

# 2018 Comprehensive Annual Financial Report

For the year ended December 31, 2018



**City of Burien, Washington**

400 SW 152<sup>nd</sup> St., Suite 300

Burien, WA 98166

(206) 241-4647





The City of Burien, Washington

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended  
December 31, 2018

*Prepared by:*

*City of Burien Finance Department*

*400 SW 152<sup>nd</sup> St., Suite 300*

*Burien, Washington 98166*

*(206) 241-4647*

*Website: [www.burienwa.gov](http://www.burienwa.gov)*

## **BURIEN CITY COUNCIL**

Jimmy Matta, Mayor

Austin Bell

Bob Edgar

Lucy Krakowiak

Krystal Marx

Pedro E. Olguin

Nancy Tosta



*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, 2018**

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June 20, 2019

**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, 2018. 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.

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 and information systems administration, economic development, communications, and directing and coordinating departmental operations.

**Finance Services** are provided by City staff and include budget preparation and monitoring, financial forecasting, financial statement preparation, accounting, cash management, and contract management.

**Legal Services** are provided by a combination of City staff and contract services. City staff provide legal advice to the City Council and management in addition to representing the City in litigation matters. Public prosecution, public defense, 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 primarily provided by City staff; however, some services are contracted. Public Works services include engineering, street maintenance, and surface water management.

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

**Parks, Recreation, and Cultural Services (PaRCS)** 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 2018 expenditures reported in the financial statements relating to those entities:

• King County Sheriff's Office (police services)	\$11,899,556
• Jail Services with the South Correctional Entity (SCORE) and King County Department of Adult Detention	934,385
• King County District Court	451,380
• King County Public Works Department (street & signal maintenance)	<u>250,310</u>

Total 2018 major contracts with other governmental agencies \$13,535,631

### 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. Other industries such as computer software (Microsoft Corporation is at the forefront), internet retail (Amazon and Expedia) and wireless communications (T-Mobile) now have corporate headquarters in the region. The diversification also includes increased activity in international trade through the Port of Seattle and growth in 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 26.5% of the total sales tax revenue to the City in 2018. 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 on the CHI Franciscan Health - Highline Medical Center. The City also has significant employment in education as it houses the Highline Public Schools administrative offices.



### Future Economic Outlook

Burien anticipates continued development in both international trade and international services as 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. State Route 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 also anticipates future economic growth by continuing to actively work with the Port of Seattle to redevelop the Northeast Redevelopment Area and utilizing two new federally designated investment “Opportunity Zones” in the City to attract new investment and development. The City also anticipates an increase in growth in the tourism industry via development of the City’s first hotel, and potential subsequent lodging facilities. Property and commercial development remain strong, with interest in multifamily development being particularly strong in the downtown.

## IV. MAJOR INITIATIVES

Achievements for 2018 include:

- Continued working with the Federal Aviation Administration, Port of Seattle, surrounding cities, and other stakeholders to seek the reduction of airport impacts on Burien residents.
- Continued to seek partnerships to leverage the Capital Partnership Reserve to achieve capital project goals.
- Continued to develop a strategy for a permanent Public Works/PaRCs maintenance facility.
- Launched the new website.
- Completed construction and installation of wayfinding signs.
- Implemented strategies following approval of the federal government Opportunity Zone designation for development in Burien.
- Explored new revenue sources and implemented operating efficiencies to maintain current service levels and potentially fund enhanced services.
- Replaced the City Hall and Community Center telephone system.
- Completed the update of PaRCS program registration, facility booking, and point of sale software platforms.
- Began the conversion of Parks and Facility landscape maintenance from a contracted service to in-house to provide a better level of customer service.
- Completed design of the 5th Avenue South traffic-calming project.
- Prepared a request for proposal for hotel development on City-owned land and selected developer.

