



The City of Burien, Washington

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2013

Prepared by:

City of Burien Finance Department

400 SW 152nd St., Suite 300

Burien, Washington 98166

Website: www.burienwa.gov

BURIEN CITY COUNCIL

Lucy Krakowiak, Mayor

Bob Edgar

Stephen Armstrong

Lauren Berkowitz

Gerald Robinson

Nancy Tosta

Debi Wagner



A vibrant and creative community, where the residents embrace diversity, celebrate arts and culture, promote vitality, and treasure the environment

VISION FOR BURIEN

Our Future. Our Choices.

COMMUNITY



Genuine
Engaged
Stable

Burien residents are welcoming, know their neighbors, and work together.
Burien residents enjoy robust civic and cultural participation.
Burien strives for stability by encouraging provision of basic services for all of its residents.

DIVERSITY



Inclusive
Multicultural
Multi-centered

Burien embraces diversity and welcomes all residents.
Burien celebrates the many cultures and backgrounds of its residents.
Burien cultivates a thriving array of business and community centers.

ENVIRONMENT



Natural
Green
Livable

Burien conserves its natural environment and public waterfronts.
Burien treasures parks and open spaces, and welcomes opportunities for more.
Burien makes sustainable land, energy, water, and transportation choices.

PROSPERITY



Local
Expansive
Creative

Burien values local services and supports local businesses.
Burien encourages businesses in order to expand its economic base.
Burien promotes and supports its rich palette of arts, culture, and heritage.

EDUCATION & YOUTH



Teaching
Learning
Nurturing

Burien believes that quality schools are essential to its long-term success.
Burien actively promotes early childhood education and life-long learning.
Burien supports its youth with programs to augment its schools.

HEALTH & SAFETY



Healthy
Active
Peaceful

Burien promotes community vitality with health and wellness services for all ages.
Burien encourages active living to support physical and mental health.
Burien ensures public safety through both crime prevention and law enforcement.

GOVERNANCE



Responsive
Effective
Collaborative

Burien's city government operates in an open & accountable manner.
Burien's city government strives for organizational excellence.
Burien fosters partnerships with others in pursuit of common objectives.

City of Burien
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2013

TABLE OF CONTENTS

Item	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-1
2012 GFOA Certificate of Achievement	1-7
Organizational Chart	1-8
List of Elected and Appointed Officials	1-9
 FINANCIAL SECTION	
Independent Auditor’s Report	2-1
Management’s Discussion and Analysis	3-1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	4-3
Statement of Activities	4-4
Fund Financial Statements:	
Balance Sheet - Governmental Funds	4-6
Reconciliation of the Balance Sheet - Governmental Funds to the Government-Wide Statement of Net Position	4-8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4-10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds to the Statement of Activities	4-12
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual - General Fund	4-13
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual - Street Fund	4-14
Statement of Net Position-Proprietary Funds	4-15
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	4-16
Statement of Cash Flows - Proprietary Funds	4-17
Statement of Net Position - Fiduciary Funds	4-18
 Notes to the Financial Statements	 4-19
 Combining and Individual Fund Financial Statements and Schedules	
Non-Major Governmental Fund Descriptions	5-1
Combining Balance Sheet-Nonmajor Governmental Funds	5-2
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds	5-3
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual - Public Works Reserve Fund	5-4
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual – Transportation Benefit District Fund	5-5
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual – LID Guaranty Fund	5-6

City of Burien
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2013

TABLE OF CONTENTS

Item	Page
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual – Debt Service fund	5-7
Fiduciary Fund Description	5-8
Statement of Changes in Assets and Liabilities-Agency Fund.....	5-9
 STATISTICAL SECTION	
Statistical Section Description.....	6-1
Financial Trend Information:	
Schedule 1 Net Position by Component	6-2
Schedule 2 Changes in Net Position.....	6-4
Schedule 3 Fund Balances - Governmental Funds	6-6
Schedule 4 Changes in Fund Balances - Governmental Funds.....	6-7
Schedule 5 Tax Revenues by Source - Governmental Funds.....	6-8
Revenue Capacity Information:	
Schedule 6 Principal Taxpayers - Property Taxes	6-9
Schedule 7 Assessed Value by Type.....	6-10
Schedule 8 Direct and Overlapping Property Tax Rates.....	6-11
Schedule 9 Property Tax Levies and Collections.....	6-12
Schedule 10 Sales Tax Collections by Sector.....	6-13
Debt Capacity Information:	
Schedule 11 Ratios of Outstanding Debt by Type	6-14
Schedule 12 Legal Debt Margin Information	6-15
Schedule 13 Ratios of General Bonded Debt Outstanding	6-16
Schedule 14 Direct and Overlapping Governmental Activities Debt	6-17
Demographic and Economic Information:	
Schedule 15 Demographic and Economic Statistics	6-18
Schedule 16 Principal Employers	6-19
Operating Information:	
Schedule 17 Full Time Equivalent Employees by Function	6-20
Schedule 18 Operating Indicators by Function	6-21
Schedule 19 Capital Indicators by Function	6-22



Burien

Washington, USA

City of Burien

400 SW 152nd St., Suite 300, Burien, WA 98166-1911

Phone: (206) 241-4647 • Fax: (206) 248-5539

www.burienwa.gov

August 14, 2014

**The Honorable Mayor, Members of the City Council,
and Residents of the City of Burien**

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Burien, prepared in accordance with generally accepted accounting principles, for the year ended December 31, 2013. The purpose of the report is to provide residents, investors, grantor agencies and other interested parties with reliable financial information about the City.

I. INTRODUCTION TO THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report includes all City of Burien operations and activities for which the City is financially accountable. Financial accountability is defined as appointment by the City of a voting majority of another organization's governing body and either the ability to impose its will on the other organization, or the potential for the other organization to provide specific financial benefits to or impose financial burdens on the City.

All of the funds in this report pertain to the operations of the City of Burien. The City is also financially accountable for the Burien Transportation Benefit District's financial statements. The district's financial operations are accounted for in a special revenue fund. This blending of financial information is included in the Fund Financial Statements and Schedules section of this report.

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

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including disclosures, rest with City Management and the City's Finance Department. The City maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with generally accepted accounting principles.

II. THE CITY OF BURIEN AND ITS SERVICES TO THE PUBLIC

The City of Burien was incorporated as a non-charter code city on February 28, 1993, with a Council-Manager form of government. The City is governed by an elected council of seven members, with one of the members elected by the others to serve as Mayor for a two-year term. All seven City Council positions stood for election upon incorporation in 1993 for staggered two and four-year terms. After 1995, all terms are for a period of four years, allowing for both continuity and staggered elections.

The following City services are provided to the public, either directly or through contracts with other governmental agencies and outside vendors:

Executive Services are provided by the City Manager who is responsible for administering policies and programs established by the City Council, maintaining the official records of the City including meeting minutes, contracts, and other official business, as well as personnel administration, community information, and directing and coordinating departmental operations.

Finance Services are provided by City staff and include budget and financial statement preparation, cash management, contract management, and the management of Burien's information systems.

Legal Services are provided by City staff, as an in-house City Attorney was hired in 2010. These services include legal advice to the City Council and management and representation of the City in litigation matters. Public prosecution, public defender and additional litigation assistance are provided through contracted services.

Municipal Court Services are provided through a contract with King County District Court.

Police Services are provided through a contract with the King County Sheriff's Office.

Jail Services are provided through contracts with the South Correctional Entity (SCORE) jail, with back-up facilities provided by the King County Department of Adult Detention.

Public Works Services are provided by a combination of City staff and contract services and include engineering, street maintenance, and surface water management.

Planning and Community Development Services are provided by City staff and include the issuance of planning and building permits and current and long-range planning.

Parks, Recreation and Cultural Services are provided by City staff and include recreation, arts programs and senior center operations. Parks maintenance services are provided by a combination of City staff and contract services.

Library Services are provided by the King County Library District.

Fire Services are provided by King County Fire District No. 2, which contracts with North Highline Fire District for services in the northern section of the City. The City annexed to the Fire District in 1997.

Water and Sewer Services are provided by various special purpose districts within the City.

The following schedule includes the major contracts with other governmental agencies and the 2013 expenditures reported in the financial statements relating to those entities:

• King County Sheriff's Office (police services)	\$9,890,252
• King County Public Works Department (street & signal maintenance)	196,135
• King County Surface Water Management Division	243,637
• Jail Services with the South Correctional Entity (SCORE) and King County Department of Adult Detention	480,567
• King County District Court	<u>262,312</u>
Total 2013 major contracts with other governmental agencies	<u>\$11,072,903</u>

III. ECONOMIC CONDITIONS AND OUTLOOK

Local Economy

The City of Burien, located in southwest King County, is bordered by Puget Sound on the west, SeaTac on the east, Seattle and unincorporated King County on the north, and Normandy Park on the south. The City is characterized by well-established residential neighborhoods and a central downtown business district.

The predominant character of the City is a residential suburb providing a diverse range of residential opportunities for people who are employed in the regional economy throughout King County. The City is also a significant commercial center, serving both a regional market in some sectors, such as automobile sales, and a sub regional commercial center serving adjacent areas of White Center and the cities of SeaTac, Normandy Park, and Des Moines.

While historically the regional economy of Puget Sound has been dominated by the Boeing Company, there has been substantial diversification over the last several years. Computer software and related industries have led in this diversification (with Microsoft Corporation at the forefront). This diversification is also related to increased activity in international trade through the Port of Seattle, and the growth of international trade related services.

The business economy of the City itself is also relatively diversified. Economic activity within Burien can best be measured in the form of revenue from taxable retail sales. The largest local economic sectors are automotive dealers and gas stations, which comprised 29.8% of the total sales tax revenue to the City in 2013. Auto dealers serve a regional market competing with other regional auto centers. The next largest sectors of activity reflect Burien's role as a sub regional commercial center serving the residents of Burien and surrounding communities. These sectors include general merchandise, food services, miscellaneous store retailers, food and beverage and related retail merchandise. The City has growing service centers spurred by medical and related services centered around Highline Community Hospital. The City also has significant employment in education, providing sites for the Highline School District administrative offices.

Future Economic Outlook

The economic outlook for Burien's economy, both in its role as part of the regional economy and for its local business sectors is following the national trend out of the recent recession. At the regional level, Burien is recovering from the recent recession. Much of this economic stimulus is provided by sales tax growth. Burien also anticipates growth in both international trade and international services. State Route (SR) 509 provides direct access from Burien to the City of Seattle and the Port of Seattle and its supporting industrial areas in south Seattle. SR 518 provides direct access from Burien to Seattle-Tacoma International Airport and the developing industrial area in the Green River Valley to the east.

The City is actively working with the Port of Seattle to redevelop the North East Redevelopment Area (NERA) blighted by the construction of the third runway. The City recently began construction of a grant-funded sustainable storm water project in this area. The City also opened a line of credit to purchase two adjoining parcels of land with the purpose of marketing them for resale and redevelopment. Additionally, the City is pursuing funding opportunities to expand and improve access to and from State Route 518, which will further revitalize this area. The City is currently using grant funding awarded in 2012 to design the SR-518/Des Moines Memorial Drive eastbound off-ramp.

The Burien Town Square development is moving forward again with the majority of the Phase I condos having been sold; however, new tenants for the ground floor retail has proceeded more slowly. The remaining parcels sold to a new developer who is moving forward with their first phase, senior living apartments.

Local economists are forecasting a slight increase in employment as the economy continues to recover from the recession. Over the last several years, significant diversification has occurred in the job market in the region. This diversification lessened the impact of past job cutbacks by one large regional employer.

IV. MAJOR INITIATIVES

The following are among the City's 2013 achievements:

- Began design of the SR-518/Des Moines Memorial Drive interchange project.
- Continued construction of the 1st Avenue South Phase 2 project.
- Obtained grant funding and began design of a sustainable stormwater project in the North East Redevelopment Area.
- Obtained a line of credit and purchased land in the North East Redevelopment Area to market for resale and redevelopment.
- Began construction of the Seahurst Park North Shoreline Beach Restoration Project.
- Implemented provision of Town Square disposition and development agreement that required property owner to sell remaining undeveloped parcels. Worked with new owner to adopt design concepts.
- Completed construction of 1st Avenue South Phase 1.
- Completed the Shoreline Master Plan.
- Adopt and implement the new Construction and National Electrical Codes.
- Began process of updating the Comprehensive Plan.
- Completed replacement of the Burien Community Center roof.

Initiatives for 2014 include the following:

- Continue to advance the development of the North East Redevelopment Area (NERA). Complete stormwater construction project.
- Complete design of the SR 518/Des Moines Memorial Drive eastbound off-ramp.
- Commence construction of Town Square Phase 2.

- Complete construction of the Seahurst Park North Shoreline Restoration Project.
- Advance final phases of Transit Oriented Development – apartment construction.
- Complete construction of the 1st Avenue South Phase 2 project.
- Complete the update to the Comprehensive Plan.
- Partner with the Port of Seattle to pursue FAA grant for a pilot program in the North East Redevelopment Area.
- Complete design of the 4th Avenue/148th Street intersection.

V. CERTIFICATE OF ACHIEVEMENT

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 Burien for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. This was the seventeenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual 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 Comprehensive Annual 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.

VI. ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire Finance Department, in particular, Tina Hemphill, the City's Financial Analyst. We wish to express our appreciation to all other City personnel for their assistance and cooperation during the year. We also wish to thank the City Council whose interest in, and support of, the financial affairs of the City have significantly contributed to quality financial services. The assistance of the State Auditor's Office during the preparation of our Comprehensive Annual Financial Report is also greatly appreciated.

Respectfully submitted,



Kim Krause,
Finance Director



Government Finance Officers Association

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

Presented to

**City of Burien
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

ELECTED CITY OFFICIALS

2013 City Councilmembers

Brian Bennett, Mayor

Rose Clark, Deputy Mayor

Jack Block, Jr.

Bob Edgar

Lucy Krakowiak

Joan McGilton

Gerald Robison

Term Ending

December 2013

December 2013

December 2013

December 2015

December 2015

December 2015

December 2015

2014 City Councilmembers

Lucy Krakowiak, Mayor

Bob Edgar, Deputy Mayor

Stephen Armstrong

Lauren Berkowitz

Gerald Robison

Nancy Tosta

Debi Wagner

Term Ending

December 2015

December 2015

December 2017

December 2017

December 2015

December 2017

December 2017

CITY ADMINISTRATION

Interim City Manager

Finance Director

Public Works Director

Community Development Director

Parks, Recreation & Cultural Services Director

Chief of Police

Acting City Attorney

Craig Knutson

Kim Krause

Maiya Andrews

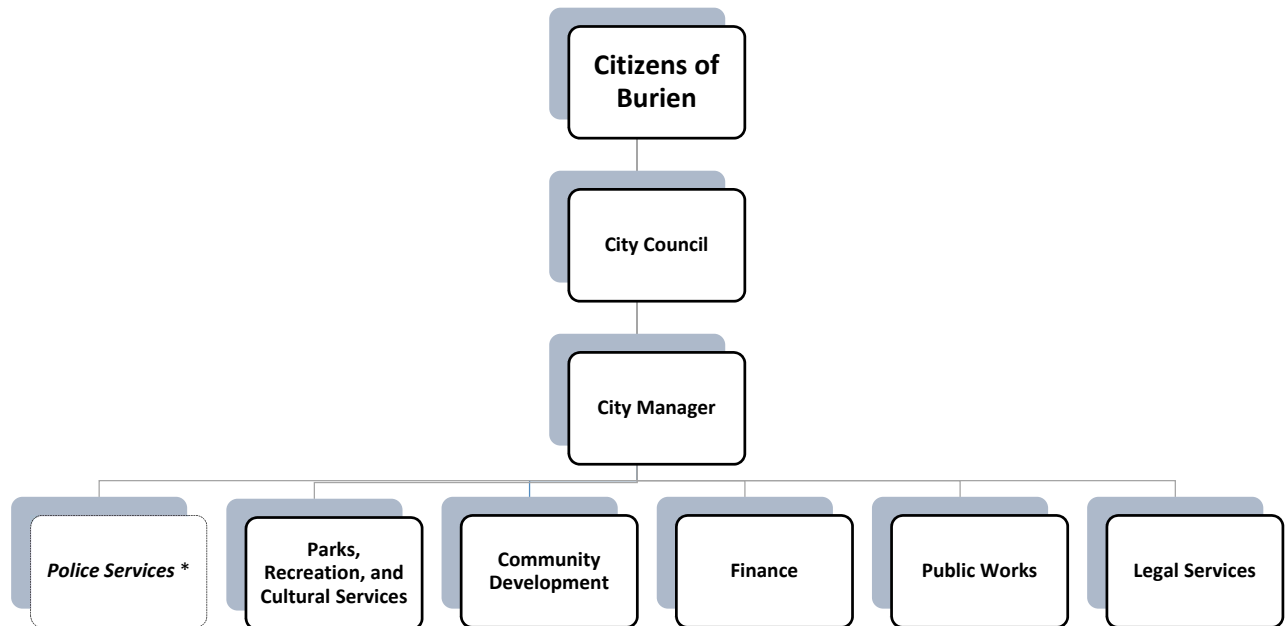
Chip Davis

Michael Lafreniere

Scott Kimerer

Ann Marie Soto

City of Burien, Washington Organizational Chart



* Contracted Services

ELECTED CITY OFFICIALS

2013 City Councilmembers

Brian Bennett, Mayor

Rose Clark, Deputy Mayor

Jack Block, Jr.

Bob Edgar

Lucy Krakowiak

Joan McGilton

Gerald Robison

Term Ending

December 2013

December 2013

December 2013

December 2015

December 2015

December 2015

December 2015

2014 City Councilmembers

Lucy Krakowiak, Mayor

Bob Edgar, Deputy Mayor

Stephen Armstrong

Lauren Berkowitz

Gerald Robison

Nancy Tosta

Debi Wagner

Term Ending

December 2015

December 2015

December 2017

December 2017

December 2015

December 2017

December 2017

CITY ADMINISTRATION

Interim City Manager

Finance Director

Public Works Director

Community Development Director

Parks, Recreation & Cultural Services Director

Chief of Police

Acting City Attorney

Craig Knutson

Kim Krause

Maiya Andrews

Chip Davis

Michael Lafreniere

Scott Kimerer

Ann Marie Soto



Washington State Auditor Troy Kelley

INDEPENDENT AUDITOR'S REPORT

August 14, 2014

Council
City of Burien
Burien, Washington

REPORT ON 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 Burien, King County, Washington, as of and for the year ended December 31, 2013, 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.

Opinion

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 Burien, King County, Washington, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Street funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 1, during the year ended December 31, 2013, the City has implemented the Governmental Accounting Standards Board Statement No. 65, Items Previously Reported as Assets and Liabilities. 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 on pages 3-1 through 3-8 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. The accompanying information listed as combining and individual fund financial statements and schedules on pages 5-1 through 5-9 is presented for purposes of additional analysis and is not a required part of the basic financial

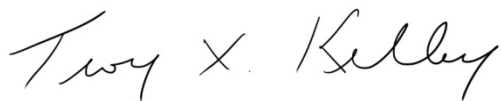
statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements 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 information identified in the table of contents as the Introductory and Statistical sections is presented for purposes of additional analysis and is 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 August 14, 2014, 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 cursive script that reads "Troy X. Kelley". The signature is written in black ink and is positioned above the printed name and title.

TROY KELLEY
STATE AUDITOR

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) is intended to be an easily readable analysis of the City of Burien's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the Transmittal Letter (beginning on page 1-1), the financial statements and notes to the financial statements that both follow this analysis.

FINANCIAL HIGHLIGHTS

In the last ten years, total net position has increased by an average of \$5.36 million per year. The trend continues this year with an increase of \$4.1 million. The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$120.7 million. Of this amount, \$98.8 million is net invested in capital assets and the remaining \$21.9 million is available for capital projects, debt service and funding the government's ongoing activities and obligations.

Government activities net position increased by \$1.9 million and business-type activities increased by \$2.2 million. This increase in government activities is the result of growth in the ending fund balances due to unanticipated revenues and savings in expenditures budgets and the addition of grant-funded parks and street capital improvement projects to construction-work-in-progress. The business-type activities increase reflects additional cash-on-hand to complete surface water construction projects and the addition of a grant-funded capital improvement project, the North East Redevelopment Area, to construction work-in-progress.

At year-end December 31, 2013, the City of Burien's governmental funds reported a combined ending fund balance of \$14.1 million, an increase of \$2.2 million compared to the prior year. This increase is partially due to revenues that exceeded expectations (\$1.2 million) including a tax revenue increase of \$500,000 due to sales tax growth and the continuation of the utility tax audit. The City also accrued additional state-shared and franchise fee revenues to match receipts to the period for which they were received (\$450,000). The balance of the increase is due to expenditure savings in general government, transportation, economic environment and public safety expenditures.

At the end of the current fiscal year, unassigned fund balance in the General Fund is \$7.9 million, or 35.8% of total current year General Fund revenues. This is an increase of \$1.8 million from the \$6.1 million in unreserved General Fund fund balance at the end of 2012. This ending fund balance exceeds the financial policy requirement of 15% of ongoing revenues by approximately \$4.6 million, which is available to fund future capital programs, future operations and withstand economic downturns. The increase in available fund balance is predominantly due to general government, economic environment and public safety expenditures being less than budgeted, tax revenues exceeding expectations and the accrual of additional state shared and franchise fee revenues to match the period for which they were received. In 2013, the City Council approved increasing the General Fund minimum fund balance to 15% with a goal of 20% by the year 2022. Some of the increase in the ending fund balance may contribute to the 20% goal if that is the will of the Council.

The City of Burien's total long-term debt increased \$651,000, which reflects a net increase in governmental activities long-term debt of \$734,000 and a decrease of \$83,000 in business-type activities. The increase in governmental debt reflects the issuance of a general obligation bond in the form of a line of credit to purchase land in the North East Redevelopment Area for the purpose of marketing it for resale and redevelopment. The total line of credit is \$3.6 million; however, the City only drew down \$2.4 million in 2013. This increase is offset by the regularly scheduled debt service principal payments that were made during the year. The decrease in business-type activities also reflects the regularly scheduled debt payments.

REPORT LAYOUT

The Government-wide financial statements are designed to provide readers with a broad overview of the City of Burien's finances in a manner similar to a private sector business. Besides the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, combining schedules of non-major funds and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as public safety, transportation, economic development, culture and recreation, community development and general government administration. Business-type activities consist of a surface water management system. The government-wide statements include the Statement of Net Position and the Statement of Activities. The report also presents the detailed financial information for significant or major funds and combines the remaining, non-major funds into one column for a single aggregated report. Individual fund data for the non-major funds is provided in the form of combining statements elsewhere in this report. Budgetary information is provided for governmental operating funds. The notes to the financial statements are an integral part of this report as they provide information that aid in the understanding of the data presented in the government-wide and fund financial statements. Finally, supplemental information related to the financial activity of the City is provided, including the combining statements for non-major funds.

