity on December 31, 2020 and the City may issue non-voted debt at this time.

Note 3 of the Basic Financial Statements identifies the City's long-term debt and provides additional detail regarding the City's outstanding debt.

Economic Factors and the Next Year's Budgets and Rates

The State of Washington, by constitution, does not have a state personal income tax and therefore the state operates primarily using property, sales, business and occupation, and gasoline taxes. Local governments (cities, counties, school districts) primarily rely on property and a limited array of other taxes (sales, utility, admission, and business and occupation) and fees (franchise, licenses, development services, etc.) for their governmental activities. There are a limited number of state-shared revenues (i.e., gas taxes, liquor excise taxes, liquor profits taxes, etc.) and recurring and non-recurring grants from both the state and federal government.

For the business-type and certain governmental activities (permitting, recreation programs, etc.) the user pays a related fee or charge associated therewith.

The level of taxes, fees and charges for services (including development related mitigation fees) will have a bearing on the specific City's competitive ability to encourage retail, office, residential, and industrial development to locate in their jurisdiction. The City places significant emphasis on encouraging economic development.

The 2019/2020 biennial budget ensures operating expenditures are within the constraints of available operating revenues and does not use reserves to balance the budget.

An issue we need to recognize is the competition among local and regional governments for a portion of the property tax. One of these is Sound Transit's additional tax in support of its ST3 initiative. Property taxes are the primary source of revenue for municipalities and special districts, such as, school districts, library districts, and fire districts. Increased property taxes imposed by Sound Transit will have an adverse impact on the ability of local special service districts access to funds in support of new schools, library services and fire services.

Local governments also must deal with the potential costs of unfunded State and Federal mandates. The State Supreme Court McCleary decision on public education funding and reform has left the State with significant budgetary challenges that could negatively impact local governments.

Requests for Information

This financial report is designed to provide a general overview of the City of University Place's financial condition. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of University Place Finance Department, 3609 Market Place W, Suite 200, University Place, WA 98466-4488, telephone 253-566-5656, or visit the City's website at www.CityofUP.com.

City of University Place
Statement of Net Position
As of December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 27,195,398	\$ 4,076,661	\$ 31,272,059
Receivables - net	750,186	52,102	802,288
Internal balances	(551,728)	551,728	-
Due from other governments	2,634,022	44,721	2,678,743
Total current assets	30,027,878	4,725,212	34,753,090
Non-current assets			
Long-term receivables	120,000	-	120,000
Capital assets			
Capital assets, not being depreciated	27,109,591	475,692	27,585,283
Capital assets, being depreciated	73,107,068	10,794,666	83,901,734
Total capital assets	100,216,659	11,270,358	111,487,017
Total non-current assets	100,336,659	11,270,358	111,607,017
Total assets	130,364,537	15,995,570	146,360,107
Deferred outflows of resources			
Deferred outflows related to pensions	469,651	88,087	557,738
Deferred loss bond refunding	1,250,271	-	1,250,271
Total deferred outflows of resources	1,719,922	88,087	1,808,009
Liabilities			
Current liabilities			
Accounts payable	684,452	7,900	692,352
Accrued payroll and employee benefits	61,613	14,903	76,516
Interest payable	489,604	23	489,627
Retainage payable	1,167	-	1,167
Unearned revenue	386,192	-	386,192
Other current liabilities	9,799	-	9,799
Total current liabilities	1,632,827	22,826	1,655,653
Non-current liabilities			
Due in less than 1 year	2,013,038	36,413	2,049,451
Due in more than 1 year	41,905,591	84,577	41,990,168
Net pension liability	1,362,311	271,158	1,633,469
Total non-current liabilities	45,280,940	392,148	45,673,088
Total liabilities	46,913,767	414,974	47,328,741
Deferred inflows of resources			
Deferred inflows related to pensions	401,271	59,943	461,214
Total deferred inflows of resources	401,271	59,943	461,214
Net position			
Net investment in capital assets	60,512,728	11,243,326	71,756,054
Restricted for			
Debt service	240,064	-	240,064
Surface and storm water management	-	4,365,414	4,365,414
Capital facilities plan financing	2,282,190	-	2,282,190
Traffic impact-roadway improvements	2,542,155	-	2,542,155
Parks capital improvement	1,773,211	-	1,773,211
Other	174,505	-	174,505
Unrestricted	17,244,568	-	17,244,568
Total net position	\$ 84,769,421	\$ 15,608,740	\$ 100,378,161

The accompanying notes are an integral part of these financial statements.

City of University Place
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Function/Programs							
Primary Government:							
Governmental activities:							
General government	\$ 7,417,412	\$ 3,969	\$ 1,637,829	\$ -	\$ (5,775,614)	\$ -	\$ (5,775,614)
Public safety	4,521,917	86,835	171,346	-	(4,263,736)	-	(4,263,736)
Utilities	-	472,939	-	-	472,939	-	472,939
Transportation	4,099,911	(3,697)	43,693	2,175,517	(1,884,398)	-	(1,884,398)
Natural and economic environment	2,035,481	974,171	-	-	(1,061,310)	-	(1,061,310)
Culture and recreation	846,994	3,250	-	-	(843,744)	-	(843,744)
Interest on long-term debt	1,960,644	-	-	-	(1,960,644)	-	(1,960,644)
Total governmental activities	20,882,359	1,537,467	1,852,868	2,175,517	(15,316,507)	-	(15,316,507)
Business-type activities:							
Surface water management	2,265,993	2,813,139	50,000	-	-	597,146	597,146
Total business-type activities	2,265,993	2,813,139	50,000	-	-	597,146	597,146
Total primary government	\$ 23,148,352	\$ 4,350,606	\$ 1,902,868	\$ 2,175,517	\$ (15,316,507)	\$ 597,146	\$ (14,719,361)
General Revenues:							
Taxes							
Real and personal property					\$ 4,479,979	\$ -	\$ 4,479,979
Sales					4,928,570	-	4,928,570
Utility					2,059,743	-	2,059,743
Excise and other					3,779,198	-	3,779,198
Other revenue					4,030,006	1,444	4,031,450
Investment earnings					210,501	-	210,501
Gain on the sale of capital assets					120,000	-	120,000
Total general revenues					19,607,997	1,444	19,609,441
Transfers					76,676	(76,676)	-
Insurance recoveries					64,421	-	64,421
Change in net position					4,432,587	521,914	4,954,501
Net position, beginning of year					80,437,009	15,086,826	95,523,835
Prior period adjustment					(100,175)	-	(100,175)
Net position, beginning of year restated					80,336,834	15,086,826	95,423,660
Net position, end of year					\$ 84,769,421	\$ 15,608,740	\$ 100,378,161

The accompanying notes are an integral part of these financial statements.

City of University Place
Balance Sheet
Governmental Funds
December 31, 2020

	General Funds	Public Works CIP	Parks CIP	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and equivalents	\$ 16,727,033	\$ 5,884,611	\$ 1,817,633	\$ 240,064	\$ 2,269,856	\$ 26,939,197
Accounts receivables	501,921	-	212,800	-	35,421	750,142
Due from other government units	1,470,079	1,009,343	19,425	-	135,175	2,634,022
Total assets	<u>\$ 18,699,033</u>	<u>\$ 6,893,954</u>	<u>\$ 2,049,858</u>	<u>\$ 240,064</u>	<u>\$ 2,440,452</u>	<u>\$ 30,323,361</u>
Liabilities						
Accounts payable	\$ 197,465	\$ 209,365	\$ 57,553	\$ -	\$ 30,844	\$ 495,227
Accrued salaries and wages	45,633	4,530	-	-	6,386	56,549
Accrued liabilities	2,122	-	-	-	-	2,122
Retainage payable	1,167	-	-	-	-	1,167
Unearned revenue	44,986	-	219,094	-	-	264,080
Total liabilities	<u>291,373</u>	<u>213,895</u>	<u>276,647</u>	<u>-</u>	<u>37,230</u>	<u>819,145</u>
Deferred inflows of resources						
Unavailable revenue	57,000	487,830	-	-	-	544,830
Total deferred inflows of resources	<u>57,000</u>	<u>487,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,830</u>
Fund balances						
Restricted						
Arterial street maintenance	152,282	-	-	-	-	152,282
Capital facilities plan financing	2,282,190	-	-	-	-	2,282,190
Traffic impact-roadway improvements	164,704	-	-	-	2,377,451	2,542,155
Donations	-	-	-	-	22,222	22,222
Parks capital improvement	-	-	1,773,211	-	-	1,773,211
Debt	-	-	-	240,064	-	240,064
Committed						
Unanticipated emergency	1,235,491	-	-	-	-	1,235,491
Assigned						
Public safety	5,598,434	-	-	-	-	5,598,434
Public works capital improvement	-	6,192,229	-	-	-	6,192,229
Municipal facilities capital improvements	-	-	-	-	3,549	3,549
Unassigned	<u>8,917,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,917,559</u>
Total fund balances	<u>18,350,660</u>	<u>6,192,229</u>	<u>1,773,211</u>	<u>240,064</u>	<u>2,403,222</u>	<u>28,959,386</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,699,033</u>	<u>\$ 6,893,954</u>	<u>\$ 2,049,858</u>	<u>\$ 240,064</u>	<u>\$ 2,440,452</u>	<u>\$ 30,323,361</u>

The accompanying notes are an integral part of these financial statements.

City of University Place
Reconciliation of Governmental Fund Balances
To Net Position of Governmental Activities
December 31, 2020

Total fund balances - governmental funds	\$ 28,959,386
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The total net position reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Internal service funds amounts are not reflected in these balances, they are reported below with the Internal service fund amounts.

Capital assets, not being depreciated	27,109,591	
Capital assets being depreciated	242,180,896	
Accumulated depreciation	<u>(169,441,695)</u>	
Total Capital assets net of accumulated depreciation		99,848,792

Deferred outflows of resources are not reported in the governmental funds:

Deferred loss on bond refunding	1,250,271
Deferred outflows for employer contributions	437,041

Internal service fund costs of certain activities, such as insurance, technology services and fleet operations to individual governmental funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position

Internal service funds change in net position	(71,330)
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Other assets not available in the current period and therefore are not reported in the governmental funds:

Internal balances	(551,728)	
Long term Receivable	<u>120,000</u>	
Total other assets not available in current period		(431,728)

Long-term liabilities and related accrued interest are not due and payable in the current and therefore are not reported in the governmental funds:

Unearned revenue	(120,000)
Debt and notes payable	(45,626,458)

Deferred inflows reported in the funds are considered financial resources for governmental activities

Other unavailable revenues	544,832	
Deferred inflows related to pension	<u>(382,424)</u>	

Net Position of Governmental Activities	<u><u>\$ 84,769,421</u></u>
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City of University Place
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Funds	Public Works CIP	Parks CIP	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 13,533,884	\$ -	\$ -	\$ -	\$ 1,355,590	\$ 14,889,474
Licenses and permits	3,340,827	-	-	-	470,766	3,811,593
Intergovernmental	2,230,407	1,700,578	-	-	-	3,930,985
Charges for services	991,208	-	509,120	-	-	1,500,328
Miscellaneous						
Fines and forfeitures	47,434	-	-	-	-	47,434
Rental, concessions and sales	895	-	-	-	3,250	4,145
Investment earnings	210,501	-	-	-	-	210,501
Contributions	800	-	-	-	8,048	8,848
Other revenues	877	-	-	-	15,634	16,511
Total revenues	<u>20,356,833</u>	<u>1,700,578</u>	<u>509,120</u>	<u>-</u>	<u>1,853,288</u>	<u>24,419,819</u>
Expenditures						
Current						
General government	4,464,875	85,999	-	-	75,183	4,626,057
Public safety	4,548,074	-	-	-	-	4,548,074
Transportation	318,196	163,247	-	-	954,074	1,435,517
Natural and economic environment	1,846,378	281,541	-	-	-	2,127,919
Culture and recreation	520,110	-	64,000	-	11,180	595,290
Capital outlay	-	2,252,193	66,928	-	45,549	2,364,670
Debt service						
Principal retirement	-	-	-	1,809,697	-	1,809,697
Interest	-	-	-	1,909,411	-	1,909,411
Total expenditures	<u>11,697,633</u>	<u>2,782,980</u>	<u>130,928</u>	<u>3,719,108</u>	<u>1,085,986</u>	<u>19,416,635</u>
Excess (deficiency) of revenues over expenditures	<u>8,659,200</u>	<u>(1,082,402)</u>	<u>378,192</u>	<u>(3,719,108)</u>	<u>767,302</u>	<u>5,003,184</u>
Other financing sources/uses						
Transfers in	3,021	4,855,139	33,464	3,719,108	427,860	9,038,592
Transfers out	(6,133,577)	-	-	(3,572,995)	-	(9,706,572)
Insurance recovery	881	-	-	-	63,540	64,421
Proceeds from sale of assets	120,000	-	-	-	-	120,000
Total other financing sources/uses	<u>(6,009,675)</u>	<u>4,855,139</u>	<u>33,464</u>	<u>146,113</u>	<u>491,400</u>	<u>(483,559)</u>
Net change in fund balances	2,649,525	3,772,737	411,656	(3,572,995)	1,258,702	4,519,625
Fund balances, beginning of year	15,717,694	2,419,492	1,361,555	3,813,059	1,264,560	24,576,360
Prior period adjustments	(16,559)	-	-	-	(120,040)	(136,599)
Fund balances, beginning of year restated	<u>15,701,135</u>	<u>2,419,492</u>	<u>1,361,555</u>	<u>3,813,059</u>	<u>1,144,520</u>	<u>24,439,761</u>
Fund balances, end of year	<u>\$ 18,350,660</u>	<u>\$ 6,192,229</u>	<u>\$ 1,773,211</u>	<u>\$ 240,064</u>	<u>\$ 2,403,222</u>	<u>\$ 28,959,386</u>

The accompanying notes are an integral part of these financial statements.

City of University Place
Reconciliation of The Statement of Revenue, Expenditures,
And Changes In Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2020

Net changes in fund balances - total governmental funds \$ 4,519,625

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives as depreciation expense. Amounts related to capital assets are reported below. Internal service funds amounts are not reflected in these balances, they are reported below with the Internal service fund amounts.

Capital assets reclassified from capital outlay	2,361,124	
Depreciation Expense	(4,286,853)	
Loss on sale of assets	<u>(564,225)</u>	(2,489,954)

Expenses not recorded on fund statements recorded on government funds		6,700
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Pension expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		414,141
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Expenses for compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(58,180)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This is the amount of the net effect of these differences in the treatment of long-term debt and related items.

Long-term debt principal repayments	1,809,699	
Interest expense	26,909	
Amortization of bond premium and discounts	<u>(78,142)</u>	1,758,466

Unavailable revenue not reported in the funds are considered financial resources for governmental activities.		500,529
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Internal service funds are used by management to charge the costs of insurance and information services to individual funds. The net revenue of the internal service funds is reported with the governmental activities.

Internal service funds change in net position	(71,330)	
Internal service look back adjustment to zero out Business activities transfers	<u>(147,410)</u>	

Change in net position of governmental activities		<u><u>\$ 4,432,587</u></u>
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City of University Place
Statement of Net Position
Proprietary Funds
As of December 31, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		Gov. Activities Internal Service Funds
	<u>Surface Water Mgmt</u>	<u>Total</u>	
Assets			
Current assets			
Cash and equivalents	\$ 4,076,661	\$ 4,076,661	\$ 256,200
Accounts receivables	52,102	52,102	43
Due from other government units	44,721	44,721	-
Total current assets	<u>4,173,484</u>	<u>4,173,484</u>	<u>256,243</u>
Noncurrent assets			
Capital assets			
Depreciable & CIP capital assets	19,692,973	19,692,973	1,832,657
Less: accumulated depreciation	(8,422,615)	(8,422,615)	(1,464,790)
Total noncurrent assets	<u>11,270,358</u>	<u>11,270,358</u>	<u>367,867</u>
Total assets	<u>15,443,842</u>	<u>15,443,842</u>	<u>624,110</u>
Deferred outflows of resources			
Deferred outflows related to pensions	88,087	88,087	32,610
Total deferred outflows of resources	<u>88,087</u>	<u>88,087</u>	<u>32,610</u>
Liabilities			
Current liabilities			
Accounts payable	7,538	7,538	189,224
Accrued salaries and wages	14,903	14,903	-
Accrued liabilities	-	-	5,071
Due to other governments	362	362	-
Accrued interest payable	23	23	-
Unearned revenue	-	-	9,782
Compensated absences	31,006	31,006	16,769
Current-bonds, notes, and loans payable	5,407	5,407	-
Total current liabilities	<u>59,239</u>	<u>59,239</u>	<u>220,846</u>
Noncurrent Liabilities			
Compensated absences	62,952	62,952	34,047
Bonds, notes, and loans payable	21,625	21,625	-
Net pension liability	271,158	271,158	93,271
Total noncurrent liabilities	<u>355,735</u>	<u>355,735</u>	<u>127,318</u>
Total liabilities	<u>414,974</u>	<u>414,974</u>	<u>348,164</u>
Deferred inflows of resources			
Deferred inflows related to pensions	59,943	59,943	18,847
Total deferred inflows of resources	<u>59,943</u>	<u>59,943</u>	<u>18,847</u>
Net position			
Invested in capital assets	11,243,326	11,243,326	367,867
Restricted for Surface and storm water management	3,813,686	3,813,686	-
Unrestricted	-	-	(78,158)
Total net position	<u>\$ 15,057,012</u>		<u>\$ 289,709</u>

Reconciliation to government-wide statement of net position:

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.

	551,728
Net position of business-type activities	<u>\$ 15,608,740</u>

The accompanying notes are an integral part of these financial statements.

City of University Place
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Surface Water Mgmt</u>	<u>Total</u>	<u>Gov. Activities Internal Service Funds</u>
Operating Revenues:			
Charges for services	\$ 2,813,139	\$ 2,813,139	\$ 1,186,941
Intergovernmental	50,000	50,000	-
Miscellaneous	1,444	1,444	101,089
Total operating revenues	<u>2,864,583</u>	<u>2,864,583</u>	<u>1,288,030</u>
Operating Expenses:			
Salaries and employee benefits	1,031,134	1,031,134	415,654
Materials and supplies	22,464	22,464	200,202
Services and charges	789,554	789,554	1,208,579
Insurance claims and expenses	-	-	113,223
Depreciation and amortization	569,821	569,821	166,352
Total operating expenses	<u>2,412,973</u>	<u>2,412,973</u>	<u>2,104,010</u>
Operating income (loss)	<u>451,610</u>	<u>451,610</u>	<u>(815,980)</u>
Nonoperating revenue (expenses):			
Interest expense	(430)	(430)	-
Total nonoperating revenue (expenses)	<u>(430)</u>	<u>(430)</u>	<u>-</u>
Income (loss) before transfers	451,180	451,180	(815,980)
Transfers in	-	-	744,650
Transfers out	<u>(76,676)</u>	<u>(76,676)</u>	<u>-</u>
Change in net position	374,504	374,504	(71,330)
Net position, beginning of year	14,682,508		324,615
Prior period adjustment	-		36,424
Net position, beginning of year restated	<u>14,682,508</u>		<u>361,039</u>
Net position, end of year	<u>\$ 15,057,012</u>		<u>\$ 289,709</u>

Reconciliation to government-wide statement of net position:

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.