- Revised the admissions tax ordinance, which included outreach to impacted businesses.
- Conducted the 2018 Community Assessment Survey to measure residents' satisfaction with City functions and services across a broad range of areas.
- Supported Stormfest grant funded program serving over 1,300 youth from the Highline School District.
- Replaced key vehicles and equipment to improve maintenance efficiency and timeliness.

Initiatives for 2019 include:

- Continue to work with the Federal Aviation Administration, Port of Seattle, surrounding cities, and other stakeholders to reduce airport impacts on Burien residents.
- Continue to seek partnerships to leverage the Capital Partnership Reserve to achieve capital project goals.
- Continue to develop a strategy for a permanent Public Works/ParCS maintenance facility.
- Continue to explore new revenue sources and operating efficiencies to maintain current service levels and potentially fund enhanced services.
- Continue implementation of additional phases of the new financial software.
- Explore options to support the growth of affordable housing in the city, and to assist housing cost burdened households.
- Contribute to the implementation of a Community Court to gather numerous human service providers in a single venue to address users' needs.
- Execute a Disposition and Development Agreement for the development of a hotel.
- Include the Recreation Guide into the distribution of the Burien Magazine.
- Complete the conversion of Parks and Facility landscape maintenance from a contracted service to in-house to provide a better level of customer service.
- Development of the Urban Center Plan to promote growth in the City's downtown area.
- Update the City code to bring sign regulations into conformance with findings under the Reed vs. Town of Gilbert rulings as well as subsequent case law.
- Complete construction of the 5th Avenue South traffic-calming project.

## **V. INDEPENDENT AUDIT**

State law requires an annual audit of all city books of accounts and financial records by the Office of the State Auditor, which is headed by an independent elected State Official, the State Auditor. The Auditor has broad legal authority to inquire into all financial and legal compliance matters and such audits of the City are considered equal to audits by certified public accounting firms. The 2018 financial audit of the City is complete and was conducted in conformance with Generally Accepted Auditing Standards. The financial statements of all City funds have been included in the audit. The City has been given an unqualified opinion for 2018. Please see the Auditor's Report. The State Auditor's Office also audits the City's administration of its federal grants under the single audit concept.

## **VI. CERTIFICATE OF ACHIEVEMENT**

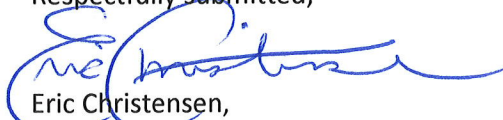
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burien for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. This was the twenty-second consecutive year that the City 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.

## **VII. 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. 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 greatly appreciated.

Respectfully submitted,

  
Eric Christensen,  
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, 2017**

*Christopher P. Morrill*

Executive Director/CEO

**ELECTED CITY OFFICIALS**

2018 City Councilmembers

Jimmy Matta, Mayor  
 Austin Bell, Deputy Mayor  
 Bob Edgar  
 Lucy Krakowiak  
 Krystal Marx  
 Pedro E. Olguin  
 Nancy Tosta

Term Ending

December 2021  
 December 2019  
 December 2019  
 December 2019  
 December 2021  
 December 2021  
 December 2021

2019 City Councilmembers

Jimmy Matta, Mayor  
 Austin Bell, Deputy Mayor  
 Bob Edgar  
 Lucy Krakowiak  
 Krystal Marx  
 Pedro E. Olguin  
 Nancy Tosta