The City's Comprehensive Annual Financial Report is prepared in accordance with Governmental Accounting Standards Board (GASB) Pronouncements.

STATEMENT OF NET POSITION

The focus of the Statement of Net Position is to present all of the City of Burien's assets and liabilities with the difference 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 Burien is improving or deteriorating.

STATEMENT OF ACTIVITIES

The focus of the Statement of Activities is to present the major program costs with corresponding major resources. To the extent a program's cost is not recovered by grants and direct charges, it is funded from general taxes and other resources. This Statement assists the user in determining the extent to which programs are self-supporting and/or subsidized by general revenues.

Following the government-wide statements is a section containing fund financial statements. The City's major funds are presented in their own columns and the remaining funds are combined into a column titled "Other Governmental Funds". For each major fund, a Budgetary Comparison Statement is presented. Readers who wish to obtain information on non-major funds can find it in the Combining Schedules of Non-major Funds and/or the Supplemental Information-Budgetary Comparison Schedules sections of this report. Finally, completing the document is a series of other financial and statistical schedules and the reports by the independent auditors, as required by statute. The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior year.

CITY AS A WHOLE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Assets exceeded liabilities by \$120.7 million at the close of the fiscal year.

During fiscal year 2013, net position increased by \$4.1 million. This increase is due to a number of factors, including growth in sales tax revenue and a utility tax audit; the accrual of state-shared and franchise fee revenues to match the period for which they were received; expenditure savings in general government, transportation, economic environment and public safety; and the addition of major grant reimbursable capital projects in the governmental and business-type funds.

City of Burien's Net Position at Year-End

	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 21,108,119	\$ 20,051,181	\$ 2,742,138	\$ 1,628,851	\$ 23,850,257	\$ 21,680,032
Capital assets, net of accumulated depreciation	122,803,822	123,411,775	8,304,155	7,206,123	131,107,977	130,617,898
Total assets	143,911,941	143,462,956	11,046,293	8,834,974	154,958,234	152,297,930
Deferred outflows of resources						
Deferred amount from debt refunding	100,690	-	-	-	100,690	-
Total deferred outflows of resources	100,690	-	-	-	100,690	-
Long-term liabilities	31,285,877	31,183,198	1,105,328	1,162,432	32,391,205	32,345,630
Other liabilities	1,508,278	2,978,186	460,062	384,452	1,968,340	3,362,638
Total liabilities	32,794,155	34,161,384	1,565,390	1,546,884	34,359,545	35,708,268
Net position:						
Net investment in capital assets	\$ 91,618,635	\$ 95,980,110	\$ 7,224,754	\$ 6,043,691	\$ 98,843,389	\$ 102,023,801
Restricted	1,943,343	2,217,091	88,428	-	2,031,771	2,217,091
Unrestricted	17,656,498	11,104,371	2,167,721	1,244,399	19,824,219	12,348,770
Total net position	\$ 111,218,476	\$ 109,301,572	\$ 9,480,903	\$ 7,288,090	\$ 120,699,379	\$ 116,589,662

Governmental Activities

The change in total net position for 2013 is an increase of \$1.9 million. This increase is the result of increases in fund balances due to unanticipated revenues, savings in expenditure budgets and the addition of grant-funded parks and street construction projects to construction-work-in-progress.

Business-type Activities

Surface Water Management: The \$2.2 million increase in net position of the Surface Water Management Fund is primarily due an increase in cash on hand to fund infrastructure projects and an increase in construction-work-in-progress for a grant-funded project.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013:

The Statement of Activities shows a net increase in the City of Burien's net position of \$4.1 million. Below is a summary version of the Statement of Activities.

Summary of Revenues

	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 3,357,825	\$ 6,783,709	\$ 2,839,705	\$ 2,551,690	\$ 6,197,530	\$ 9,335,399
Operating grants & contributions	3,220,740	3,351,870	305,504	163,465	3,526,244	3,515,335
Capital grants & contributions	6,176,889	4,242,134	1,069,581	-	7,246,470	4,242,134
General revenues:						
Property taxes	6,208,867	6,759,220	85,608	-	6,294,475	6,759,220
Sales taxes	6,816,465	6,249,226	-	-	6,816,465	6,249,226
Other taxes	6,192,371	5,108,907	-	-	6,192,371	5,108,907
Investment interest	20,004	24,461	2,490	1,711	22,494	26,172
Miscellaneous	282,160	-	8,330	-	290,490	-
Total revenues	\$ 32,275,321	\$ 32,519,527	\$ 4,311,218	\$ 2,716,866	\$ 36,586,539	\$ 35,236,393

Summary of Expenses

	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Expenses						
General government	\$ 4,386,693	\$ 4,551,848	\$ -	\$ -	\$ 4,386,693	\$ 4,551,848
Judicial	262,312	626,862	-	-	262,312	626,862
Public safety	10,390,038	10,259,523	-	-	10,390,038	10,259,523
Environment services	148,888	571,646	-	-	148,888	571,646
Transportation	8,902,304	7,426,951	-	-	8,902,304	7,426,951
Economic environment	1,621,067	1,595,928	-	-	1,621,067	1,595,928
Social services	90,535	11,897	-	-	90,535	11,897
Culture and recreation	3,564,244	3,265,142	-	-	3,564,244	3,265,142
Interest on long-term debt	1,162,928	1,111,758	8,511	6,227	1,171,439	1,117,985
Surface water management	-	-	2,084,754	1,814,756	2,084,754	1,814,756
Total expenses	30,529,009	29,421,555	2,093,265	1,820,983	32,622,274	31,242,538
Increase in net position before transfers	1,746,313	3,097,972	2,217,953	895,883	3,964,266	3,993,855
Transfers	25,140	364,909	(25,140)	(364,909)	-	-
Increase in net position	1,771,453	3,462,881	2,192,813	530,974	3,964,266	3,993,855
Net position - January 1	109,301,572	105,838,691	7,288,090	6,757,116	116,589,662	112,595,807
Prior period adjustment	145,451	-	-	-	145,451	-
Net position - January 1, restated	109,447,023	105,838,691	7,288,090	6,757,116	116,735,113	112,595,807
Net position - December 31	\$ 111,218,476	\$ 109,301,572	\$ 9,480,903	\$ 7,288,090	\$ 120,699,379	\$ 116,589,662

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES FOR FISCAL YEAR ENDING DECEMBER 31, 2013

Governmental Activities

Overall, governmental revenues decreased by \$244k from the prior year. This is the result of 2012 including several large one-time revenue sources. There are some large variances between the categories as some revenues were reclassified in 2013.

The increase in expenditures is the result of grant-funded transportation capital improvement projects.

Business-type Activities

The substantial increase in Surface Water Management Fund revenues in 2013 is the result a 12% increase in the surface water management fees billed to property owners and grant reimbursements for a capital improvement project. The surface water management fee increase was recommended as part of the surface water drainage master plan to fund the implementation of the national pollution discharge elimination system (NPDES) as required by the federal government.

The increase in expenses is the result of the NPDES implementation and construction of the grant-reimbursable capital improvement project.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds

The focus of the *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. This information is useful in assessing the City's financial requirements in the near future. In particular, *unassigned fund balance* serves as a useful measure of the City's net resources available for spending at the end of the fiscal year. The General Fund is the only governmental fund with *unassigned fund balance* as other governmental funds have their fund balances reserved for particular purposes mainly to fund street services or capital improvement projects.

Governmental Funds Fund Balances

The total governmental fund balances increased \$2.8 million. Of the General Fund Balance of \$8.3 million, \$8.2 million or 98% is unassigned. Unassigned fund balance is 37% of General Fund revenues. The City's financial policies state that General Fund Fund Balance shall be a minimum of 15% of recurring revenues with a goal of 20% by the year 2022. Council may wish to designate some of the additional fund balance toward the 20% goal. The growth in fund balance is the result of revenues that exceeded expectations, primarily sales tax, and the accrual of additional state shared revenues to match the period for which they were received. Additionally, general government, economic environment and public safety expenditures were less than budgeted.

Other governmental funds accumulate reserved fund balances for designated purposes.

The Street Fund is comprised of gas tax revenues, business license fees and solid waste utility taxes and franchise fees. It is used for transportation expenses. Any excess fund balance may be transferred to the Transportation Capital Projects Fund for capital improvement projects. The minimum fund balance requirement is 5% of budgeted recurring revenue. The growth in the 2013 fund balance is the result of accruing additional gas tax

revenue to match receipts to the period for which they were received in addition to expenditures being less than anticipated in the adopted budget.

The Debt Service Fund accumulates funds for the retirement of the City's debt. There is no minimum fund balance requirement and no intent to accumulate funds. The fund balance is restricted for debt service.

The Parks and General Government Capital Projects Fund is primarily funded with grants and transfers from the General Fund or Capital Projects Reserve Fund for the completion of parks and general government capital improvement projects. The increase in fund balance is due to the receipt of grant funding for the Seahurst Park North Shoreline project and will be used to complete that project. There is no minimum fund balance requirement.

The Transportation Capital Projects Fund is funded with grants and transfers from the Street Fund, Capital Projects Reserve Fund, Public Works Reserve Fund and Surface Water Management Capital Improvement Project Fund. It accounts for construction of transportation or street-related projects. The fund balance will be used for projects that were budgeted but not completed prior to year-end. There is no minimum fund balance requirement.

Proprietary Funds

The City has one proprietary fund, the Surface Water Management Fund, which includes the Surface Water Management Capital Improvement Fund.

The Surface Water Management Fund is comprised of surface water management fees and grants to fund surface water operations and capital improvement projects. The increase in net position is the result of an increase in cash on hand to fund infrastructure projects and an increase in construction-work-in-progress for a grant-funded project. The fund balance policy is to maintain a minimum of 5% of recurring revenue.

BUDGETARY HIGHLIGHTS

The City Council approved two amendments to the 2013 - 2014 Adopted Biennial Budget. These amendments adjusted beginning fund balances to the 2012 actual ending fund balance amounts, reduced some revenue and expenditure estimates and increased others, provided for the receipt and use of the 2013 limited tax general obligation bond, provided for an interfund loan if required for cash flow purposes, and increased revenues and expenditures for some newly awarded grant funded projects.

General Fund revenues exceeded budget estimates by 5% for the year 2013 due in large part to higher than anticipated sales tax revenues, the utility tax audit that recovered prior year taxes and the accrual of state shared and franchise fee revenue to match the period for which it was received. Expenditures were 9.3% less than the amended budget with more than half of that savings in capital outlay. Those funds will be carried forward to purchase land in the North East Redevelopment Area in 2014. The general governmental, public safety and economic environment categories also show expenditure savings.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2013, the City had invested \$131.1 million in capital assets as reflected in the following table, which represents an increase of \$490k (additions, deductions and depreciation) from the previous year. Additional detailed information on Capital Assets is available in the Notes to the Financial Statements (Note 7).

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

	Activities		Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 26,043,161	\$ 25,806,770	\$ 1,076,060	\$ 1,076,060	\$ 27,119,221	\$ 26,882,830
Buildings	11,981,415	10,748,263	-	-	11,981,415	10,748,263
Improvements other than buildings	5,791,132	5,892,562	-	-	5,791,132	5,892,562
Machinery and equipment	1,597,640	1,289,275	367,856	1,500	1,965,496	1,290,775
Infrastructure	61,287,165	65,552,593	4,968,358	5,315,823	66,255,523	70,868,416
Intangible assets	13,915	-	-	-	13,915	-
Construction work in progress	16,089,394	14,122,112	1,891,881	812,740	17,981,275	14,934,852
Total	\$ 122,803,822	\$ 123,411,575	\$ 8,304,155	\$ 7,206,123	\$ 131,107,977	\$ 130,617,698

The above table reconciles the change in capital assets. Included within additions are construction-work-in-progress (CWIP) balances. The CWIP amount for governmental activities is \$16.1 million, which is comprised of parks and street improvement projects still under construction.

CHANGE IN CAPITAL ASSETS

	Activities		Activities		Total	
	2013	2012	2013	2012	2013	2012
Changes in capital assets						
Land	\$ 236,391	\$ -	\$ -	\$ -	\$ 236,391	\$ -
Buildings	1,233,152	(562,160)	-	-	1,233,152	(562,160)
Improvements other than buildings	(101,430)	(401,362)	-	-	(101,430)	(401,362)
Machinery and equipment	308,365	86,438	366,356	(49,580)	674,721	36,858
Infrastructure	(4,265,428)	24,672,358	(347,465)	(292,725)	(4,612,893)	24,379,633
Intangible assets	13,915	-	-	-	13,915	-
Construction work in progress	1,967,282	(19,717,842)	1,079,141	-	3,046,423	(19,717,842)
Total	\$ (607,753)	\$ 4,077,432	\$ 1,098,032	\$ (342,305)	\$ 490,279	\$ 3,735,127

OUTSTANDING DEBT

At year-end 2013, the City had \$32.1 million in outstanding debt compared to \$31.5 million in 2012. The increase is the result of issuing a general obligation bond in the form of a line of credit to purchase land in the North East Redevelopment Area for the purpose of marketing it for resale and redevelopment. This increase is offset by the City's regularly scheduled principal payments. For additional debt information, see Note 9 in the Notes to the Financial Statements.

OUTSTANDING DEBT AT YEAR-END

	Activities		Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 24,895,562	\$ 23,705,000	\$ -	\$ -	\$ 24,895,562	\$ 23,705,000
Special obligation bonds - SCORE PDA	3,294,800	3,449,400	-	-	3,294,800	3,449,400
Special assessment debt with government commitment (public works trust fund loan)	1,136,483	1,249,395	-	-	1,136,483	1,249,395
Public works trust fund loan	1,694,901	1,884,213	1,079,401	1,162,432	2,774,302	3,046,645
Total	\$ 31,021,746	\$ 30,288,008	\$ 1,079,401	\$ 1,162,432	\$ 32,101,147	\$ 31,450,440

ECONOMIC FACTORS

Property taxes are important to the City as they represent 19.5% of total governmental resources. Sales tax grew to 21.1% and Business and Occupation/Utility taxes comprise approximately 11.9% of these resources. Inter-governmental revenues from state shared revenues and grants make up 28.8% of total resources. While sales tax revenues have rebounded to pre-recession levels, it will take several years to fully recover the loss of property tax revenues due to legislative limits on the amount that property tax can increase in any given year. In 2012, a decline in assessed valuation caused the City to hit its property tax cap of \$1.60 per \$1,000 in assessed value. Assessed value declined further in 2013, assuring that it will take several years for the City to recover the lost property tax revenues. The City continues to closely monitor revenues and expenditures as the economy improves to determine if there is a need for program adjustments or fee increases going forward.

NEXT YEAR'S BUDGETS AND RATES

The City's assessed valuation grew by 2.7% for 2014 property taxes; however, property tax revenue is approximately \$500,000 less than the highest amount collected in 2011. The loss in property tax revenues is cumulative and has caused a structural deficit. Sales tax has returned to pre-recession levels and continues to grow; however, that revenue source alone does not overcome the property tax loss. Surface water management fees were adjusted for inflation in 2014. As recommended in the Storm Water Master Plan, the City will consider the second of two 12% increases in 2015. This increase will be used for capital improvement projects. The City awarded the solid waste franchise to a new company effective June 1, 2014, that will result in additional franchise revenues to fund the City's street overlay program.

FINANCIAL CONTACT

The City's financial statements are designed to present users (residents, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at 400 SW 152nd St., Suite 300, Burien, Washington 98166.

BASIC FINANCIAL STATEMENTS



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City of Burien, Washington
Statement of Net Position
December 31, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 13,268,861	\$ 2,378,389	\$ 15,647,250
Receivables (net of allowance for uncollectibles)	2,096,015	135,407	2,231,422
Due from other governments	2,138,249	228,342	2,366,591
Restricted cash and cash equivalents	15,871	-	15,871
Investment in joint venture - SCORE	3,589,123	-	3,589,123
Capital assets not being depreciated:			
Land	26,043,161	1,076,060	27,119,221
Construction in progress	16,089,394	1,891,881	17,981,275
Capital assets, net of accumulated depreciation:			
Buildings	11,981,415	-	11,981,415
Machinery, equipment, and vehicles	1,597,640	367,856	1,965,496
Other improvements	5,791,132	-	5,791,132
Infrastructure	61,287,165	4,968,358	66,255,523
Intangible assets	13,915	-	13,915
Total assets	<u>143,911,941</u>	<u>11,046,293</u>	<u>154,958,234</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount from debt refunding	100,690	-	100,690
Total deferred outflows of resources	<u>100,690</u>	<u>-</u>	<u>100,690</u>
LIABILITIES			
Accounts payable and other liabilities	1,132,550	456,111	1,588,661
Accrued interest payable	102,323	2,699	105,022
Due to other governments	31,837	1,252	33,089
Deposits payable	241,569	-	241,569
Non-current liabilities:			
Due within one year	1,625,879	85,883	1,711,762
Due in more than one year	29,659,998	1,019,445	30,679,443
Total liabilities	<u>32,794,155</u>	<u>1,565,390</u>	<u>34,359,545</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	91,618,635	7,224,754	98,843,389
Restricted for:			
Debt service	1,690,798	88,428	1,779,226
Capital projects	252,545	-	252,545
Unrestricted	17,656,498	2,167,721	19,824,219
Total net position	<u>\$ 111,218,476</u>	<u>\$ 9,480,903</u>	<u>\$ 120,699,379</u>

City of Burien, Washington
Statement of Activities
For the Year Ended December 31, 2013
Page 1 of 2

<u>Functions/Programs</u>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,386,693	\$ 1,626,846	\$ 1,136,395	\$ -
Judicial	262,312	105,460	-	-
Public safety	10,390,038	-	867,332	-
Environmental services	148,888	121,489	-	-
Transportation	8,902,304	497,808	1,145,751	2,852,488
Economic environment	1,621,067	458,874	37,866	-
Social services	90,535	-	21,493	-
Culture and recreation	3,564,244	547,348	11,903	3,324,401
Interest on long-term debt	1,162,928	-	-	-
Total governmental activities	<u>30,529,009</u>	<u>3,357,825</u>	<u>3,220,740</u>	<u>6,176,889</u>
Business-type activities:				
Surface water management	<u>2,093,265</u>	<u>2,839,705</u>	<u>305,504</u>	<u>1,069,581</u>
Total business-type activities	<u>2,093,265</u>	<u>2,839,705</u>	<u>305,504</u>	<u>1,069,581</u>
Total primary government	<u>\$ 32,622,274</u>	<u>\$ 6,197,530</u>	<u>\$ 3,526,244</u>	<u>\$ 7,246,470</u>

General revenues:
 Taxes
 Property taxes
 Sales and use taxes
 Business and occupation taxes
 Excise taxes
 Other taxes
 Penalties and interest
 Unrestricted investment earnings
 Miscellaneous
 Transfers
 Total general revenues and transfers

Change in net position

Net position - January 1
 Prior period adjustment
 Net position - January 1, restated
 Net position - December 31

City of Burien, Washington
Statement of Activities
For the Year Ended December 31, 2013
Page 2 of 2

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (1,623,452)	\$ -	\$ (1,623,452)
(156,852)	-	(156,852)
(9,522,706)	-	(9,522,706)
(27,399)	-	(27,399)
(4,406,257)	-	(4,406,257)
(1,124,327)	-	(1,124,327)
(69,042)	-	(69,042)
319,408	-	319,408
(1,162,928)	-	(1,162,928)
(17,773,555)	-	(17,773,555)
-	2,121,525	2,121,525
-	2,121,525	2,121,525
(17,773,555)	2,121,525	(15,652,030)
6,208,867	85,608	6,294,475
6,816,465	-	6,816,465
4,549,331	-	4,549,331
1,132,780	-	1,132,780
510,260	-	510,260
6,886	-	6,886
20,004	2,490	22,494
275,274	8,330	283,604
25,140	(25,140)	-
19,545,008	71,288	19,616,296
1,771,453	2,192,813	3,964,266
109,301,572	7,288,090	116,589,662
145,451	-	145,451
109,447,023	7,288,090	116,735,113
\$ 111,218,476	\$ 9,480,903	\$ 120,699,379

Functions/Programs

Governmental activities:

- General government
- Judicial
- Public safety
- Environmental services
- Transportation
- Economic environment
- Social services
- Culture and recreation
- Interest on long-term debt
- Total governmental activities

Business-type activities:

- Surface water management
- Total business-type activities

Total primary government

General revenues:

Taxes

- Property taxes
- Sales and use taxes
- Business and occupation taxes
- Excise taxes
- Other taxes
- Penalties and interest
- Unrestricted investment earnings
- Miscellaneous
- Transfers
- Total general revenues and transfers

Change in net position

- Net position - January 1
- Prior period adjustment
- Net position - January 1, restated
- Net position - December 31

City of Burien, Washington
Balance Sheet
Governmental Funds
December 31, 2013
Page 1 of 2

	General	Street	Debt Service
ASSETS			
Cash and cash equivalents	\$ 7,215,310	\$ 863,027	\$ 56,795
Accounts receivable	174,809	-	-
Taxes receivable:			
Current	530,013	48,110	-
Delinquent	314,654	-	-
Special assessments receivable	-	-	1,028,429
Due from other governments	1,446,231	159,036	-
Restricted cash and cash equivalents	15,871	-	-
Total assets	<u>9,696,888</u>	<u>1,070,173</u>	<u>1,085,224</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 9,696,888</u>	<u>\$ 1,070,173</u>	<u>\$ 1,085,224</u>
LIABILITIES			
Accounts payable	\$ 569,416	\$ 99,353	\$ 903
401A admin fee payable	15,871	-	-
Due to other governments	31,764	73	-
Deposits payable	240,069	-	-
Accrued wages/benefits payable	196,870	23,324	-
Total liabilities	<u>1,053,989</u>	<u>122,750</u>	<u>903</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	174,245	-	-
Unavailable revenue-special assessments	-	-	1,019,402
Unavailable revenue-gambling taxes	140,409	-	-
Unavailable revenue-accounts receivable	250	-	-
Total deferred inflows of resources	<u>314,904</u>	<u>-</u>	<u>1,019,402</u>
FUND BALANCES (DEFICITS)			
Restricted:			
Debt service	-	-	64,919
Other capital projects	-	-	-
Committed:			
Arts projects	30,355	-	-
Capital projects	111,231	-	-
Street maintenance	-	947,423	-
Parks capital projects	-	-	-
Transportation capital projects	-	-	-
Unassigned:	<u>8,186,409</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>8,327,995</u>	<u>947,423</u>	<u>64,919</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 9,696,888</u>	<u>\$ 1,070,173</u>	<u>\$ 1,085,224</u>