	147,410
Change in net assets of business-type activities	<u>\$ 521,914</u>

City of University Place
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Surface Water Mgmt</u>	<u>Total</u>	<u>Gov. Activities Internal Service Funds</u>
Cash from operating activities:			
Cash receipts from customers	\$ 2,814,434	\$ 2,814,434	\$ 1,295,502
Cash paid to employees for services	(800,409)	(800,409)	(388,135)
Cash paid to suppliers for goods and services	(809,444)	(809,444)	(1,387,002)
Cash paid for employee benefits	(283,871)	(283,871)	(64,653)
Cash receipts from operating grants or subsidies	14,044	14,044	61
Cash paid for insurance claims	-	-	(113,223)
	<u>934,754</u>	<u>934,754</u>	<u>(657,450)</u>
Net cash provided (used) by operating activities			
	<u>934,754</u>	<u>934,754</u>	<u>(657,450)</u>
Cash from noncapital financing activities:			
Cash receipts/(payments) from transfers from other funds	(76,676)	(76,676)	744,654
Cash paid for debt principal	(46,861)	(46,861)	-
Cash paid for Interest on long-term debt	(577)	(577)	-
	<u>(124,114)</u>	<u>(124,114)</u>	<u>744,654</u>
Net cash provided (used) by noncapital financing activities			
	<u>(124,114)</u>	<u>(124,114)</u>	<u>744,654</u>
Cash from capital and related financing activities:			
Proceeds/(loss) from retirement of assets	-	-	7,900
Cash payments to acquire, construct or improve capital assets	(480,918)	(480,918)	(57,599)
	<u>(480,918)</u>	<u>(480,918)</u>	<u>(49,699)</u>
Net cash provided (used) by capital and related financing activities			
	<u>(480,918)</u>	<u>(480,918)</u>	<u>(49,699)</u>
Net increase (decrease) in cash and cash equivalents	<u>329,722</u>	<u>329,722</u>	<u>37,505</u>
Cash and cash equivalents, beginning of year	<u>3,746,939</u>	<u>3,746,939</u>	<u>218,695</u>
Cash and cash equivalents, end of year	<u>\$ 4,076,661</u>	<u>\$ 4,076,661</u>	<u>\$ 256,200</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income(loss)	\$ 451,610	\$ 451,610	\$ (815,980)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	569,821	569,821	166,352
Changes in assets and liabilities:			
Accounts receivable	(148)	(148)	442
Due from other governments	(35,960)	(35,960)	61
Accrued compensated absences	10,425	10,425	7,721
Accounts payable	2,574	2,574	21,778
Accrued benefits	1,289	1,289	292
Net pension liability	19,159	19,159	(9,804)
Deferred inflows/outflows for employer contributions	(84,016)	(84,016)	(35,344)
Prepays and deposits payable	-	-	7,032
	<u>-</u>	<u>-</u>	<u>7,032</u>
Net cash provided (used) by operating activities:	<u>\$ 934,754</u>	<u>\$ 934,754</u>	<u>\$ (657,450)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of University Place have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

The City of University Place, Pierce County, Washington was incorporated on August 31, 1995 and operates under the laws of the State of Washington applicable to an Optional Municipal Code City (RCW 35A) with a Council-Manager form of government. As required by the generally accepted accounting principles the financial statements present The City of University Place, the primary government, and its component units. The component units discussed below are included in the City of University Place reporting entity because of the significance of its operational or financial relationship with the City.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity and activity of the internal service funds has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation between the Governmental and Business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds, Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers property taxes as available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements.

The accounts of the City are organized on the basis of funds. Each fund is a separate accounting entity with a self-balancing set of accounts. The City's resources are allocated to and accounted for in individual funds according to the purpose for which

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

they are spent and how they are controlled. There are two categories of funds – governmental and proprietary. A description of the fund categories is provided below.

The City reports the following major governmental funds:

General Fund

The City of University Place's General (or current expense) Fund accounts for all current financial resources not required by law or administrative action to be accounted for in another fund. It is the largest accounting entity in the City and provides for most of the general government operations. The major revenue sources to the fund are general tax revenues. Licenses and permits, charges for services, and investment interest also provide support.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for and the payment of principal and interest for Council-approved general obligation bonds, letters of credit, and Public Works Trust Fund loans. The City of University Place pledges its full faith and credit for payment of these obligations.

Public Works Capital Improvement Fund

The Public Works Capital Improvement Fund was established to account for receipts and disbursements related to the acquisition, design, construction, and any other related street, traffic, or surface water management project expenditures. Revenues supporting this fund's activities include bond proceeds, grant proceeds, interfund transfers and other revenue sources as may be authorized by the City Council.

Parks Capital Improvement Fund

The Parks Capital Improvement fund was established to account for receipts and disbursements related to acquisition, design, construction, and any other related parks capital expenditures. Park impact fees and a transfer from the REET Fund is the source of revenues for this fund.

The City reports the following major enterprise fund:

Surface Water Management Fund

The Surface Water Management Fund was established to administer and account for all receipts and expenditures related to the City's surface and storm water management system. Activities that are primarily supported by user fees include administration, billings and collections, engineering, construction, operation, maintenance, and repairs.

The City reports the following non-major governmental funds:

Special Revenue Funds

These funds account for revenues derived from specific taxes or other earmarked revenue sources, including state gas tax and state revenue sharing entitlements, which are legally restricted to expenditures for specified purposes.

The *Street Fund* was established in accordance with RCW 35A.37.010 to account for maintenance and improvement of the City's street and traffic control systems. The Transportation Benefit District was established to account for vehicle license fees collected. The fees are collected to fund maintenance, preservation, and safety enhancements to University Place's existing transportation network. This activity is being reported in the Street Fund.

The *Donations Fund* was established to receive donations designated for specific purposes identified by the donor.

Municipal Facilities Capital Improvement Fund

The Municipal Facilities Capital Improvement fund was established to account for receipts and disbursements related to acquisition, design, construction, and any other related facility expenditures. A transfer from the General Fund is the source of revenue for this fund.

The City reports the following four Internal Service funds on a consolidated basis.

Internal Service Funds

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These funds (Fleet and Equipment, Information Technology and Services, Property Management and Risk Management) are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost reimbursement basis.

As a general rule the effect of the inter-fund activity has been eliminated for the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The *Fleet and Equipment Fund* is an internal service fund which accounts for the costs of maintaining and replacing the majority of the City's vehicles and auxiliary equipment. All equipment costs, including depreciation, are factors in calculating the rates that are charged to each user department.

The *Information Technology and Services Fund* is an internal service fund which accounts for all costs associated with data processing, telecommunications, cable, postal operations, copier and duplication services, and the Geographical Information System (GIS). This fund owns and depreciates all non-proprietary fund assets related to these functions, and charges users for both maintenance and operation costs and equipment replacement charges based on depreciation schedules.

The *Property Management Fund* is an internal service fund which accounts for all costs associated with the maintenance and operation of City-owned buildings. Replacement, recovery, maintenance, and operation costs are charged to other City funds and departments for such facilities and furnishings.

The *Risk Management Fund* is an internal service fund which accounts for the City's risk financing activities established to minimize the adverse effects of losses associated with property and casualty, medical and dental, unemployment, and worker's compensation claims. Both risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses) are involved. The City is a member of Washington Cities Insurance Authority (WCIA), which offers a combination of self-insurance, or standard insurance to cover liability and property risks. The City is currently only self-insuring State Unemployment Compensation.

The Strategic Reserve Fund was established by Ordinance 179 to set aside financial resources for mitigating adverse situations caused by severe short-term revenue shortfalls, expenditures resulting from emergencies, or as otherwise designated by the City Council. The fund is financed by transferring unassigned fund balance in the General Fund at the end of each calendar year or by other appropriation, as deemed appropriate by the City Council. This fund is a recourse of last resort and shall be used only when no other reasonable financial management alternative exists. This fund maintains a fund balance in the committed category of Unanticipated emergency with a balance of \$1,235,491.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of accounting refers to the recognition of revenues and expenditures or expenses in the accounts and reporting them in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds also use the accrual basis of accounting.

The **accrual** basis of accounting recognizes revenues when they are earned and expenses are recorded when incurred. All assets and liabilities are recorded in the fund.

The **modified accrual** basis of accounting recognizes revenues and other financial resources when they become susceptible to accrual, i.e., when the related funds become both measurable and available to finance expenditures of the current period. “Measurable” means the amount of the transaction can be determined. To be considered “available”, revenue typically must be collected within sixty days after year-end.

Expenditures are recorded when the fund liability is incurred, except for principal and interest on general long-term debt, and vacation and sick pay which are recorded when paid.

The effect of interfund activity has been eliminated from the government-wide financial statements so that expenses are not reported twice. Amounts reported on the government-wide statements as program revenues include charges to customers or applicants for goods, operating grants and contributions, and capital grants and contributions. General revenues include all taxes. Major revenues recorded on the modified accrual basis are:

Property Taxes – Pierce County acts as the City’s collection agent for these taxes. Once a month, the County electronically transmits to the City the taxes that it has collected on the City’s behalf in the prior month. On this basis, property taxes received in January are considered both measurable and available and therefore are recognized as revenue in the current year.

Other Locally Levied Taxes – Pierce County also acts as the City’s collection agent for the one quarter percent and optional one quarter percent real estate excise taxes. Although a time lag occurs in payment of these taxes to the City, since the taxes are actually collected by Pierce County in December and receipted to the City within 10 days after the end of the year, they are considered to be both measurable and available, and therefore are accrued as revenue at year-end. The State of Washington acts as the City’s collection agency for the locally levied sales tax. The sales tax is distributed monthly and remitted to the City in the following month. It is both measurable and available and is therefore accrued as revenue at year-end.

Grant Revenues – Under Section G60.109 of the Codification of Governmental Accounting and Financial Reporting Standards, revenues for cost reimbursement grants are determined to be earned, and therefore available, at the time related expenditures are incurred. For this reason, grant revenues to be received as reimbursement for expenditures incurred in the current year are also recognized as revenue in that year.

Shared Revenues – Revenues that have been collected but not remitted by an intermediary collection agency to the City are considered measurable and available.

Other Revenue Sources – Other items recognized as revenue in the current year on the modified accrual basis include investment interest earned but not received at year-end; operating transfers, interfund, and intergovernmental service billings related to services provided in the current year which are outstanding at year-end; and any other material revenue amounts determined to be both measurable and available under current modified accrual accounting practices. Revenues not considered to meet the criteria for recognition on the modified accrual basis include licenses and permits, fines and forfeitures, and other miscellaneous revenues which are not generally measurable until received.

Biennial appropriated budgets are adopted for the general and some special revenue funds on the modified accrual basis of accounting. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects. Other budgets are adopted at the level of the fund.

Appropriations for general and special revenue funds lapse at year-end (except for appropriations for capital outlays, which are carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned).

The individual funds within each fund type, which are included in the City’s biennial operating budget, are listed below.

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These funds are budgeted for on a biennial basis.

General Fund

Special Revenue Funds:

Street Fund

Donations Fund

Debt Service Funds:

Debt Service Funds

Capital Projects Funds:

Municipal Facilities CIP Fund

Parks Capital Projects Fund

Public works CIP Fund

Enterprise Funds:

Surface Water Management Fund

Managerial Funds:

Strategic Reserve Fund

Parks and Recreation Fund

Development Services Fund

Police/Public Safety Fund

Traffic Impact Fees Fund

Transportation Benefit District Fund

Arterial Street Fund

Real Estate Excise Tax Fund

The City's budget process and the time limits under which the budget must be prepared are defined by the Revised Code of Washington (RCW) 35A.34. The procedures followed in establishing the biennial budget are described below:

- ◇ By late May, the official budget call is made by the Finance Director for current level service budgets and a preliminary financial forecast.
- ◇ By late July, departments submit their preliminary expenditure estimates and the Finance Department updates the preliminary revenue estimates to define resources available to finance coming year expenditure programs.
- ◇ Prior to the first Tuesday in October, the City Manager submits the proposed budget to the City Council. This budget is based on priorities established by the Council and estimates provided by the City departments during the preceding months and balanced with revenue estimates made by the Finance Director.
- ◇ By October 1, the City Manager files a preliminary budget with the City Clerk. Copies of the preliminary budget are provided to staff and the City Council and are made available to the public.
- ◇ During the first two weeks of October, the City Clerk publishes a notice of the filing of the preliminary budget and notices of public hearings to be held during preliminary budget deliberations.
- ◇ City Council conducts workshops and two public hearings on the proposed budget between October and December. Final hearing on the budget must begin on or before the first Monday of December and may continue until the 25th day prior to the beginning of the next fiscal year.
- ◇ In early December, the City Council adopts an ordinance to establish the amount of property taxes to be levied in the coming year.
- ◇ By December 31, the City Council makes its adjustments to the proposed budget and adopts a final budget by ordinance.
- ◇ The final operating budget, as adopted, is published and distributed within the first three months of the following year. Copies of the adopted budget are made available to the public.
- ◇ By September 1 after the start nor later than December 31 of the first year of the fiscal biennium, the City provides for a mid-biennium review including the preparation of proposed budget modifications and provides for publication of notice of public hearings.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, 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.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

particular fund, it may do so by ordinance approved by a simple majority after holding public hearing(s).

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

The budget for the donations fund is established only at the end of the fiscal year. Therefore, there is no original budget in the Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual.

It is the City's policy to invest all temporary cash surpluses. At December 31, 2020, the City was holding \$31,272,060 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is held in the General Fund.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments are valued at fair value. The fair value of the City's position in the state investment pool is the same as the value of the pool shares. See Note 3.A, Deposits and Investments.

Taxes receivable consists of property taxes and related interest and penalties (See Property Taxes Note 5C) Accrued interest receivable consists of amounts earned on investments, notes and contracts at the end of the year.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund loans receivable/payable or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. A separate schedule of interfund loans receivable and payable is furnished in Note 3.F. Interfund Balances and Transfers.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resource.

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets, which include property, plant, equipment and software, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost and an estimated useful life. Capitalization thresholds and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and improvements	\$ 15,000	10-100 Years
Equipment and software	5,000	4-12 Years
Roads - collectors and residential	15,000	7-40 Years

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset.

The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest incurred by the City during the current year.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over their estimated useful lives.

Net investment in capital assets reported on the Statement of Net Position is calculated by subtracting outstanding debt (less unspent revenue bond proceeds of \$3,573,835) from capital assets.

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

There is no maximum on the vacation balance an employee may carry. However, the maximum vacation balance that an employee may cash out at termination is 240 hours. Vacation pay is payable to the maximum upon resignation, retirement or the death of an employee.

A non-exempt employee may request compensatory time in lieu of overtime payment. Compensatory time is accrued at a rate of one and one-half hours for each hour of overtime worked, accruable to a maximum of 80 hours.

Sick leave accumulation is unlimited. Effective January 1, 2005 any employee in good standing with at least five (5) years of regular employment with the City may cash out up to 40 hours of sick leave per year for 50% of its value at the employee's current hourly wage if their remaining sick balance is over 100 hours. As of January 1, 2007 employees in good standing with seven (7) or more years of regular employment with the City may cash out up to 80 hours for 75% of its value at their current hourly wage as long as their sick leave balance remains over 100 hours. Other sick leave is only payable upon resignation, retirement or the death of an employee. An employee who has been with the City for at least two years may receive twenty-five percent of accumulated sick leave up to a maximum balance of 960 hours.

In accordance with GASB Statement 16, the City accrues vacation pay and no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as termination leave prior to resignation. This provides for the termination pay for eligible employees vacation and twenty-five percent of their sick leave to a maximum of 960 hours accrued.

The entire compensated absence liability is reported on the government-wide financial statements as it meets the criteria identified in the 2005 GAAFR. In the proprietary funds, the amount of compensated absences related to internal service funds is reported as a liability.

Unearned revenues consist of amounts collected before revenue recognition criteria are met. Unearned revenue of \$264,080 was reported in the 2020 Governmental Funds Balance Sheet. The City received \$1,634 in 2020 for pet licenses due in 2021

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

and Traffic Impact Fees totaled \$212,800. Deposits in the amount of \$49,646 also remained at the end of 2020 in the Governmental Funds and \$9,782 in the Internal Service Funds for tenant security deposits.

The government-wide statement of Net Position also includes in the unearned revenue the amount of, \$120,000 this represents the remaining sales contract amount for 15,000 square feet of space within the Civic Building of which the Pierce County Library will take ownership upon payment in full in 2021.

In addition to assets, the Statement of Net Position and or Balance Sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The deferred outflows of resources are reported in the government-wide statement of net position for governmental and business activities and the fund level for the proprietary statement of net position. The City has two items that qualify for reporting in this category. First, the City's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year. Second, the difference between projected and actual earnings on pension plan investments are deferred and recognized as pension plan expense over a closed five-year period as required by GASB 68. In addition to liabilities, the Statement of Net Position and or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has two items that qualify for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period they become available to the City. A deferred inflow of resources is recognized in the government-wide statement of net position for governmental and business activities and the fund level for the proprietary statement of net position for the difference between the expected experience and the actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the plan actuary. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension through the pension plan (active and inactive employees) for the City determined as of the beginning of the measurement date.

All payables, accrued liabilities, and noncurrent liabilities are reported in the government-wide financial statements and on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities once incurred are paid in a timely manner and in full from current financial resources and are reported as obligations of the funds. Bonds, capital leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of University Place implemented Governmental Accounting Standards Board Statement No. 54. For governmental fund financial statements fund balances are reported in five classifications.

- a. Non-spendable: Fund balance amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to remain intact. The City has no non-spendable fund balances at this time. Restricted: Fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.
- b. Committed: Fund balance amounts that are constrained for specific purposes which are internally imposed by the City Council through an ordinance which must be approved by the affirmative vote of a majority of the City Council in a public meeting. Such an ordinance can only be repealed or amended by the affirmative vote of a majority of the City Council in a public meeting.
- c. Assigned: Fund balance amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed. This category of fund balance represents amounts the City Council has authorized the City Manager to assign, through resolution or through the ordinance adopting the City's budget, to be used for a specific purpose. Once assigned, the limitation imposed by the ordinance or resolution remain in place until a similar action is taken (the adoption of an ordinance or passing of a resolution) to remove or revise the limitation.
- d. Unassigned: Fund balance amounts that represent residual positive fund balance within the General Fund that has not been classified as restricted, committed, or assigned, and negative fund balances in other governmental funds.

The City considers restricted amounts to have been spent first when expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available. When expenditures of unrestricted fund balance are incurred, the City considers committed amounts spent first, then assigned amounts, and lastly unassigned amounts.

A minimum fund balance has been established through Resolution 702 Section 3: The City shall attempt to maintain a cash reserve of five to fifteen percent (5%-15%) of its operating budget.

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

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

During 2020, there have been no material violations of finance-related legal or contractual provisions.

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

As required by state law, all deposits and investments of the City's funds are entirely 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 (WPDPC).

Investments

On December 31, 2020, the City had the following investments:

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Investments

Investment	Fair Value
State Investment Pool	\$ 29,795,091
Federal National Mortgage Assn	\$ 995,853

The LGIP is an un-rated 2a-7 like pool, as defined by GASB 31. Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit.

The State's Local Government Investment Pool is managed by the Washington State Treasurer's Office. The LGIP is not SEC registered but has oversight provided by the following sources: 1) annually audited by the Office of the State Auditor; 2) annually audited by an outside, independent auditor; 3) an Advisory Committee meets quarterly to advise the State Treasurer on issues regarding the LGIP; 4) monthly statement enclosures detailing portfolio breakdown and earnings information sent to participants; and, 5) quarterly newsletters that includes a compliance report and quarterly financials. The fair value of the City's position in the pool is the same as the value of the pool shares. Financial reports are available at the State Treasurer's Office, P.O. Box 40200, Olympia, Washington, 98504-2000. The City's Investment Policy allows for investment in the State's Local Government Investment Pool.

The Federal Home Loan Bank and Federal National Mortgage Association bonds are rated Aaa by Moody's and AA+ by Standard and Poors. The Fico Strip bond is rated Aaa by Moody's.

The City has considered GASB 72 requirement for reporting in relation to investments and determined that the LGIP is not required as it is a 2a-7 investment. The FICO Strip and the Federal Home Loan Bond do, however, come under the GASB 72 disclosure agreements. The FHLP bond is currently presented at FMV. The City also considered its Library property that has 2 Retail spaces within the building. This building was originally placed in service as a single office space and was not recorded as and a mixed use asset. Therefore it does not require the detailed reporting of GASB 72.

The city measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: The City uses the market approach for the fair value valuation of its Significant Other Observable Inputs Investments. This approach uses prices and other relevant information from market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities. The City also can make use of quoted market prices as a technique that is consistent with the market approach.

Level 3: Unobservable inputs for an asset or liability.