Term Ending

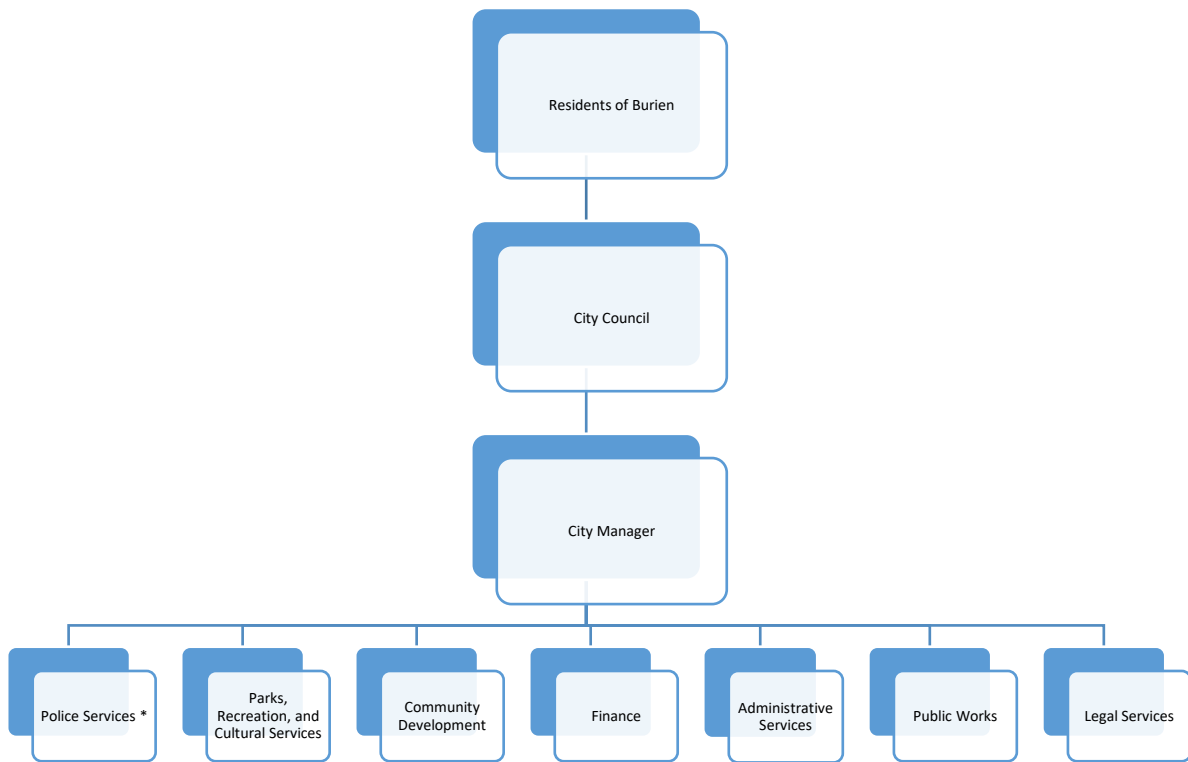
December 2021  
 December 2019  
 December 2019  
 December 2019  
 December 2021  
 December 2021  
 December 2021

**CITY ADMINISTRATION**

City Manager  
 Finance Director  
 City Attorney  
 Community Development Director  
 Parks, Recreation, and Cultural Services Director  
 Public Works Director  
 Chief of Police (contract)

Brian Wilson  
 Eric Christensen  
 Lisa Marshall  
 Chip Davis  
 Steve Roemer  
 Maiya Andrews  
 Theodore Boe

### City of Burien, Washington Organizational Chart



\* Contracted Services

**Prepared By:**

Eric Christensen  
Finance Director

Patti Rader  
Finance Manager

Ellen Mounts  
Accountant

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Financial Analyst

Anna Cruz  
Financial Analyst

Lori Fleming  
Contract Management Analyst







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

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

June 20, 2019

Mayor and City Council  
City of Burien  
Burien, Washington

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burien, as of and for the year ended December 31, 2018, 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, as of December 31, 2018, 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.

## **Other Matters**

### ***Required Supplementary Information***

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

### *Supplementary and Other Information*

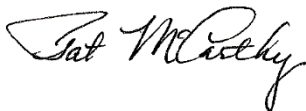
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we will also issue our report dated June 20, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large initial "P" and "M".

Pat McCarthy  
State Auditor  
Olympia, WA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) is intended to be an easily read 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 follow this analysis.