City of Burien, Washington
Balance Sheet
Governmental Funds
December 31, 2013
Page 2 of 2

Parks and General Government Capital Projects	Transportation Capital Projects	Other Governmental	Total
\$ 1,006,529	\$ 3,005,286	\$ 426,141	\$ 12,573,088
-	-	-	174,809
-	-	-	578,123
-	-	-	314,654
-	-	-	1,028,429
-	510,172	22,810	2,138,249
-	-	-	15,871
<u>1,006,529</u>	<u>3,515,458</u>	<u>448,951</u>	<u>16,823,223</u>
-	-	-	-
<u>\$ 1,006,529</u>	<u>\$ 3,515,458</u>	<u>\$ 448,951</u>	<u>\$ 16,823,223</u>
\$ 11,442	\$ 204,010	\$ -	\$ 885,124
-	-	-	15,871
-	-	-	31,837
-	1,500	-	241,569
-	3,403	-	223,597
<u>11,442</u>	<u>208,913</u>	<u>-</u>	<u>1,397,997</u>
-	-	-	174,245
-	-	-	1,019,402
-	-	-	140,409
-	-	-	250
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,334,306</u>
-	-	196,406	261,325
-	-	252,545	252,545
-	-	-	30,355
-	-	-	111,231
-	-	-	947,423
995,087	-	-	995,087
-	3,306,545	-	3,306,545
-	-	-	8,186,409
<u>995,087</u>	<u>3,306,545</u>	<u>448,951</u>	<u>14,090,920</u>
<u>\$ 1,006,529</u>	<u>\$ 3,515,458</u>	<u>\$ 448,951</u>	<u>\$ 16,823,223</u>

City of Burien, Washington
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2013

Total fund balances - governmental funds		\$	14,090,920
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>			
Land	26,043,161		
Construction in progress	16,089,394		
Buildings (net of accumulated depreciation)	11,981,415		
Machinery and equipment (net of accumulated depreciation)	1,024,727		
Improvements (net of accumulated depreciation)	5,791,132		
Infrastructure (net of accumulated depreciation)	61,287,165		
Intangibles (net of accumulated amortization)	<u>13,915</u>		122,230,909
<p>Investment in joint ventures (SCORE) are not a financial resource and, therefore are not reported in the funds.</p>			
			3,589,123
<p>Receivables not available to pay current period expenditures and, therefore, are deferred in the funds:</p>			
Property taxes	174,245		
Special assessments	1,019,402		
Gambling taxes	140,409		
Fines and penalties	<u>250</u>		1,334,306
<p>Certain liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p>			
General Obligation Bonds	24,895,561		
2009 Bonds A and B- SCORE Joint Venture	3,294,800		
Special Assessment Debt payable	1,136,483		
Public Works Trust Fund Loans Payable	1,694,901		
Compensated absences	264,132		
Deferred charge on refunding	(100,690)		
Accrued interest payable on long-term debt	<u>102,323</u>		(31,287,510)
<p>Internal service funds are used by management to charge the costs of certain activities such as equipment rental to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.</p>			
			<u>1,260,728</u>
Net position of governmental activities		\$	<u><u>111,218,476</u></u>

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City of Burien, Washington
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013
Page 1 of 2

	General	Street	Debt Service
REVENUES			
Taxes			
Property taxes	\$ 6,308,968	\$ -	\$ -
Sales tax	6,816,465	-	-
Real estate excise tax	-	-	-
Business and occupation tax	569,665	-	-
Utility tax	2,881,718	394,255	-
Gambling & other taxes	563,284	157,626	-
Licenses and permits	1,489,084	517,856	-
Intergovernmental revenues	1,965,624	1,145,751	109,365
Charges for services	992,313	-	48,165
Fines and forfeitures	266,568	-	-
Rentals	168,144	-	-
Donations	279	-	-
Special assessments	-	-	95,802
Investment earnings	12,381	1,365	164
Miscellaneous	98,961	240	5,454
Total revenues	22,133,454	2,217,093	258,950
EXPENDITURES			
Current:			
General government	3,634,689	-	-
Judicial	262,312	-	-
Public safety	10,465,298	-	-
Environmental services	148,888	-	-
Transportation	518,034	1,363,118	-
Economic environment	1,629,585	-	-
Social services	90,535	-	-
Culture and recreation	2,696,312	-	-
Debt service			
Principal	-	-	1,560,225
Interest and fiscal charges	-	-	1,139,237
Capital outlay	2,423,057	-	-
Total expenditures	21,868,710	1,363,118	2,699,462
Excess (deficiency) of revenues over expenditures	264,744	853,975	(2,440,512)
Other financing sources (uses)			
Line of credit	2,370,562	-	-
Transfers in	75,000	-	2,400,000
Transfers out	(1,550,000)	(330,000)	-
Insurance recoveries	-	82	-
Total other financing sources (uses)	895,562	(329,918)	2,400,000
Net change in fund balances	1,160,306	524,057	(40,512)
Fund balances - beginning	7,149,932	423,366	105,431
Prior period adjustment	17,756	-	-
Fund balances - beginning, as restated	7,167,688	423,366	105,431
Fund balances - ending	\$ 8,327,995	\$ 947,423	\$ 64,919

City of Burien, Washington
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

Page 2 of 2

Parks and General Government Capital Projects	Transportation Capital Projects	Other Governmental	Total
\$ -	\$ -	\$ -	\$ 6,308,968
-	-	-	6,816,465
-	-	1,132,780	1,132,780
-	-	-	569,665
-	-	-	3,275,973
-	-	352,634	1,073,544
-	-	-	2,006,940
3,324,401	2,756,686	-	9,301,827
-	101,442	38,285	1,180,205
-	-	-	266,568
-	9,000	-	177,144
-	-	-	279
-	-	-	95,802
316	4,083	1,035	19,344
-	-	-	104,655
<u>3,324,717</u>	<u>2,871,211</u>	<u>1,524,734</u>	<u>32,330,159</u>
-	-	-	3,634,689
-	-	-	262,312
-	-	-	10,465,298
-	-	-	148,888
-	156,002	-	2,037,154
-	-	-	1,629,585
-	-	-	90,535
234,456	-	-	2,930,768
-	-	-	1,560,225
-	-	-	1,139,237
2,650,000	2,693,004	-	7,766,061
<u>2,884,456</u>	<u>2,849,006</u>	<u>-</u>	<u>31,664,752</u>
<u>440,261</u>	<u>22,205</u>	<u>1,524,734</u>	<u>665,408</u>
-	-	-	2,370,562
900,000	253,655	-	3,628,655
(328,515)	-	(1,645,000)	(3,853,515)
-	-	-	82
<u>571,485</u>	<u>253,655</u>	<u>(1,645,000)</u>	<u>2,145,784</u>
1,011,746	275,860	(120,266)	2,811,192
(16,659)	3,030,685	569,217	11,261,972
-	-	-	17,756
<u>(16,659)</u>	<u>3,030,685</u>	<u>569,217</u>	<u>11,279,728</u>
<u>\$ 995,087</u>	<u>\$ 3,306,545</u>	<u>\$ 448,951</u>	<u>\$ 14,090,920</u>

City of Burien, Washington
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental to the Statement of Activities
For the Fiscal Year Ended December 31, 2013

Net change in fund balances - total governmental funds \$ 2,811,192

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

Governmental funds report capital outlays as expenditures. However, in the useful lives and reported as depreciation expense. This is the amount by which statement of activities, the costs of these assets are allocated over their estimated capital outlays exceeded depreciation expense in the current period.

Capital outlays	7,766,061	
Depreciation expense	<u>(8,308,604)</u>	(542,543)

Investment in joint ventures are not considered financial resources and are, therefore not reported in the funds. 157,392

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Property tax revenue	(100,101)	
Special assessment revenue	(96,137)	
Gambling taxes	140,409	
False Alarm Fee	<u>250</u>	(55,579)

The issuance of long-term debt (e.g., bonds, leases) 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, however, has any effect on net assets.

Issuance of 2013 LTGO Bonds	(2,370,562)	
Principal payments on long-term debt	1,560,225	
Amortization of deferred charge on bond refunding	<u>(11,188)</u>	(821,525)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Accrued interest expense	(12,564)	
Accrued compensated absences expense	<u>38,001</u>	25,437

The internal service fund is used by management to charge costs of certain activities to individual funds. The net revenue (expense) of certain activities of internal service fund is reported with governmental funds.

197,079

Change in net position of governmental activities \$ 1,771,453

City of Burien, Washington
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
For the Year ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 16,326,000	\$ 16,634,000	\$ 17,140,100	\$ 506,100
Licenses and permits	1,219,000	1,274,000	1,489,084	215,084
Intergovernmental revenue	1,955,000	1,832,000	1,965,624	133,624
Charges for services	861,000	861,000	992,313	131,313
Fines and forfeitures	200,000	280,000	266,568	(13,432)
Rentals	125,000	155,000	168,144	13,144
Donations	1,000	1,000	279	(721)
Investment earnings	11,300	11,300	12,381	1,081
Miscellaneous	-	6,000	98,961	92,961
Total revenues	<u>20,698,300</u>	<u>21,054,300</u>	<u>22,133,454</u>	<u>1,079,154</u>
EXPENDITURES				
Current:				
General government	3,987,960	4,068,960	3,634,689	434,271
Judicial	275,000	275,000	262,312	12,688
Public safety	10,700,600	10,700,600	10,465,298	235,302
Environmental services	125,000	125,000	148,888	(23,888)
Transportation	565,650	579,650	518,034	61,616
Economic environment	1,647,475	1,892,475	1,629,585	262,890
Social services	97,300	97,300	90,535	6,765
Culture and recreation	2,646,045	2,678,460	2,696,312	(17,852)
Capital outlay	38,000	3,704,500	2,423,057	1,281,443
Total expenditures	<u>20,083,030</u>	<u>24,121,945</u>	<u>21,868,710</u>	<u>2,253,235</u>
Excess (deficiency) of revenues over expenditures	<u>615,270</u>	<u>(3,067,645)</u>	<u>264,744</u>	<u>3,332,389</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Transfers In	80,000	75,000	75,000	-
Transfers out	(1,410,000)	(1,550,000)	(1,550,000)	-
Line of credit	-	3,600,000	2,370,562	(1,229,438)
Interfund loan	-	(2,700,000)	-	2,700,000
Total other financing uses (sources)	<u>(1,330,000)</u>	<u>(575,000)</u>	<u>895,562</u>	<u>1,470,562</u>
Net change in fund balances	(714,730)	(3,642,645)	1,160,306	4,802,951
Fund balances - beginning	4,495,832	7,149,934	7,149,932	(2)
Prior period adjustment	-	-	17,756	17,756
Fund balances - beginning, as restated	<u>4,495,832</u>	<u>7,149,934</u>	<u>7,167,688</u>	<u>17,754</u>
Fund balances - ending	<u>\$ 3,781,102</u>	<u>\$ 3,507,289</u>	<u>\$ 8,327,995</u>	<u>\$ 4,820,706</u>

City of Burien, Washington
Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Utility taxes	\$ 394,000	\$ 394,000	\$ 394,255	\$ 255
Other taxes	150,000	150,000	157,626	7,626
Intergovernmental revenues	984,000	984,000	1,145,751	161,751
Licenses and permits	510,000	510,000	517,856	7,856
Investment earnings	-	-	1,365	1,365
Miscellaneous	-	-	240	240
Total revenues	<u>2,038,000</u>	<u>2,038,000</u>	<u>2,217,093</u>	<u>179,093</u>
EXPENDITURES				
Current:				
Transportation	1,643,075	1,643,075	1,363,118	279,957
Total expenditures	<u>1,643,075</u>	<u>1,643,075</u>	<u>1,363,118</u>	<u>279,957</u>
Excess of revenues over expenditures	394,925	394,925	853,975	459,050
OTHER FINANCING SOURCES (USES)				
Transfers out	(375,000)	(330,000)	(330,000)	-
Insurance recoveries	-	-	82	82
Total other financing sources (uses)	<u>(375,000)</u>	<u>(330,000)</u>	<u>(329,918)</u>	<u>82</u>
Net change in fund balances	19,925	64,925	524,057	459,132
Fund balance - beginning	<u>119,062</u>	<u>423,366</u>	<u>423,366</u>	<u>-</u>
Fund balances - ending	<u>\$ 138,987</u>	<u>\$ 488,291</u>	<u>\$ 947,423</u>	<u>\$ 459,132</u>

City of Burien, Washington
Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-Type Activities Enterprise Fund Surface Water Management	Governmental Activities Internal Service Fund Equipment Replacement
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,378,389	\$ 695,773
Utility receivables, net	135,407	-
Due from other governments	228,342	-
Total current assets	<u>2,742,138</u>	<u>695,773</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	1,076,060	-
Construction in progress	1,891,881	-
Capital assets, net of accumulated depreciation:		
Machinery, equipment, and vehicles	367,856	572,913
Infrastructure	4,968,358	-
Total noncurrent assets	<u>8,304,155</u>	<u>572,913</u>
Total assets	<u>11,046,293</u>	<u>1,268,686</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	<u>-</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	418,154	7,958
Accrued employee wages and benefits payable	37,957	-
Compensated absences	2,852	-
Accrued interest payable	2,699	-
Due to other governments	1,252	-
Public works trust fund loan payable	83,031	-
Total current liabilities	<u>545,945</u>	<u>7,958</u>
Non-current liabilities:		
Compensated absences	23,075	-
Public works trust fund loan payable	996,370	-
Total liabilities	<u>1,565,390</u>	<u>7,958</u>
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	7,224,754	572,913
Restricted, current portion of long-term debt	88,428	-
Unrestricted	2,167,721	687,815
Total net position	<u>\$ 9,480,903</u>	<u>\$ 1,260,728</u>

City of Burien, Washington
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities Enterprise Fund Surface Water Management	Governmental Activities Internal Service Fund Equipment Replacement
Operating revenues:		
Charges for services	2,839,705	250,000
Miscellaneous	8,330	-
Total operating revenues	<u>2,848,035</u>	<u>250,000</u>
Operating expenses:		
Personnel services	916,779	-
Supplies	96,225	10,117
Services	698,628	-
Taxes	24,156	-
Depreciation	348,966	218,481
Total operating expenses	<u>2,084,754</u>	<u>228,598</u>
Operating income (loss)	763,281	21,402
Non-operating revenues (expenses):		
Property taxes	85,608	-
Intergovernmental revenues	1,375,085	-
Investment earnings	2,490	660
Interest expense	(8,511)	-
Total nonoperating revenues (expenses)	<u>1,454,672</u>	<u>660</u>
Income before capital contributions and transfers	<u>2,217,953</u>	<u>22,062</u>
Transfers in	328,515	-
Transfers out	(353,655)	-
Total transfers	<u>(25,140)</u>	<u>-</u>
Change in net position	2,192,813	22,062
Net position - January 1	7,288,090	1,227,761
Prior period adjustment	-	10,905
Net position - January 1, restated	<u>7,288,090</u>	<u>1,238,666</u>
Net position - December 31	<u>\$ 9,480,903</u>	<u>\$ 1,260,728</u>

City of Burien, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Surface Water Management	Equipment Replacement
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	\$ (652,274)	\$ (12,346)
Receipts from customers	2,794,917	250,000
Other receipts	9,359	-
Payments to employees	(887,251)	-
Net cash provided (used for) operating activities	<u>1,264,751</u>	<u>237,654</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to/from other funds	(25,140)	-
Operating grant	22,311	-
Net cash provided (used for) noncapital financing activities	<u>(2,829)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Property taxes	85,608	-
Capital grants	1,449,126	-
Acquisition and construction of capital assets	(1,509,927)	(63,887)
Principal paid on capital debt	(83,031)	-
Interest paid on capital debt	(5,812)	-
Net cash provided by (used for) capital and related financing activities	<u>(64,036)</u>	<u>(63,887)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	2,491	660
Net cash provided by investing activities	<u>2,491</u>	<u>660</u>
Net increase (decrease) in cash and cash equivalents	1,200,377	174,427
Cash and cash equivalents, January 1	<u>1,178,012</u>	<u>521,346</u>
Cash and cash equivalents, December 31	<u>\$ 2,378,389</u>	<u>\$ 695,773</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 763,281	\$ 21,402
Adjustments to reconcile operating income (loss) to net cash provided(used for) operating activities:		
Depreciation expense	348,966	218,481
(Increase) decrease in accounts receivable	(29,434)	-
(Increase) decrease in intergovernmental receivables	20,170	-
(Decrease) increase in employee wages and benefits payable	6,454	-
(Decrease) increase in accrued liabilities	1,252	-
(Decrease) increase in compensated absences	23,075	-
(Decrease) increase in accounts payable	130,987	(2,229)
Total adjustments	<u>501,470</u>	<u>216,252</u>
Net cash provided by (used for) operating activities	<u>\$ 1,264,751</u>	<u>\$ 237,654</u>

City of Burien, Washington
Statement of Net Position
Fiduciary Fund
December 31, 2013

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 66,375
Total assets	<u>\$ 66,375</u>
LIABILITIES	
Payroll withholdings and employer contributions	\$ 66,375
Total liabilities	<u>\$ 66,375</u>

NOTES TO FINANCIAL STATEMENTS

TABLE OF CONTENTS

<u>Note</u>	<u>Page</u>
1. Summary of Significant Accounting Policies.....	4-19
2. Reconciliation of Government-wide and Fund Financial Statements	4-26
3. Stewardship, Compliance and Accountability	4-26
4. Cash and Investments	4-27
5. Receivables	4-28
6. Interfund Balances and Transfers	4-29
7. Capital Assets	4-30
8. Construction Commitments	4-31
9. Long-term Obligations	4-31
10. Pension Plans	4-34
11. Other Post Employment Benefits	4-39
12. Joint Venture	4-40
13. Prior Period Adjustments	4-41
14. Risk Management	4-42
15. Contingencies, Litigation and Subsequent Event	4-43



NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Burien was incorporated on February 28, 1993, and operates under the laws of the State of Washington applicable to a non-charter code city with a Council-Manager form of government. The City is served by a non-partisan elected seven-member council. By statute, the Mayor is selected by the City Council from among its members, although this may also be done by election. The Council appoints a professional City Manager.

The financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Effective for fiscal year 2013 reporting, the City implemented the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 65-Items Previously Reported as Assets and Liabilities

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Concepts Statement No. 4, Elements of Financial Statements, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting entity

The City of Burien is a municipal corporation that operates under the Council-Manager form of government. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit - The Burien Transportation Benefit District was formed when the City Council adopted Ordinance No. 516 on July 20, 2009. The purpose of the district is to acquire, construct, improve, provide, and fund transportation improvements within the District consistent with any existing state, regional, and local transportation plan. The governing board of the Transportation Benefit District is the Burien City Council acting in an ex officio and independent capacity. Although it is legally separate from the City of Burien, the Burien Transportation Benefit District will be reported as if it were part of the primary government because its sole purpose is to finance and construct City of Burien streets. The District is funded by a \$10 excise tax charged on all vehicles registered within the City of Burien. The Washington State Department of Vehicles began collecting the excise taxes effective January 1, 2011.

The Transportation Benefit District activities are accounted for within Fund 118, a Special Revenue Fund of the City of Burien. Financial reporting for this fund can be found in the Combining Statements located in the Fund Financial Statements and Schedules Section of this report.

The City defines its financial reporting entity in accordance with the provisions of Governmental Accounting Standards Board Statement No. 14 (GASB 14), The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units-an Amendment of GASB 14. These GASB Statements require for inclusion of component units primarily based upon whether the City's governing body has any significant amount of financial accountability for potential component units (PCU). The City is financially accountable if it appoints a voting majority of a PCU's governing body, and is able to impose its will on that PCU or there is a potential for the PCU to provide specific financial benefits to or impose specific financial burdens on the City.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided.

D. Basic Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, reporting information on the City as a whole. The fund financial statements provide a more detailed level of financial information at the fund level. For the most part, interfund activity has been eliminated from the government-wide statements, with the exception of charges for surface water management activities. Elimination of these charges would distort the direct cost and program revenue of this activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely 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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported separately in the fund financial statements.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue

source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Financial Statement Presentation

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It accounts for all financial resources and transactions of the general government, except those required to be accounted for in another fund. It includes the Art in Public Places Fund and the Capital Projects Reserve Fund.

The *Street Fund* accounts for operations and maintenance of the cities roadways.

The *Debt Service Fund* accounts for the accumulation of resources and payments made for principal, interest and bond administration costs on the long-term general obligation debt of the governmental funds.

The *Parks & General Government Capital Projects Fund* accounts for financial resources designated for numerous parks and general government related capital improvement projects.

The *Transportation Capital Projects Fund* accounts for financial resources designated for numerous transportation related capital improvement projects.

The government reports the following proprietary fund:

The *Surface Water Management Fund* accounts for planning, public involvement, education and maintenance activities necessary for environmentally appropriate storm and surface water management programs and capital improvements of the facilities.

The City also reports the following fiduciary fund:

The *Payroll Clearing Fund* accounts for assets accumulated to pay for payroll and associated benefits of city employees. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve a measurement of results of operations.

Additionally, the government reports the following fund types:

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted for expenditures for specified purposes. Special Revenue Funds include the Street Fund, the Public Works Reserve Fund and the Transportation Benefit District Fund.

Internal Service Fund which accounts for rental and replacement of numerous pieces of city equipment.

G. Assets, Liabilities and Equity**1. Cash and Cash Equivalents**

It is the City's policy to invest all temporary cash surpluses. These investments are reported on the statement of net position and the governmental funds balance sheet as cash and cash equivalents. Included in cash and cash equivalents are currency on hand, demand deposits with banks or other financial institutions, and investments with the Local Government Investment Pool. Interest earned on pooled investments is allocated to each of the participating funds.

Washington State law authorizes investments in obligations of the U.S. Treasury: U.S. government agencies and instrumentalities, bankers' acceptances, primary certificates of deposit issued by qualified public depositories, the State Treasurer's Local Government Investment Pool and repurchase agreements collateralized by the previously authorized investments. At December 31, 2012, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, which is an unrated 2a7-like pool, overseen by the State Treasurer's Office in accordance with state statutes and rules established by the State Finance Committee.

The City reports its deposits and investment risk disclosures in accordance with GASB Statement 40 (see Cash and Investment Note 4).

In accordance with GASB 31, investments in external 2a7-like pools, money market investments, and participating interest-earning investment contracts with remaining maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

2. Receivables

The City recognizes receivables in its financial statements based on the accounting requirements for that statement. These receivables are described below:

Property Taxes

Uncollected property taxes levied for the current year are reported as receivable at year-end. The City's property tax collection records show that approximately 98% of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years. When property taxes become three years delinquent, the County is required by State statute to foreclose on the property. Historically, all taxes have been collected, therefore no allowance for uncollectible taxes is recorded.