At December 31,2020, the city had the following investments measured at fair value:

	Fair Value Hierarchy					Net Asset Value	Fair Value
	Level 1	Level 2	Level 3				
U.S Government							
Federal National Mortgage Assn	\$	-	\$ 995,853	\$	-	\$ 1,000,989	\$ 995,853

CITY OF UNIVERSITY PLACE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. DETAILED NOTES ON ALL FUNDS

B. Receivables and Due from Other Governments

The following is an analysis of the accounts receivable and amounts due from other governments for 2020:

Accounts receivable	
Property tax	\$ 117,964
Utility company taxes and ROW use fees	431,937
Gambling and admissions taxes	4,122
TIF Deferral	212,800
Miscellaneous receivables	<u>35,465</u>
Total	<u>\$ 802,288</u>
Due from other governments	
Due from other governments	\$ 2,014,912
Grants receivable	<u>663,831</u>
Total	<u>\$ 2,678,743</u>

C. Capital Assets

Capital assets are tangible or intangible assets having initial useful lives extending beyond a single reporting period. The City has included intangible assets for a number of years and is in compliance with GASB 51. Capital assets activity for governmental activities for the year ended December 31, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 21,552,870	\$ -	\$ -	\$ 21,552,870
Easement	3,203,141	-	-	3,203,141
Construction in progress	<u>1,406,448</u>	<u>2,252,197</u>	<u>1,305,065</u>	<u>2,353,580</u>
Total capital assets, not being depreciated	<u>26,162,459</u>	<u>2,252,197</u>	<u>1,305,065</u>	<u>27,109,591</u>
Capital Assets, Being Depreciated				
Buildings	\$ 46,801,288	\$ 101,234	\$ 2,204,269	\$ 44,698,253
Infrastructure	193,480,272	1,305,066	-	194,785,338
Equipment and Software	<u>4,464,670</u>	<u>65,292</u>	<u>-</u>	<u>4,529,962</u>
Total capital assets, being depreciated	<u>244,746,230</u>	<u>1,471,592</u>	<u>2,204,269</u>	<u>244,013,553</u>
Less Accumulated Depreciated for				
Buildings	\$ (14,167,597)	\$ (1,571,469)	\$ 1,640,044	\$ (14,099,022)
Infrastructure	(151,203,231)	(2,584,668)	-	(153,787,899)
Equipment and Software	<u>(2,722,496)</u>	<u>(297,068)</u>	<u>-</u>	<u>(3,019,564)</u>
Total accumulated depreciation	<u>(168,093,324)</u>	<u>(4,453,205)</u>	<u>1,640,044</u>	<u>(170,906,485)</u>
Total capital assets, being depreciated, net	<u>76,652,906</u>	<u>(2,981,613)</u>	<u>564,225</u>	<u>73,107,068</u>
Governmental activities capital assets, net	<u>\$ 102,815,365</u>	<u>\$ (729,416)</u>	<u>\$ 1,869,290</u>	<u>\$ 100,216,659</u>

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. DETAILED NOTES ON ALL FUNDS

C. Capital Assets

Depreciation expense was charged to functions/programs of the primary government as follows:

Functions/Programs:	
General government	\$ 1,518,713
Transportation	2,660,311
Cultural and Recreation	274,181
Total depreciation expense	<u>\$ 4,453,205</u>

Capital asset for Business-type activities for year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Construction in progress	\$ 195,584	\$ 475,082	\$ 194,974	\$ 475,692
Capital Assets, Being Depreciated				
Infrastructure	18,243,394	194,974	-	18,438,368
Equipment and software*	773,077	5,836	-	778,913
Total capital assets, being depreciated	<u>19,016,471</u>	<u>200,810</u>	<u>-</u>	<u>19,217,281</u>
Less Accumulated Depreciated for				
Infrastructure*	(7,422,575)	(508,988)	-	(7,931,563)
Equipment and software*	(430,219)	(60,833)	-	(491,052)
Total accumulated depreciation	<u>(7,852,794)</u>	<u>(569,821)</u>	<u>-</u>	<u>(8,422,615)</u>
Total capital assets, being depreciated net	<u>11,163,677</u>	<u>(369,011)</u>	<u>-</u>	<u>10,794,666</u>
Business-type activities capital assets, net	<u>\$ 11,359,261</u>	<u>\$ 106,071</u>	<u>\$ 194,974</u>	<u>\$ 11,270,358</u>

Depreciation expense for Business-type activities was charged to functions/programs of the primary government as follows

Surface Water Management	\$ 569,821
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D. Long-Term Debt

The various categories of long-term debt reflected on the City's financial statements are briefly described in the following paragraphs.

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

In 2009 the City issued \$7,760,000 in limited tax general obligation bonds with an interest rate of 5.92%-6.42%. Proceeds of the 2009 Series B bonds were used to pay a portion of the costs of completing the Civic Building and to pay taxable lines of credit entered in connection with the Town Square project.

In 2012 the City issued \$14,130,000 limited tax general obligation bonds with an interest rate of 4.5%-5.0% to refinance the 2007 Series B and the remaining principal on the 2001 LTGO. Those bonds were issued for the purpose of park and

**CITY OF UNIVERSITY PLACE
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3. DETAILED NOTES ON ALL FUNDS

D. Long-Term Debt

recreation improvements at the Cirque and Bridgeport Park site and finance the acquisition of property within the Town Center of the City.

In 2016 the City issued \$19,675,000 in limited tax general obligation bonds with an interest rate of 2.0%-5.0% for the purpose of refinancing of bonds issued in 2005, 2007, and 2009. Those bonds were issued for various purposes including the purchase of Windmill Village/City Hall, Windmill Village remodel, Grandview Avenue CIP, arterial lighting CIP and park land acquisition, make street improvements and sewer improvements, construct a portion of a transit center garage, construct other public capital projects related to the Town Center project and finance the acquisition of property within the Town Center of the City.

In 2019 the City issued \$3,225,000 limited tax general obligation bonds with an interest rate of 3.0%-4.0% for the purposes of funding public improvements in the Town Center of the City. Payment utilizes “local revitalization financing” by using revenues received from a local sales and use tax imposed pursuant to RCW 82.14.510 to pay the principal of and interest on the debt.

Also, in 2019 the City issued \$15,950,000 in limited tax refunding bonds with an interest rate of 1.84%-3.19% to advance refund the 2011 Revenue Bond, and the 2012A and B limited tax general obligation bonds. A portion of the 2012 Series A and B bonds remain unrefunded (\$885,000) and will be paid off in 2022.

General Obligation Bonds approved by the voters are typically repaid through an annual “excess” property tax levy authorized for this purpose by State statute. At year-end 2020 the City had no voter-approved bonds outstanding.

Public Works Trust Fund Loans

State of Washington Public Works Trust Fund Loans (PWTF) are a direct responsibility of the City. University Place had four (4) such loans active in 2020. All loan agreements provide for the interest at 1% or 2% per annum on the outstanding loan balance. Three of the loans were paid in full in 2020 and the fourth will be paid in full in 2025. Proceeds were used for Cirque Drive West improvements, Sunset Drive West improvements, Bridgeport Way improvements and Town Center Streetscape improvements.

CITY OF UNIVERSITY PLACE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. DETAILED NOTES ON ALL FUNDS

D. Long-Term Debt

Long-term debt activity for the year ended December 31, 2020 follows:

Description	Date of Issue	Maturity Date	Amount Originally Issued	Beginning Outstanding Debt	Amount Issued	Amount Redeemed	Ending Outstanding Debt
Governmental Activity							
General obligation bonds							
2009 Series B	24-Aug-09	1-Dec-34	\$ 7,760,000	\$ 6,150,000	\$ -	\$ 740,000	\$ 5,410,000
2012 Series A	20-Nov-12	1-Dec-37	6,250,000	445,000	-	215,000	230,000
2012 Series B (taxable)	20-Nov-12	1-Dec-37	7,880,000	440,000	-	150,000	290,000
2016 LTGO	29-Sep-16	1-Dec-34	19,675,000	18,545,000	-	200,000	18,345,000
2019 LTGO Series A (Tax Exempt)	5-Dec-19	1-Dec-37	3,225,000	3,225,000	-	140,000	3,085,000
2019 LTGO Refunding Series B (Taxable)	5-Dec-19	1-Dec-37	15,950,000	15,950,000	-	240,000	15,710,000
Subtotal			<u>60,740,000</u>	<u>44,755,000</u>	<u>-</u>	<u>1,685,000</u>	<u>43,070,000</u>
Other debt							
Public works trust fund loans							
PW-00-691-059	1-Jul-01	1-Jul-20	345,508	18,185	-	18,185	-
PW-00-691-060	1-Jul-01	1-Jul-20	665,280	35,674	-	35,674	-
PW-00-691-058	1-Jul-02	1-Jul-20	495,132	29,290	-	29,290	-
PW-05-691-PRE-145	1-Jul-06	1-Jul-25	766,983	249,315	-	41,549	207,766
Subtotal			<u>2,272,903</u>	<u>332,464</u>	<u>-</u>	<u>124,698</u>	<u>207,766</u>
Total governmental activity general obligation bonds & other debt			<u>\$ 63,012,903</u>	<u>\$ 45,087,464</u>	<u>\$ -</u>	<u>\$ 1,809,698</u>	<u>\$ 43,277,766</u>
Business-type Activity							
Other debt							
Public works trust fund loans							
PW-00-691-059	1-Jul-01	1-Jul-20	334,492	17,604	-	17,604	-
PW-00-691-060	1-Jul-01	1-Jul-20	294,720	15,799	-	15,799	-
PW-00-691-058	1-Jul-02	1-Jul-20	136,012	8,047	-	8,047	-
PW-05-691-PRE-145	1-Jul-06	1-Jul-25	99,762	32,444	-	5,412	27,032
Subtotal			<u>864,986</u>	<u>73,894</u>	<u>-</u>	<u>46,862</u>	<u>27,032</u>
Total business-type activity other-debt			<u>\$ 864,986</u>	<u>\$ 73,894</u>	<u>\$ -</u>	<u>\$ 46,862</u>	<u>\$ 27,032</u>

**CITY OF UNIVERSITY PLACE
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3. DETAILED NOTES ON ALL FUNDS

D. Long-Term Debt

Annual debt service requirements to maturity for general obligation debt are as follows:

General Obligation Bonds

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	1,760,000	1,836,177	3,596,177	-	-	-
2022	1,830,000	1,759,425	3,589,425	-	-	-
2023	1,925,000	1,666,089	3,591,089	-	-	-
2024	2,020,000	1,569,964	3,589,964	-	-	-
2025	2,055,000	1,468,245	3,523,245	-	-	-
2026-2030	11,315,000	5,876,579	17,191,579	-	-	-
2031-2035	14,945,000	3,053,670	17,998,670	-	-	-
2036-2038	7,220,000	352,314	7,572,314	-	-	-
Total	<u>\$ 43,070,000</u>	<u>\$ 17,582,463</u>	<u>\$ 60,652,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Public Works Trust Fund Loans

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 41,553	\$ 1,039	\$ 42,592	\$ 5,407	\$ 135	\$ 5,542
2022	41,553	831	42,384	5,407	108	5,515
2023	41,553	623	42,176	5,407	81	5,488
2024	41,553	416	41,969	5,407	54	5,461
2025	41,554	207	41,761	5,404	27	5,431
Total	<u>\$ 207,766</u>	<u>\$ 3,116</u>	<u>\$ 210,882</u>	<u>\$ 27,032</u>	<u>\$ 405</u>	<u>\$ 27,437</u>

CITY OF UNIVERSITY PLACE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. DETAILED NOTES ON ALL FUNDS

E. Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 is as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year	Due in More than One Year
Bonds and Loans Payable						
General obligation bonds	\$ 44,755,000	\$ -	\$ (1,685,000)	\$ 43,070,000	\$ 1,760,000	\$ 41,310,000
Public works trust fund loans	332,464	-	(124,698)	207,766	41,553	166,213
Total bonds and loans payable	<u>45,087,464</u>	<u>-</u>	<u>(1,809,698)</u>	<u>43,277,766</u>	<u>1,801,553</u>	<u>41,476,213</u>
Compensated absences	574,963	65,900	-	640,863	211,485	429,378
Net pension liability	<u>1,373,790</u>	<u>-</u>	<u>(11,479)</u>	<u>1,362,311</u>	<u>-</u>	<u>1,362,311</u>
Government activities, long-term liabilities	<u>\$ 47,036,217</u>	<u>\$ 65,900</u>	<u>\$ (1,821,177)</u>	<u>\$ 45,280,940</u>	<u>\$ 2,013,038</u>	<u>\$ 43,267,902</u>
Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year	Due in More than One Year
Bonds and loans payable						
Public works trust fund loans	\$ 73,894	\$ -	\$ (46,862)	\$ 27,032	\$ 5,407	\$ 21,625
Total bonds and loans payable	<u>73,894</u>	<u>-</u>	<u>(46,862)</u>	<u>27,032</u>	<u>5,407</u>	<u>21,625</u>
Compensated absences	83,532	10,425	-	93,957	31,006	62,952
Net pension liability	<u>251,999</u>	<u>19,159</u>	<u>-</u>	<u>271,158</u>	<u>-</u>	<u>271,158</u>
Business -type activities, long-term liabilities	<u>\$ 409,425</u>	<u>\$ 29,584</u>	<u>\$ (46,862)</u>	<u>\$ 392,147</u>	<u>\$ 36,413</u>	<u>\$ 355,735</u>

The general fund and internal service funds typically have been used in prior years to liquidate the liability for compensated absences.

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. DETAILED NOTES ON ALL FUNDS

F. Transfers

Transfers are legally authorized contributions of resources from one fund to another to subsidize designated activities or expenditures. Transfers are accounted for as “Other Financing Sources and Uses”. The City transferred funds for various construction projects, to the debt service fund as principle and interest payments become due and to finance various programs accounted for in other funds in accordance with budgetary authorizations. The following transfers were recorded during 2020:

Fund Category	2020	
	Transfer in	Transfer out
General	\$ 3,021	\$ 6,133,574
Surface water management	-	76,676
Public works capital improvement	4,855,139	-
Municipal facilities capital improvement	41,221	-
Parks capital improvement	33,464	-
Debt service	3,719,108	3,572,995
Street Fund	386,639	-
Internal service	744,653	-
Total	<u>\$ 9,783,245</u>	<u>\$ 9,783,245</u>

G. Construction and other significant commitments

Construction Commitments - The City has active public works capital improvement construction projects as of December 31, 2020. The projects include street construction and widening, parks and trails, general government facilities, technology upgrades and waterworks system improvements. At December 31, 2020, the City’s construction commitments were \$1,453,747.

Construction Commitments	
Project	Remaining
Cirque Drive Phase 3	\$ 259,623
37th St Improvements	6,000
Lakewood Dr Overlay	3,176
Alameda Ave	2,250
Homestead Park	10,500
Chambers Creek Trail	101,342
Tahoma Storm Imp	31,621
67th Phase 1	85,506
67th Phase 2	84,740
Cirque 3	1,584
Chambers Creek Roadway	3,020
Larsen Lane ph 2	595,002
35th Street	71,530
67th Ave Ph 2	197,853
Total	<u>\$ 1,453,747</u>

Encumbrances – Encumbrances (e.g., purchase orders, contracts) accounting is employed in governmental funds. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At the year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. DETAILED NOTES ON ALL FUNDS

G. Construction and other significant commitments

General funds	\$ 22,395
Parks & Recreation	107,108
Public Works CIP	611,502
IT Internal service fund	57,325
Total	<u>\$ 798,330</u>

NOTE 4. PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2020:

Aggregate Pension Amounts - All Plans	PERS 1	PERS 2/3	Total
Pension liabilities	\$ 1,109,896	\$ 523,573	\$ 1,633,469
Deferred outflows of resources	\$ 118,924	\$ 438,814	\$ 557,738
Deferred inflows of resources	\$ 6,179	\$ 455,035	\$ 461,214
Pension Expense/Expenditures	\$ 36,167	\$ 33,388	\$ 69,555

State Sponsored Pension Plans

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

The Department of Retirement Systems (DRS), 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

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

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

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

Contributions

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION PLANS

Public Employees' Retirement System (PERS)

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee
January through August 2020	12.86 %	6.00 %
September through December 2020	12.97 %	6.00 %

The city's actual contributions to the plan were \$235,147 for the year ended December 31, 2020.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

With a benefit that is reduced by three percent for each year before age 65; or

With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2/3
January through August 2020	12.86 %	7.41 %
September through December 2020	12.97 %	7.90 %
Employee PERS Plan 3		Varies

The city's actual contributions to the plan were \$365,254 for the year ended December 31, 2020.

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION PLANS

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Experience Study* and the *2019 Economic Experience Table*.

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

Inflation: 2.75% total economic inflation; 3.5% salary inflation

Salary increases: In addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity.

Investment rate of return: 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION PLANS

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed income	20.00 %	2.20 %
Tangible assets	7.00 %	5.10 %
Real estate	18.00 %	5.80 %
Global equity	32.00 %	6.30 %
Private equity	23.00 %	9.30 %
	100.00 %	

Sensitivity of NPL

The table below presents the City of University Place's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 1,390,208	\$ 1,109,896	\$ 865,435
PERS 2/3	\$ 3,257,816	\$ 523,573	\$ (1,728,076)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

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

At June 30, 2020, the City of University Place reported a total pension liability of \$1,633,469 for its proportionate share of the net pension liabilities as follows:

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION PLANS

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

PERS 1	\$ 1,109,896
PERS 2/3	<u>523,573</u>
	<u>\$ 1,633,469</u>

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

	Proportionate Share 6/30/2019	Proportionate Share 6/30/2020	Change in Proportion
PERS 1	0.031882 %	0.031437 %	0.000445 %
PERS 2/3	0.041161 %	0.040938 %	0.000223 %

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

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2020 the city recognized pension expense as follows:

	Pension Expense
PERS 1	\$ 36,167
PERS 2/3	<u>33,388</u>
Total	<u>\$ 69,555</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience PERS 2/3	\$ 187,432	\$ (65,616)
Net difference between projected and actual investment earnings PERS 2/3	-	(26,590)
Change of assumptions PERS 2/3	7,457	(357,646)
Changes in proportionate share	49,039	(5,182)
Contributions subsequent to the measurement date	194,886	-
Total PERS 2/3	<u>438,814</u>	<u>(455,034)</u>
Differences between actual and experience PERS 1.	-	-
Net difference between projected and actual investment earnings PERS 1	-	(6,180)
Contributions subsequent to the measurement date	118,924	-
Total PERS 1	<u>118,924</u>	<u>(6,180)</u>

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION PLANS

Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total all plans	<u>\$ 557,738</u>	<u>\$ (461,214)</u>

Deferred outflows of resources related to pensions resulting from the city's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PERS 1	PERS 2/3
2021	\$ (28,043)	\$ (203,856)
2022	(882)	(38,535)
2023	8,557	22,701
2024	14,189	51,708
2025	-	(18,744)
Thereafter	<u>-</u>	<u>(24,380)</u>
Total Net Deferred (Inflows)/Outflows	<u>\$ (6,179)</u>	<u>\$ (211,106)</u>

Other Local Government Pension Systems - City of University Place Employee's Retirement Plan

The City Council established a defined contribution retirement plan called the University Place Retirement Plan effective August 31, 1995 (the date of incorporation) in accordance with Internal Revenue Code Section 401(a). The plan was established as an alternative to the Federal Social Security System and is authorized by the Federal Social Security Act (42 USCA, Section 418(g)). In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the financial statements of the City. The City Council is authorized under RCW 41.48.050 to establish or amend the plan's provisions and contribution requirements.

The plan is currently administered by ICMA Retirement Corporation. The City Manager is the appointed Trustee of the plan. Covered payroll for 2020 was \$4,355,643 and total City payroll for benefit covered employees was \$4,985,886. The City's contribution was \$270,051 and the employee's contribution was \$295,765. During 2020, there were a total of 47 individuals covered by this plan. As of the end of the year, 45 remained as active employees of the City. No employees were added to the plan and 2 employees left the City's employment and either had been reimbursed their contributions or reimbursement was pending. Eight employees are on a union retirement plan.

The pension benefits a participant will receive depend only on the amount contributed to the participant's account and earnings on investments of these contributions. Employees' self-direct investment amounts to various investment options for both employee and employer contributions. All contributions are invested in instruments arranged through the ICMA Retirement Corporation. The plan assets are not the property of the City and are not subject to the claims of the City's general creditors.

All regular, non-represented employees are required to participate in the City's 401(a) defined contribution retirement plan. The employee contributes a minimum of 6.0% up to 18.0%, and the City provides a matching contribution of 6.2%. Contributions into the plan are tax deferred. Vesting for the City share of the 401(a) contribution is 33.3% after one year, 66.7% after two years, and 100% after three years of being employed with the City of University Place.

International Union of Operating Engineers (IUOE)

Employees represented by the bargaining unit of International Union of Operating Engineers (IUOE) participate in the IUOE pension plan. Per collective bargaining agreement, the City contributes 13.974% to the IUOE pension plan and no employee contribution is required.

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. OTHER INFORMATION

A. Other Employee Benefits

Health and Welfare

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

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

As of December 31, 2020, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

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

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

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an individual stop loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

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

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from the Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. OTHER INFORMATION

A. Other Employee Benefits

Health and Welfare

For the employees of the City of University Place, per the contract through the Trust to the insurance company, the employer must pay 50% of the premium for medical insurance however the employer does not have a requirement to pay a minimum level for dependents. For dental (WDS/Willamette) the Trust requires the employer to pay 75% of the employee, spouse, and dependent premium. For vision (VSP) the Trust requires the employer to pay 100% of the employee premium. The City's contributions to the Trust for the year ended December 31, 2020 were \$763,981 for Medical, \$74,692 for Dental and \$9,581 for Vision which equaled the required contributions of that year.

Long-term Disability

The City also provides insurance payments (approximately 1%) for all full-time employees, and part-time employees that work 20 hours or more per week, for long-term disability, accidental death and dismemberment, and lump sum death benefit coverage.

Deferred Compensation

The City offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. These plans permit City employees to defer a portion of their salary into future years. The deferred compensation is not available until termination, retirement, death, or unforeseeable emergency. Employees may choose to have their plan administered by the State of Washington Deferred Compensation Program (DCP), ICMA Retirement Corporation, Nationwide Retirement Solutions, or Teachers Insurance and Annuity Association/College Retirement Equity Fund (TIAA-CREF). The plan became effective June 14, 1995.

In accordance with GASB Statement 32, the assets of the deferred compensation plans are no longer presented in the City's financial statements. Due to recent changes in the tax law as set forth in the Internal Revenue Code, these assets are not the property of the City or subject to the claims of the City's general creditors.