### FINANCIAL HIGHLIGHTS

- The assets for the City of Burien exceeded its liabilities as of December 31, 2018 by \$149.5 million (net position). Of this amount, \$37.2 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining amount, \$0.4 million is restricted for debt service, \$2.2 million is restricted for capital projects, \$0.6 million is restricted for drug enforcement, and \$109.1 million is net investment in capital assets.
- The City's total net position increased by \$4.2 million. This amount includes an increase of \$3.7 million in unrestricted net position, a \$0.5 million increase in restricted net position, and an increase of \$0.4 million in invested in capital assets, net of related debt.
- As of December 31, 2018, the City of Burien's governmental funds reported a combined ending fund balance of \$36.3 million. This is an increase of \$3.4 million compared to the prior year amount of \$32.9 million. Of the current year's combined ending fund balance, \$32.9 million is designated as assigned and unassigned fund balances, which is available for spending at the government's discretion for general operations.
- As of December 31, 2018, the total of assigned and unassigned General Fund balance was \$23.2 million, or 89% of total General Fund expenditures. This is an increase of \$0.5 million from the prior year.
- Governmental long term liabilities in total decreased by \$1.9 million and business-type long term liabilities by \$0.2 million as a result of scheduled debt service payments. The City's long-term debt decreased during 2018 by \$1.9 million.

### 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 the transmittal letter, independent auditor's report, 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 the difference between the City of Burien's total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources 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 section titled Combining and Individual Fund Information. Finally, completing the document is a series of other financial and statistical schedules. The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior year.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$149.5 million at the close of the fiscal year. During fiscal year 2018, net position increased \$4.2 million. A \$1.9 million reduction in long-term and net pension liabilities is the main reason for the increase in net position. The majority of the net position \$109.1 million or 72% in the City's investment in capital assets (e.g. land, building, equipment, infrastructure, other improvements, etc.) less any related outstanding debt used to acquire those assets. The unrestricted net position of both governmental and business type activities totaling nearly \$37.1 million may be used to meet the government's ongoing obligations.

**City of Burien's Net Position at Year-End**

	Governmental Activities		Business - Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 42,492,227	\$ 41,489,650	\$ 5,269,503	\$ 5,333,983	\$ 47,761,730	\$ 46,823,632
Capital assets, net of accumulated depreciation	116,466,552	114,707,520	14,091,502	13,859,878	130,558,054	128,567,399
Total assets	158,958,779	156,197,170	19,361,005	19,193,861	178,319,784	175,391,031
Deferred outflows of resources						
Deferred amount from debt refunding	44,750	55,938	-	-	44,750	55,938
Deferred outflow related to pensions	597,421	545,218	81,467	88,756	678,888	633,974
Total deferred outflows of resources	642,171	601,156	81,467	88,756	723,638	689,913
Long-term liabilities	18,238,766	19,361,053	634,353	704,544	18,873,119	20,065,596
Other liabilities	5,433,434	5,429,553	406,891	313,194	5,840,325	5,742,747
Net Pension Liability	2,675,695	3,411,953	364,868	555,434	3,040,563	3,967,387
Total liabilities	26,347,895	28,202,559	1,406,112	1,573,172	27,754,007	29,775,731
Deferred inflows of resources						
Deferred inflow related to pensions	1,016,763	561,150	138,650	91,350	1,155,413	652,500
Deferred inflow related to long-term debt	628,415	706,967	-	-	628,415	706,967
Total deferred inflows of resources	1,645,178	1,268,117	138,650	91,350	1,783,828	1,359,467
Net position:						
Net investment in capital assets	95,711,566	95,629,008	13,427,255	13,112,601	109,138,821	108,741,608
Restricted	3,198,932	2,748,229	-	-	3,198,932	2,748,229
Unrestricted	32,697,381	28,950,414	4,470,455	4,505,494	37,167,836	33,455,908
Total net position	\$ 131,607,879	\$ 127,327,651	\$ 17,897,710	\$ 17,618,094	\$ 149,505,589	\$ 144,945,745

Total net position for governmental activities increased by \$3.9 million to \$131.6 million. A prior period adjustment of \$337,775 was also made to governmental activities. Total assets and deferred outflows increased by \$2.8 million primarily due to the addition of capital assets. There was also an increase of \$3.6 million in cash and cash equivalents mostly as a result of revenues exceeding expenditures in the General Fund and the Transportation Capital Fund. Total liabilities and deferred inflows decreased by \$1.5 million due to regularly scheduled debt payments and a decrease in the City's share of net pension liability.