Sales Taxes

Sales Taxes collected for November and December but not remitted by the state to the City until January and February of the following year are reported as receivables at year-end. There is no allowance for uncollectible taxes because all sales taxes are required by law to be collected by businesses at the time of sale and remitted to the state.

Special Assessments

Special Assessments are levied against certain property owners and become liens against the property benefited by the improvement. Special assessments receivable, as reported in the Statement of Net Position, include all uncollected assessments regardless of the due date. Special assessments receivable, reported in the governmental fund statements, consist of current assessments that are due within 60 days, delinquent assessments remaining unpaid after the due date and deferred uncollected assessments that have been levied, but are not due within 60 days.

3. Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at year-end is referred to as either due to or due from other funds. In the entity-wide Statement of Net Position, due to/due from other funds is not reported, but is eliminated in internal balances. There were no interfund balances to eliminate at year-end.

4. Capital Assets

Capital Assets, which includes property, plant, equipment, and infrastructure, including all infrastructure acquired prior to the implementation of GASB 34, are reported in the applicable government or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated life in excess of three years. Such assets are recorded at estimated historical cost if historical cost data is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets acquired prior to the implementation of GASB 34 are recorded at estimated historical cost and all infrastructure assets acquired since implementation of GASB 34 are valued at cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Property, plant, equipment, infrastructure, and intangibles of the City are depreciated or amortized using the straight line method over the following useful lives:

<u>Type of Asset</u>	<u>Number of Years</u>
Building and Structures	20
Other Improvements	10 - 20
Machinery and Equipment	3 - 10
Infrastructure	10 – 30
Intangibles	3-5

5. Compensated Absences

Compensated absences consist of accrued vacation leave and compensatory time. All vacation in the government-wide financial statements is accrued when earned. The amount recorded in this account represents accumulated vacation, compensatory time, and related benefits.

Vacation is earned monthly, from 8 hours to 16.7 hours per month, based on number of years of employment. Employees are allowed to carry over a maximum of twice his/her annual accrual. Vacation is payable when taken or upon termination of employment.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for 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 (expense/expenditure) until then. The City of Burien only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt

In addition to liabilities, the statement of financial position 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 (revenue) until that time. The City of Burien does not have any items that qualify for reporting in this category.

Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Unearned Revenue

In governmental funds, unearned revenues included amounts collected but not yet earned, and include receivables that have not yet met the revenue recognition criteria.

8. Short-term Debt

Short-term obligations are defined as anticipation notes, use of lines of credit and similar type transactions. The City had no short-term debt at the beginning or end of the year.

9. Long-term Obligations

Long-term obligations are recorded in the government-wide Statement of Net Position. At year-end these liabilities include four general obligation bond issues (one is a longer-term, non-revolving line of credit), four Public Works Trust Fund Loans and a special obligation bond issued by a joint venture of several cities, of which Burien has a 4% interest. For more information, see the long-term obligation description in Note 9 and the joint venture disclosure in Note 12.

10. Fund Equity

Restricted net position represent the portions of fund balance where limitations have been imposed on their use whether through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The remaining net position is reported as unrestricted. The City's policy is to maintain an ending fund balance in the General Fund of at least 15% of budgeted General Fund recurring revenues with a goal of 20% by 2022. For the Street and Surface Water Management Funds, the policy is to maintain an ending fund balance of at least 5% of recurring revenues in these funds.

11. Fund Balance

The Fund Balance amounts for governmental funds have been classified in accordance with GASB Statement No. 54, in the following categories:

Nonspendable Fund Balance includes amounts that cannot be spent. This includes activity that is not in a spendable form and activity that is legally or contractually required to remain intact.

Restricted Fund Balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed Fund Balance can be used only for specific purposes pursuant to constraints imposed by a formal action in the form of ordinances and resolutions adopted by Burien Councilmembers, the City's highest level of decision-making authority.

Assigned Fund Balance includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. The Finance Director shall have the authority to assign amounts of fund balance to a specific purpose; however, before expenditure, amounts must be appropriated by the City Council. For governmental funds, other than the General Fund, this is the residual amount within the funds that is not restricted or committed.

Unassigned Fund Balance is the residual amount in the General Fund not included in the categories described above. Also, any deficit fund balances in the other governmental fund types are reported as unassigned.

The Finance Director shall have the authority to assign amounts of fund balance to a specific purpose; however, before expenditure, amounts must be appropriated by the City Council.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first.

When expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts shall be reduced first, followed by assigned amounts and then unassigned amounts.

12. Operating and Non-operating Revenues and Expenses

Operating revenues and expenses for the proprietary fund are those that result from providing services and producing and delivering goods and/or services in connection to the proprietary fund's principle ongoing operation. It includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities. All revenues and expenses not meeting this definition are non-operating revenues and expenses.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental funds' balance sheet includes a reconciliation of total fund balance and total net position as reported in the government-wide Statement of Net Position (see page 4-8).

B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation of net changes in fund balances – total governmental funds and changes in net position of governmental activities reported in the government-wide Statement of Activities (see page 4-12).

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions and there have been no expenditures exceeding legal appropriations in any fund of the City. Fund balance is included in authorized expenditure appropriations, but not necessarily appropriated at the program level and is identifiable in the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual.

Budgetary Data

A. Scope of Budget

The City adopts the budget for governmental funds on the modified accrual basis. The budget is adopted with budgetary control at the fund level, so expenditures may not legally exceed appropriations at that level of detail. Total fund appropriation includes expenditures, other financing uses and estimated ending fund balance. Unexpended appropriated balances for most funds (the General Fund; most Special Revenue funds - the Street, Public Works Reserve and Transportation Benefit District funds; and Debt

Service funds - the Debt Service and the LID Guaranty funds) lapse at year-end. The “Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual” in the Basic Financial Statements section of this report and the “Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual” in the Fund Financial Statements and Schedules section are provided in this document to demonstrate legal budgetary compliance for those funds.

The budget also includes appropriations for funds that are adopted on a “project-length” basis, such as the Capital Projects funds. Appropriations are adopted at the beginning of the projects, and are carried forward from year to year without re-appropriation until authorized amounts are fully expended or the designated purpose of the project has been accomplished. Since these funds are not budgeted on an annual basis, a budgetary comparison is not provided in the financial statements.

B. Procedures for Adopting the Original Budget

The City of Burien’s biennial budget procedures are mandated by Chapter 35A.33 of the Revised Code of Washington (RCW). The steps in the budget process are as follows:

1. Prior to the first Monday in October, the City Manager submits a proposed budget to the City Council. This budget is based on priorities established by the Council. Estimates of the cost of these priorities and estimates for the basic government operating costs are presented to the Council in the preliminary budget document, in addition to revenue estimates.
2. The City Council conducts at least two public hearings on the proposed budget prior to budget adoption.
3. The Council reviews the preliminary budget document and, if necessary, makes adjustments to the proposed budget. The Council adopts, by ordinance, the final budget for the ensuing two fiscal years no later than December 31. The final budget document is published and distributed early the following year. Copies of the adopted budget are made available to the public.

C. Amending the Budget

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, the pay classification system, 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 particular fund, it is accomplished by ordinance.

The budget amounts presented in the financial statements and schedules show the final authorized amounts as amended during the year.

NOTE 4. CASH AND INVESTMENTS

A. Cash and Investments

The City’s deposits are entirely covered by the Federal Deposit Insurance Commission (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The FDIC insures the first \$250,000 of the City’s deposits. The deposit balances over \$250,000 are insured by the PDPC. State statute permits additional amounts to be assessed on a pro rata basis to members of the PDPC pool in the event the pool’s collateral should be insufficient to cover a loss.

As of December 31, 2013, the carrying amount of the City's demand deposits with KeyBank was \$717,293. Petty and working cash totaling \$1,250, is allocated to various City departments.

The Local Government Investment Pool (LGIP) is an unrated 2a7-like pool. The fair value of the City's pool investments is determined by the pool's share price. The City has no regulatory oversight responsibility for the LGIP which is governed by the Washington State Finance Committee and is administered by the State Treasurer. The LGIP is audited annually by the Office of State Auditor, an independently elected public official.

As of December 31, 2013 the City had the following investments and maturity:

	Fair Value	Less than One Year
State Treasurer's Local Government Investment Pool	<u>\$14,888,301</u>	<u>\$14,888,301</u>
Total Investments	<u>\$14,388,301</u>	<u>\$14,888,301</u>

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Additionally, all investments of the City are in the LGIP, an unrated 2a-7 like pool, which are not subject to interest rate risk, as the weighted average of the portfolio does not exceed 90 days.

Credit Risk

Washington State law limits investments in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances, primary certificates of deposit issued by qualified public depositories, the State Treasurer's Local Government Investment Pool and repurchase agreements collateralized by the previously authorized investments. Additionally investments may be made in commercial paper and bonds of the State of Washington and any local government in the State of Washington which have, at the time of investment, one of the three highest credit ratings of a nationally recognized rating agency.

Concentration of Credit Risk

At December 31, 2013, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, which in itself is a diversified investment pool and is highly liquid.

NOTE 5. RECEIVABLES

A. PROPERTY TAXES

Property taxes are levied by the county assessor and collected by the county office of financial management. Assessments are based on 100 percent of actual value. Taxes are levied and become a lien on the first day of the levy year. They may be paid in two equal installments if the total amount exceeds \$50. The first half is due on April 30, or the total amount becomes delinquent May 1. The balance is due October 31, becoming delinquent November 1. Delinquent taxes bear interest at the rate of 1 percent per month until paid and are subject to additional penalties of 3 percent and another 8 percent on the total unpaid delinquent balance on June 1 and December 1, respectively. Foreclosure action is commenced on properties when taxes become three years delinquent.

The City may levy up to \$1.60 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

1. Washington State law in Revised Code of Washington (RCW) 84.55.010 limits the growth of regular property taxes to 1 percent per year, after adjustments for new construction. If the assessed valuation increases by more than one percent due to revaluation, the levy rate will be decreased.

2. 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 levies may allow for the total property tax rate to exceed \$10.

The City's regular levy for 2013 was \$1.60 per \$1,000 of the assessed valuation of \$4,005,299,458 for a total regular levy of \$6,331,933, net of adjustments.

NOTE 6. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances are short-term advances from one fund to another. Interfund loans and advances are eliminated in the Statement of Net Position. The City did not have any interfund loans at year-end.

Transfers are transactions between funds that support the operations of the other funds and are classified as "Other Financing Sources and Uses" in the fund statements. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the Government-wide Financial Statements. A summary of transfers by fund type is as follows:

2013 Transfers:

<u>Governmental:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds		
General Fund	\$ 75,000	\$ 366,000
Street Fund	-	330,000
Debt Service Fund	2,400,000	-
Parks and General Government Capital Projects Fund	900,000	328,515
Transportation Capital Projects Fund	253,655	-
Subtotal	<u>3,628,655</u>	<u>1,024,515</u>
Non-Major Funds		
Public Works Reserve Fund	-	1,300,000
Capital Projects Reserve Fund	-	1,184,000
Transportation Benefit District Fund	-	345,000
Subtotal	<u>-</u>	<u>2,829,000</u>
<u>Business-type:</u>		
Major Fund		
Surface Water Management Fund	\$ 1,028,515	\$ 1,053,655
Internal Service Fund		
Equipment Replacement Reserve Fund	250,000	-
Total Transfers	<u>\$ 3,878,655</u>	<u>\$ 4,907,170</u>

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 is presented below:

Primary Government						
	Beginning Balance	Prior Period Adjustment	Adjusted Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities :						
Capital assets, not being depreciated:						
Land and land improvements	\$ 25,806,769	\$ 236,391	\$ 26,043,161	\$ -	\$ -	\$ 26,043,161
Construction in progress	14,122,112	(4,042,770)	10,079,342	7,702,144	1,692,093	16,089,394
Total capital assets, not being depreciated	39,928,882	(3,806,379)	36,122,502	7,702,144	1,692,093	42,132,554
Capital assets, being depreciated:						
Buildings and structures	12,987,933	2,111,599	15,099,531	-	-	15,099,531
Other improvements	7,959,278	822,140	8,781,418	-	-	8,781,418
Machinery and equipment	3,750,710	197,944	3,948,654	89,474	-	4,038,129
Infrastructure	112,554,339	835,956	113,390,295	1,728,033	-	115,118,328
Total capital assets being depreciated	137,252,258	3,967,639	141,219,898	1,817,508	-	143,037,406
Less accumulated depreciation for:						
Buildings and structures	2,239,669	123,470	2,363,140	754,977	-	3,118,116
Other improvements	2,066,716	502,706	2,569,421	420,864	-	2,990,285
Machinery and equipment	2,461,634	(354,988)	2,106,646	333,843	-	2,440,489
Infrastructure	47,001,746	92,884	47,094,630	6,736,534	-	53,831,163
Total accumulated depreciation	53,769,765	364,073	54,133,838	8,246,217	-	62,380,056
Total capital assets, being depreciated, net	83,482,493	3,603,566	87,086,060	(6,428,710)	-	80,657,350
Intangible Assets:						
Intangible assets, being amortized	-	344,545	344,545	10,347	-	354,892
Less accumulated amortization	-	278,591	278,591	62,386	-	340,977
Total intangible asset, being amortized, net	-	623,136	623,136	(52,040)	-	13,915
Total Intangible assets	-	623,136	623,136	(52,040)	-	13,915
Governmental activities capital assets, net	\$ 123,411,375	\$ 420,323	\$ 123,831,699	\$ 1,221,395	\$ 1,692,093	\$ 122,803,820
Business-type activities:						
Capital assets, not being depreciated:						
Land and land improvements	\$ 1,076,060	\$ -	\$ 1,076,060	\$ -	\$ -	\$ 1,076,060
Construction in progress	812,740	-	812,740	1,079,141	-	1,891,881
Total capital assets, not being depreciated	1,888,800	-	1,888,800	1,079,141	-	2,967,941
Capital assets, being depreciated:						
Infrastructure	7,347,114	1,576,726	8,923,840	-	-	8,923,840
Machinery and equipment	98,504	-	98,504	367,856	-	466,360
Total capital assets being depreciated	7,445,618	1,576,726	9,022,343	367,856	-	9,390,200
Less accumulated depreciation for:						
Infrastructure	2,031,291	1,576,726	3,608,017	347,466	-	3,955,483
Machinery and equipment	97,004	-	97,004	1,500	-	98,504
Total accumulated depreciation	2,128,295	1,576,726	3,705,021	348,966	-	4,053,986
Total capital assets, being depreciated, net	9,573,912	-	12,727,364	716,822	-	13,444,186
Business-type activities capital assets, net	\$ 7,206,123	\$ -	\$ 7,206,123	\$ 1,098,032	\$ -	\$ 8,304,154

Depreciation and amortization expense was charged to functions/programs of the governmental activities of the primary government as follows:

Governmental activities	Depreciation	Amortization	Total
General Government	\$ 727,241	\$ 62,386	\$ 789,627
Public Safety	6,449	-	6,449
Transportation	6,869,330	-	6,869,330
Economic Development	982	-	982
Culture and Recreation	642,216	-	642,216
Total - Governmental activities	8,246,218	62,386	8,308,604
Business-Type Activities			
Surface Water Management	\$ 348,966	\$ -	\$ 348,966
Total - Business-type activities	\$ 348,966	\$ -	\$ 348,966

NOTE 8. CONSTRUCTION COMMITMENTS

The City has a few active construction projects as of December 31, 2013. The major projects include Seahurst Park-North Shoreline, design of the Des Moines Memorial Drive/518 Interchange and the North East Redevelopment Area Drainage Improvement Project.

NOTE 9. LONG-TERM OBLIGATIONS

General Obligation Bonds are a direct obligation of the City for which its full faith and credit is pledged. Debt service is paid from the debt service fund.

General Obligation Bonds Outstanding at year-end consist of several Limited Tax General Obligation Bond Issues: the 2006 Limited Tax General Obligation Bonds were issued in the amount of \$9,805,000 to provide funds for a future Senior and Activity Center and to continue development of the Town Square Project. In 2009, the South Correctional Entity, (SCORE) Public Development Authority (PDA) issued \$86 million of Special Obligation Bonds. The City of Burien's 4% ownership responsibility in this long-term liability is \$3,294,800. For more information about this joint venture, see Note 12. In 2010, Limited Tax General Obligation Bonds were issued for \$8.615 million to provide funds for a major street overlay project. In 2011, an \$8.55 million bond was issued to refund the majority of the 2002 bonds and to provide funding to complete the first phase of the 1st Avenue South capital project. In 2013, the City issued a general obligation bond in the form of a line of credit to purchase property in the North East Redevelopment Area for resale and redevelopment. The maximum amount available is \$3,600,000 and the balance outstanding at the end of 2013 was \$2,370,562.

Changes in General Long-Term Debt For the Year Ended December 31, 2013

	Balance 1/1/13	Increases	Decreases	Balance 12/31/13
2006 Limited Tax G.O. 3.75 to 5.00%	7,665,000	-	410,000	7,255,000
2009 Special G.O./SCORE, PDA 2.0 to 5.346%	3,449,400	-	154,600	3,294,800
2010 Limited Tax G.O. 2.00 to 6.13%	7,820,000	-	365,000	7,455,000
2011 Limited Tax G.O. 2.00 to 4.00%	8,220,000	-	405,000	7,815,000
2013 Limited Tax G.O. - Line of Credit 1.62%	-	2,370,562	-	2,370,562
Total General Obligation Bonds	\$ 27,154,400	\$ 2,370,562	\$ 1,334,600	\$ 28,190,362

**Debt Service Requirement to Maturity
Long-Term Debt Summary
For the Year Ended December 31, 2013**

General Obligation Bonds			
Year	Principal	Interest	Total Long-Term Debt Including SCORE
2014	1,294,600	1,150,009	2,444,609
2015	1,337,600	1,111,906	2,449,506
2016	1,390,800	1,061,691	2,452,491
2017	1,434,600	1,008,575	2,443,175
2018	3,862,962	1,016,092	4,879,054
2019-2023	8,036,200	3,795,049	11,831,249
2024-2028	7,192,000	2,000,347	9,192,347
2029-2033	2,690,600	590,302	3,280,902
2034-2038	951,000	162,587	1,113,587
Total General Obligation Bonds	\$ 28,190,362	\$ 11,896,557	\$ 40,086,919

Public Works Trust Fund Loan – State of Washington Public Works Trust Fund Loans are a direct responsibility of the City. The City currently has four such loans, three for the governmental funds and one for the proprietary fund. The first loan has an outstanding balance of \$1,033,418 and is being repaid with Real Estate Excise Taxes received in the Public Works Reserve Fund. The second loan is for \$475,000 and is being repaid with revenues from a special assessment (LID #1) against the benefiting property owners on the 152nd Street Enhancement Project, completed in 2003. The third loan is associated with the 1st Avenue South Phase 1 capital project and has an outstanding balance of \$1,322,966. This loan is split, with half of it being paid by a special assessment on the benefiting property owners and half being repaid from general revenues. The fourth loan is the responsibility of the Surface Water Management Fund for the Ambaum Pond Project associated with the 1st Avenue South project. The outstanding balance at year-end is \$1,079,401.

Governmental Funds Public Works Trust Fund Loans			
Year	Principal	Interest	Total Public Works Trust Fund Loans
2014	\$ 302,225	\$ 14,157	\$ 316,382
2015	302,225	12,646	314,870
2016	302,225	11,135	313,359
2017	302,225	9,624	311,848
2018	302,225	8,112	310,337
2019- 2023	1,199,991	18,541	1,218,532
2024 - 2026	120,270	601	120,871
Total Governmental Funds	\$ 2,831,384	\$ 74,816	\$ 2,906,200

Business Type Activities
Public Works Trust Fund Loans

Year	Principal	Interest	Total Public Works Trust Fund Loans
2014	\$ 83,031	\$ 5,397	\$ 88,428
2015	83,031	4,982	88,013
2016	83,031	4,567	87,598
2017	83,031	4,152	87,182
2018	83,031	3,736	86,767
2019-2023	415,154	12,455	427,609
2024-2026	249,093	2,491	251,583
Total Business Type Activities	\$ 1,079,401	\$ 37,779	\$ 1,117,180

Special Assessment Debt with Government Commitment

Special Assessment debt is a direct responsibility of the City, but is funded from the collection of special assessment payments. Debt service principal and interest costs are paid from the Debt Service Fund. At year-end, delinquent special assessments receivable are \$9,167. The LID Guaranty Fund was established with a transfer from the Street Fund to maintain a balance of approximately 10% of the outstanding debt owed by the special assessment.

Changes in Long-term Liabilities

	Beginning Balance	Prior Period Adjustment *	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:							
Governmental Activities							
<u>General Obligation Bonds:</u>							
2006 Limited Tax G.O. Bond	7,665,000	-	\$ 7,665,000		\$ (410,000)	\$ 7,255,000	\$ 430,000
2010 Limited Tax G.O. Bond	7,820,000		7,820,000		(365,000)	7,455,000	375,000
2011 Limited Tax G.O.	8,220,000	-	8,220,000		(405,000)	7,815,000	410,000
2013 Limited Tax G.O.- Key Bank Line of Credit	-	-	-	2,370,562	-	2,370,562	-
Total bonds payable	23,705,000	-	23,705,000	2,370,562	(1,180,000)	24,895,562	1,215,000
Deferred charges related to debt - premium	593,057	(593,057)	-	-	-	-	-
Net bonds payable	24,298,057	(593,057)	23,705,000	2,370,562	(1,180,000)	24,895,562	1,215,000
<u>Due to Other Governments</u>							
2009 (A) SCORE and 2009 (B) SCORE	3,449,400	(76,600)	3,372,800	-	(78,000)	3,294,800	79,600
<u>Special Assessment Debt with government commitment (PWTFL)</u>							
Lid No. 1- SW 152nd St	527,778	-	527,778	-	(52,778)	475,000	52,778
Lid No. 2 - 1st Ave S	721,618	-	721,618	-	(60,135)	661,483	60,135
Total special assessment debt	1,249,396	-	1,249,396	-	(112,913)	1,136,483	112,913
<u>Public Works Trust Fund Loans:</u>							
SW 152nd St Project	1,162,596	-	1,162,596	-	(129,177)	1,033,419	129,177
1st Ave S. Project	721,617	-	721,617	-	(60,135)	661,482	60,135
Total Public Works Trust Fund loans	1,884,213	-	1,884,213	-	(189,312)	1,694,901	189,312
Compensated absences	302,133	-	302,133	-	(38,001)	264,132	29,054
Total governmental activities	\$ 31,183,198	\$ (669,657)	\$ 30,513,541	\$ 2,370,562	\$ (1,598,226)	\$ 31,285,877	\$ 1,625,879
Business-Type Activities:							
<u>Public Works Trust Funds Loan:</u>							
Ambaum Pond Project	1,162,432	-	-	-	(83,031)	1,079,401	83,031
Total Public Works Trust Fund loan	1,162,432	-	-	-	(83,031)	1,079,401	83,031
Compensated absences	-	-	-	25,927	-	25,927	2,852
Total business-type activities	\$ 1,162,432	\$ -	\$ -	\$ 25,927	\$ (83,031)	\$ 1,105,328	\$ 85,883

Compensated Absences Payable

This amount represents the total unpaid vacation, compensatory time and related benefits liability of the governmental funds and the City's proprietary fund. Compensated absences liability for the governmental funds at year-end is \$264,132, a decrease of \$38,001 from the previous year, which decreases 2013 government expenditures by the same amount. The liability for the proprietary fund is \$25,927, which is an increase of \$25,927 over the previous year. Essentially all of the compensated absences liability has historically been liquidated through charges to the departments in the General Fund and the Surface Water Management Fund.