B. Other Post-Employment Benefits

Association of Washington Cities Benefit Trust ("Trust")

Trust Description. The City is a Participating Employer in the Association of Washington Cities Employee Benefit Trust ("Trust"), a cost-sharing multiple-employer welfare benefit plan administered by the Association of Washington Cities. The Trust provides medical benefits to certain eligible retired employees of Participating Employers and their eligible family members. Under Article VII of the Trust document, the Trustees have the authority and power to amend the amount and the nature of the medical and other benefits provided by the Trust. The Trust issues a publicly available financial report includes financial statements and requires supplementary information for Trust. That report along with a copy of the Trust document may be obtained by writing to Trust at 1076 Franklin Street SE, Olympia, WA 98501-1346 or by calling 1-800-562-8981.

Funding Policy. The Trust provides that contribution requirements of Participating Employers and of participating employees, retirees and other beneficiaries, if any, are established and may be amended by the Board of Trustees of the Trust. Retirees of the City receiving medical benefits from the Trust contribute the following monthly amounts:

Health First - 1000	Health First - 2500
\$1,050.20 for non-Medicare enrolled retiree coverage	\$989.34 for non-Medicare enrolled retiree coverage
\$1,059.36 for non-Medicare enrolled spouse coverage	\$996.54 for non-Medicare enrolled spouse coverage
N/A for Medicare enrolled retiree coverage	N/A for Medicare enrolled retiree coverage
N/A for non-Medicare enrolled spouse coverage	N/A for non-Medicare enrolled spouse coverage

Participating Employers are not contractually required to contribute at the rates assessed each year for non-LEOFF I retirees. The retiree pays for 100% of the premium.

Retirement Health Savings

**CITY OF UNIVERSITY PLACE
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 5. OTHER INFORMATION

B. Other Post-Employment Benefits

Retirement Health Savings

The city also offers employees a Retirement Health Savings (RHS) plan for all benefit eligible employees. RHS is a plan to provide tax-free savings during employment for payment of medical insurance premiums and other qualified post-employment medical expenses allowable under IRC Section 213. The RHS plan is considered to be an HRA (Health Reimbursement Account), and as such Retirement Health Savings plans are unique. As compared to other retirement fund accounts, RHS accumulates on a tax deferred basis and the proceeds are tax free upon withdrawal.

The plan is administered by ICMA Retirement Corporation. The City Manager is the appointed Trustee of the plan.

Until 2007, an employee could make the individual choice to join RHS and determine the amount to be contributed into the account. In April of 2007, the Internal Revenue Service issued a revenue ruling that created a uniform rule set for all HRA accounts. As a result of this ruling, the City had to organize itself into several groups and the affected employees within each group had to decide if they wanted to opt in at a predetermined amount or completely opt out of the system. The City was organized into the following groups: executive team, management team, union staff, line staff, and finally the City Council.

A mandatory city-wide vote was conducted to determine if employees would participate in RHS. This vote was finalized on December 6, 2007. With the exception of the City Council group, which opted out of RHS, groups had over a 60% consensus for opting into the RHS program. The resolution was then brought before the City Council on December 17, 2007 and was unanimously passed. The revised RHS plan took effect on January 1, 2008. A vote was taken again in 2011 and all participating groups opted to continue their participation at the existing rates. The following is a breakdown of what percent of salary each group decided to participate at:

Executive team	3.5 %
Management team	3.0 %
Union staff	2.0 %
Line staff	1.5 %

The total amount contributed by employees in 2020 was \$129,741.

**CITY OF UNIVERSITY PLACE
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 5. OTHER INFORMATION

C. Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are due on approximately the 10th of each month for the prior month's collections.

Property Tax Calendar

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property is established for next year's levy at 100 percent of value.
October 31	Second installment is due.

During the year, property tax revenues are recognized when payments are received from the County. At year end, property tax revenues are recognized for collections expected to occur within 60 days. Unpaid property taxes are recorded as delinquent taxes receivable, offset by deferred inflows. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. The City may levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

Washington State (RCW 84.55.010) limits the growth of regular property taxes to six percent per year, after adjustment for new construction. If the assessed valuation increases by more than six percent due to reevaluation, the levy rate will be reduced.

The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.

Special property tax levies approved by the voters are not subject to the above limitations.

The City's regular tax levy for 2020 was \$0.97 per \$1,000 on an assessed valuation of \$4,643,905,624 for a total regular levy of \$4,483,080.

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. OTHER INFORMATION

D. Risk Management

The City of University Place 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, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence 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 aggregate sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage 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, and loss analyses. WCIA contracts 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.

Risk Management Fund

The City established the Risk Management Fund as an Internal Service Fund to pay insurance premiums, claims, and deductibles for the above areas of risk, as well as to establish reserves for self-insurance and uncovered losses. City operating funds contribute to the Insurance Fund based on information from the contributing funds past claims experience and loss exposures. In the past three years, none of the settlements exceeded the City's insurance coverage. The Risk Management Fund reserves for December 31, 2020 and 2019 were as follows:

	2020	2019
Beginning of year	\$ -	\$ -
Insurance Claims and		
Changes in Estimates	115,314	106,329
Claims Payments	(115,314)	(106,329)
End of Year	<u>\$ -</u>	<u>\$ -</u>

CITY OF UNIVERSITY PLACE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. OTHER INFORMATION

E. Estimated Arbitrage Rebate

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt of over \$5 million to make payments to the United States Treasury of investment interest received at yields that exceed the issuer's tax-exempt borrowing rates. Payments of arbitrage rebate amounts due under these regulations must be made to the U.S. Treasury every five years. The City's estimated rebatable arbitrage amount as of December 31, 2020 is \$0 for its tax-exempt general obligation bond issues subject to the Tax Reform Act issued through that date.

NOTE 6. PRIOR PERIOD ADJUSTMENTS

In prior years certain amounts were understated should have been included in income. The adjustment effected both the fund statements and the Government Wide financial statements. The amount of the prior period adjustment to beginning net position for the Primary Government was \$(100,175).

	Governmental Type Activities Net Position	Business Type Activities Net Position
Correction of motor vehicle fuel tax being overstated in prior year, resulting in an decrease in restricted for traffic impact-roadway improvements net position	\$ 52,237	\$ -
Correction of TBD vehicle fees tax revenue was overstated \$84,362 resulting in a decrease in restricted for other net position	84,362	-
Record Energov payment missed in prior year resulting in a decrease in net position	(36,424)	-
Total prior period adjustments to increase(decrease) net position	<u>\$ 100,175</u>	<u>\$ -</u>

NOTE 7. TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses under Ordinance No. 619. This ordinance allows the City to enter into agreements to provide ad valorem property tax exemptions for multi-family housing in urban centers. The Ordinance will allow for residential targeted area for multi-family property tax exemption in the Town Center Overlay Zone, an urban center as defined by State law and as designated in the City's Comprehensive Plan. Tax abatement will provide limited eight-year exemptions from ad valorem property taxation for multi-family housing in the designated residential targeted area. For the fiscal year ended December 31, 2020, the City abated property taxes totaling \$23,872.

CITY OF UNIVERSITY PLACE NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. RELATED PARTY DISCLOSURE

As a result of its land holdings in the Town Center complex, the City of University Place is subject to two sets of Covenants, Conditions & Restrictions (CC&Rs) and is a member of two associated Condominium Associations (one for each lot). The first is for the site upon which City Hall sits is commonly referred to as “Lot 9,” or the “Civic Building.” The second is for the site directly adjacent to the north is commonly referred to as “Lot 8.”

Under both sets of agreements, whose CC&Rs have been filed with the Pierce County Assessor and bylaws filed with the Washington Secretary of State, the City owns condominium units within each lot and is a co-owner of condominium elements within each of the lots. The City’s ownership of common elements and obligation to contribute towards common expenses is as set forth in the respective CC&Rs and Bylaws.

To manage its Civic Building obligations, the City and the other condominium owner, the Pierce County Library (under the authority of the Condominium Association) have hired a property management company, Association Management, Inc. The City is responsible for 69.54% of the costs associated with the common elements. In the reporting period, this amount was \$371,165.

To address its Lot 8 obligations, in lieu of proceeding through the condominium association, the City and the other condominium owner, have generally separately addressed the operations and maintenance expenditures of the areas principally within their control as expenditures arise.

Note 9. COVID-19 PANDEMIC

In February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of Covid19. In the weeks following the declaration, precautionary measures to slow the spread of the virus had been ordered. These measures included closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

In March 2020, the City shut down City Hall and other City facilities, reduced expenditures and service levels, and started what would become a year of uncertainty. The full impact to City revenues was unknown at the time, but we anticipated reduced Sales Tax, Fuel tax, Admissions Tax and Gambling Tax revenues. At the close of the year, the City’s overall financial condition turned out to be remarkably resilient. The City’s General Fund revenues increased from 2019, resulting in a budget surplus. The surplus is partly due to budget cuts, and partly due to unexpected growth in sales tax revenue generated from online sales.

City of University Place
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 4,998,359	\$ 5,372,614	\$ 6,124,527	\$ 751,913
Licenses and permits	2,717,426	2,914,230	2,955,135	40,905
Intergovernmental	371,896	1,979,050	2,028,259	49,209
Charges for services	490,432	519,231	414,736	(104,495)
Miscellaneous				
Fines and forfeitures	-	-	27	27
Investment earnings	175,353	305,000	210,095	(94,905)
Contributions	-	-	200	200
Other revenues	2,500	2,500	588	(1,912)
Total revenues	<u>8,755,966</u>	<u>11,092,625</u>	<u>11,733,567</u>	<u>640,942</u>
Expenditures				
Current				
General government	2,852,511	4,389,343	3,525,734	863,609
Public safety	-	-	213,835	(213,835)
Transportation	379,359	364,359	301,647	62,712
Natural and economic environment	574,635	528,635	409,829	118,806
Culture and recreation	73,353	198,153	80,668	117,485
Capital outlay	21,000	168,985	-	168,985
Total expenditures	<u>3,900,858</u>	<u>5,649,475</u>	<u>4,531,713</u>	<u>1,117,762</u>
Excess (deficiency) of revenues over expenditures	<u>4,855,108</u>	<u>5,443,150</u>	<u>7,201,854</u>	<u>1,758,704</u>
Other financing sources/uses				
Transfers out	(5,398,494)	(6,287,487)	(5,008,676)	1,278,811
Proceeds from sale of assets	120,000	120,000	120,000	-
Total other financing sources/uses	<u>(5,278,494)</u>	<u>(6,167,487)</u>	<u>(4,888,676)</u>	<u>1,278,811</u>
Net change in budgetary fund balances	(423,386)	(724,337)	2,313,178	3,037,515
Fund balances, beginning of year	<u>4,703,922</u>	<u>6,435,173</u>	<u>7,441,660</u>	<u>1,006,487</u>
Fund balances, end of year	<u>\$ 4,280,536</u>	<u>\$ 5,710,836</u>		<u>\$ 4,044,002</u>

Perspective Difference Reconciliation:

Actual fund balance-general fund schedule of revenues, expenditures, and changes in fund balance \$ 9,754,838

The following funds were budgeted as special revenue funds but do not meet the definition of a special revenue fund under GASB Statement 54 and therefore are accounted for within the General Fund

Parks and Recreation	(325,946)
Development Service Fund	(511,333)
Police and Public Safety	5,598,434
Strategic Reserve Fund	1,235,491
Transportation Benefit District	-
Arterial Street	152,282
Real Estate Excise Tax Fund	2,282,190
Traffic Impact Fees	<u>164,704</u>

Total fund balance - general fund balance sheet for governmental funds \$ 18,350,660

City of University Place
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Public Employee's Retirement System Plan 1
As of June 30, 2020
Last 10 Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.031437 %	0.031882 %	0.031920 %	0.031751 %	0.030163 %	0.033911 %
Employer's proportionate share of the net pension liability	<u>\$ 1,109,896</u>	<u>\$ 1,225,976</u>	<u>\$ 1,425,558</u>	<u>\$ 1,506,610</u>	<u>\$ 1,619,895</u>	<u>\$ 1,565,428</u>
Employer's covered payroll	<u>\$ 4,787,719</u>	<u>\$ 4,469,376</u>	<u>\$ 4,259,211</u>	<u>\$ 4,004,159</u>	<u>\$ 3,759,385</u>	<u>\$ 3,734,829</u>
Employer's proportionate share of the net pension liability as a percentage of covered payroll	23.18 %	27.43 %	33.47 %	37.63 %	43.09 %	41.91 %
Plan fiduciary net position as a percentage of the total pension liability	68.64 %	67.12 %	63.22 %	61.24 %	57.03 %	59.10 %

* Until a full 10-year trend is compiled, the City will not represent information for those years for which information is not available.

City of University Place
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Public Employee's Retirement System Plans 2 and 3
As of June 30, 2020
Last 10 Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.040938 %	0.041161 %	0.040981 %	0.040841 %	0.038694 %	0.043812 %
Employer's proportionate share of the net pension liability	<u>523,574</u>	<u>399,813</u>	<u>699,714</u>	<u>1,419,030</u>	<u>1,948,212</u>	<u>1,565,428</u>
Employer's covered payroll	<u>\$ 4,787,719</u>	<u>\$ 4,469,376</u>	<u>\$ 4,259,211</u>	<u>\$ 4,004,159</u>	<u>\$ 3,759,385</u>	<u>\$ 3,734,829</u>
Employer's proportionate share of the net pension liability as a percentage of covered payroll	10.94 %	8.95 %	16.43 %	35.44 %	51.82 %	41.91 %
Plan fiduciary net position as a percentage of the total pension liability	97.22 %	97.77 %	95.77 %	90.97 %	85.82 %	89.20 %

* Until a full 10-year trend is compiled, the City will not represent information for those years for which information is not available

City of University Place
Required Supplementary Information
Schedule of Employer Contributions
Public Employee's Retirement System Plan 1
As of December 31, 2020
Last 10 Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions	\$ 235,147	\$ 227,973	\$ 221,690	\$ 202,005	\$ 185,267	\$ 162,900
Contributions in relation to the statutorily or contractually required contributions	<u>(235,147)</u>	<u>(227,973)</u>	<u>(221,690)</u>	<u>(202,005)</u>	<u>(185,267)</u>	<u>(162,900)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,896,166	\$ 4,613,018	\$ 4,381,735	\$ 4,122,195	\$ 3,884,027	\$ 3,718,569
Contributions as a percentage of covered payroll	4.80 %	4.94 %	5.06 %	4.90 %	4.77 %	4.38 %

* Until a full 10-year trend is compiled, the City will not represent information for those years for which information is not available

City of University Place
Required Supplementary Information
Schedule of Employer Contributions
Public Employee's Retirement System Plans 2 and 3
As of December 31, 2020
Last 10 Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions	\$ 365,255	\$ 356,277	\$ 328,572	\$ 283,003	\$ 241,977	\$ 209,109
Contributions in relation to the statutorily or contractually required contributions	<u>(365,255)</u>	<u>(356,277)</u>	<u>(328,572)</u>	<u>(283,003)</u>	<u>(241,977)</u>	<u>(209,109)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 4,896,166</u>	<u>\$ 4,613,018</u>	<u>\$ 4,381,735</u>	<u>\$ 4,122,195</u>	<u>\$ 3,884,027</u>	<u>\$ 3,718,569</u>
Contributions as a percentage of covered payroll	7.46 %	7.72 %	7.50 %	6.87 %	6.23 %	5.62 %

* Until a full 10-year trend is compiled, the City will not represent information for those years for which information is not available.

City of University Place
Notes to the Required Supplementary Information

Budgetary Information

The City's biennial budget is adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all governmental funds.

Fund Financial Statements
Non-Major Governmental Funds

Special Revenue Funds

These funds account for the proceeds of specific revenue sources other than special assessments, expendable trust, or major capital projects. These revenues finance particular activities or functions as required by law or administrative regulations. The City of University Place's Non-major Special Revenue Funds are summarized below.

Street Fund

The Street Fund was established in accordance with RCW 35A.37.010 to account for maintenance and improvement of the City's street and traffic control systems. The Transportation Benefit District was established to account for vehicle license fees collected. The fees are collected to fund maintenance, preservation, and safety enhancements to University Place's existing transportation network. This activity is being reported in the Street Fund.

Donations Fund

The Donations Fund was established to receive donations designated for specific purposes identified by the donor.

City of University Place
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020
(Unaudited)

	Total Nonmajor Special Revenue Funds	Municipal Facilities Nonmajor Capital Project	Total Nonmajor Governmental Funds
Assets			
Cash and equivalents	\$ 2,266,307	\$ 3,549	\$ 2,269,856
Accounts receivables	35,421	-	35,421
Due from other government units	135,175	-	135,175
Total assets	<u>\$ 2,436,903</u>	<u>\$ 3,549</u>	<u>\$ 2,440,452</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 30,844	\$ -	\$ 30,845
Accrued salaries and wages	6,386	-	6,386
Total liabilities	<u>37,230</u>	<u>-</u>	<u>37,230</u>
Fund balances			
Restricted			
Traffic impact-roadway improvements	2,377,451	-	2,377,451
Donations	22,222	-	22,222
Municipal facilities capital improvements	-	3,549	3,549
Total fund balances	<u>2,399,673</u>	<u>3,549</u>	<u>2,403,222</u>
Total liabilities and fund balance	<u>\$ 2,436,903</u>	<u>\$ 3,549</u>	<u>\$ 2,440,452</u>

City of University Place
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020
(Unaudited)

	Total Nonmajor Special Revenue Funds	Municipal Facilities Nonmajor Capital Project	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 1,355,589	\$ -	\$ 1,355,590
Licenses and permits	470,766	-	470,766
Miscellaneous			
Rental, concessions and sales	3,250	-	3,250
Contributions	8,048	-	8,048
Other revenues	15,634	-	15,634
Total revenues	<u>1,853,287</u>	<u>-</u>	<u>1,853,288</u>
Expenditures			
Current			
General government	75,181	-	75,181
Transportation	954,074	-	954,074
Culture and recreation	11,180	-	11,180
Capital outlay	7,693	37,857	45,549
Total expenditures	<u>1,048,128</u>	<u>37,857</u>	<u>1,085,984</u>
Excess (deficiency) of revenues over expenditures	<u>805,159</u>	<u>(37,857)</u>	<u>767,304</u>
Other financing sources/uses			
Transfers in	386,639	41,221	427,860
Insurance recovery	63,540	-	63,540
Total other financing sources/uses	<u>450,179</u>	<u>41,221</u>	<u>491,400</u>
Net change in fund balances	1,255,338	3,364	1,258,702
Fund balances, beginning of year	1,264,375	185	1,264,560
Prior period adjustment	(120,040)	-	(120,040)
Fund balances, beginning of year restated	<u>1,144,335</u>	<u>185</u>	<u>1,144,520</u>
Fund balances, end of year	<u>\$ 2,399,673</u>	<u>\$ 3,549</u>	<u>\$ 2,403,222</u>

City of University Place
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020
(Unaudited)

	Street	Donations Fund	Total Nonmajor Special Revenue Funds
Assets			
Cash and equivalents	\$ 2,243,709	\$ 22,598	\$ 2,266,307
Accounts receivables	35,421	-	35,421
Due from other government units	135,175	-	135,175
Total assets	<u>\$ 2,414,305</u>	<u>\$ 22,598</u>	<u>\$ 2,436,903</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 30,468	\$ 376	\$ 30,844
Accrued salaries and wages	6,386	-	6,386
Total liabilities	<u>36,854</u>	<u>376</u>	<u>37,230</u>
Fund balances			
Restricted			
Traffic impact-roadway improvements	2,377,451	-	2,377,451
Donations	-	22,222	22,222
Total fund balances	<u>2,377,451</u>	<u>22,222</u>	<u>2,399,673</u>
Total liabilities and fund balance	<u>\$ 2,414,305</u>	<u>\$ 22,598</u>	<u>\$ 2,436,903</u>

City of University Place
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020
(Unaudited)

	Street	Donations Fund	Total Nonmajor Special Revenue Funds
Revenues			
Taxes	\$ 1,355,589	\$ -	\$ 1,355,589
Licenses and permits	470,766	-	470,766
Miscellaneous			
Rental, concessions and sales	-	3,250	3,250
Contributions	-	8,048	8,048
Other revenues	15,634	-	15,634
Total revenues	<u>1,841,989</u>	<u>11,298</u>	<u>1,853,287</u>
Expenditures			
Current			
General government	75,181	-	75,181
Transportation	954,074	-	954,074
Culture and recreation	-	11,180	11,180
Capital outlay	7,693	-	7,693
Debt service			
Total expenditures	<u>1,036,948</u>	<u>11,180</u>	<u>1,048,128</u>
Excess (deficiency) of revenues over expenditures	<u>805,041</u>	<u>118</u>	<u>805,159</u>
Other financing sources/uses			
Transfers in	386,639	-	386,639
Insurance recovery	63,540	-	63,540
Total other financing sources/uses	<u>450,179</u>	<u>-</u>	<u>450,179</u>
Net change in fund balances	1,255,220	118	1,255,338
Fund balances, beginning of year	<u>1,242,271</u>	<u>22,104</u>	<u>1,264,375</u>
Prior period adjustments	<u>(120,040)</u>	<u>-</u>	<u>(120,040)</u>
Fund balances, beginning of year restated	1,122,231	22,104	1,144,335
Fund balances, end of year	<u>\$ 2,377,451</u>	<u>\$ 22,222</u>	<u>\$ 2,399,673</u>

Budgetary Comparison Schedule

Governmental Funds

Governmental Budgetary Comparison Statements include the following:

- ⇒ Special Revenue Funds
 - Street Fund
 - Donations Fund
- ⇒ Capital Project Funds
 - Parks Capital Projects Fund
 - Public Works Capital Projects Fund
 - Municipal Facilities Capital Projects Fund
- ⇒ Debt Service Fund

Managerial Funds for Budgetary Purposes

These funds account for the proceeds of specific revenue sources other than special assessments, expendable trust, or major capital projects. These revenues finance particular activities or functions as required by law or administrative regulations. The City of University Place's Managerial Funds that are not classified as Special Revenue Funds are summarized below.