NOTE 10. PENSION PLANS

Substantially all City of Burien 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 retirement plans.¹ 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 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements 27, Accounting for Pensions by State and Local Government Employers and 50, Pension Disclosures, an Amendment of GASB Statements 25 and 27.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members, and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or

Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PERS Plan 2 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 reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 1, 2013:

- With a benefit that is reduced by 3 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 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 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.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' Fiscal Year 2013, PERS Plan 3 employee contributions were \$99.0 million, and plan refunds paid out were \$69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS 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 twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, and were hired before May 1, 2013, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program.

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012²:

Retirees and Beneficiaries Receiving Benefits	82,242
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	30,515
Active Plan Members Vested	106,317
Active Plan Members Nonvested	44,273
Total	263,347

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, are as follows:

Members Not Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	9.21%**	9.21%**	9.21%***
Employee	6.00%****	4.92%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.18%.

** The employer rate for state elected officials is 13.73% for Plan 1 and 9.21% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.92% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Members Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-State Agency*	11.71%	11.71%	11.71%**
Employer-Local Gov't Units*	9.21%	9.21%	9.21%**
Employee-State Agency	9.76%	9.80%	7.50%***
Employee-Local Gov't Units	12.26%	12.30%	7.50%***

* The employer rates include the employer administrative expense fee currently set at 0.18%.

** Plan 3 defined benefit portion only.

***Minimum rate. Both the City of Burien and the employees made the required contributions. The City of Burien's required contributions for the years ended December 31 were as follows³:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2013	\$11,708	\$311,560	\$44,760
2012	\$6,735	\$279,503	\$31,242
2011	\$7,754	\$273,439	\$15,757

City of Burien Retirement Plan

Plan Description: The City Council established the City of Burien Retirement Plan, which is a defined contribution pension plan, effective March 1, 1993, in accordance with Internal Revenue Code Section 401(a). The plan was established as an alternative to the Social Security System and is administered by the International City Management Association (ICMA) Retirement Corporation, a private corporation.

Temporary employees are not eligible for participation in this plan and they contribute to the Social Security System.

Funding Policy: All regular employees are required to participate in the plan. Under this program employees contribute 6.2%, the same percentage as they would have paid into Social Security, into a tax-deferred account. The City contributes 5.85% into the employee account. This employer match is slightly less than would have been paid into Social Security. The difference is used to pay long-term disability insurance premiums. The plan document may be periodically amended by a majority vote of the participants and with City Council approval.

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 investments among 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. The City is not required to report plan assets on the financial statements.

Employee contributions for retirement benefits are always 100% vested. Employer contributions are 23% vested until the completion of the first year of employment. After one year, employer contributions are 100% vested. Upon separation of service prior to retirement, all employee contributions may be withdrawn without regard to age. Employer contributions can be withdrawn according to the vesting schedule. Upon normal retirement age of 60, benefits can be distributed through several options offered by the ICMA Retirement Corporation.

As of December 31, 2013, there were sixty-eight active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2013, was \$4,369,835 out of total payroll of \$4,681,304. Employee contributions during the year totaled \$274,108. City contributions were \$258,633.

NOTE 11. OTHER POST EMPLOYMENT BENEFITS

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 nature of the medical and other benefits provided by the Trust. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. That report, along with a copy of the Trust document, may be obtained by writing Trust at 1076 Franklin St. SE, Olympia, WA 98501-1346 or by calling 1-800-562-8981.

Funding Policy. The Trust provides that contribution requirements of participating employer 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 <u>1000</u>	Health First <u>2500</u>
Non-Medicare enrolled retiree coverage	\$ 830.01	\$ 724.72
Non-Medicare enrolled spouse coverage	837.26	729.99
Medicare enrolled retiree coverage	443.30	388.08
Medicare enrolled spouse coverage	456.13	398.04

Participating employers are not contractually required to contribute an assessed rate each year to non-LEOFF 1 retirees. The retiree pays 100% of the premium.

NOTE 12. JOINT VENTURE**South Correctional Entity (SCORE)**

The South Correctional Entity (SCORE) consolidated correctional facility was established February 25, 2009, when an Interlocal Agreement (the "Original Interlocal Agreement") was entered into by seven participating municipal governments, the "Member Cities" of Auburn, Burien, Des Moines, Federal Way, Renton, SeaTac and Tukwila, under the authority of the "Interlocal Cooperation Act" (RCW 39.34). This "Original Interlocal Agreement" was amended and restated October 1, 2009 and named the City of Des Moines as the "Host City" and the remaining Member Cities as "Owner Cities". This interlocal agreement is known as the "Formation Interlocal Agreement". Pursuant to a separate "Host City Agreement" dated October 1, 2009, the Host City will not enjoy the same equity position as the Owner Cities until all debts issued are paid and the Host City fulfills all of its obligations as outlined in the Host City Agreement. Pursuant to SCORE financial policies, all unexpected funds or reserve funds shall be distributed based on the percentage of the Member City's average daily population at the SCORE Facility for the last three (3) years regardless of their Owner City or Host City status.

SCORE, a governmental administrative agency pursuant to RCW 39.34.030(3), has the power to acquire, construct, own, operate, maintain, equip, and improve a correctional facility known as the "SCORE Facility" and to provide correctional services and functions incidental thereto, for the purpose of detaining arrestees and sentenced offenders in the furtherance of public safety and emergencies within the jurisdiction of the Member Cities. The SCORE Facility may serve the Member Cities and Subscribing Agencies which are in need of correctional facilities. Any agreement with a Subscribing Agency shall be in writing and approved by SCORE as provided within the SCORE Formation Interlocal Agreement.

Financing for the acquisition, construction, equipping, and improvement of the SCORE Facility was provided by bonds issued by the South Correctional Entity Facility Public Development Authority (the "SCORE PDA"), a public development authority chartered by the City of Renton pursuant to RCW 35.21.730 through 35.21.755 and secured by the full faith and credit of the Cities of Auburn, Burien Federal Way, Renton, SeaTac, and Tukwila. The SCORE PDA issued \$86 million in special obligation bonds in 2009 to carry out the facility development project. The following is a summary of the debt service requirements for the bond issue:

Summary of Debt Service Requirements											
Debt Service Schedule					Debt Service Allocation to Owner Cities						
Year	Principal	Interest	35% BABs		Auburn 31%	Burien 4%	Federal Way 18%	Renton 36%	SeaTac 3%	Tukwila 8%	
			Subsidy	Total							
2014	\$ 1,950,000	\$ 5,066,566	\$ (1,654,975)	\$ 5,361,591	\$ 1,662,093	\$ 214,464	\$ 965,086	\$ 1,930,173	\$ 160,848	\$ 428,927	
2015	1,990,000	4,995,069	(1,632,787)	5,352,282	1,659,207	214,091	963,411	1,926,822	160,568	428,183	
2016	2,065,000	4,911,886	(1,632,787)	5,344,099	1,656,671	213,764	961,938	1,923,876	160,323	427,528	
2017	2,145,000	4,820,241	(1,621,980)	5,343,261	1,656,411	213,730	961,787	1,923,574	160,298	427,461	
2018	2,240,000	4,715,979	(1,621,980)	5,333,999	1,653,540	213,360	960,120	1,920,240	160,020	426,720	
2019-2023	12,435,000	21,771,988	(7,583,953)	26,623,035	8,253,141	1,064,921	4,792,146	9,584,293	798,691	2,129,843	
2024-2028	15,060,000	17,809,677	(6,398,978)	26,470,699	8,205,917	1,058,828	4,764,726	9,529,452	794,121	2,117,656	
2029-2033	18,475,000	12,403,424	(4,553,914)	26,324,510	8,160,598	1,052,980	4,738,412	9,476,824	789,735	2,105,961	
2034-2038	22,795,000	5,605,241	(2,225,755)	26,174,486	8,114,091	1,046,979	4,711,407	9,422,815	785,235	2,093,959	
2039	5,165,000	170,858	(119,601)	5,216,257	1,617,040	208,650	938,926	1,877,853	156,488	417,301	
Totals	\$ 84,320,000	\$ 82,270,929	\$ (29,046,710)	\$ 137,544,219	\$ 42,638,709	\$ 5,501,767	\$ 24,757,959	\$ 49,515,922	\$ 4,126,327	\$ 11,003,539	

The City of Burien reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets. The following is condensed (unaudited) financial information as of December 31, 2013 related to SCORE:

South Correctional Entity (SCORE) 2013 Owner Cities Equity Allocation				
Member City	Percent of Equity	2012 Equity Balance	2013 Distribution	2013 Equity Balance
Auburn	31.00%	\$ 1,368,859	\$ 1,148,378	\$ 2,517,237
Burien	4.00%	176,627	117,696	294,323
Des Moines	1.00%	-	107,970	107,970
Federal Way	22.00%	794,820	1,026,120	1,820,940
Renton	31.00%	1,589,644	958,575	2,548,219
SeaTac	4.00%	132,469	199,239	331,708
Tukwila	7.00%	353,254	248,680	601,934
Grand Totals	100.00%	\$ 4,415,673	\$ 3,806,658	\$ 8,222,331

Completed financial statements for SCORE and SCORE PDA can be obtained at SCORE, 20817 17th Avenue South, Des Moines, WA 98198.

NOTE 13. PRIOR PERIOD ADJUSTMENTS

Governmental Activities

To conform to the accounting changes outlined in GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, a prior period adjustment in the amount of \$(341,353) was required to remove previously capitalized debt issuance costs.

A prior period adjustment in the amount of \$(370,511) was required to dispose of construction in progress assets improperly capitalized in prior years.

A prior period adjustment in the amount of \$17,756 was required to record an adjustment for amounts recorded as unearned revenue in prior years.

The value of a donated asset from 2011 was not recognized in the year of donation. A prior period adjustment in the amount of \$865,411 was necessary in 2013 to properly record the asset.

A reconciliation of capital asset balances resulted in a prior period adjustment in the amount of \$4,613.

Some prior year construction in progress assets were not capitalized in the year the projects were completed. As a result, a prior period adjustment amounting to \$(647,476) was necessary to record depreciation expense related to prior years.

Additionally, a prior period adjustment in the amount of \$(76,600) was required to record an adjustment to recognize a reduction in liability related to a prior year.

A reconciliation of capital asset beginning balances resulted in a prior period adjustment in the amount of \$10,905.

NOTE 14. RISK MANAGEMENT

The City of Burien 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 162 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 per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. 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 are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, 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, and 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.

In the past three years, there have been no settlements that have exceeded this coverage.

The City's industrial insurance is provided by the State of Washington and is administered by the Department of Labor and Industries. Coverage is purchased by means of standard rates per working hour and is computed by the total number of hours worked by employees multiplied by the basic premium rate assigned to the business risk classification.

The City's unemployment insurance is through Washington State Employment Security Department, which provides some compensation to workers who are temporarily and involuntarily unemployed.

The City provides medical, dental, vision and other health benefits to eligible employees. Premiums for these benefits are purchased through policies administered by the Association of Washington Cities.

NOTE 15. CONTINGENCIES, LITIGATION AND SUBSEQUENT EVENT

The City participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors and their representatives. The audits of these programs including the year ended December 31, 2013, have not yet been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in a lawsuit seeking to recover legal fees arising from a tort claim against the City that resulted in a large judgment. The City's insurer, Washington Cities Insurance Authority, is representing the City and has agreed that insurance is available in the event of an another adverse judgment. Although the federal district court initially ruled in favor of the City, the case was appealed and the appeals court overturned the decision and remanded the case to the federal district court. The case is now awaiting a decision by the federal district court judge.

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Public Works Reserve Fund - This fund was created to accumulate funds from various sources to provide funding for future capital projects. The major revenue source is Real Estate Excise Tax.

Transportation Benefit District Fund – This fund was created in 2011 to account for the activity of the Transportation Benefit District as a blended component unit of the city.

Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and the payment of general obligations and special assessment bonds.

Local Improvement Guaranty Fund – This fund was created to guaranty the repayment of a local improvement district's Public Works Trust Fund Loan with a transfer of funds from the Street Fund.

City of Burien, Washington
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Public Works Reserve	Transportation Benefit District	LID Guaranty	
ASSETS				
Cash and cash equivalents	\$ 252,545	\$ 8,596	\$ 165,000	\$ 426,141
Due from other governments	-	22,810	-	22,810
Total assets	<u>252,545</u>	<u>31,406</u>	<u>165,000</u>	<u>448,951</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>252,545</u>	<u>31,406</u>	<u>165,000</u>	<u>448,951</u>
Liabilities and fund balance				
Total liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Restricted:				
Other capital projects	252,545	-	-	252,545
Debt service	-	31,406	165,000	196,406
Total fund balance	<u>252,545</u>	<u>31,406</u>	<u>165,000</u>	<u>448,951</u>
Total liabilities and fund balance	<u>\$ 252,545</u>	<u>\$ 31,406</u>	<u>\$ 165,000</u>	<u>\$ 448,951</u>

City of Burien, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Public Works Reserve	Transportation Benefit District	LID Guaranty	
Revenues				
Real estate excise tax	1,132,780	\$ -	\$ -	\$ 1,132,780
Transportation benefit district fee	-	352,634	-	352,634
Charges for services	38,285	-	-	38,285
Investment earnings	862	173	-	1,035
Total revenues	<u>1,171,927</u>	<u>352,807</u>	<u>-</u>	<u>1,524,734</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>1,171,927</u>	<u>352,807</u>	<u>-</u>	<u>1,524,734</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,300,000)	(345,000)	-	(1,645,000)
Total other financing sources (uses)	<u>(1,300,000)</u>	<u>(345,000)</u>	<u>-</u>	<u>(1,645,000)</u>
Net change in fund balances	(128,073)	7,807	-	(120,266)
Fund balances - beginning	<u>380,618</u>	<u>23,599</u>	<u>165,000</u>	<u>569,217</u>
Fund balances - ending	<u>\$ 252,545</u>	<u>\$ 31,406</u>	<u>\$ 165,000</u>	<u>\$ 448,951</u>

City of Burien, Washington
Public Works Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
For the Year Ended December 31, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Real estate excise tax	\$ 1,142,000	\$ 1,132,780	\$ 9,220
Charges for services	15,000	38,285	23,285
Investment earnings	1,000	862	(138)
Total revenues	<u>1,158,000</u>	<u>1,171,927</u>	<u>32,367</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,158,000</u>	<u>1,171,927</u>	<u>32,367</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>-</u>
Net change in fund balances	(142,000)	(128,073)	32,367
Fund balances - beginning	<u>380,618</u>	<u>380,618</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 238,618</u></u>	<u><u>\$ 252,545</u></u>	<u><u>\$ 32,367</u></u>

City of Burien, Washington
Transportation Benefit District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual
For the Year Ended December 31, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Vehicle license fees	\$ 325,000	\$ 352,634	\$ 27,634
Investment earnings	-	173	173
Total revenues	<u>325,000</u>	<u>352,807</u>	<u>27,807</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>325,000</u>	<u>352,807</u>	<u>27,807</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	<u>(345,000)</u>	<u>(345,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(345,000)</u>	<u>(345,000)</u>	<u>-</u>
Net change in fund balance	(20,000)	7,807	27,807
Fund balance - beginning	<u>23,599</u>	<u>23,599</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,599</u>	<u>\$ 31,406</u>	<u>\$ 27,807</u>

City of Burien, Washington
LID Guaranty Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual
For the Year Ended December 31, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 165,000</u></u>	<u><u>\$ 165,000</u></u>	<u><u>\$ -</u></u>

City of Burien, Washington
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual
For the Year Ended December 31, 2013

	Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	\$ 110,000	\$ 109,365	\$ (635)
Charges for services	48,165	48,165	-
Investment income	-	164	164
Special assessment principal	84,000	95,802	11,802
Special assessment penalties and interest	-	5,454	5,454
Total revenues	<u>242,165</u>	<u>258,950</u>	<u>16,785</u>
EXPENDITURES			
Public works trust fund loan principal	302,225	302,225	-
G.O. bond principal	1,256,600	1,258,000	1,400
Interest and fiscal charges	1,139,075	1,139,237	162
Total expenditures	<u>2,697,900</u>	<u>2,699,462</u>	<u>1,562</u>
Excess of revenues over expenditures	<u>(2,455,735)</u>	<u>(2,440,512)</u>	<u>15,223</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers in	2,400,000	2,400,000	-
Total other financing sources (uses)	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>
Net change in fund balance	(55,735)	(40,512)	15,223
Fund balances - beginning	<u>105,431</u>	<u>105,431</u>	<u>-</u>
Fund balances - ending	<u>\$ 49,696</u>	<u>\$ 64,919</u>	<u>\$ 15,223</u>

Fiduciary Funds

Agency Fund

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

The Payroll Clearing Fund accounts for payment of employee salaries and withheld deductions. Monies are transferred to this fund from funds recording related payroll expenditures and are subsequently disbursed through the issuance of payroll warrants.

City of Burien, Washington
Statement of Changes in Assets and Liabilities
Agency Fund - Payroll Clearing
For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 66,375	\$ 6,514,702	\$ 6,504,590	\$ 76,488
Total assets	<u>\$ 66,375</u>	<u>\$ 6,514,702</u>	<u>\$ 6,504,590</u>	<u>\$ 76,488</u>
LIABILITIES				
Payroll withholdings and employer contributions	\$ 66,375	\$ 9,590,604	\$ 9,580,492	\$ 76,488
Total liabilities	<u>\$ 66,375</u>	<u>\$ 9,590,604</u>	<u>\$ 9,580,492</u>	<u>\$ 76,488</u>

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Statistical Section December 31, 2013

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Burien's overall financial health. The section is divided into five categories based on the following:

Financial Trends:

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.

Schedule 1	Net Position by Component -----	6-2
Schedule 2	Changes in Net Position -----	6-4
Schedule 3	Fund Balances of Governmental Funds-----	6-6
Schedule 4	Changes in Fund Balances of Governmental Funds-----	6-7
Schedule 5	Tax Revenues by Source, Governmental Funds -----	6-8

Revenue Capacity:

These schedules present information to help the reader assess the City's most significant local revenue sources property taxes and sales taxes.

Schedule 6	Principal Property Tax Payers -----	6-9
Schedule 7	Assessed Value of Taxable Property-----	6-10
Schedule 8	Direct and Overlapping Property Tax Rates -----	6-11
Schedule 9	Property Tax Levies and Collections -----	6-12
Schedule 10	Sales Tax Collections by Sector -----	6-13

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Schedule 11	Ratios of Outstanding Debt by Type -----	6-14
Schedule 12	Legal Debt Margin Information -----	6-15
Schedule 13	Ratios of General Bonded Debt Outstanding -----	6-16
Schedule 14	Direct and Overlapping Governmental Activities Debt -----	6-17

Demographic and Economic

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

Schedule 15	Demographic and Economic Statistics -----	6-18
Schedule 16	Principal Employers-----	6-19

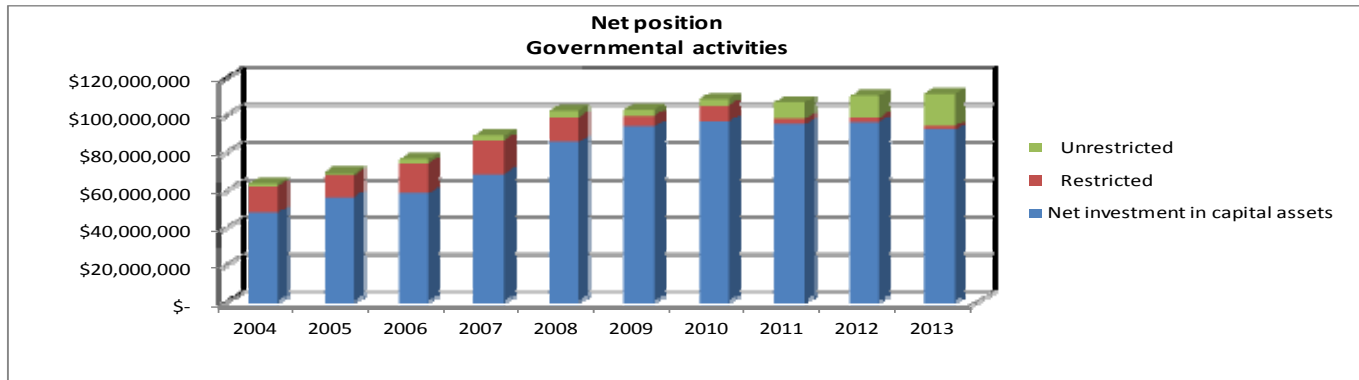
Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

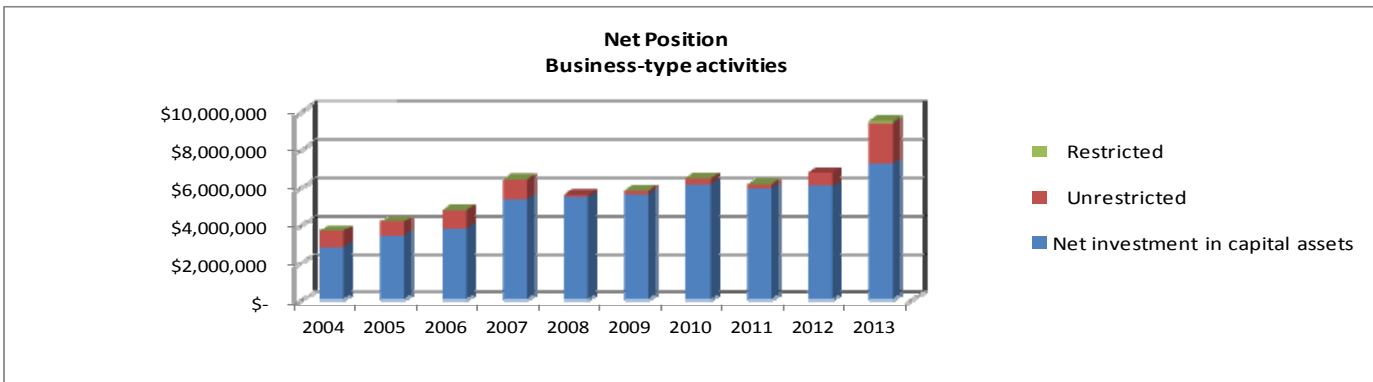
Schedule 17	Full Time Equivalent Employees by Function -----	6-20
Schedule 18	Operating Indicators by Function -----	6-21
Schedule 19	Capital Indicators by Function -----	6-22

**Schedule 1
City of Burien
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 47,794,329	\$ 56,250,350	\$ 58,093,061	\$ 68,572,792	\$ 84,983,988	\$ 93,522,178	\$ 96,277,930	\$ 94,556,265	\$ 95,980,110	\$ 91,618,635
Restricted	14,474,011	11,777,207	15,556,586	17,617,873	13,423,818	5,782,283	8,641,935	2,996,149	2,217,091	2,113,503
Unrestricted	1,160,862	845,605	2,178,828	2,259,558	3,687,935	3,237,190	3,502,537	8,866,329	11,684,423	17,486,338
Total Governmental activities net position	\$ 63,429,202	\$ 68,873,162	\$ 75,828,475	\$ 88,450,223	\$ 102,095,741	\$ 102,541,651	\$ 108,422,402	\$ 106,418,743	\$ 109,881,624	\$ 111,218,476

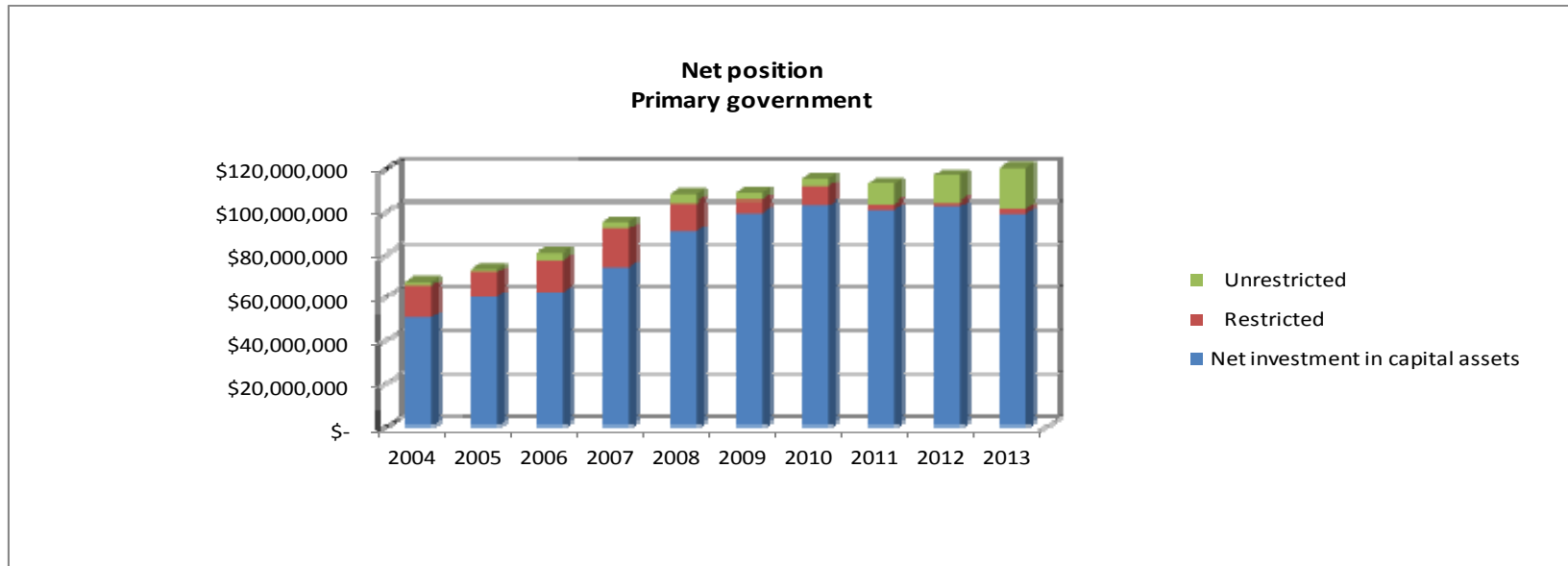


	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities										
Net investment in capital assets	\$ 2,789,960	\$ 3,421,756	\$ 3,819,583	\$ 5,336,187	\$ 5,455,883	\$ 5,638,102	\$ 6,178,060	\$ 5,918,785	\$ 6,043,691	\$ 7,224,754
Restricted	-	-	-	-	-	-	-	-	-	88,428
Unrestricted	873,687	753,162	928,910	1,062,208	147,692	163,911	266,381	258,279	664,347	2,167,721
Total Business-type activities net position	\$ 3,663,647	\$ 4,174,918	\$ 4,748,493	\$ 6,398,395	\$ 5,603,575	\$ 5,802,013	\$ 6,444,441	\$ 6,177,064	\$ 6,708,038	\$ 9,480,903



Schedule 1
City of Burien
Net Position by Component (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Primary government										
Net investment in capital assets	\$ 50,584,289	\$ 59,672,106	\$ 61,912,644	\$ 73,908,979	\$ 90,439,871	\$ 99,160,280	\$ 102,455,990	\$ 100,475,050	\$ 102,023,801	\$ 98,843,389
Restricted	14,474,011	11,777,207	15,556,586	17,617,873	13,423,818	5,782,283	8,641,935	2,996,149	2,217,091	2,201,931
Unrestricted	2,034,549	1,598,767	3,107,738	3,321,766	3,835,627	3,401,101	3,768,918	9,124,608	12,348,770	19,654,059
Total Primary Government net position	\$ 67,092,849	\$ 73,048,080	\$ 80,576,968	\$ 94,848,618	\$ 107,699,316	\$ 108,343,664	\$ 114,866,843	\$ 112,595,807	\$ 116,589,662	\$ 120,699,379



Source: City of Burien Finance Department

**Schedule 2
City of Burien
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses										
Governmental activities:										
General government	\$ 2,951,940	\$ 2,717,477	\$ 3,214,768	\$ 3,511,643	\$ 4,301,319	\$ 3,445,149	\$ 4,364,535	\$ 5,357,042	\$ 4,551,848	\$ 4,386,693
Judicial	252,951	243,846	265,336	239,385	236,123	454,344	488,330	682,282	626,862	262,312
Public Safety	6,414,285	6,732,456	6,973,540	7,278,229	7,457,624	7,376,981	9,181,710	10,013,892	10,259,523	10,390,038
Environmental services	188,712	169,743	201,119	292,817	405,561	644,205	580,156	619,813	571,646	148,888
Transportation	3,671,190	3,496,991	3,817,317	4,384,302	4,670,274	5,336,579	7,744,105	6,769,161	7,426,951	8,902,304
Economic environment	1,102,345	1,236,388	1,292,505	1,336,188	1,551,828	1,904,957	1,351,931	1,449,570	1,595,928	1,621,067
Social services	55,773	52,995	6,676	7,333	7,274	8,856	10,391	11,274	11,897	90,535
Culture and recreation	1,937,012	2,237,990	2,312,841	2,488,481	2,590,110	2,653,889	3,162,760	3,218,432	3,265,142	3,564,244
Interest on long-term debt	148,232	135,118	162,993	500,609	502,459	488,960	597,646	885,197	1,111,758	1,162,928
Total Governmental activities expenses	16,722,440	17,023,004	18,247,095	20,038,987	21,722,572	22,313,920	27,481,564	29,006,663	29,421,555	30,529,009
Business-type activities:										
Storm water management	952,761	997,661	968,228	1,048,450	1,100,780	1,276,992	1,534,689	1,787,608	1,820,983	2,093,265
Total Business-type activities expenses	952,761	997,661	968,228	1,048,450	1,100,780	1,276,992	1,534,689	1,787,608	1,820,983	2,093,265
Total Primary government expenses	\$ 17,675,201	\$ 18,020,665	\$ 19,215,323	\$ 21,087,437	\$ 22,823,352	\$ 23,590,912	\$ 29,016,253	\$ 30,794,271	\$ 31,242,538	\$ 32,622,274
Program Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 865,467	\$ 822,824	\$ 868,005	\$ 823,749	\$ 727,145	\$ 822,322	\$ 1,376,229	\$ 1,152,091	\$ 2,441,503	\$ 1,626,846
Judicial	54,046	19,566	7,138	4,682	4,703	231,341	374,706	351,054	230,165	105,460
Public safety	55	110	-	2,104	-	-	-	-	-	-
Environmental services	372	3,663	25,767	931	223,089	536	6,014	68,322	55,715	121,489
Transportation	128,167	594,313	231,467	116,789	915,307	185,707	246,870	339,954	2,409,223	497,808
Economic environment	513,185	824,601	1,259,430	1,329,150	1,253,287	916,319	698,606	953,552	978,459	458,874
Social services	15,161	-	-	-	-	-	-	-	-	-
Culture and recreation	386,366	400,999	399,039	485,075	476,056	519,539	576,896	629,822	668,644	547,348
Operating grants and contributions	2,019,889	1,951,238	3,402,495	2,771,773	4,356,547	4,077,745	3,199,708	3,159,909	3,351,870	3,220,740
Capital grants and contributions	2,435,313	3,655,869	3,121,363	11,821,699	10,186,732	1,427,409	9,388,375	1,618,263	4,242,134	6,176,889
Total Governmental activities program revenues	6,418,021	8,273,183	9,314,704	17,355,952	18,142,866	8,180,918	15,867,404	8,272,967	14,377,713	12,755,454
Business-type activities:										
Charges for Services										
Surface water management	1,282,132	1,555,745	1,571,544	1,631,203	1,729,442	1,936,479	2,301,075	2,451,319	2,551,690	2,839,705
Operating grants and contributions	-	-	-	-	7,977	-	-	96,294	163,465	305,504
Capital grants and contributions	-	-	-	-	95,000	-	394,182	-	-	1,069,581
Total Business-type activities revenues	1,282,132	1,555,745	1,571,544	1,631,203	1,832,419	1,936,479	2,695,257	2,547,613	2,715,155	4,214,790
Total Primary government revenues	7,700,153	9,828,928	10,886,248	18,987,155	19,975,285	10,117,397	18,562,661	10,820,580	17,092,868	16,970,244
Net (Expense)/Revenue										
Governmental Activities	(10,304,419)	(8,749,821)	(8,932,391)	(2,683,035)	(3,579,706)	(14,133,002)	(11,614,160)	(20,733,696)	(15,043,842)	(17,773,555)
Business-type Activities	329,371	558,084	603,316	582,753	731,639	659,487	1,160,568	760,005	894,172	2,121,525
Total Net Expense	\$ (9,975,048)	\$ (8,191,737)	\$ (8,329,075)	\$ (2,100,282)	\$ (2,848,067)	\$ (13,473,515)	\$ (10,453,592)	\$ (19,973,691)	\$ (14,149,670)	\$ (15,652,030)

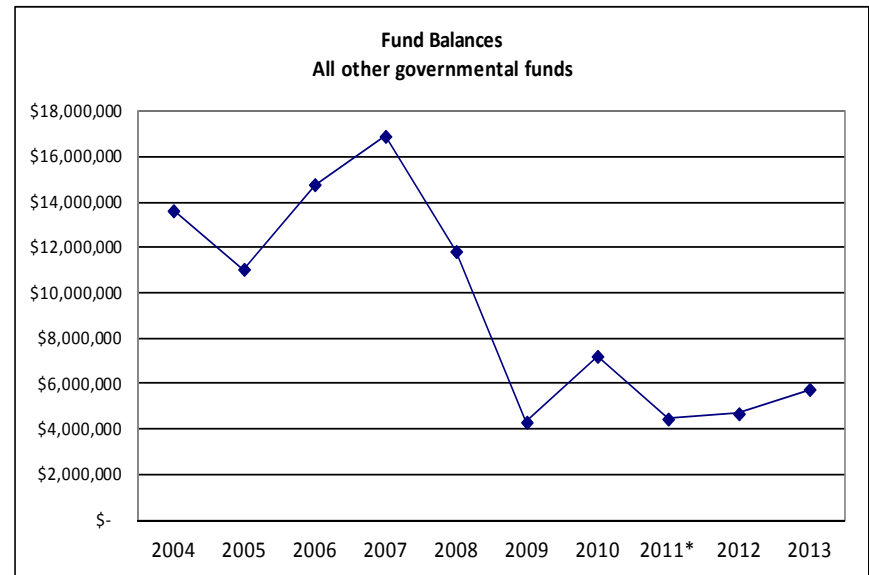
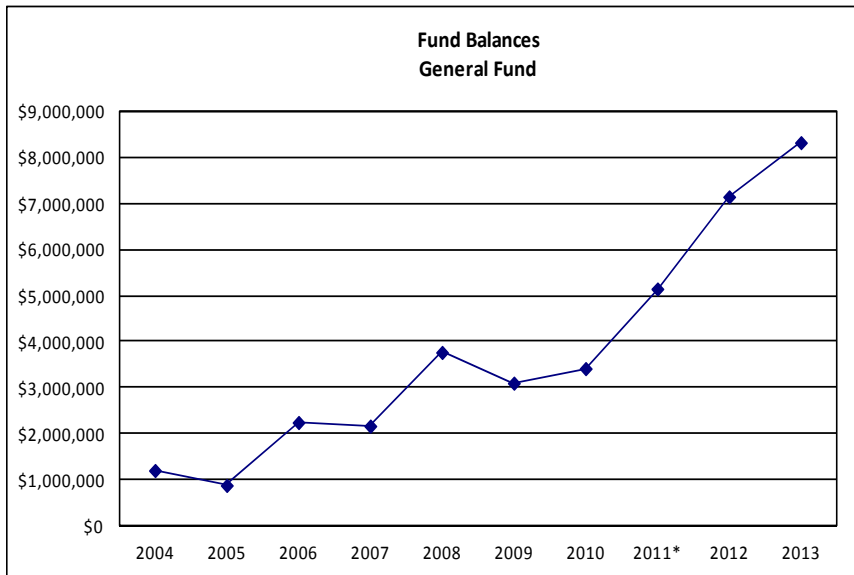
Schedule 2
City of Burien
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Revenues										
Governmental activities:										
Taxes										
Property taxes	\$ 4,051,825	\$ 4,256,885	\$ 5,030,230	\$ 5,127,319	\$ 5,296,290	\$ 5,438,426	\$ 7,268,281	\$ 7,081,681	\$ 6,759,220	\$ 6,208,867
Sales and use taxes	4,715,981	4,816,460	5,208,554	5,789,088	5,652,874	4,734,585	5,101,336	5,875,089	6,249,226	6,816,465
Business and occupation taxes	2,436,905	2,649,508	2,835,828	3,089,486	3,197,015	3,224,821	3,336,895	3,389,936	3,680,401	4,549,331
Excise taxes	-	-	-	-	-	-	-	-	-	1,132,780
Other taxes	1,833,136	1,922,414	2,167,986	1,942,576	1,139,338	652,366	1,240,213	1,330,211	1,428,506	510,260
Penalties and interest	-	-	-	-	-	-	-	-	-	6,886
Unrestricted investment earnings	218,257	468,386	560,895	862,694	381,608	65,022	28,013	24,482	24,461	20,004
Miscellaneous	-	-	-	-	-	-	-	-	-	275,274
Gain/(Loss) on sale of capital assets	-	-	-	(439,231)	-	-	-	-	-	-
Transfers	223,075	80,128	84,211	-	1,558,099	463,692	520,173	1,028,638	364,909	25,140
Total Governmental activities	\$ 13,479,179	\$ 14,193,781	\$ 15,887,704	\$ 16,371,932	\$ 17,225,224	\$ 14,578,912	\$ 17,494,911	\$ 18,730,037	\$ 18,506,723	\$ 19,545,008
Business-type activities:										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,608
Grants and contributions	18,390	33,315	54,470	59,905	31,640	2,643	2,033	1,256	-	-
Unrestricted investment earnings	-	-	-	-	-	-	-	-	1,711	2,490
Miscellaneous	-	-	-	-	-	-	-	-	-	8,330
Gain/(Loss) on sale of capital assets	-	-	-	(7,439)	-	-	-	-	-	-
Transfers	(223,075)	(80,128)	(84,211)	1,014,683	(1,558,099)	(463,692)	(520,173)	(1,028,638)	(364,909)	(25,140)
Total Business-type activities	\$ (204,685)	\$ (46,813)	\$ (29,741)	\$ 1,067,149	\$ (1,526,459)	\$ (461,049)	\$ (518,140)	\$ (1,027,382)	\$ (363,198)	\$ 71,288
Total primary government	\$ 13,274,494	\$ 14,146,968	\$ 15,857,963	\$ 17,439,081	\$ 15,698,765	\$ 14,117,863	\$ 16,976,771	\$ 17,702,655	\$ 18,143,525	\$ 19,616,296
Change in net position										
Governmental activities	\$ 3,174,760	\$ 5,443,960	\$ 6,955,313	\$ 13,688,897	\$ 13,645,518	\$ 445,910	\$ 5,880,751	\$ (2,003,659)	\$ 3,462,881	\$ 1,771,453
Business-type activities	124,686	511,271	573,575	1,649,902	(794,820)	198,438	642,428	(267,377)	530,974	2,192,813
Total change in net position	\$ 3,299,446	\$ 5,955,231	\$ 7,528,888	\$ 15,338,799	\$ 12,850,698	\$ 644,348	\$ 6,523,179	\$ (2,271,036)	\$ 3,993,855	\$ 3,964,266

Source: City of Burien Finance Department

**Schedule 3
City of Burien
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,480	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	\$ 251,710
Committed	-	-	-	-	-	-	-	1,248,147	703,909	141,586
Assigned	-	-	-	-	-	-	-	127,907	293,754	-
Unassigned	-	-	-	-	-	-	-	3,768,412	6,152,269	7,934,699
Unrestricted	1,202,844	879,363	2,246,260	2,168,985	3,768,613	3,102,449	3,418,177	-	-	-
Total General Fund	\$ 1,202,844	\$ 879,363	\$ 2,246,260	\$ 2,168,985	\$ 3,768,613	\$ 3,102,449	\$ 3,418,177	\$ 5,147,946	\$ 7,149,932	\$ 8,327,995
All other governmental funds										
Restricted	-	-	-	-	-	-	-	1,484,215	825,558	515,443
Committed	-	-	-	-	-	-	-	-	-	5,247,482
Assigned	-	-	-	-	-	-	-	2,975,413	3,883,193	-
Unassigned	-	-	-	-	-	-	-	-	(16,659)	-
Unrestricted, reported in:										
Special Revenue Funds	4,826,774	3,431,536	2,714,618	2,737,367	1,151,402	1,342,006	2,001,837	-	-	-
Debt Service Funds	179,983	250,835	262,140	169,874	103,916	232,767	178,686	-	-	-
Capital Project Funds	8,616,043	7,363,931	11,799,595	13,993,444	10,577,804	2,740,321	5,037,701	-	-	-
Total all other governmental funds	\$ 13,622,800	\$ 11,046,302	\$ 14,776,353	\$ 16,900,685	\$ 11,833,122	\$ 4,315,094	\$ 7,218,224	\$ 4,459,628	\$ 4,692,092	\$ 5,762,925



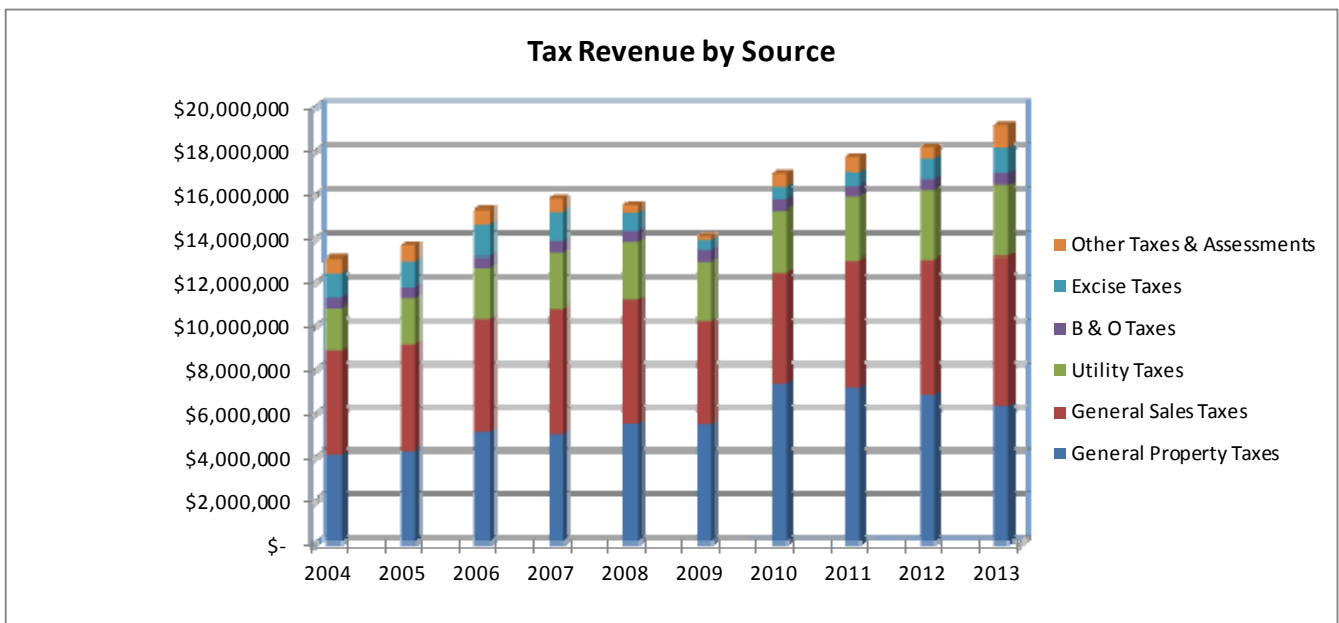
* In 2011, implementation of GASB 54 required new designations of fund balance; prior year data not available in prescribed format.
Source: City of Burien Finance Department