Parks and Recreation Fund

The Parks and Recreation Fund was established to identify revenues and expenditures related to the operation of Parks and Recreation. The City discontinued its Recreation programs in 2017, so currently this fund only tracks Parks Maintenance operations. Parks maintenance is funded through a 1% Sales tax dedicated to Parks and a transfer from the General Fund.

Development Services Fund

The Development Services Fund was established to identify revenues and expenditures related to planning, building and engineering associated with private development. Non fee supported activities (including, but not limited to, long range planning, customer service, general administration and special projects management) are funded by a transfer from the General Fund.

Police and Public Safety Fund

The Police and Public Safety Fund was established to identify revenues and expenditures related to police services, court services, jail services, city attorney's office, crime prevention, animal control, code enforcement, and emergency management. It is funded through property taxes, revenues identified by state statutes collected in support of public safety, fines and forfeitures, pet license fees, and grants.

Strategic Reserve Fund

The Strategic Reserve Fund was established by ordinance to set aside financial resources for mitigating adverse situations caused by severe short-term revenue shortfalls, expenditures resulting from emergencies, or as otherwise designated by the City Council. Per City Ordinance 179, the fund is financed by transferring undesignated and unreserved fund balance, (now classified as unassigned fund balance by GASB 54) in the General Fund at the end of each calendar year or by other appropriation, as deemed appropriate by the City Council. This fund is a recourse of last resort and shall be used only when no other reasonable financial management alternative exists.

Transportation Benefit District Fund

The Transportation Benefit District Fund was established to account for vehicle license fees collected. The fees are collected to fund maintenance, preservation, and safety enhancements to University Place's existing transportation network. This fund is combined with the Street Fund for reporting purposes.

Arterial Street Fund

The Arterial Street Fund was established in accordance with RCW 82.36.020 for the administration of the State-levied motor vehicle fuel tax. These revenues are to be used for the construction, improvement, chip sealing, seal coating, and repair of arterial highways and city streets, or for the payment of related municipal debt.

Budgetary Comparison Schedule

Governmental Funds

Real Estate Excise Tax Fund

The REET Fund accounts for the receipt and disbursement of the .25% real estate excise tax that is dedicated for capital purposes including public buildings and facilities, parks and debt service associated with such capital oriented projects. The fund also accounts for the receipt and expenditure of the additional .25% real estate excise tax authorized by the Growth Management Act. These revenues are restricted to financing capital projects that are specified in the capital facilities plan.

Traffic Impact Fee Fund

The Traffic Impact Fee Fund was established in accordance with RCW 82.02.050 to account for fees received from developers whose projects trigger the imposition of these fees. The fees pay for the incremental impact of the traffic generated by that construction. The funds are restricted for use in construction of specific roadway improvements identified in the enabling ordinances.

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Street
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 1,399,759	\$ 554,959	\$ 1,355,589	\$ 800,630
Licenses and permits	428,442	457,000	470,766	13,766
Miscellaneous				
Other revenues	12,000	7,000	15,634	8,634
Total revenues	<u>1,840,201</u>	<u>1,018,959</u>	<u>1,841,989</u>	<u>823,030</u>
Expenditures				
Current				
General government	106,352	99,551	75,181	24,370
Transportation	1,979,005	1,433,776	954,074	479,702
Capital outlay	-	-	7,693	(7,693)
Total expenditures	<u>2,085,357</u>	<u>1,533,327</u>	<u>1,036,948</u>	<u>496,379</u>
Excess (deficiency) of revenues over expenditures	<u>(245,156)</u>	<u>(514,368)</u>	<u>805,041</u>	<u>1,319,409</u>
Other financing sources/uses				
Transfers in	314,000	314,000	386,639	72,639
Insurance recovery	-	20,000	63,540	43,540
Total other financing sources/uses	<u>314,000</u>	<u>334,000</u>	<u>450,179</u>	<u>116,179</u>
Net change in fund balances	68,844	(180,368)	1,255,220	1,435,588
Fund balances, beginning of year	<u>923,274</u>	<u>1,242,271</u>	<u>1,242,271</u>	<u>-</u>
Prior period adjustment	-	-	(120,040)	(120,040)
Fund balances, end of year	<u>\$ 992,118</u>	<u>\$ 1,061,903</u>	<u>\$ 2,377,451</u>	<u>\$ 1,315,548</u>

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Donations Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Rental, concessions and sales	\$ -	\$ -	\$ 3,250	\$ 3,250
Contributions	-	-	8,048	8,048
Total revenues	-	-	11,298	11,298
Expenditures				
Current				
Natural and economic environment	-	1,191	-	1,191
Culture and recreation	-	20,914	11,180	9,734
Total expenditures	-	22,105	11,180	10,925
Excess (deficiency) of revenues over expenditures	-	(22,105)	118	22,223
Net change in fund balances	-	(22,105)	118	22,223
Fund balances, beginning of year	-	22,105	22,104	(1)
Fund balances, end of year	\$ -	\$ -	\$ 22,222	\$ 22,222

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Parks CIP
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 709,000	\$ -	\$ -	\$ -
Charges for services	205,596	570,592	509,120	(61,472)
Contribution in aid for constructions	464,334	-	-	-
Total revenues	1,378,930	570,592	509,120	(61,472)
Expenditures				
Culture and recreation	-	-	64,000	(64,000)
Capital outlay	2,084,000	1,987,647	66,928	1,920,719
Total expenditures	2,084,000	1,987,647	130,928	1,856,719
Excess (deficiency) of revenues over expenditures	(705,070)	(1,417,055)	378,192	1,795,247
Other financing sources/uses				
Transfers in	343,000	55,500	33,464	(22,036)
Total other financing sources/uses	343,000	55,500	33,464	(22,036)
Net change in fund balances	(362,070)	(1,361,555)	411,656	1,773,211
Fund balances, beginning of year	1,763,012	1,361,555	1,361,555	-
Fund balances, end of year	\$ 1,400,942	\$ -	\$ 1,773,211	\$ 1,773,211

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Municipal Facilities CIP
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital outlay	-	66,379	37,857	28,522
Total expenditures	-	66,379	37,857	28,522
Excess (deficiency) of revenues over expenditures	-	(66,379)	(37,857)	28,522
Other financing sources/uses				
Transfers in	-	66,194	41,221	(24,973)
Total other financing sources/uses	-	66,194	41,221	(24,973)
Net change in fund balances	-	(185)	3,364	3,549
Fund balances, beginning of year	-	185	185	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,549</u>	<u>\$ 3,549</u>

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Public Works CIP
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 255,000	\$ 4,746,576	\$ 1,700,578	\$ (3,045,998)
Total revenues	255,000	4,746,576	1,700,578	(3,045,998)
Expenditures				
Current				
General government	-	28,095	85,999	(57,904)
Transportation	456,333	1,493,926	163,247	1,330,679
Natural and economic environment	-	-	281,541	(281,541)
Capital outlay	1,978,284	13,842,949	2,252,193	11,590,756
Total expenditures	2,434,617	15,364,970	2,782,980	12,581,990
Excess (deficiency) of revenues over expenditures	(2,179,617)	(10,618,394)	(1,082,402)	9,535,992
Other financing sources/uses				
Transfers in	2,179,617	8,198,902	4,855,139	(3,343,763)
Total other financing sources/uses	2,179,617	8,198,902	4,855,139	(3,343,763)
Net change in fund balances	-	(2,419,492)	3,772,737	6,192,229
Fund balances, beginning of year	-	2,419,492	2,419,492	-
Fund balances, end of year	\$ -	\$ -	\$ 6,192,229	\$ 6,192,229

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Debt Service
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Expenditures				
Debt service				
Principal retirement	\$ 1,429,698	\$ 1,809,698	\$ 1,809,697	\$ 1
Interest	1,896,466	1,908,570	1,909,411	(841)
Total expenditures	3,326,164	3,718,268	3,719,108	(840)
Excess (deficiency) of revenues over expenditures	(3,326,164)	(3,718,268)	(3,719,108)	(840)
Other financing sources/uses				
Transfers in	3,326,164	3,714,621	3,719,108	4,487
Transfers out	-	(3,573,835)	(3,572,995)	840
Total other financing sources/uses	3,326,164	140,786	146,113	5,327
Net change in fund balances	-	(3,577,482)	(3,572,995)	4,487
Fund balances, beginning of year	4,043	3,813,059	3,813,059	-
Fund balances, end of year	\$ 4,043	\$ 235,577	\$ 240,064	\$ 4,487

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Parks and Recreation
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 328,472	\$ 328,472	\$ 372,291	\$ 43,819
Miscellaneous				
Rental, concessions and sales	10,000	10,000	895	(9,105)
Contributions	-	-	100	100
Total revenues	<u>338,472</u>	<u>338,472</u>	<u>373,286</u>	<u>34,814</u>
Expenditures				
Current				
General government	75,147	71,319	64,662	6,657
Transportation	12,100	12,100	13,028	(928)
Culture and recreation	543,968	596,703	439,442	157,261
Total expenditures	<u>631,215</u>	<u>680,122</u>	<u>517,132</u>	<u>162,990</u>
Excess (deficiency) of revenues over expenditures	<u>(292,743)</u>	<u>(341,650)</u>	<u>(143,846)</u>	<u>197,804</u>
Other financing sources/uses				
Transfers in	405,498	405,498	322,200	(83,298)
Transfers out	(112,755)	(111,219)	(111,219)	-
Insurance recovery	-	-	881	881
Total other financing sources/uses	<u>292,743</u>	<u>294,279</u>	<u>211,862</u>	<u>(82,417)</u>
Net change in fund balances	-	(47,371)	68,016	115,387
Fund balances, beginning of year	<u>50,000</u>	<u>101,192</u>	<u>(393,962)</u>	<u>(495,154)</u>
Fund balances, end of year	<u>\$ 50,000</u>	<u>\$ 53,821</u>	<u>\$ (325,946)</u>	<u>\$ (379,767)</u>

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Development Services
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and permits	\$ 446,455	\$ 446,455	\$ 339,435	\$ (107,020)
Intergovernmental	-	91,526	30,802	(60,724)
Charges for services	54,339	54,339	305,710	251,371
Miscellaneous				
Investment earnings	-	-	406	406
Other revenues	25,000	25,000	266	(24,734)
Total revenues	525,794	617,320	676,619	59,299
Expenditures				
Current				
General government	258,133	244,210	205,978	38,232
Public safety	62,505	62,505	52,344	10,161
Transportation	3,950	3,950	2,560	1,390
Natural and economic environment	1,391,949	1,509,405	1,308,856	200,549
Total expenditures	1,716,537	1,820,070	1,569,738	250,332
Excess (deficiency) of revenues over expenditures	(1,190,743)	(1,202,750)	(893,119)	309,631
Other financing sources/uses				
Transfers in	1,190,743	1,198,162	888,529	(309,633)
Total other financing sources/uses	1,190,743	1,198,162	888,529	(309,633)
Net change in fund balances	-	(4,588)	(4,590)	(2)
Fund balances, beginning of year	-	4,588	(506,743)	(511,331)
Fund balances, end of year	\$ -	\$ -	\$ (511,333)	\$ (511,333)

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Police/Public Safety Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 5,117,816	\$ 5,129,530	\$ 5,198,233	\$ 68,703
Licenses and permits	59,045	46,500	46,257	(243)
Intergovernmental	176,788	182,788	171,346	(11,442)
Charges for services	209,898	210,806	151,498	(59,308)
Miscellaneous				
Fines and forfeitures	2,700	2,700	47,407	44,707
Contributions	-	-	500	500
Other revenues	-	-	22	22
Total revenues	<u>5,566,247</u>	<u>5,572,324</u>	<u>5,615,263</u>	<u>42,939</u>
Expenditures				
Current				
General government	767,379	733,349	668,495	64,854
Public safety	4,683,188	4,554,559	4,281,895	272,664
Transportation	3,700	3,700	961	2,739
Natural and economic environment	130,875	130,875	127,694	3,181
Total expenditures	<u>5,585,142</u>	<u>5,422,483</u>	<u>5,079,045</u>	<u>343,438</u>
Excess (deficiency) of revenues over expenditures	<u>(18,895)</u>	<u>149,841</u>	<u>536,218</u>	<u>386,377</u>
Other financing sources/uses				
Transfers in	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources/uses	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	531,105	149,841	536,218	386,377
Fund balances, beginning of year	4,165,366	5,062,216	5,062,216	-
Fund balances, end of year	<u>\$ 4,696,471</u>	<u>\$ 5,212,057</u>	<u>\$ 5,598,434</u>	<u>\$ 386,377</u>

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Strategic Reserve
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources/uses				
Transfers in	-	90,479	90,479	-
Total other financing sources/uses	-	90,479	90,479	-
Net change in fund balances	-	90,479	90,479	-
Fund balances, beginning of year	1,000,000	1,145,012	1,145,012	-
Fund balances, end of year	<u>\$ 1,000,000</u>	<u>\$ 1,235,491</u>	<u>\$ 1,235,491</u>	<u>\$ -</u>

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Transportation Benefit District
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ 844,800	\$ -	\$ (844,800)
Total revenues	-	844,800	-	(844,800)
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	844,800	-	(844,800)
Other financing sources/uses				
Transfers out	-	(929,162)	(84,362)	844,800
Total other financing sources/uses	-	(929,162)	(84,362)	844,800
Net change in fund balances	-	(84,362)	(84,362)	-
Fund balances, beginning of year	-	84,362	84,362	-
Fund balances, beginning of year as restated	-	84,362	84,362	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Arterial Street
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 217,726	\$ 217,726	\$ 176,742	\$ (40,984)
Total revenues	<u>217,726</u>	<u>217,726</u>	<u>176,742</u>	<u>(40,984)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>217,726</u>	<u>217,726</u>	<u>176,742</u>	<u>(40,984)</u>
Other financing sources/uses				
Transfers out	<u>(219,915)</u>	<u>(267,927)</u>	<u>(138,574)</u>	<u>129,353</u>
Total other financing sources/uses	<u>(219,915)</u>	<u>(267,927)</u>	<u>(138,574)</u>	<u>129,353</u>
Net change in fund balances	(2,189)	(50,201)	38,168	88,369
Fund balances, beginning of year	79,147	130,673	130,673	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(16,559)</u>	<u>(16,559)</u>
Fund balances, beginning of year as restated	<u>79,147</u>	<u>130,673</u>	<u>114,114</u>	<u>(16,559)</u>
Fund balances, end of year	<u>\$ 76,958</u>	<u>\$ 80,472</u>	<u>\$ 152,282</u>	<u>\$ 71,810</u>

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Real Estate Excise Tax
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,313,000	\$ 1,313,000	\$ 1,662,090	\$ 349,090
Total revenues	<u>1,313,000</u>	<u>1,313,000</u>	<u>1,662,090</u>	<u>349,090</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,313,000</u>	<u>1,313,000</u>	<u>1,662,090</u>	<u>349,090</u>
Other financing sources/uses				
Transfers out	<u>(1,475,856)</u>	<u>(1,761,054)</u>	<u>(949,575)</u>	<u>811,479</u>
Total other financing sources/uses	<u>(1,475,856)</u>	<u>(1,761,054)</u>	<u>(949,575)</u>	<u>811,479</u>
Net change in fund balances	(162,856)	(448,054)	712,515	1,160,569
Fund balances, beginning of year	<u>685,285</u>	<u>1,569,676</u>	<u>1,569,675</u>	<u>(1)</u>
Fund balances, beginning of year as restated	<u>685,285</u>	<u>1,569,676</u>	<u>1,569,675</u>	<u>(1)</u>
Fund balances, end of year	<u>\$ 522,429</u>	<u>\$ 1,121,622</u>	<u>\$ 2,282,190</u>	<u>\$ 1,160,568</u>

City of University Place
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Traffic Impact Fees
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for services	\$ 240,294	\$ 240,294	\$ 119,264	\$ (121,030)
Total revenues	<u>240,294</u>	<u>240,294</u>	<u>119,264</u>	<u>(121,030)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>240,294</u>	<u>240,294</u>	<u>119,264</u>	<u>(121,030)</u>
Other financing sources/uses				
Transfers out	<u>(800,000)</u>	<u>(1,139,359)</u>	<u>(1,139,360)</u>	<u>(1)</u>
Total other financing sources/uses	<u>(800,000)</u>	<u>(1,139,359)</u>	<u>(1,139,360)</u>	<u>(1)</u>
Net change in fund balances	<u>(559,706)</u>	<u>(899,065)</u>	<u>(1,020,096)</u>	<u>(121,031)</u>
Fund balances, beginning of year	<u>1,047,540</u>	<u>1,184,799</u>	<u>1,184,800</u>	<u>1</u>
Fund balances, end of year	<u><u>\$ 487,834</u></u>	<u><u>\$ 285,734</u></u>	<u><u>\$ 164,704</u></u>	<u><u>\$ (121,030)</u></u>

Non-Major Funds

Proprietary Funds

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost reimbursement basis.

The **Fleet and Equipment Fund** accounts for the costs of maintaining and replacing the majority of City vehicles and auxiliary equipment. All equipment costs, including depreciation, are factors in calculating the rates that are charged to each user department.

The **Information Technology and Services Fund** accounts for all costs associated with data processing, telecommunications, cable, postal operations, copier and duplication services, and the Geographical Information System (GIS). This fund owns and depreciates all non-proprietary fund assets related to these functions, and charges users for both maintenance and operating costs and equipment replacement charges based on depreciation schedules.

The **Risk Management Fund** accounts for the City's risk financing activities established to minimize the adverse effects of losses associated with property and casualty, medical and dental, unemployment, and worker's compensation claims. Both risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses) are involved. The City is a member of Washington Cities Insurance Authority (WCIA), which offers a combination of self-insurance, or standard insurance to cover liability and property risks. The City is currently self-insuring only State Unemployment Compensation. Related premiums received by the fund are used to reimburse the unemployment benefits paid to eligible individuals and to establish reserves for the payment of estimated future unemployment claims liability.

The **Property Management Fund** is an internal service fund which accounts for all costs associated with the maintenance and operation of City-owned buildings. Replacement, recovery, maintenance and operation costs are charged to other City funds and departments for such facilities and furnishings based on the specific use.