Schedule 4
City of Burien
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues										
Taxes	\$ 13,049,998	\$ 13,628,926	\$ 15,285,611	\$ 15,775,296	\$ 15,446,916	\$ 14,016,723	\$ 16,964,353	\$ 17,608,180	\$ 18,060,523	\$ 19,177,395
Licenses and permits	1,036,920	1,084,921	1,394,510	1,431,306	1,478,569	1,122,043	1,203,414	1,766,269	1,759,549	2,006,940
Intergovernmental	4,346,065	5,289,263	6,577,103	14,592,405	13,544,957	5,384,309	4,199,152	4,568,322	7,690,858	9,301,827
Charges for services	632,507	1,306,884	1,094,863	1,161,931	2,034,042	1,231,027	1,003,754	1,326,715	3,474,416	1,180,205
Fines and forfeitures	81,880	78,846	60,900	46,308	50,841	281,586	413,523	365,952	252,367	266,568
Rentals	-	-	-	-	-	-	-	-	-	177,144
Donations and contributions	2,000	5,355	13,845	-	-	-	-	-	-	279
Special assessments	80,873	120,526	58,501	49,689	115,324	115,651	97,470	91,058	86,498	95,802
Investment earnings	218,449	468,694	561,035	802,921	380,207	77,449	28,200	24,185	24,018	19,344
Miscellaneous	318,650	507,888	170,849	126,610	41,000	36,631	579,929	42,545	1,208,724	104,655
Total revenues	<u>19,767,342</u>	<u>22,491,303</u>	<u>25,217,217</u>	<u>33,986,466</u>	<u>33,091,856</u>	<u>22,265,419</u>	<u>24,489,795</u>	<u>25,793,226</u>	<u>32,556,953</u>	<u>32,330,159</u>
Expenditures										
General Government	3,093,365	2,800,272	3,349,414	3,633,946	4,454,315	3,859,719	4,156,636	4,719,055	4,484,834	3,634,689
Judicial	-	-	-	-	-	-	-	-	-	262,312
Public Safety	6,401,898	6,718,075	6,956,408	7,261,097	7,442,974	7,575,198	9,156,830	10,685,772	10,018,788	10,465,298
Environmental services	980,036	169,743	201,119	292,817	405,561	644,205	580,156	744,791	674,645	148,888
Transportation	1,753,530	1,523,327	1,530,098	1,676,784	1,579,884	1,853,404	3,281,688	1,846,820	1,362,791	2,037,154
Economic environment	166,551	1,129,808	1,297,941	1,242,025	1,499,453	1,796,853	1,329,356	1,445,874	1,595,062	1,629,585
Social services	55,773	52,995	6,676	7,333	7,274	8,856	10,391	11,274	11,897	90,535
Culture and recreation	1,774,666	2,104,891	2,138,852	2,264,176	2,359,512	2,415,119	2,708,974	2,768,412	2,752,246	2,930,768
Debt Service:										
Principal	472,001	301,955	306,955	621,955	739,308	780,558	892,225	1,262,225	1,447,225	1,560,225
Interest and fiscal charges	150,051	135,621	132,115	507,199	513,639	501,065	577,867	917,319	1,140,081	1,139,237
Capital outlay	<u>6,398,202</u>	<u>11,003,340</u>	<u>14,790,490</u>	<u>21,864,642</u>	<u>19,720,970</u>	<u>11,806,302</u>	<u>7,945,176</u>	<u>10,052,250</u>	<u>7,614,434</u>	<u>7,766,061</u>
Total expenditures	<u>21,246,073</u>	<u>25,940,027</u>	<u>30,710,068</u>	<u>39,371,974</u>	<u>38,722,890</u>	<u>31,241,279</u>	<u>30,639,299</u>	<u>34,453,792</u>	<u>31,102,003</u>	<u>31,664,752</u>
Excess (deficiency) of revenues over expenditures	(1,478,731)	(3,448,724)	(5,492,851)	(5,385,508)	(5,631,034)	(8,975,860)	(6,149,504)	(8,660,566)	1,454,950	665,407
Other financing sources (uses)										
Proceeds from sale of capital assets	-	-	-	4,716,552	5,000	-	-	-	-	-
Line of credit	-	-	-	-	-	-	-	-	-	2,370,562
Transfers in	5,245,827	10,047,015	6,476,451	6,357,420	7,946,811	2,339,482	4,088,674	4,233,250	3,606,131	3,628,655
Transfers out	(4,739,290)	(9,498,271)	(5,882,367)	(5,737,557)	(6,388,712)	(1,663,467)	(3,407,428)	(3,255,750)	(2,826,631)	(3,853,515)
Proceeds of Long-term Debt	-	-	9,995,715	2,096,150	600,000	-	8,687,116	8,970,155	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	(2,018,065)	-	-
Insurance recoveries	-	-	-	-	-	-	-	-	-	82
Total other financing sources (uses)	<u>506,537</u>	<u>548,744</u>	<u>10,589,799</u>	<u>7,432,565</u>	<u>2,163,099</u>	<u>676,015</u>	<u>9,368,362</u>	<u>7,929,590</u>	<u>779,500</u>	<u>2,145,784</u>
Net Change in fund balances	<u>\$ (972,194.00)</u>	<u>\$ (2,899,980.00)</u>	<u>\$ 5,096,948.00</u>	<u>\$ 2,047,057.00</u>	<u>\$ (3,467,935.00)</u>	<u>\$ (8,299,845.00)</u>	<u>\$ 3,218,858.00</u>	<u>\$ (730,976.00)</u>	<u>\$ 2,234,450.00</u>	<u>\$ 2,811,191.47</u>
Debt service as a percentage of noncapital expenditures	4.19%	2.93%	2.76%	6.45%	6.59%	6.59%	6.48%	8.93%	11.02%	11.30%

**Schedule 5
City of Burien
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years**

Fiscal Year	Property Taxes	Sales Taxes²	Utility Taxes	Business and Occupation Taxes	Excise Taxes	Other Taxes and Assessments	Total Taxes
2004	4,063,976	4,715,981	1,991,748	445,157	1,136,873	696,263	13,049,998
2005	4,240,544	4,816,460	2,122,267	517,392	1,223,157	709,106	13,628,926
2006	5,073,243	5,208,554	2,335,831	499,997	1,489,234	678,752	15,285,611
2007	4,954,146	5,789,088	2,523,736	565,750	1,367,656	574,920	15,775,296
2008	5,457,689	5,652,874	2,670,766	526,249	859,233	280,105	15,446,916
2009	5,438,426	4,734,585	2,743,039	481,782	459,056	193,309	14,050,197
2010	7,285,909	5,101,336	2,853,809	483,086	587,121	653,092	16,964,353
2011	7,081,681	5,875,089	2,903,076	486,860	667,741	662,470	17,676,917
2012	6,759,220	6,249,226	3,149,631	530,770	886,727	541,779	18,117,353
2013	6,308,968	6,816,465	3,275,973	569,665	1,132,780	1,073,544	19,177,395
Change 2004-2013	55.2%	44.5%	64.5%	28.0%	-0.4%	54.2%	47.0%



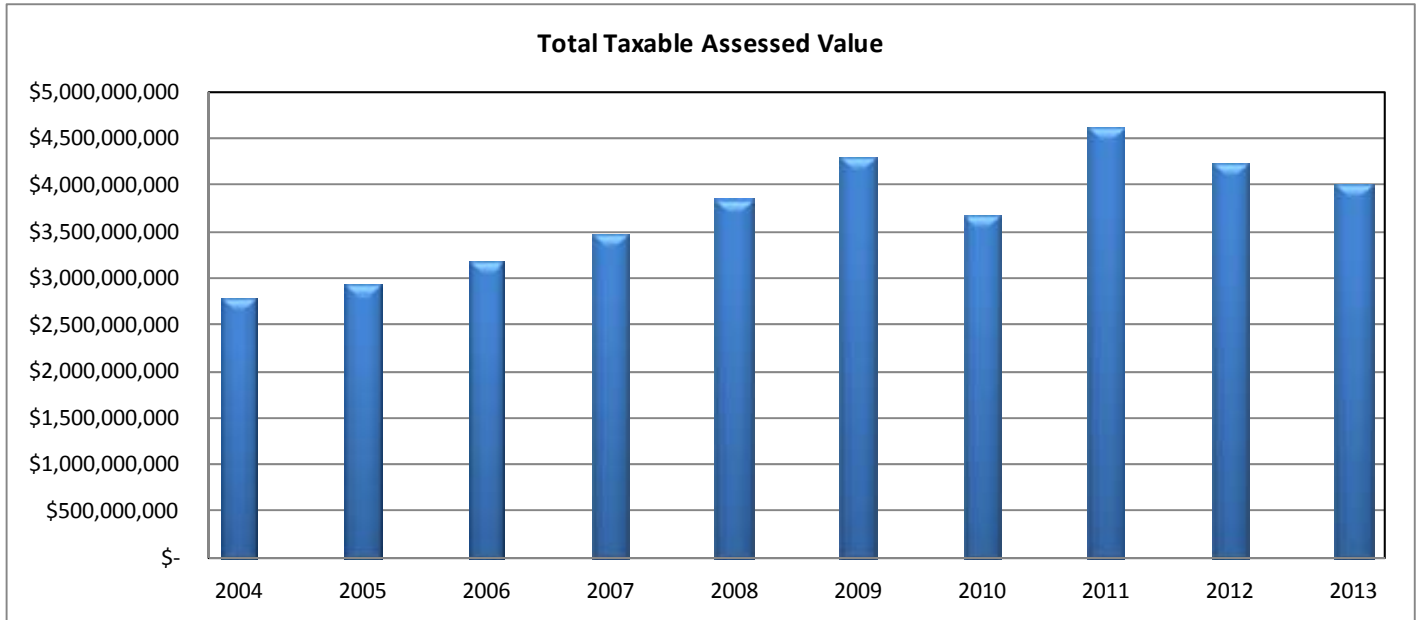
Source: City of Burien Finance Department

Schedule 6
City of Burien
Principal Property Tax Payers
Current and Nine Years Ago

TAXPAYER	2013			2004		
	TAXABLE	RANK	% OF TOTAL	TAXABLE	RANK	% OF TOTAL
	ASSESSED VALUE		TAXABLE	ASSESSED		ASSESSED
	VALUE	VALUE	VALUE	VALUE	VALUE	VALUE
Vintage Park Partners LLC	\$ 45,088,000	1	1.13%			
A T&T Communications	32,906,027	2	0.82%	20,262,386	3	0.73%
Burien Plaza LLC	21,752,300	3	0.54%	15,340,200	5	0.55%
Fred Meyer, Inc.	18,734,365	4	0.47%	17,928,725	4	0.64%
Qwest Corporation (formerly US West Communications)	16,065,123	5	0.40%	27,607,701	1	0.99%
MG South Hills Apts. LLC	14,630,000	6	0.37%			
Puget Sound Energy	14,471,068	7	0.36%	7,205,764	10	0.26%
Burien Town Plaza LLC	14,424,500	8	0.36%			
Maple Pointe-126 LLC	11,718,000	9	0.29%			
Powell-Five Corners Associates	11,530,000	10	0.29%	8,373,600	8	0.30%
Virtu Seahurst Association LLC			0.00%	24,834,400	2	0.89%
Wesbild BP, Inc			0.00%	11,460,100	6	0.41%
Holly Ridge Apartments			0.00%	10,051,000	7	0.36%
Red Mortgage Capital, Inc.			0.00%	7,257,000	9	0.26%
All Others	3,803,980,075		94.97%	2,642,876,338		94.62%
Total Assessed Valuation	\$ 4,005,299,458		100.00%	\$ 2,793,197,214		100.00%

Source: King County Department of Assessments

**Schedule 7
City of Burien
Assessed Value of Taxable Property
Last Ten Fiscal Years**

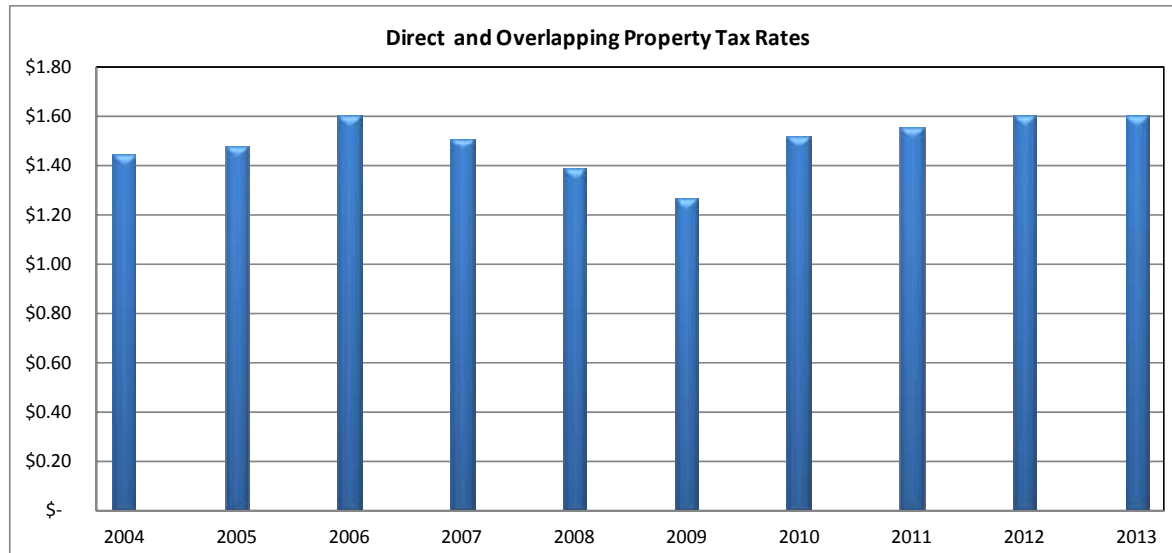


Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2004	2,708,432,153	41,806,088	42,958,973	2,793,197,214	1.44756
2005	2,838,657,786	40,814,631	43,294,795	2,922,767,212	1.47443
2006	3,109,763,255	48,184,807	29,782,487	3,187,730,549	1.60056
2007	3,377,993,328	56,744,617	35,713,227	3,470,451,166	1.50806
2008	3,754,785,884	53,833,456	36,525,259	3,845,144,599	1.39132
2009	4,212,964,074	55,290,643	35,056,572	4,303,311,289	1.26467
2010	3,580,133,188	54,401,316	31,078,381	3,665,612,885	1.52034
2011	4,525,470,270	57,948,096	43,395,005	4,626,813,371	1.55513
2012	4,120,048,552	54,401,218	50,940,246	4,225,390,016	1.60000
2013	3,897,291,722	53,983,903	54,023,833	4,005,299,458	1.60000

Source: King County Department of Assessments and King County Assessor's annual Codes and Levies King County Taxing Districts report

**Schedule 8
City of Burien
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

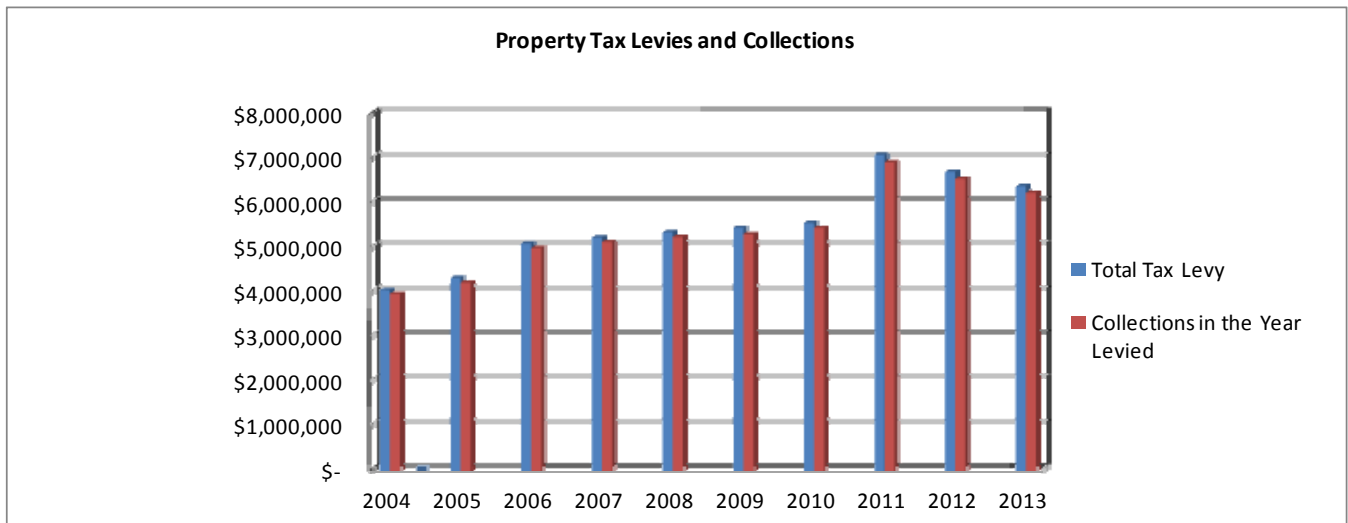
Fiscal Year	City of Burien	Fire District			King County			School District #401			Library			Washington State	Special Districts	Total
	Operating Millage	Operating Millage	Debt Service Millage	Total Fire Dist Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Dist. Millage	Operating Millage	Debt Service Millage	Total Library Millage	State Schools	Port, EMS Flood & Ferry	
2004	1.44756	1.40472	0.00000	1.40472	1.24201	0.18945	1.43146	2.58072	1.39933	3.98005	0.49246	0.04407	0.53653	2.75678	0.49119	12.04829
2005	1.47443	1.50000	0.00000	1.50000	1.21456	0.16773	1.38229	2.53844	1.73250	4.27094	0.48288	0.04967	0.53255	2.68951	0.48503	12.33475
2006	1.60056	1.50000	0.00000	1.50000	1.15403	0.17466	1.32869	2.47405	1.67125	4.14530	0.45884	0.07540	0.53424	2.49787	0.45312	12.05978
2007	1.50806	1.50000	0.00000	1.50000	1.13949	0.15007	1.28956	2.32172	1.71036	4.03208	0.43295	0.06732	0.50027	2.32535	0.43779	11.59311
2008	1.39132	1.50000	0.00000	1.50000	1.08919	0.11851	1.20770	2.24520	1.78975	4.03495	0.39186	0.06150	0.45336	2.13233	0.67859	11.39825
2009	1.26467	1.43583	0.00000	1.43583	0.99517	0.10255	1.09772	2.16911	1.71560	3.88471	0.36118	0.05618	0.41736	1.96268	0.61245	10.67542
2010	1.52034	1.50000	0.40275	1.90275	1.21089	0.07410	1.28499	2.63804	1.72698	4.36502	0.42188	0.06338	0.48526	2.22253	0.62459	12.40548
2011	1.55513	1.50000	0.40233	1.90233	1.26609	0.07207	1.33816	2.84903	1.79420	4.64323	0.50000	0.06621	0.56621	2.27990	0.63702	12.92198
2012	1.60000	1.50000	0.43614	1.93614	1.34460	0.07128	1.41588	3.40126	1.74569	5.14695	0.50000	0.06992	0.56992	2.42266	0.64970	13.74125
2013	1.60000	1.50000	0.45419	1.95419	1.47279	0.06772	1.54051	3.81112	1.89953	5.71065	0.50000	0.06743	0.56743	2.56720	0.66912	14.60910



Source: King County Department of Assessments and King County Assessor's annual Codes and Levies King County Taxing Districts report

**Schedule 9
City of Burien
Property Tax Levies and Collections
Last Ten Fiscal Years**

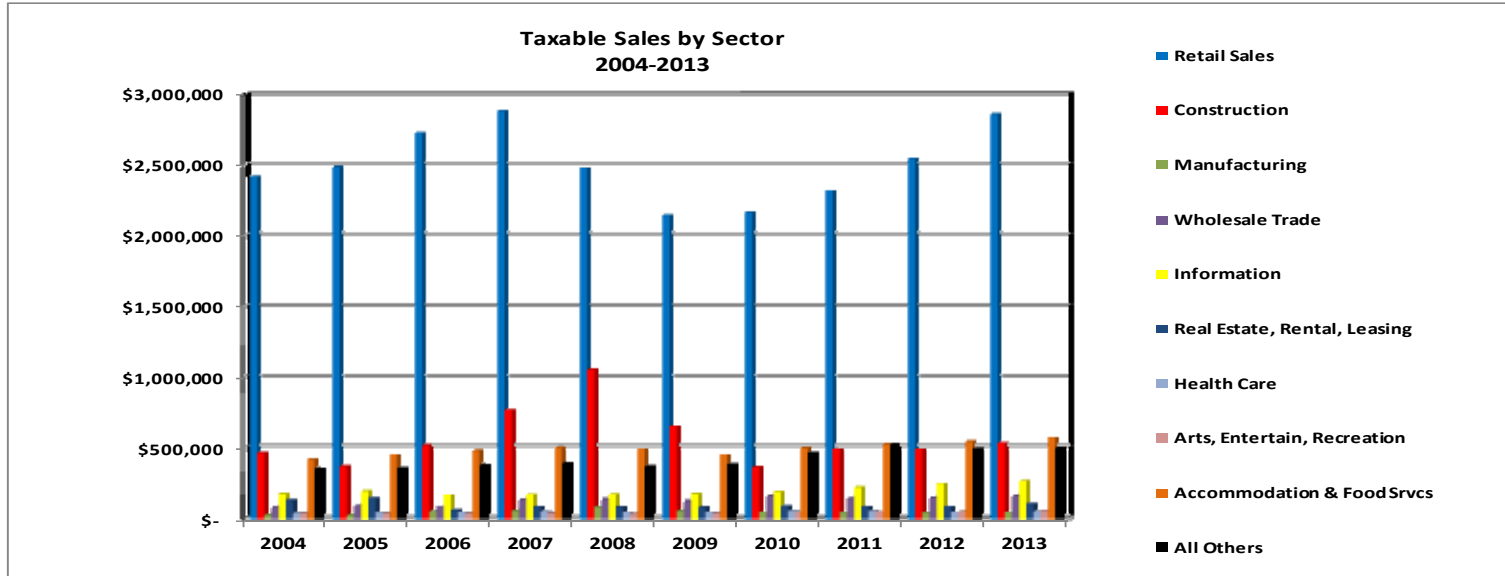
Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2004	4,005,574	3,916,881	97.79%	88,693	4,005,574	100.000%
2005	4,275,394	4,168,080	97.49%	107,314	4,275,394	100.000%
2006	5,048,830	4,947,525	97.99%	101,305	5,048,830	100.000%
2007	5,184,678	5,085,653	98.09%	98,951	5,184,604	99.999%
2008	5,306,349	5,197,215	97.94%	108,697	5,305,912	99.992%
2009	5,397,125	5,258,160	97.43%	137,325	5,395,485	99.970%
2010	5,515,054	5,404,321	97.99%	107,711	5,512,032	99.945%
2011	7,039,574	6,873,887	97.65%	136,959	7,010,846	99.592%
2012	6,661,722	6,506,800	97.67%	99,321	6,606,121	99.165%
2013	6,335,661	6,194,591	97.77%	-	6,194,591	97.773%



Source: King County Department of Assessments and King County Assessor's annual Codes and Levies King County Taxing Districts report

**Schedule 10
City of Burien
Sales Tax Collections by Sector*
Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
RETAIL TRADE										
Vehicle and Parts Dealer	\$ 1,287,156	\$ 1,319,803	\$ 1,460,690	\$ 1,539,517	\$ 1,206,451	\$ 949,307	\$ 973,789	\$ 1,078,227	\$ 1,266,421	\$ 1,522,763
General Merchandise Stores	305,095	304,571	313,979	343,209	362,069	359,315	370,659	397,970	416,551	432,040
Food & Beverage Stores	211,022	220,236	244,606	254,986	251,873	248,636	276,296	275,695	266,365	264,859
Misc Store Retailers	180,488	203,882	259,676	286,092	273,214	370,630	318,023	314,612	328,205	335,040
Health & Personal Care	130,901	132,085	129,032	140,315	136,682	97,967	97,673	101,059	108,314	123,000
Other Retail	296,782	305,956	317,870	307,072	247,225	107,660	124,439	152,009	155,610	174,886
Subtotal Retail	\$ 2,411,444	\$ 2,486,533	\$ 2,725,853	\$ 2,871,191	\$ 2,477,514	\$ 2,133,515	\$ 2,160,879	\$ 2,319,572	\$ 2,541,466	\$ 2,852,588
OTHER CATEGORIES										
Construction	\$ 459,266	\$ 364,012	\$ 511,606	\$ 759,568	\$ 1,046,693	\$ 640,972	\$ 358,112	\$ 488,860	\$ 487,078	\$ 534,169
Manufacturing	21,478	20,924	49,653	54,925	76,262	54,296	40,960	38,377	35,958	41,330
Wholesale Trade	77,233	90,605	84,891	127,232	130,617	120,277	147,249	133,497	137,369	147,881
Information	168,776	183,831	156,806	163,382	164,905	167,846	181,753	214,544	239,435	262,033
Real Estate, Rental, Leasing	123,687	134,814	56,215	80,059	78,706	76,093	88,679	82,398	84,571	102,828
Health Care Assistance	31,712	38,780	41,076	49,886	44,668	44,824	53,817	53,753	44,549	50,079
Arts, Entertain, Recreation	30,073	29,975	29,750	30,399	28,516	29,306	42,946	46,603	50,306	53,060
Accommod & Food Svcs	414,342	446,957	471,534	497,836	488,362	443,414	495,575	517,833	543,043	566,764
All Other Categories	352,104	352,757	371,547	381,071	362,695	374,673	458,467	517,543	492,426	496,621
Subtotal Other	\$ 1,678,671	\$ 1,662,655	\$ 1,773,078	\$ 2,144,358	\$ 2,421,424	\$ 1,951,701	\$ 1,867,558	\$ 2,093,408	\$ 2,114,735	\$ 2,254,765
Total Sales Tax Collected	\$ 4,090,115	\$ 4,149,188	\$ 4,498,931	\$ 5,015,549	\$ 4,898,938	\$ 4,085,216	\$ 4,028,437	\$ 4,412,980	\$ 4,656,201	\$ 5,107,353



Sources: City of Burien Finance Department, Microflex Software and Financial Solutions
*Only includes the .85% sales tax received for general governmental purposes

Schedule 11
City of Burien
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type	Total Primary Government Debt	Percentage of Personal Income	Net Bonded Debt per Capita
	General Obligation Bonds	Special Assessment Debt	Public Works Trust Fund Loan	Public Works Trust Fund Loan			
2004	2,970,000	950,000	2,196,014	-	6,116,014	0.39%	\$ 196.47
2005	2,850,000	897,222	2,066,837	-	5,814,059	0.37%	\$ 187.31
2006	12,530,000	844,444	1,937,660	-	15,312,104	0.90%	\$ 492.67
2007	12,090,000	1,491,666	2,508,483	696,150	16,786,299	0.93%	\$ 534.43
2008	11,615,000	1,697,712	2,638,129	1,490,005	17,440,846	0.96%	\$ 552.98
2009	14,579,400	1,588,134	2,452,150	1,411,524	20,031,208	1.17%	\$ 628.13
2010	22,604,400	1,475,221	2,262,837	1,328,493	27,670,951	1.10%	\$ 599.17
2011	28,299,400	1,362,308	2,073,526	1,245,463	32,980,696	1.21%	\$ 692.00
2012	27,154,400	1,249,395	1,884,213	1,162,432	31,450,440	1.10%	\$ 658.92
2013	28,190,362	1,143,277	1,694,901	1,079,401	32,107,942	1.09%	\$ 672.70

Sources: King County Department of Assessments
City of Burien Finance Department

**Schedule 12
City of Burien
Legal Debt Margin Information
December 31, 2013**

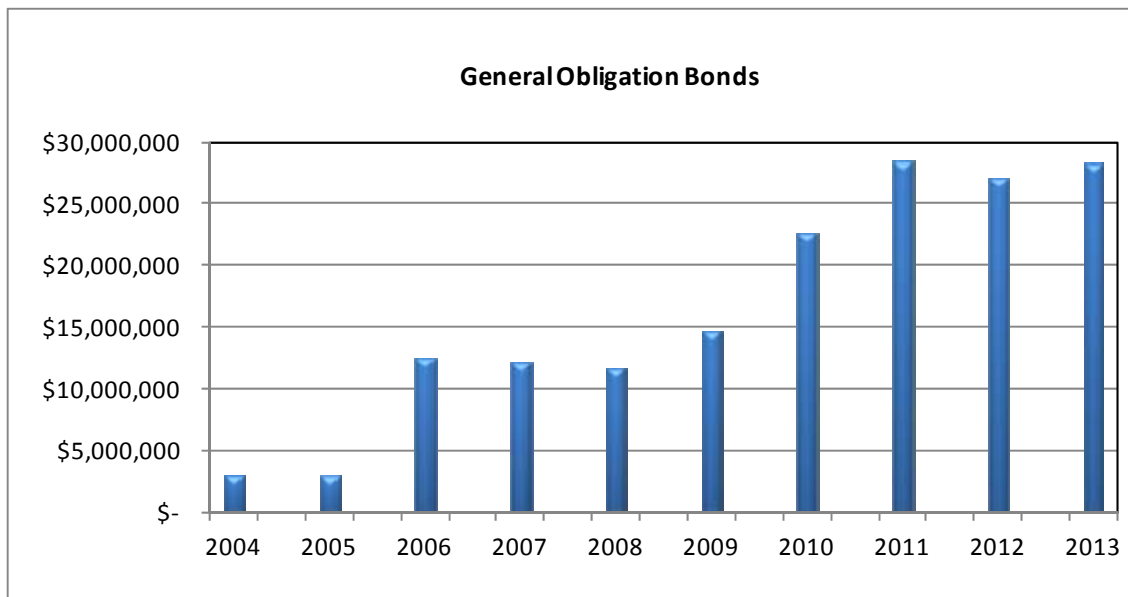
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 209,489,791	\$ 219,207,541	\$ 239,079,791	\$ 260,283,837	\$ 285,650,497	\$ 322,748,347	\$ 343,081,657	\$ 316,904,251	\$ 312,964,326	\$ 300,397,459
Total Net Debt Applicable to Limit	2,970,000	2,850,000	12,530,000	12,090,000	11,615,000	14,579,400	22,604,400	28,299,400	27,154,400	28,190,362
Legal Debt Margin	<u>\$ 206,519,791</u>	<u>\$ 216,357,541</u>	<u>\$ 226,549,791</u>	<u>\$ 248,193,837</u>	<u>\$ 274,035,497</u>	<u>\$ 308,168,947</u>	<u>\$ 320,477,257</u>	<u>\$ 288,604,851</u>	<u>\$ 285,809,926</u>	<u>\$ 272,207,097</u>
 Total Net Debt Applicable to Limit as a Percentage of Debt Limit	 1.42%	 1.30%	 5.24%	 4.64%	 4.07%	 4.52%	 6.59%	 8.93%	 8.68%	 9.38%

Legal Debt Margin Calculation for Fiscal Year 2013

Total Assessed Value for 2013 Taxes	\$ 4,005,299,458
Debt Limit:	
2.5% of General Purpose Limit, Voted and Non-voted	100,132,486
2.5% of Utility Purpose Limit, Voted	100,132,486
2.5% of Open Space, Voted	100,132,486
Total Debt Limit	<u>\$ 300,397,459</u>
Debt Applicable to Limits:	
General Obligation Bonds	28,190,362
Legal Debt Margin	<u>\$ 272,207,097</u>

**Schedule 13
City of Burien
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

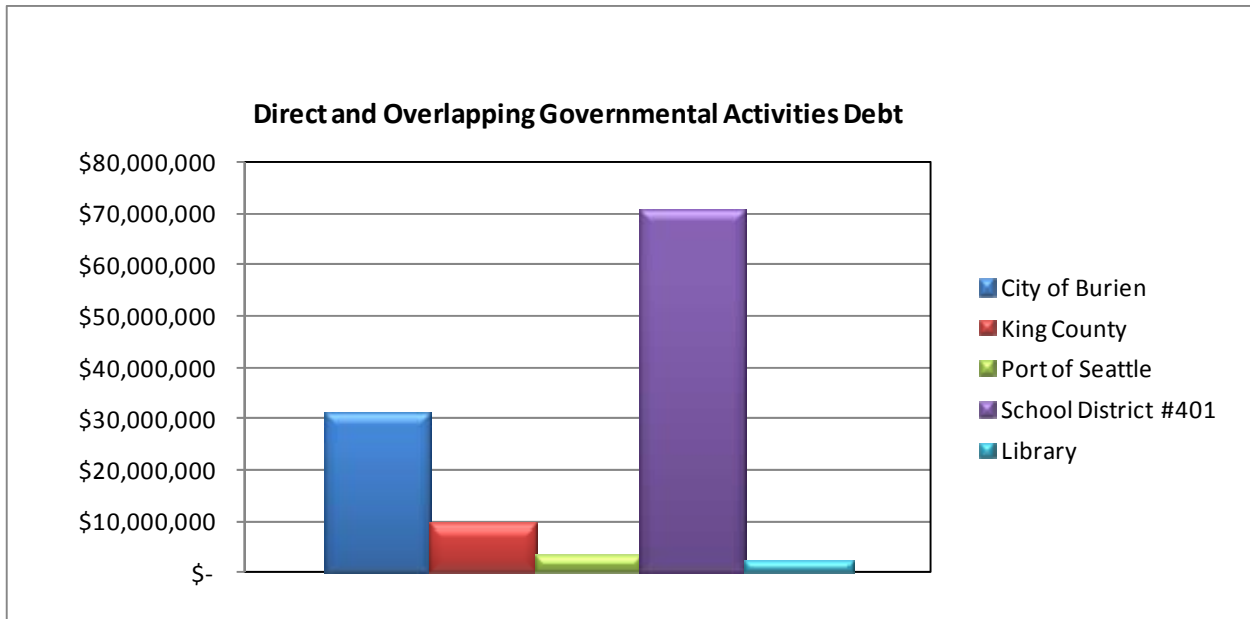
Fiscal Year	General Obligation Bonds	Assessed Value (AV)	% of General Obligation Debt to AV	Population	Per Capita
2004	\$ 2,970,000	\$ 2,793,197,214	0.11%	31,130	\$ 95.41
2005	2,850,000	2,922,767,212	0.10%	31,040	91.82
2006	12,530,000	3,187,730,549	0.39%	31,080	403.15
2007	12,090,000	3,470,451,166	0.35%	31,410	384.91
2008	11,615,000	3,845,144,599	0.30%	31,540	368.26
2009	14,579,400	4,303,311,289	0.34%	31,890	457.18
2010	22,604,400	3,665,612,885	0.62%	46,182	489.46
2011	28,299,400	4,626,813,371	0.61%	47,660	593.78
2012	27,154,400	4,225,390,016	0.64%	47,730	568.92
2013	28,190,362	4,005,299,458	0.70%	48,030	586.93



Sources: King County Department of Assessments
City of Burien Finance Department

**Schedule 14
City of Burien
Direct and Overlapping Governmental Activities Debt
As of December 31, 2013**

	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to Burien</u>	<u>Estimated Amount Applicable to Burien</u>
Direct:			
City of Burien	\$ 31,028,541	100.00%	\$ 31,028,541
Overlapping:			
King County	812,796,000	1.18%	9,590,993
Port of Seattle	283,815,000	1.18%	3,349,017
School District #401	263,629,947	26.85%	70,784,641
Library	127,607,269	1.92%	2,450,060
Total Overlapping Debt:	<u>\$ 1,487,848,216</u>	<u>5.79%</u>	<u>\$ 86,174,710</u>
Total Direct and Overlapping Debt:	<u>\$ 1,518,876,757</u>		<u>\$ 117,203,251</u>



Note: Calculated based on total assessed value of the overlapping districts to the assessed value of the City of Burien.

Sources: King County Department of Assessments
City of Burien Finance Department

Schedule 15
City of Burien
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population¹	Personal Income² (in \$1,000's)	Per Capita Personal Income²	Unemployment Rate³	School Enrollment
2004	31,130	\$ 89,750,497	\$50,555	4.6%	16,724
2005	31,040	\$ 90,438,508	\$50,376	5.4%	17,700
2006	31,080	\$ 99,448,249	\$54,553	4.9%	17,718
2007	31,410	\$ 106,712,473	\$57,745	4.1%	17,527
2008	31,540	\$ 108,457,410	\$57,843	4.8%	17,647
2009	31,890	\$ 102,843,152	\$53,788	9.4%	18,224
2010	46,182	\$ 105,499,279	\$54,443	8.2%	17,391
2011	47,660	\$ 112,935,345	\$57,281	7.5%	17,532
2012	47,730	\$ 120,627,950	\$60,090	6.4%	18,427
2013	48,030	\$ 124,849,928	\$61,442	5.3%	18,975

Note¹ : Population data is provided by Burien's Community Development staff.

Note² : Both personal income and per capita personal income are based on King County information, in which Burien is located.

Note³ : The compiled unemployment rate data for Burien was extracted from U.S. Bureau of Labor Statistics website. The rates reflect the annual average for each of the years presented and are not seasonally adjusted.

*Sources: City of Burien Community Development staff
U.S. Bureau of Economic Analysis
U.S. Bureau of Labor Statistics
Highline School District*

**Schedule 16
City of Burien
Principal Employers,
Current Year and Nine Years Ago**

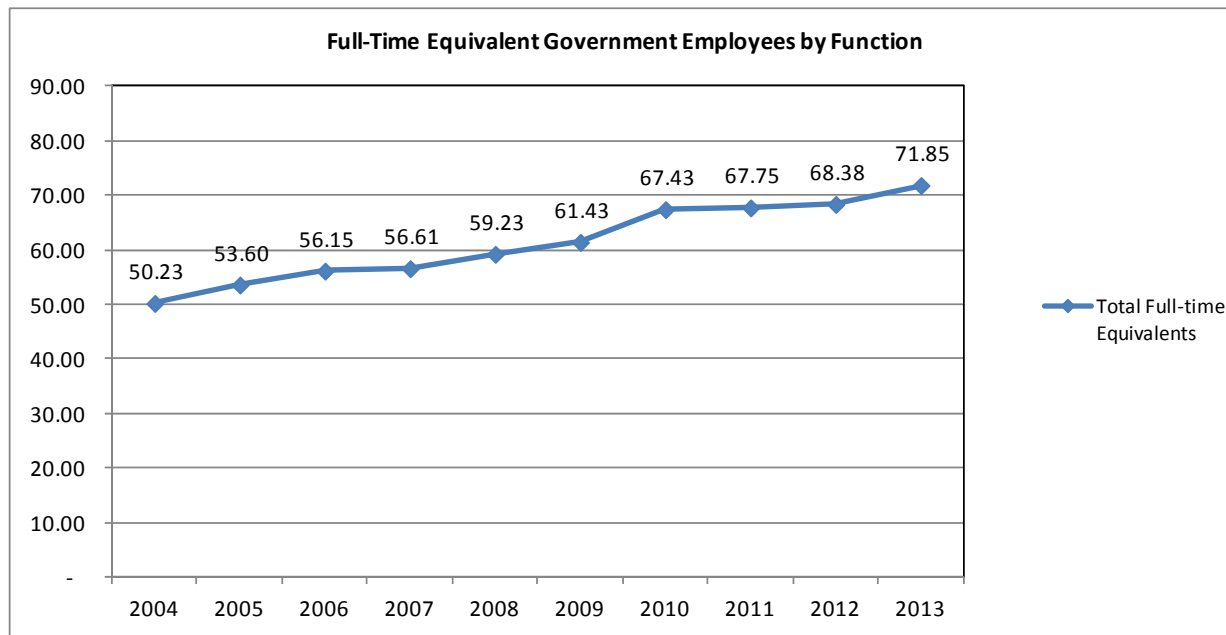
<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment¹</u>
Highline School District #401	2,150	1	29.97%	2,260	1	33.35%
Highline Medical Center	1,100	2	15.33%	1,100	2	16.23%
Fred Meyer	216	3	3.01%	226	3	3.34%
Burien Toyota, Inc.	152	4	2.12%	103	10	1.52%
Burien Nursing & Rehabilitation Center	117	5	1.63%	144	8	2.13%
Safeway Stores	110	6	1.53%	101	11	1.49%
Schick Shadel	105	7	1.46%	-	-	-
Wizards Restaurant	99	8	1.38%	200	5	2.95%
Rainier Golf & Country Club	90	9	1.25%	-	-	0.00%
City of Burien	72	10	1.00%	50	24	0.74%
Ruth Dykeman Children's Center	71	11	0.99%	103	9	1.52%
Albertsons #473	70	12	0.98%	-	-	-
Group Health Cooperative	66	13	0.92%	80	15	1.18%
Albertsons #411	60	14	0.84%	-	-	-
McDonalds	57	15	0.79%	-	-	-
Puget Sound Educational Service District	-	-	-	206	4	3.04%
Advantage Sales and Marketing	-	-	-	183	6	2.70%
Interstate Protective Services	-	-	-	154	7	2.27%
Highline West Seattle Mental Health	-	-	-	90	12	1.33%
Burien Dodge	-	-	-	83	13	1.22%
Southgate Group	-	-	-	81	14	1.20%
-	-	-	-	-	-	-
Total	4,535		63.21%	5,164		76.21%

Total City employment in 2013 is 7,175

Sources: City of Burien Finance Department
MicroFlex Software & Financial Solutions

**Schedule 17
City of Burien
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

<u>Function</u>	<u>Budgeted Full-time Equivalents as of December 31</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government	14.90	14.90	15.45	19.98	17.15	18.00	20.75	20.70	18.95	18.63
Culture and Recreation	12.53	14.40	15.00	14.63	14.63	15.88	16.18	15.95	15.38	15.38
Economic Environment	11.80	12.80	14.20	12.00	14.45	14.75	13.30	14.30	13.10	13.10
Transportation	7.10	7.35	7.20	6.45	7.45	6.10	8.50	8.20	10.30	11.50
Surface Water Management	3.90	4.15	4.30	3.55	5.55	6.70	8.70	8.60	10.65	13.25
Total Full-time Equivalents	50.23	53.60	56.15	56.61	59.23	61.43	67.43	67.75	68.38	71.85



**Schedule 18
City of Burien
Operating Indicators by Function
Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety										
Response time for priority 1 calls	6.63 min.	7.38 min.	7.51 min.	7.06 min.	8.44 min.	8.69 min.	8.54 min.	7.54 min.	7.75 min.	7.39 min.
Response time to critical emergencies	2.66 min.	3.10 min.	2.75 min.	3.28 min.	3.28 min.	3.47 min.	2.87 min.	2.95 min.	3.40 min.	3.73 min.
Dispatched calls for service	12,233	12,674	12,476	11,518	10,191	10,507	13,410	15,742	16,416	17,039
Total crime index per 1,000 population	70.4	71.6	67.5	61.0	53.2	55.5	55.0	55.0	59.0	60.0
Traffic safety enforcement stops	2,789	2,617	2,595	2,264	2,157	2,060	1,508	1,672	1,743	2,139
Transportation										
Right of way use permits issued	345	386	360	365	306	330	353	359	428	469
Reported potholes	44	10	9	15	17	27	37	103	50	69
Economic Environment										
Citizen action requests	455	460	697	566	438	384	604	558	628	624
Land use-related permit applications	140	115	88	108	59	82	57	57	63	85
Percentage of land use permit reviews completed by target date	79%	74%	79%	67%	69%	73%	89%	93%	80%	86%
Construction related permit applications	1,618	1,768	2,003	2,074	2,153	1,763	1,473	1,898	1,915	2,079
Commercial permits	89	124	121	116	235	107	120	171	113	192
Construction Value-commercial	\$ 20,268,161	\$ 24,386,583	\$ 52,960,694	\$ 27,568,622	\$ 63,225,037	\$ 6,917,359	\$ 17,117,248	\$ 21,820,575	\$ 11,317,784	\$ 38,940,428
Residential permits	191	233	275	309	283	159	105	268	259	269
Construction Value-residential	\$ 18,445,105	\$ 25,858,711	\$ 56,453,304	\$ 27,443,690	\$ 13,283,754	\$ 9,233,956	\$ 10,516,667	\$ 14,442,960	\$ 27,855,391	\$ 22,984,594
Culture and Recreation										
Acres of neighborhood parks	26	26	26	27	27	27	58	58	58	58
Acres of community parks	30	31	31	32	32	32	32	32	32	32
Acres of regional and open space parks	260	278	278	287	287	287	287	287	287	287
Cost to maintain all parks per acre	\$ 1,095	\$ 959	\$ 1,135	\$ 986	\$ 1,033	\$ 1,014	\$ 1,265	\$ 1,630	\$ 1,594	\$ 1,693
Number of kids provided scholarships	116	114	87	78	60	61	134	149	133	116
Surface Water Management										
Number of storm water ponds	13	14	15	15	15	15	18	19	22	22
Percentage of city drainage system mapped and inventoried	82%	93%	98%	98%	98%	99%	85%	98%	98%	99%

Sources: Various City of Burien Departments

Schedule 19
City of Burien
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year								
	2004	2005	2007	2008	2009	2010	2011	2012	2013
Transportation									
Streets (miles)	113	113	113	113	114	150	150	152	152
Street Lights	664	664	664	664	700	930	930	930	939
Traffic Signals	53	53	53	53	55	71	71	72	74
Culture and Recreation									
Skate Parks	1	1	1	1	1	1	1	1	1
Playgrounds	6	7	7	8	8	11	12	12	12
Baseball/Softball Diamonds	5	5	5	5	5	5	5	5	5
Soccer/Football Fields	3	3	3	3	3	3	3	3	3
Community Centers	1	1	1	1	1	1	1	1	1
Surface Water Management									
Pump Stations	2	2	3	3	3	3	3	3	3
Storm Water Drainage Ponds	4	4	4	4	4	6	16	16	16

Sources: Various City of Burien Departments

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