City of University Place
Combining Statement of Net Position
Internal Service Funds
December 31, 2020

					<u>Govt. Activities</u>
	<u>Fleet & Equipment</u>	<u>Information Technology & Services</u>	<u>Property Management Fund</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
Assets					
Current assets					
Cash and equivalents	\$ 23,899	\$ 102,239	\$ 130,062	\$ -	\$ 256,200
Accounts receivables	-	-	43	-	43
Total current assets	<u>23,899</u>	<u>102,239</u>	<u>130,105</u>	<u>-</u>	<u>256,243</u>
Noncurrent assets					
Capital assets					
Depreciable assets	933,474	846,035	43,105	10,043	1,832,657
Less: accumulated depreciation	<u>(773,903)</u>	<u>(670,068)</u>	<u>(10,776)</u>	<u>(10,043)</u>	<u>(1,464,790)</u>
Total noncurrent assets	<u>159,571</u>	<u>175,967</u>	<u>32,329</u>	<u>-</u>	<u>367,867</u>
Total assets	<u>\$ 183,470</u>	<u>\$ 278,206</u>	<u>\$ 162,434</u>	<u>\$ -</u>	<u>\$ 624,110</u>
Deferred outflows of resources	<u>-</u>	<u>30,611</u>	<u>1,999</u>	<u>-</u>	<u>32,610</u>
Liabilities, deferred inflows and net position					
Current liabilities					
Accounts payable	\$ 6,979	\$ 63,025	\$ 119,220	\$ -	\$ 189,224
Accrued liabilities	-	4,842	229	-	5,071
Unearned revenue	-	-	9,782	-	9,782
Compensated absences	<u>-</u>	<u>16,769</u>	<u>-</u>	<u>-</u>	<u>16,769</u>
Total current liabilities	<u>6,979</u>	<u>84,636</u>	<u>129,231</u>	<u>-</u>	<u>220,846</u>
Noncurrent liabilities					
Compensated absences	-	34,047	-	-	34,047
Net pension liability	<u>-</u>	<u>93,271</u>	<u>-</u>	<u>-</u>	<u>93,271</u>
Total noncurrent liabilities	<u>-</u>	<u>127,318</u>	<u>-</u>	<u>-</u>	<u>127,318</u>
Total liabilities	<u>6,979</u>	<u>211,954</u>	<u>129,231</u>	<u>-</u>	<u>348,164</u>
Deferred inflows of resources	<u>-</u>	<u>20,675</u>	<u>(1,828)</u>	<u>-</u>	<u>18,847</u>
Net position					
Invested in capital assets	159,571	175,967	32,329	-	367,867
Unrestricted	<u>16,920</u>	<u>(99,779)</u>	<u>4,701</u>	<u>-</u>	<u>(78,158)</u>
Total net position	<u>\$ 176,491</u>	<u>\$ 76,188</u>	<u>\$ 37,030</u>	<u>\$ -</u>	<u>\$ 289,709</u>

City of University Place
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2020

					<u>Govt. Activities</u>
	<u>Fleet & Equipment</u>	<u>Information Technology & Services</u>	<u>Property Management Fund</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
Operating Revenues:					
Charges for services	\$ 137,401	\$ 675,955	\$ 258,271	\$ 115,314	\$ 1,186,941
Miscellaneous	-	-	101,089	-	101,089
Total operating revenues	<u>137,401</u>	<u>675,955</u>	<u>359,360</u>	<u>115,314</u>	<u>1,288,030</u>
Operating Expenses:					
Salaries and employee benefits	-	366,772	48,882	-	415,654
Materials and supplies	30,159	161,710	6,242	2,091	200,202
Services and charges	107,242	551,633	549,704	-	1,208,579
Insurance claims and expenses	-	-	-	113,223	113,223
Depreciation and amortization	<u>72,341</u>	<u>90,419</u>	<u>3,592</u>	<u>-</u>	<u>166,352</u>
Total operating expenses	<u>209,742</u>	<u>1,170,534</u>	<u>608,420</u>	<u>115,314</u>	<u>2,104,010</u>
Operating income (loss)	<u>(72,341)</u>	<u>(494,579)</u>	<u>(249,060)</u>	<u>-</u>	<u>(815,980)</u>
Nonoperating revenue (expenses):					
Income (loss) before transfers	(72,341)	(494,579)	(249,060)	-	(815,980)
Transfers in	<u>30,267</u>	<u>441,142</u>	<u>273,241</u>	<u>-</u>	<u>744,650</u>
Change in net position	(42,074)	(53,437)	24,181	-	(71,330)
Net position, beginning of year	218,565	93,201	12,849	-	324,615
Prior period adjustment	<u>-</u>	<u>36,424</u>	<u>-</u>	<u>-</u>	<u>36,424</u>
Net position, beginning of year restated	<u>218,565</u>	<u>129,625</u>	<u>12,849</u>	<u>-</u>	<u>361,039</u>
Net position, end of year	<u>\$ 176,491</u>	<u>\$ 76,188</u>	<u>\$ 37,030</u>	<u>\$ -</u>	<u>\$ 289,709</u>

City of University Place
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020

	Fleet & Equipment	Information Technology & Services	Property Management Fund	Risk Management	Total
Cash from operating activities:					
Cash receipts from customers	\$ 137,401	\$ 675,954	\$ 366,833	\$ 115,314	\$ 1,295,502
Cash paid to employees for services	-	(283,819)	(104,316)	-	(388,135)
Cash paid to suppliers for goods and services	(150,753)	(674,246)	(559,912)	(2,091)	(1,387,002)
Cash paid for employee benefits	-	(92,339)	27,686	-	(64,653)
Cash receipts from operating grants or subsidies	-	-	61	-	61
Cash paid for insurance claims	-	-	-	(113,223)	(113,223)
Net cash provided (used) by operating activities	(13,352)	(374,450)	(269,648)	-	(657,450)
Cash from noncapital financing activities					
Cash receipts/(payments) from transfers from other funds	30,269	441,141	273,244	-	744,654
Net cash provided (used) by noncapital financing activities	30,269	441,141	273,244	-	744,654
Cash from capital and related financing activities:					
Proceeds/(loss) from retirement of assets	7,900	-	-	-	7,900
Cash payments to acquire, construct or improve capital assets	(30,269)	(27,330)	-	-	(57,599)
Net cash provided (used) by capital and related financing activities	(22,369)	(27,330)	-	-	(49,699)
Net increase (decrease) in cash and cash equivalents	(5,452)	39,361	3,596	-	37,505
Cash and cash equivalents, beginning of year	29,351	62,878	126,466	-	218,695
Cash and cash equivalents, end of year	\$ 23,899	\$ 102,239	\$ 130,062	\$ -	\$ 256,200
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income(loss)	\$ (72,341)	\$ (494,579)	\$ (249,060)	\$ -	\$ (815,980)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	72,341	90,419	3,592	-	166,352
Changes in assets and liabilities:					
Accounts receivable	-	-	442	-	442
Due from other governments	-	-	61	-	61
Accrued compensated absences	-	7,721	-	-	7,721
Accounts payable	(13,352)	39,096	(3,966)	-	21,778
Accrued benefits	-	266	26	-	292
Net pension liability	-	10,356	(20,160)	-	(9,804)
Deferred inflows/outflows for employer contributions	-	(27,729)	(7,615)	-	(35,344)
Prepays and deposits payable	-	-	7,032	-	7,032
Net cash provided (used) by operating activities:	\$ (13,352)	\$ (374,450)	\$ (269,648)	\$ -	\$ (657,450)

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**City of University Place
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020**

Federal Agency Name/Pass-Through Agency Name	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed Through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
US Department of the Treasury/Pass Through from WA State Dept of Commerce	COVID-19 Coronavirus Relief Fund	21.019	20-6541C-353	1,489,050	-	1,489,050	-	1, 2 ,8
Highway Planning and Construction Cluster								
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	STPUL-2957(010)	99,146	-	99,146	-	1, 2 ,8
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	STPUL-2957(009)	45,655	-	45,655	-	1, 2 ,8, 9
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	CM-3236(012)	92,074	-	92,074	-	1, 2 ,8, 9
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	STPUL-3230(001)	86,953	-	86,953	-	1, 2 ,8
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	STPUL-2947(020)	4,844	-	4,844	-	1, 2 ,8
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	NHPP-2947(021)	29,838	-	29,838	-	1, 2 ,8
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	STPUL-2857(003)	28,302	-	28,302	-	1, 2 ,8
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	STPUL-2967(001)	21,954	-	21,954	-	1, 2 ,8
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	STPUL-3200(007)	1,641,825	-	1,641,825	-	1, 2 ,8
US Department of Transportation/Pass Through from WSDOT	Highway Planning and Construction	20.205	STPUL-2957(011)	137,817	-	137,817	-	1, 2 ,8
Total Highway Planning and Construction Cluster:				\$ 2,188,408	\$ -	\$ 2,188,408	\$ -	
Total Federal Awards Expended:				\$ 3,677,458	\$ -	\$ 3,677,458	\$ -	

**City of University Place
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020**

Note 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City of University Place's governmental fund financial statements. The City uses the modified accrual basis of accounting, which is the basis adapted to governmental fund-type measurement focus. All grants reported on this schedule have been accounted for in governmental fund types. Grant revenues are determined to be earned and available at the time related expenditures are incurred. For this reason, grant revenues to be received as reimbursement for expenditures incurred in the current year are also recognized as revenue in that year.

Note 2 - FEDERAL DE MINIMIS INDIRECT COST RATE

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

Note 8 - 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 of University Place'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 9 - ADDITIONAL AMOUNTS NOT PREVIOUSLY REPORTED

The amounts shown include amounts for expenditures in prior periods that were not previously reported because the amounts were not determined until the final payment is reconciled by the State and paid to the City.

City of University Place
Schedule of State and Local Financial Assistance
Year Ended December 31, 2020

Grantor/Program Title	Identification Number	Current Year Expenditures
<u><i>Washington State Department of Commerce</i></u>		
E2SHB 1923/Adopt a Housing Plan	20-63314-062	30,802
<i>Total Washington State Department of Commerce</i>		\$ 30,802
<u><i>Washington State Department of Ecology</i></u>		
2019-2021 Biennial Stormwater Capacity Grant	WQSWCAP-1921-UniPla-00029	50,000
<i>Total Washington State Department of Ecology</i>		\$ 50,000
TOTAL STATE AND LOCAL ASSISTANCE		\$ 80,802

Note 1.-BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the City of University Place's governmental fund financial statements. The City uses the modified accrual basis of accounting, which is the basis adapted to governmental fund-type measurement focus. All grants reported on this schedule have been accounted for in governmental fund types. Grant revenues are determined to be earned and available at the time related expenditures are incurred. For this reason, grant revenues to be received as reimbursement for expenditures incurred in the current year are also recognized as revenue in that year.

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STATISTICAL SECTION

Financial Trends - These schedules contain trend information to help the reader understand how the city's financial performance and fiscal health has changed over time.

Entity Wide Perspective

Table 1 - Net Position by Component, Last Ten Years

Table 2 - Changes in Net Position, Last Ten Years

Table 3 - Program Revenues by Function/Program, Last Ten Years

Fund Perspective

Table 4 - Fund Balances, Governmental Funds

Table 5 - Changes in Fund Balances, Governmental Funds

Revenue Capacity - These schedules contain information to help the reader assess the City's most significant revenue sources, property tax and retail sales tax.

Table 6 - Tax Revenue by Source

Table 7 - Assessed and Estimated Actual Value of Taxable Property – Current Year

Table 8 - Property Tax Levies - Direct and Overlapping Governments

Table 9 – Principal Taxpayers, Current and Nine Years Ago

Table 10 – Property Tax Levies and Collections

Table 11 – Sales Tax by Category

Table 12 – Direct and Overlapping Sales Tax Rates

Table 13 – Sales Taxpayers, Current and Nine Years Ago

Debt Capacity - These schedules present information used in assessing the current level of outstanding debt and the City's ability to issue additional debt in the future.

Table 14 – Ratios of Outstanding Debt by Type

Table 15 – Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita

Table 16 – Computation of Direct and Overlapping Debt

Table 17 – Computation of Limitation of Indebtedness

Table 18 – Compilation of General Obligation Debt Capacity

Demographic Statistics - These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.

Table 19 – Demographic Statistics

Table 20 – Principal Employers, Current and Nine Years Ago

Operating Information - These schedules offer operating data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.

Table 21 – Full Time Equivalent Employees by Function

Table 22 – Operating Indicators by Function/Program

Table 23 – Capital Asset Statistics by Function/Program



City of University Place
Net Position by Component
Last Ten Year

TABLE 1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$ 52,262,278	\$ 54,839,331	\$ 51,594,485	\$ 50,158,131	\$ 49,118,959	\$ 59,736,730	\$ 65,964,032	\$ 58,775,685	\$ 61,301,736	\$ 60,512,728
Restricted	-	-	4,977,561	4,207,993	3,800,871	4,375,806	5,299,942	6,553,218	5,834,664	7,012,125
Unrestricted	<u>7,662,636</u>	<u>8,335,771</u>	<u>1,290,337</u>	<u>5,770,986</u>	<u>5,824,408</u>	<u>9,043,259</u>	<u>12,187,122</u>	<u>12,190,663</u>	<u>13,300,609</u>	<u>17,244,568</u>
Total governmental activities net position	<u>\$ 59,924,914</u>	<u>\$ 63,175,102</u>	<u>\$ 57,862,383</u>	<u>\$ 60,137,110</u>	<u>\$ 58,744,238</u>	<u>\$ 73,155,795</u>	<u>\$ 83,451,096</u>	<u>\$ 77,519,566</u>	<u>\$ 80,437,009</u>	<u>\$ 84,769,421</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,366,963	\$ 11,285,365	\$ 11,243,326
Restricted	-	-	3,882,944	4,486,712	4,106,408	4,102,472	2,754,859	3,381,389	3,801,461	4,365,414
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,882,944</u>	<u>\$ 4,486,712</u>	<u>\$ 4,106,408</u>	<u>\$ 4,102,472</u>	<u>\$ 2,754,859</u>	<u>\$ 14,748,352</u>	<u>\$ 15,086,826</u>	<u>\$ 15,608,740</u>
Primary Government										
Net investment in capital assets	\$ 52,262,278	\$ 54,839,331	\$ 51,594,485	\$ 50,158,131	\$ 49,118,959	\$ 59,736,730	\$ 65,964,032	\$ 70,142,648	\$ 72,587,101	\$ 71,756,054
Restricted for	-	-	8,860,505	8,694,705	7,907,279	8,478,278	8,054,801	9,934,607	9,636,125	11,377,539
Unrestricted	<u>7,662,636</u>	<u>8,335,771</u>	<u>1,290,337</u>	<u>5,770,986</u>	<u>5,824,408</u>	<u>9,043,259</u>	<u>12,187,122</u>	<u>12,190,663</u>	<u>13,300,609</u>	<u>17,244,568</u>
Total primary government net position	<u>\$ 59,924,914</u>	<u>\$ 63,175,102</u>	<u>\$ 61,745,327</u>	<u>\$ 64,623,822</u>	<u>\$ 62,850,646</u>	<u>\$ 77,258,267</u>	<u>\$ 86,205,955</u>	<u>\$ 92,267,918</u>	<u>\$ 95,523,835</u>	<u>\$ 100,378,161</u>

Source: City of University Place CAFR 2011-2020

City of University Place
Changes in Net Position
Last Ten Fiscal Years

TABLE 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 5,583,679	\$ 4,078,073	\$ 4,135,066	\$ 4,838,826	\$ 5,341,577	\$ 4,056,702	\$ 7,522,751	\$ 6,064,189	\$ 5,321,828	\$ 7,417,412
Public safety	3,885,010	4,116,238	3,610,062	3,772,857	4,313,236	3,716,082	3,931,285	4,139,033	4,470,208	4,521,917
Utilities	235,696	(740)	1,501	229	-	-	-	-	-	-
Transportation	4,994,721	5,614,993	4,118,244	4,487,987	4,185,572	3,883,320	4,540,685	4,498,213	5,838,408	4,099,911
Natural and economic environment	233,781	1,229,910	1,531,871	1,562,354	1,359,236	1,369,390	1,604,326	1,702,345	1,804,795	2,035,481
Health and human services	-	-	-	19,861	104,130	42,435	12,034	10,782	10,782	-
Culture and recreation	571,511	921,633	1,103,983	1,162,408	1,304,953	1,238,095	844,917	832,749	1,005,497	846,994
Interest on long-term debt	2,707,817	2,868,939	2,750,344	2,566,304	2,694,094	2,045,581	2,321,204	2,236,073	2,168,299	1,960,644
Total governmental activities	18,212,215	18,829,046	17,251,071	18,410,826	19,302,798	16,351,605	20,777,202	19,483,384	20,619,817	20,882,359
Business-type activities										
Surface water management	-	-	1,559,845	1,497,100	1,355,212	1,272,675	1,604,681	2,169,149	2,220,002	2,265,993
Total business-type activities	-	-	1,559,845	1,497,100	1,355,212	1,272,675	1,604,681	2,169,149	2,220,002	2,265,993
Total primary government	18,212,215	18,829,046	18,810,916	19,907,926	20,658,010	17,624,280	22,381,883	21,652,533	22,839,819	23,148,352
Program revenues										
Governmental activities										
Charges for services										
General government	2,421,481	2,884,980	3,432,163	3,258,958	486,337	31,837	11,469	11,958	8,714	3,969
Public safety	-	129,907	92,195	88,198	79,377	84,489	83,629	85,623	103,584	86,835
Utilities	-	2,699,026	79,288	1,221	432,920	455,484	459,918	472,647	521,801	472,939
Transportation	-	-	44,434	233,384	265,791	-	-	-	-	(3,697)
Natural and economic environment	3,626,800	714,299	736,287	1,200,882	619,785	965,998	1,466,006	691,406	817,050	974,171
Culture and recreation	991,715	586,405	397,062	373,800	369,536	293,130	600	275	737	3,250
Operating grants and contributions	116,833	2,642,625	763,943	316,874	1,188,004	1,018,653	486,660	358,779	326,855	1,852,868
Capital grants and contributions	2,468,217	621,526	2,816,307	3,571,298	3,308,256	5,666,466	4,582,858	3,792,763	2,337,267	2,175,517
Total governmental activities	9,625,046	10,278,768	8,361,679	9,044,615	6,750,006	8,516,057	7,091,140	5,413,451	4,116,008	5,565,852
Business-type activities										
Charges for services	-	-	-	-	2,770,459	2,783,441	2,772,805	2,805,698	2,823,158	2,813,139
Operating grants and contributions	-	-	2,819,837	2,747,343	11,133	11,837	2,030	50,000	-	50,000
Capital grants and contributions	-	-	158,308	23,510	-	-	-	-	-	-
Total business-type activities	-	-	2,978,145	2,770,853	2,781,592	2,795,278	2,774,835	2,855,698	2,823,158	2,863,139
Total primary government	9,625,046	10,278,768	11,339,824	11,815,468	9,531,598	11,311,335	9,865,975	8,269,149	6,939,166	8,428,991
Net (expense)/revenue										
Governmental activities	\$ (8,587,169)	\$ (8,550,278)	\$ (8,889,392)	\$ (9,366,211)	\$ (12,552,792)	\$ (7,835,548)	\$ (13,686,062)	\$ (14,069,933)	\$ (16,503,809)	\$ (15,316,507)
Business-type activities	-	-	1,418,300	1,273,753	1,426,380	1,522,603	1,170,154	686,549	603,156	597,146
Total primary government net (expenses)/revenue	(8,587,169)	(8,550,278)	(7,471,092)	(8,092,458)	(11,126,412)	(6,312,945)	(12,515,908)	(13,383,384)	(15,900,653)	(14,719,361)

City of University Place
Changes in Net Position
Last Ten Fiscal Years

TABLE 2, Continued

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes:										
Real and personal property	3,780,850	3,856,992	4,012,030	4,063,189	4,125,973	4,195,368	4,187,169	4,297,076	4,396,021	4,479,979
Sales	2,714,260	3,093,414	3,419,454	4,123,518	4,661,338	4,118,444	3,981,069	4,412,189	4,701,463	4,928,570
Utility	-	-	-	-	2,323,109	2,278,742	2,297,559	2,167,341	2,088,097	2,059,743
Excise and other taxes	3,776,208	4,295,915	4,185,622	5,270,134	3,045,399	2,897,346	3,134,039	3,368,294	3,622,946	3,779,198
Intergovernmental revenues	506,098	-	-	-	-	-	-	-	-	-
Other revenue	893,277	955,057	267,245	223,406	3,187,561	3,328,034	5,156,020	3,920,015	3,979,763	4,030,006
Investment earnings	12,689	10,558	13,400	27,445	42,489	91,520	201,873	439,131	495,885	210,501
Gain on the sale of capital assets	-	-	-	-	135,529	120,000	185,584	120,000	120,000	120,000
Capital contributions to other governments	-	-	(1,764,902)	-	-	-	-	-	-	-
Transfers	-	-	801,248	669,985	1,367,936	1,526,539	2,517,767	855,461	289,128	76,676
Insurance recoveries	-	-	-	-	-	-	-	46,391	37,281	64,421
Special item - sale of land	-	-	-	(2,736,739)	-	-	-	-	-	-
Total governmental activities	11,683,382	12,211,936	10,934,097	11,640,938	18,889,334	18,555,993	21,661,080	19,625,898	19,730,584	19,749,094
Business-type activities										
Other revenue	-	-	-	-	-	-	-	-	-	1,444
Transfers	-	-	(801,248)	(669,985)	(1,367,936)	(1,526,539)	(2,517,767)	(855,461)	(289,128)	(76,676)
Total business-type activities	-	-	(801,248)	(669,985)	(1,367,936)	(1,526,539)	(2,517,767)	(855,461)	(289,128)	(75,232)
Total primary government	11,683,382	12,211,936	10,132,849	10,970,953	17,521,398	17,029,454	19,143,313	18,770,437	19,441,456	19,673,862
Change in net position										
Governmental activities	3,096,213	3,661,658	2,044,705	2,274,727	6,336,542	10,720,445	7,975,018	5,555,965	3,226,775	4,432,587
Business-type activities	-	-	617,052	603,768	58,444	(3,936)	(1,347,613)	(168,912)	314,028	521,914
Total primary government	\$ 3,096,213	\$ 3,661,658	\$ 2,661,757	\$ 2,878,495	\$ 6,394,986	\$ 10,716,509	\$ 6,627,405	\$ 5,387,053	\$ 3,540,803	\$ 4,954,501

Source: City of University Place CAFR 2011-2020

City of University Place
Program Revenues by Function / Program
Last Ten Year

TABLE 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
General government	\$ 2,438,729	\$ 5,246,885	\$ 3,557,528	\$ 3,473,156	\$ 511,337	\$ 69,571	\$ 25,985	\$ 203,811	\$ 167,326	\$ 1,641,798
Public safety	23,906	233,760	261,793	264,184	367,116	375,567	389,472	252,549	271,827	258,181
Utilities	-	2,782,067	520,034	1,221	432,920	455,484	459,918	472,647	521,801	472,939
Transportation	2,365,099	621,696	2,860,741	3,703,981	3,549,048	5,428,732	4,570,592	3,791,847	2,337,267	2,215,513
Natural and economic environment	3,678,741	743,867	736,287	1,200,882	625,118	1,655,456	1,466,006	691,406	817,050	974,171
Health and human services	-	-	-	-	894,933	38,117	178,567	-	-	-
Culture and recreation	1,118,571	650,493	425,296	401,191	369,536	493,130	600	1,191	737	3,250
Total governmental activities	<u>\$ 9,625,046</u>	<u>\$ 10,278,768</u>	<u>\$ 8,361,679</u>	<u>\$ 9,044,615</u>	<u>\$ 6,750,008</u>	<u>\$ 8,516,057</u>	<u>\$ 7,091,140</u>	<u>\$ 5,413,451</u>	<u>\$ 4,116,008</u>	<u>\$ 5,565,852</u>
Business-type activities										
Surface water management	-	-	2,978,145	2,770,853	2,781,592	2,795,278	2,774,835	2,855,698	2,823,158	2,863,139
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,978,145</u>	<u>\$ 2,770,853</u>	<u>\$ 2,781,592</u>	<u>\$ 2,795,278</u>	<u>\$ 2,774,835</u>	<u>\$ 2,855,698</u>	<u>\$ 2,823,158</u>	<u>\$ 2,863,139</u>
 Total primary government	 <u>\$ 9,625,046</u>	 <u>\$ 10,278,768</u>	 <u>\$ 11,339,824</u>	 <u>\$ 11,815,468</u>	 <u>\$ 9,531,600</u>	 <u>\$ 11,311,335</u>	 <u>\$ 9,865,975</u>	 <u>\$ 8,269,149</u>	 <u>\$ 6,939,166</u>	 <u>\$ 8,428,991</u>

Source: City of University Place CAFR 2011-2020

City of University Place
Fund Balances - Governmental Funds
Last Ten Years

TABLE 4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,836,644	\$ 2,021,497	\$ 2,756,380	\$ 2,969,510	\$ 2,599,176
Committed	-	-	-	-	-	856,934	1,000,000	1,000,000	1,145,012	1,235,491
Assigned	870,804	1,114,750	1,543,822	1,892,740	2,241,115	2,185,328	2,764,364	3,997,109	5,062,216	5,598,434
Unassigned	9,349	1,652,292	2,575,720	4,758,169	6,282,239	5,816,838	7,169,038	6,874,793	6,540,953	8,917,559
Total general fund	<u>\$ 880,153</u>	<u>\$ 2,767,042</u>	<u>\$ 4,119,542</u>	<u>\$ 6,650,909</u>	<u>\$ 8,523,354</u>	<u>\$ 10,695,744</u>	<u>\$ 12,954,899</u>	<u>\$ 14,628,282</u>	<u>\$ 15,717,691</u>	<u>\$ 18,350,660</u>
All Other Governmental Funds										
Unreserved:										
Restricted	8,293,069	8,681,487	4,977,561	4,207,993	4,400,983	2,665,213	3,278,446	3,796,838	2,865,154	4,412,948
Committed	7,210	2,737	-	-	-	-	-	-	-	-
Assigned	17,077	305,820	630,218	968,017	1,131,735	4,066,457	8,080,243	3,452,175	5,993,512	6,195,778
Unassigned	(1,697,949)	-	-	-	-	-	(5,642,039)	-	-	-
Total all other governmental funds	<u>6,619,407</u>	<u>8,990,044</u>	<u>5,607,779</u>	<u>5,176,010</u>	<u>5,532,718</u>	<u>6,731,670</u>	<u>5,716,650</u>	<u>7,249,013</u>	<u>8,858,666</u>	<u>10,608,726</u>
Total governmental funds	<u>\$ 7,499,560</u>	<u>\$ 11,757,086</u>	<u>\$ 9,727,321</u>	<u>\$ 11,826,919</u>	<u>\$ 14,056,072</u>	<u>\$ 17,427,414</u>	<u>\$ 18,671,549</u>	<u>\$ 21,877,295</u>	<u>\$ 24,576,357</u>	<u>\$ 28,959,386</u>

Source: City of University Place CAFR 2011-2020

GASB 54 implemented new fund balance classification in 2011

City of University Place
Changes in Fund Balances - Governmental Funds
Last Ten Years

TABLE 5

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 10,271,318	\$ 10,844,349	\$ 10,882,470	\$ 13,458,468	\$ 13,776,967	\$ 13,072,767	\$ 13,309,372	\$ 13,945,971	\$ 14,502,542	\$ 14,889,474
Licenses and permits	2,421,481	2,704,465	2,721,159	3,046,342	2,881,674	3,078,264	3,717,061	3,674,813	3,749,935	3,811,593
Intergovernmental	3,091,150	3,792,019	4,162,096	3,750,035	4,768,985	6,083,802	2,189,609	6,220,967	4,187,920	3,930,985
Charges for services	3,928,812	4,078,935	1,958,444	2,023,177	1,700,294	1,826,896	1,890,962	1,263,698	1,452,882	1,500,328
Miscellaneous										
Fines and forfeitures	4,141	3,603	11,902	5,240	19,701	37,289	42,837	58,884	43,882	47,434
Rental, concessions and sales	-	-	-	-	94,553	95,266	14,487	10,855	9,345	4,145
Investment earnings	-	-	-	-	42,489	91,520	201,873	439,131	495,885	210,501
Contribution in aid for constructions	-	-	-	-	25,000	37,734	12,266	-	-	-
Contributions	11,333	15,779	-	6,097	34,746	900,142	351,738	204,605	8,957	8,848
Other revenues	-	-	-	-	123,940	131,302	73,743	31,494	17,058	16,511
Federal grants	889,478	456,112	304,003	341,786	10,414	-	1,000,266	-	-	-
State grants and entitlements	-	-	-	-	5,333	175	2,250	-	-	-
Miscellaneous	-	-	-	-	-	-	718	-	-	-
Total revenues	20,617,713	21,895,262	20,040,074	22,631,145	23,484,095	25,355,157	22,807,182	25,850,418	24,468,406	24,419,819
Expenditures										
Current										
General government	4,273,709	2,479,311	3,046,198	3,275,889	3,300,848	3,415,933	3,410,493	3,476,965	3,667,267	4,626,057
Public safety	3,885,010	4,161,087	3,611,011	3,770,125	3,923,198	3,791,170	3,918,786	4,142,300	4,482,962	4,548,074
Utilities	235,696	-	-	-	-	-	-	-	-	-
Transportation	2,661,714	3,360,629	1,625,130	1,979,723	2,147,100	1,403,373	1,837,182	1,812,844	1,979,294	1,435,517
Natural and economic environment	233,781	1,347,956	1,513,284	1,563,013	1,359,815	1,307,642	1,509,428	1,756,734	1,900,620	2,127,919
Culture and recreation	1,037,499	1,063,147	1,098,592	1,164,493	1,018,193	1,017,902	545,927	546,103	725,192	595,290
Health and human services	-	-	-	-	93,348	35,502	1,252	-	-	-
Capital outlay	4,301,893	2,119,023	3,700,702	5,296,863	6,312,496	8,404,171	9,668,941	8,795,189	7,247,035	2,364,670
Debt service										
Principal retirement	1,897,468	15,152,467	1,306,240	1,726,239	1,631,239	1,786,239	1,521,239	1,499,697	3,062,697	1,809,697
Interest	2,707,817	2,824,585	2,662,644	2,632,559	2,544,095	2,102,553	2,285,972	2,241,629	2,180,953	1,909,411
Debt issuance costs	-	107,650	-	-	-	-	-	-	1,586,746	-
Total expenditures	21,234,587	32,615,855	18,563,801	21,408,904	22,330,332	23,264,485	24,699,220	24,271,461	26,832,766	19,416,635
Excess (deficiency) of revenue over (under) expenditures	(616,874)	(10,720,593)	1,476,273	1,222,241	1,153,763	2,090,672	(1,892,038)	1,578,957	(2,364,360)	5,003,184
Other Financing Sources (Uses)										
Transfers in	8,568,568	23,376,320	5,190,609	7,150,777	7,019,382	9,085,501	10,080,116	8,230,998	6,595,322	9,038,592
Transfers out	(8,656,552)	(23,128,200)	(4,934,568)	(6,819,421)	(6,004,731)	(7,891,199)	(8,345,124)	(7,990,069)	(6,850,647)	(9,706,572)
Insurance recovery	-	-	-	-	27,768	-	-	46,391	37,281	64,421
Proceeds from sale of assets	-	600,000	120,000	546,000	120,000	120,000	1,401,180	717,300	120,000	120,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(14,392,002)	-
Proceeds of refunding long term debt	5,885,000	14,130,000	-	-	-	-	-	-	15,950,000	-
Premium on issuance of bonds	(392,239)	-	-	-	-	-	-	-	3,225,000	-
Bond anticipation note	-	-	-	-	-	-	-	-	378,468	-
Total other financing sources (uses)	5,404,777	14,978,120	376,041	877,356	1,162,419	1,314,302	3,136,172	1,004,620	5,063,422	(483,559)
Net change in fund balances	4,787,903	4,257,527	1,852,314	2,099,597	2,316,182	3,404,974	1,244,134	2,583,577	2,699,062	4,519,625
Fund balances, beginning of year	\$ 2,711,657	\$ 7,499,558	\$ 7,875,008	\$ 9,727,322	\$ 11,760,382	\$ 14,022,435	\$ 17,427,414	\$ 18,671,549	\$ 21,877,295	\$ 24,576,360
Prior period adjustment ⁽¹⁾	-	-	-	-	-	-	-	622,169	-	(136,599)
Fund balances, beginning of year restated	2,711,657	7,499,558	7,875,008	9,727,322	11,760,382	14,022,435	17,427,414	19,293,718	21,877,295	24,439,761
Fund balances, end of year	\$ 7,499,560	\$ 11,757,085	\$ 9,727,322	\$ 11,826,919	\$ 14,076,564	\$ 17,427,409	\$ 18,671,548	\$ 21,877,295	\$ 24,576,357	\$ 28,959,386
Debt services as a percentage of non-capital expenditures	27.20 %	58.95 %	26.70 %	27.05 %	26.00 %	26.17 %	25.33 %	23.78 %	24.92 %	21.81 %

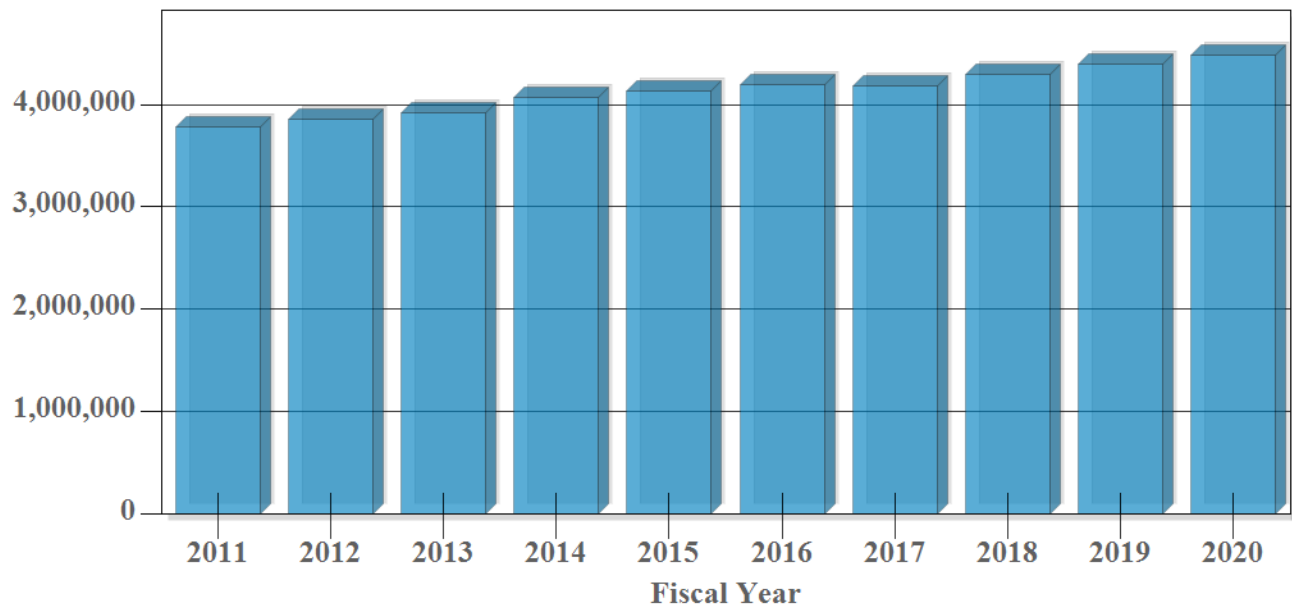
Source: City of University Place, CAFR 2011-2020

City of University Place
Tax Revenue by Source Last Ten Years
General, Special Revenue, and Debt Service Funds
Last Ten Years

TABLE 6

Year	General Property Taxes	General Sales Tax	Utility Taxes	(a) Miscellaneous Other Taxes and Assessments	Total Taxes
2011	\$ 3,780,850	\$ 2,493,549	\$ 2,493,179	\$ 1,503,740	\$ 10,271,318
2012	3,856,992	2,552,103	2,456,160	1,979,094	10,844,349
2013	3,924,801	3,419,454	2,410,110	1,128,108	10,882,473
2014	4,063,189	4,123,518	2,357,963	2,913,798	13,458,468
2015	4,125,973	4,661,338	2,323,109	3,045,399	14,155,819
2016	4,195,368	4,118,444	2,278,742	2,897,346	13,489,900
2017	4,187,169	3,981,069	2,297,559	2,843,575	13,309,372
2018	4,297,076	4,412,189	2,167,341	3,069,365	13,945,971
2019	4,401,025	4,701,463	2,088,097	3,311,957	14,502,542
2020	4,479,979	4,928,570	2,059,743	3,421,182	14,889,474
Change 2011 - 2020	118.49 %	197.65 %	82.62 %	227.51 %	144.96 %

General Property Taxes



Source: City of University Place, CAFR 2011-2020

a) Includes real estate excise, gambling excise, admissions, fuel excise and leasehold excise tax

City of University Place
Assessed Value and Actual Value of Taxable Property
Last Ten Years

TABLE 7

Year	Real Property	Personal Property	Total	Total Direct Tax Rate
2011	3,018,686,530	80,006,747	3,098,693,277	1.23
2012	2,836,789,663	55,289,781	2,892,079,444	1.33
2013	2,602,333,635	52,736,646	2,655,070,281	1.47
2014	2,723,191,741	56,340,282	2,779,532,023	1.43
2015	2,951,603,991	55,213,796	3,006,817,787	1.35
2016	3,101,533,411	58,004,282	3,159,537,693	1.31
2017	3,349,604,625	60,329,046	3,409,933,671	1.23
2018	3,740,855,065	61,095,704	3,801,950,769	1.13
2019	4,181,840,195	56,369,094	4,238,209,289	1.04
2020	4,586,015,986	57,889,638	4,643,905,624	0.97

Source: Pierce County Assessor/Treasurer's Office

Tax rates per \$1,000 of Assessed Value

City of University Place
Property Tax Levies
Direct and Overlapping Governments
Last Ten Years

TABLE 8

Year	City of University Place (1)	Pierce County	U.P. School District #83	Port of Tacoma	Library District	Centra PS Reg. Transit	Fire District #3	State of Washington	Total Taxes
Tax Rates Per \$1,000 Assessed Valuation									
2011	1.23	1.29	6.60	0.18	0.50	-	2.88	2.27	14.95
2012	1.33	1.42	6.93	0.18	0.50	-	3.11	2.41	15.88
2013	1.47	1.69	7.47	0.18	0.50	-	3.29	2.63	17.23
2014	1.43	1.66	7.17	0.18	0.50	-	3.52	2.53	16.99
2015	1.35	1.58	7.17	0.18	0.50	-	3.42	2.39	16.59
2016	1.31	1.53	6.89	0.18	0.50	-	3.33	2.23	15.97
2017	1.23	1.42	6.33	0.18	0.47	0.25	3.23	2.07	15.18
2018	1.13	1.31	5.79	0.18	0.43	0.23	3.05	2.91	15.03
2019	1.04	1.20	3.90	0.18	0.50	0.21	2.73	2.62	12.38
2020	0.97	1.15	4.86	0.18	0.47	0.20	3.14	3.01	13.98
Detail of Tax Rates for 2020									
Basic Rate	0.97	1.15	-	0.18	0.47	0.20	2.00	3.01	7.98
Voted Rate	-	-	4.86	-	-	-	1.14	-	6.00

Source: Pierce County Assessor/Treasurer's Office

1) Note: The City's direct rate consists wholly of the regular levy; there are no voted excess levies.

TABLE 9

* Total assessed value for the City	\$ 5,167,407,710	\$ 3,098,393,277
-------------------------------------	------------------	------------------

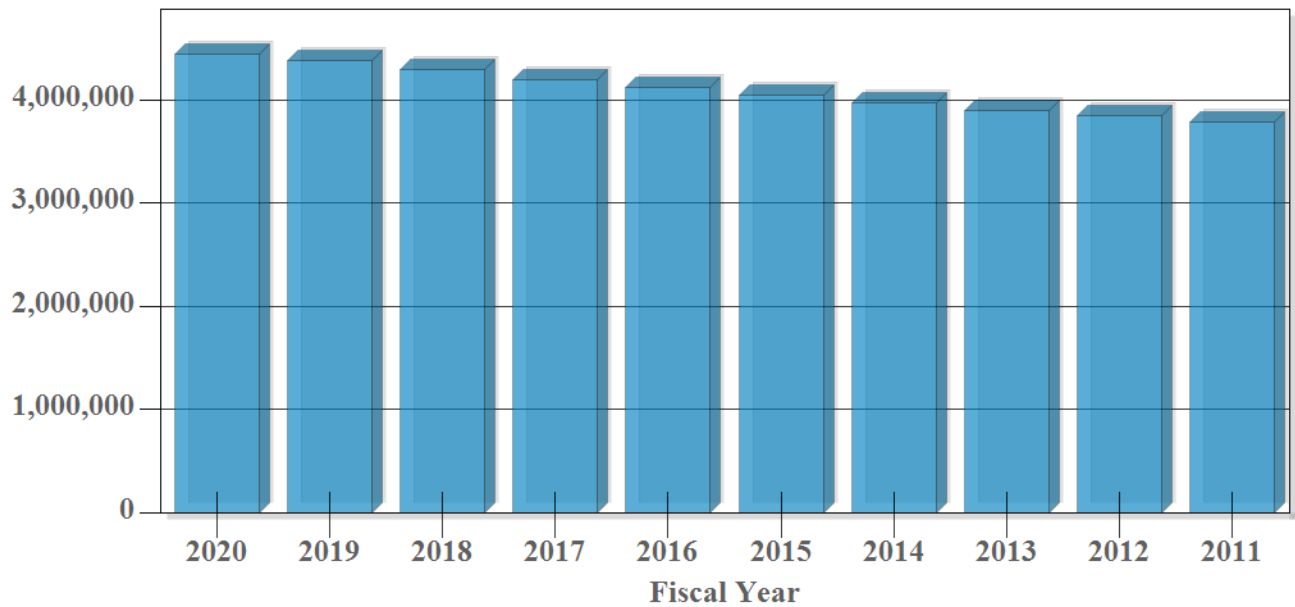
Information not available for assessed valuations for all of 2011

City of University Place
Property Taxes Levies and Collections
Last Ten Years

TABLE 10

Year	Taxes Levied for Fiscal Year ¹	Current Tax Collections	Percentage of Levy	Collections in Subsequent Years ²	Total Tax Collections to Date	Percentage of Levy
2011	3,804,780	3,714,341	97.6 %	67,235	3,781,576	99.4 %
2012	3,857,832	3,779,775	98.0 %	70,309	3,850,084	99.8 %
2013	3,908,520	3,849,279	98.5 %	49,820	3,899,099	99.8 %
2014	3,980,549	3,924,947	98.6 %	47,751	3,972,698	99.8 %
2015	4,045,432	3,998,753	98.8 %	43,133	4,041,886	99.9 %
2016	4,144,269	4,089,021	98.7 %	28,097	4,117,118	99.3 %
2017	4,200,791	4,158,345	99.0 %	36,961	4,195,306	99.9 %
2018	4,297,743	4,260,213	99.1 %	27,424	4,287,637	99.8 %
2019	4,393,689	4,357,201	99.2 %	21,771	4,378,972	99.7 %
2020	4,483,080	4,439,031	99.0 %	1,089	4,440,120	99.0 %

Total Taxes Collected



Source: Pierce County Budget and Finance

Note:

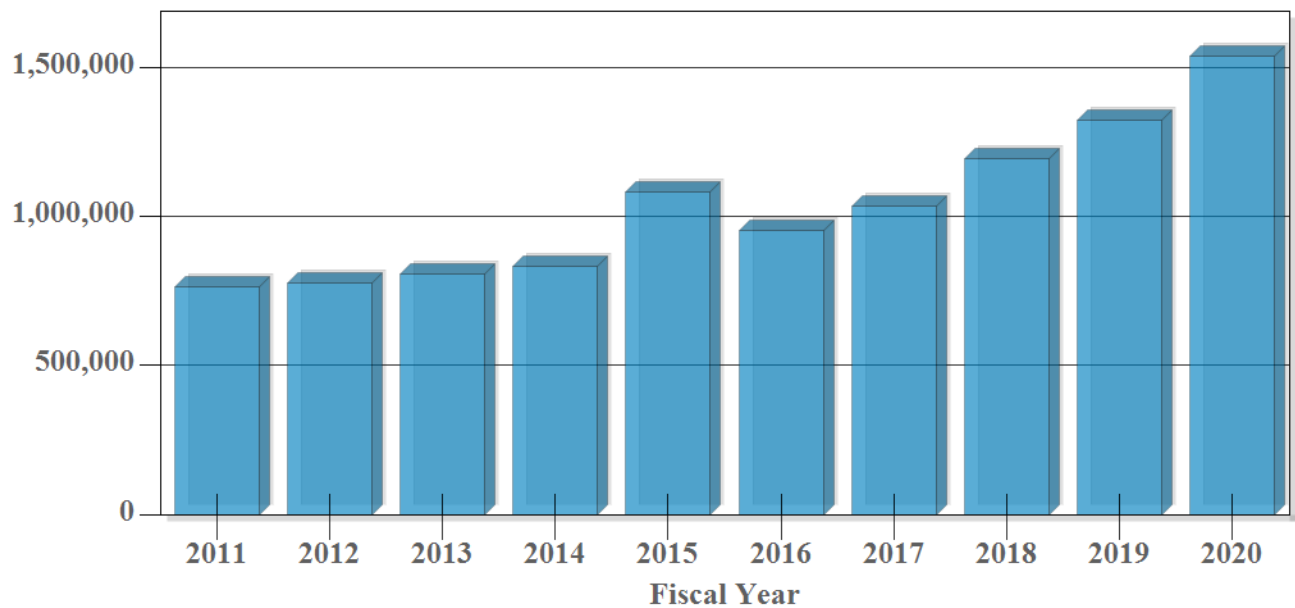
- 1) Original amount levied for the fiscal year
- 2) Includes levy adjustments, penalties, interest and subsequent year tax collections

City of University Place
Sales Taxes Collected by Category
Last Ten Years

TABLE 11

Year	Retail	Services	Contracting	Transportation Communication Utilities	Wholesale	Manufacturing	Finance Insurance Real Estate	Government	Other	Total
2011	763,223	397,122	289,103	141,609	63,401	27,293	63,781	30,888	108,403	1,884,823
2012	777,709	396,690	319,888	143,633	62,961	37,136	65,966	38,436	88,153	1,930,572
2013	806,134	379,997	521,074	148,118	75,150	27,248	77,041	42,368	104,726	2,181,856
2014	834,377	403,291	1,043,529	165,136	95,020	36,009	88,272	39,996	98,489	2,804,119
2015	1,082,718	522,239	1,163,135	163,109	89,831	39,999	128,819	50,652	124,985	3,365,487
2016	954,444	460,371	802,091	171,699	85,381	25,907	156,097	45,781	120,261	2,822,032
2017	1,036,813	466,088	508,595	170,031	97,063	56,124	101,048	54,899	119,738	2,610,399
2018	1,194,615	577,067	541,245	178,769	117,900	45,348	96,497	46,290	141,991	2,939,722
2019	1,325,731	646,515	592,084	167,574	116,142	45,224	102,709	7,529	177,845	3,181,353
2020	1,538,216	632,978	577,094	164,763	130,105	41,558	101,048	8,231	176,227	3,370,220

Retail



Source: State of Washington Treasurer's Office using Tax Tools

Does not include Local Revitalization Financing Sales Tax Revenue, Park Sales Tax Revenue or Criminal Justice Sales Tax Revenue

City of University Place
Direct and Overlapping Sales Tax Rates
Last Ten Years

TABLE 12

Year	State	Pierce Transit	Pierce City Jail	Criminal Justice	Regional Transit	Pierce County	911 Comm	Parks	Public Transport	State Adm Fee	City	Total
2011	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.00 %	0.10 %	0.30 %	0.01 %	0.84 %	9.30 %
2012	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.30 %	0.01 %	0.84 %	9.40 %
2013	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.30 %	0.01 %	0.84 %	9.40 %
2014	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.30 %	0.01 %	0.84 %	9.40 %
2015	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.30 %	0.01 %	0.84 %	9.40 %
2016	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.30 %	0.01 %	0.84 %	9.40 %
2017	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.80 %	0.01 %	0.84 %	9.90 %
2018	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.80 %	0.01 %	0.84 %	9.90 %
2019	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.80 %	0.01 %	0.84 %	9.90 %
2020	6.50 %	0.30 %	0.10 %	0.10 %	0.90 %	0.15 %	0.10 %	0.10 %	0.80 %	0.01 %	0.84 %	9.90 %

Source: City of University Place, Budgets 2011-2020

City of University Place
Sales Tax Payers by Industry
Current and Ten Years Ago

TABLE 13

Industry	2020 Tax Liability	Percentage of Levy	2011 Tax Liability	Percentage of Levy
Retail Trade	\$ 1,538,216	45.64 %	\$ 763,223	40.49 %
Contracting	577,094	17.12 %	289,103	15.34 %
Services	632,978	18.78 %	397,122	21.07 %
Transportation, Communication, Utilities	164,763	4.89 %	141,609	7.51 %
Finance, Insurance, Real Estate	101,048	3.00 %	63,781	3.38 %
Wholesale	130,105	3.86 %	63,401	3.36 %
Manufacturing	41,558	1.23 %	27,293	1.45 %
Government	8,231	0.24 %	30,888	1.64 %
Other	176,227	5.23 %	108,403	5.75 %
Total	<u>\$ 3,370,220</u>	<u>100.00 %</u>	<u>\$ 1,884,823</u>	<u>100.00 %</u>

Source: State of Washington Treasurer's Office using Tax Tools to obtain breakdown

City of University Place
Ratios of Outstanding Debt by Type
Last Ten Years

TABLE 14

Governmental Activities

Year	General Obligation Bonds	Public Works Trust Fund Loans General Govt	Revenue Bonds	Letter of Credit	Capital Leases	Total Debt	Percent of Taxable Value	Percentage of Personal Income(1)	Per Capita
2011	47,655,000	2,384,286	5,885,000	-	-	55,924,286	1.93 %	4.38 %	1,796
2012	47,005,000	2,111,818	5,785,000	-	-	54,901,818	2.07 %	4.04 %	1,756
2013	46,035,000	1,839,350	5,640,000	-	-	53,514,350	1.93 %	3.88 %	1,708
2014	44,645,000	1,566,882	5,495,000	-	-	51,706,882	1.72 %	3.77 %	1,646
2015	43,355,000	1,294,412	5,345,000	-	-	49,994,412	1.58 %	3.53 %	1,576
2016	40,425,000	773,096	5,190,000	-	-	46,388,096	1.36 %	3.08 %	1,439
2017	39,255,000	581,858	5,030,000	-	-	44,866,858	1.18 %	2.95 %	1,376
2018	38,045,000	457,161	4,865,000	-	-	43,367,161	1.02 %	2.54 %	1,321
2019	44,755,000	332,461	-	-	-	45,087,461	0.97 %	2.54 %	1,363
2020	43,070,000	207,766	-	-	-	43,277,766	0.84 %	N/A	1,299

Business-Type Activities

Fiscal Year	Public Works Trust Fund Loans Business Type	Total Debt	Percent of Taxable Value	Percentage of Personal Income(1)	Per Capita
2011	-	-	0.00 %	0.00 %	-
2012	-	-	0.00 %	0.00 %	-
2013	492,513	492,513	0.02 %	0.04 %	16
2014	411,283	411,283	0.01 %	0.03 %	13
2015	330,078	330,078	0.01 %	0.02 %	11
2016	248,847	248,847	0.01 %	0.02 %	8
2017	167,617	167,617	0.00 %	0.01 %	5
2018	120,758	120,758	0.00 %	0.00 %	4
2019	73,897	73,897	0.00 %	0.00 %	2
2020	27,036	27,036	0.00 %	N/A	-

Source: City of University Place, CAFR 2011-2020

Pierce County Assessor/Treasurer

1) Note: 2020 data not yet available

City of University Place
Ratio of Net General Bonded Debt to Assessed Value
And Net Bonded Debt per Capita
Last Ten Years

TABLE 15

Fiscal Year	(a) Population	(b) Assessed Value	General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2011	31,144	2,892,079,444	47,655,000	1.65%	1,530.15
2012	31,270	2,655,070,281	47,005,000	1.77%	1,503.20
2013	31,340	2,779,532,023	46,035,000	1.66%	1,468.89
2014	31,420	3,006,817,787	44,645,000	1.48%	1,420.91
2015	31,720	3,159,537,693	43,355,000	1.37%	1,366.80
2016	32,230	3,409,933,671	40,425,000	1.19%	1,254.27
2017	32,610	3,801,950,766	38,285,000	1.01%	1,174.03
2018	32,820	4,238,209,289	38,045,000	0.90%	1,159.20
2019	33,090	4,643,905,624	44,755,000	0.96%	1,352.52
2020	33,310	5,167,407,710	43,070,000	0.83%	1,293.01

a) Source: Washington State Office of Financial Management.

b) The assessed value if the final certified Regular Levy assessed value of taxable property which was used by Pierce County Assessor's Office for use in calculating levy rates for the 2021 tax levy.

City of University Place
Computation of Direct and Overlapping Debt
December 31, 2020

TABLE 16

	(a) Gross General Obligation Debt Outstanding	(b) Percentage Applicable to City	Amount Applicable to University Place
Direct Debt			
City of University Place	\$ 43,070,000	100.00 %	\$ 43,070,000
Overlapping Debt			
West Pierce Fire and Rescue	1,495,000	36.29 %	542,536
Pierce County	133,125,000	3.82 %	5,085,375
Tacoma School District No. 10	975,380,000	2.13 %	20,775,594
University Place School District No. 83	38,171,925	93.73 %	35,778,545
Clover Park School District No. 400	117,025,000	0.005 %	5,851
Steilacoom Historical School District No. 1	240,750,000	0.105 %	252,788
Port of Tacoma	159,671,000	3.82 %	6,099,432
Pierce County Rural Library District	-	5.55 %	-
Total overlapping debt	\$ 1,665,617,925		\$ 68,540,121
Total Direct and Overlapping Debt	\$ 1,708,687,925	6.54 %	\$ 111,610,121

a) Total general obligation bonds outstanding on December 31, 2020

Source: West Pierce Fire District, Pierce County Finance and Budget Office, Tacoma School District, Clover Park School District, Port of Tacoma & Pierce County Library

b) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

Source: Pierce County Assessor-Treasurers Office

City of University Place
Computation of Limitation of Indebtedness
December 31, 2020

TABLE 17

Total Taxable Property Value (Assessed at 100% taxes payable in 2020)	\$ 5,167,407,710
General Purpose Indebtedness	
Non-Voted General Purpose Indebtedness and Capital Leases (Councilmanic)	
Legal Limit 1.5% of Total Taxable Property Value	77,511,116
Less: outstanding debt	(43,070,000)
Less: contracts payable	-
Less: excess of debt with a vote	-
Add: available assets	-
Remaining Non-Voted Debt Capacity - General Purposes	\$ 34,441,116
Total General Purpose Indebtedness with a 3/5 Vote of the People (includes non-voted)	
Legal Limit 2.5% of Total Taxable Property Value	129,185,193
Less: indebtedness incurred - non-voted	43,070,000
Less: outstanding debt - voted	-
add: available assets	-
Total Remaining Debt Capacity - General Purposes	\$ 86,115,193
Utility Purpose Indebtedness	
Indebtedness for Utility Purposes with a 3/5 Vote of the People	
Legal Limit 2.5% of Total Taxable Property Value	129,185,193
Less: outstanding debt	-
Less: contracts payable	-
Add: available assets	-
Remaining Debt Capacity - Utility Purposes	\$ 129,185,193
Open Spaces and Parks Facilities Indebtedness	
Indebtedness for Open Spaces and Parks Facilities with 3/5 Vote of the People	
Legal Limit 2.5% of Total Taxable Property Value	129,185,193
Less: outstanding debt	-
Less: contracts payable	-
Add: available assets	-
Remaining Debt Capacity - Open Spaces and Parks Facilities	\$ 129,185,193
Summary	
Total indebtedness allowable	
Legal Limit 7.5% of Total Taxable Property Value	387,555,578
Less: indebtedness incurred - general purposes	(43,070,000)
Less: indebtedness - utility purposes	-
Less: indebtedness incurred - open spaces and parks facilities	-
Add: Assets available	-
Remaining Debt Capacity	\$ 344,485,578
Legal Debt Margin to the Debt Limit (%)	88.89 %
Total Net Debt Applicable to the Debt Limit (%)	11.17 %

City of University Place
Compilation of General Obligation Debt Capacity
Last Ten Years

TABLE 18

<u>Year</u>	<u>Voter Approved Debt Capacity</u>	<u>Net Debt Outstanding</u>	<u>Remaining Debt Capacity</u>
2011	77,467,325	47,655,000	\$ 29,812,325
2012	66,376,757	47,005,000	19,371,757
2013	69,488,301	46,035,000	23,453,301
2014	75,170,445	44,645,000	30,525,445
2015	78,988,442	43,355,000	35,633,442
2016	85,248,342	40,425,000	44,823,342
2017	95,048,769	38,285,000	56,763,769
2018	105,955,232	38,045,000	67,910,232
2019	116,097,641	44,755,000	71,342,641
2020	129,185,193	43,070,000	\$ 86,115,193

Table 17 Identifies Individual Debt Limits by Category for 2021

City of University Place
Demographic Statistics
Last Ten Years

TABLE 19

Year	Population	Total Personal Income (1) (2)	Per Capita Personal Income (1) (2)	Median Age (1)(2)	School Enrollment	Unemployment Rate (1)
2011	31,144	\$ 32,212,709,000	\$ 40,500	39.4	5,577	8.6 %
2012	31,270	\$ 33,117,849,000	\$ 40,992	36.3	5,670	8.4 %
2013	31,340	\$ 35,232,946,000	\$ 43,407	36.5	5,655	6.6 %
2014	31,420	\$ 36,054,002,000	\$ 43,982	36.8	5,634	6.3 %
2015	31,720	\$ 36,282,818,000	\$ 43,613	35.8	5,646	5.9 %
2016	32,230	\$ 37,640,095,000	\$ 44,600	36.0	5,716	6.0 %
2017	32,610	\$ 40,228,355,000	\$ 46,706	37.5	5,700	5.4 %
2018	32,820	\$ 46,449,056,000	\$ 52,114	36.4	5,835	5.3 %
2019	33,090	\$ 48,481,266,000	\$ 53,572	37.3	5,773	4.0 %
2020	33,310	\$ -	\$ -	-	5,680	4.8 %

Sources: U.S. Bureau of Economic Analysis

Washington State Office of Financial Management

Washington State Office of Superintendent of Public Instruction

Washington State Employment Security

1) Note: Based on data for Pierce County

2) Note: 2020 data not yet available

City of University Place
Principal Employers
Current Year and Ten Years Ago

TABLE 20

Employer	Ranking 2020	Employees 2020 (a)	% of Total Employees	Ranking 2011 (b)	Employees 2011
University Place School District	1	680	35.20%	1	622
CHI Franciscan Health System*	2	335	17.34%	2	252
West Pierce First & Rescue	3	192	9.94%	N/A	N/A
Whole Foods***	4	131	6.78%	N/A	N/A
Charles Wright Academy	5	120	6.21%	6	132
Fred Meyer Stores ***	6	118	6.11%	3	247
University Place Care Center**	7	100	5.18%	5	136
Tacoma Roofing and Waterproofing	8	100	5.18%	N/A	N/A
Safeway Stores, Inc. ***	9	90	4.66%	8	57
Kemper Sports	10	66	3.42%	N/A	N/A
Total Employees		1,932			1,446

Source: Tacoma Pierce County Economic Development Board:

* This number is a head count: an FTE Calculation is not available for this location.

***Unresponsive to survey: anecdotal evidence indicates at least 100.

City of University Place
Full Time Equivalent City Employees by Function
Last Ten Years

Table 21

<u>Year</u>	<u>City Manager</u>	<u>City Attorney</u>	<u>Administrative Services</u>	<u>Public Works</u>	<u>Development Services</u>	<u>Engineering</u>	<u>Finance</u>	<u>Total</u>
2011	1.90	2.00	12.48	16.00	6.50	4.75	4.50	48.13
2012	1.90	2.00	12.48	16.00	6.50	4.75	4.00	47.63
2013	1.90	2.00	11.48	16.00	6.50	4.75	4.00	46.63
2014	2.00	2.00	10.98	16.00	7.00	6.75	4.00	48.73
2015	2.00	2.00	11.98	14.00	7.50	7.00	4.50	48.98
2016	2.00	2.00	12.23	16.00	8.25	6.00	3.50	49.98
2017	2.00	2.00	12.98	13.00	8.75	8.88	3.50	51.11
2018	2.00	2.00	12.98	13.00	9.25	7.75	3.50	50.48
2019	2.00	2.00	12.98	13.00	9.25	7.75	3.50	50.48
2020	2.00	2.00	12.98	13.00	9.25	7.75	3.50	50.48

Source: City of University Place Budgets 2011-2020

Total does not include Council Members or contract Police Officers

City of University Place
Operating Indicators by Function
Last Ten Years

TABLE 22

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Building Permits Issued	630	715	735	822	752	925	1,284	972	1,047	924
Police										
Part 1 Crimes*	884	1,026	882	815	824	936	959	837	794	969
DUI Arrests	86	69	41	51	53	28	34	35	26	10
Other Traffic Arrests	209	266	192	154	132	143	162	113	112	68
Fire**										
Emergency Medical Responses	8,412	8,716	8,961	9,128	10,545	11,260	11,616	12,092	13,513	12,771
Fire Responses	284	312	298	286	448	384	410	1,089	1,667	1,913
Other	4,063	4,564	4,306	4,593	4,465	4,236	3,881	3,139	1,470	1,446

* *Part 1 Crimes includes violent crime (Aggravated Assault, Murder, Rape, Robbery) and Property Crime (Arson Motor Vehicle Theft Burglary and Theft)*

** *In March, 2011, the University Place Fire District merged with the Lakewood Fire District to form West Pierce Fire. As a result, the 2011 through 2020 statistics reflect the total for West Pierce Fire.*

Source: City of University Place City Development Services Office
University Place Police Department/Pierce County Sheriff's Office
West Pierce Fire

City of University Place
Capital Asset Statistics by Function/Program
Last Ten Years

Table 23

Fiscal Year	General Government	Culture and Recreation	Health & Human Services⁽¹⁾	Streets/Transportation	Construction in Progress	Total
2011	39,614,405	14,841,746	-	170,451,913	27,187,141	252,095,205
2012	39,735,243	14,841,746	-	172,701,448	26,957,875	254,236,312
2013	55,107,519	15,108,936	-	174,264,047	7,880,766	252,361,268
2014	54,286,309	15,456,923	-	175,333,107	9,460,746	254,537,085
2015	51,890,198	15,245,127	-	184,879,721	8,316,344	260,331,390
2016	52,406,903	15,528,994	349,557	202,380,644	4,723,698	275,389,796
2017	52,132,753	15,528,994	349,557	202,231,009	6,319,161	276,561,474
2018	51,332,082	15,867,510	323,457	202,393,572	14,068,690	283,985,311
2019	58,036,856	15,888,153	1,180,441	213,413,263	1,602,032	290,120,745
2020	56,217,679	15,928,981	26,100	215,814,084	2,829,271	290,816,115

Source: City of University Place CAFR 2011-2020.

1) Health & Human Services was combined with Culture and Recreation prior to 2016 and was not separately reported.

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