Total net position for business-type activities increased slightly by \$0.3 million to \$17.9 million. This increase is due to the increase in the net investment in capital assets as a result of the completion of the 8th Avenue S. Sub-basin retrofit improvements, and the SW 152nd & 8th Ave. SW Drainage Improvements.

**CHANGE OF NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2018:**

The Statement of Activities shows a net increase in the City of Burien's net position of \$3.3 million. Below is a summary version of the Statement of Activities.

**Summary of Revenues**

	Governmental Activities		Business - Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 4,674,099	\$ 4,547,410	\$ 3,454,563	\$ 3,915,258	\$ 8,128,662	\$ 8,462,668
Operating grants & contributions	3,816,628	3,555,016	126,222	54,548	3,942,850	3,609,565
Capital grants & contributions	1,437,251	884,673	454,503	976,849	1,891,754	1,861,522
General revenues:						
Property taxes	7,902,018	7,710,870	-	-	7,902,018	7,710,870
Sales and use taxes	10,067,818	9,825,632	-	-	10,067,818	9,825,632
Other taxes	8,330,154	8,701,260	-	-	8,330,154	8,701,260
Investment interest	690,980	312,092	112,360	55,595	803,340	367,688
Gain (loss) on disposal of capital assets	16,234	508,161	-	8,000	16,234	516,161
Extraordinary item	-	-	-	-	-	-
Miscellaneous	404,697	716,078	8,506	-	413,203	716,078
Total revenues	\$ 37,339,879	\$ 36,761,193	\$ 4,156,154	\$ 5,010,251	\$ 41,496,033	\$ 41,771,444

**Summary of Expenses**

	Governmental Activities		Business - Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Expenses						
General government	\$ 6,048,335	\$ 5,823,417	\$ -	\$ -	\$ 6,048,335	\$ 5,823,417
Judicial	451,380	469,747	-	-	451,380	469,747
Public safety	12,855,758	12,445,067	-	-	12,855,758	12,445,067
Natural Environment	267,643	217,164	-	-	267,643	217,164
Transportation	6,674,157	8,391,172	-	-	6,674,157	8,391,172
Economic environment	2,586,608	1,979,171	-	-	2,586,608	1,979,171
Social services	114,266	90,519	-	-	114,266	90,519
Culture and recreation	4,602,780	4,316,910	-	-	4,602,780	4,316,910
Interest on long-term debt	681,498	894,546	3,494	3,909	684,992	898,455
Surface water management	-	-	2,988,046	2,389,053	2,988,046	2,389,053
Total expenses	34,282,425	34,627,713	2,991,540	2,392,963	37,273,965	37,020,676
Increase in net position before transfers	3,057,454	2,133,479	1,164,614	2,617,288	4,222,068	4,750,768
Gain/ Loss on disposal of capital assets	-	-	-	-	-	-
Transfers	885,000	213,250	(885,000)	(213,250)	-	-
Increase in net position	3,942,454	2,346,729	279,614	2,404,038	4,222,068	4,750,768
Net position - January 1	127,327,651	127,037,434	17,618,094	15,214,056	144,945,745	142,251,490
Prior period adjustment	337,775	(2,056,512)	-	-	337,775	(2,056,512)
Net position - January 1, restated	127,665,427	124,980,922	17,618,094	15,214,056	145,283,520	140,194,978
Net position - December 31	\$ 131,607,881	\$ 127,327,651	\$ 17,897,708	\$ 17,618,094	\$ 149,505,589	\$ 144,945,747

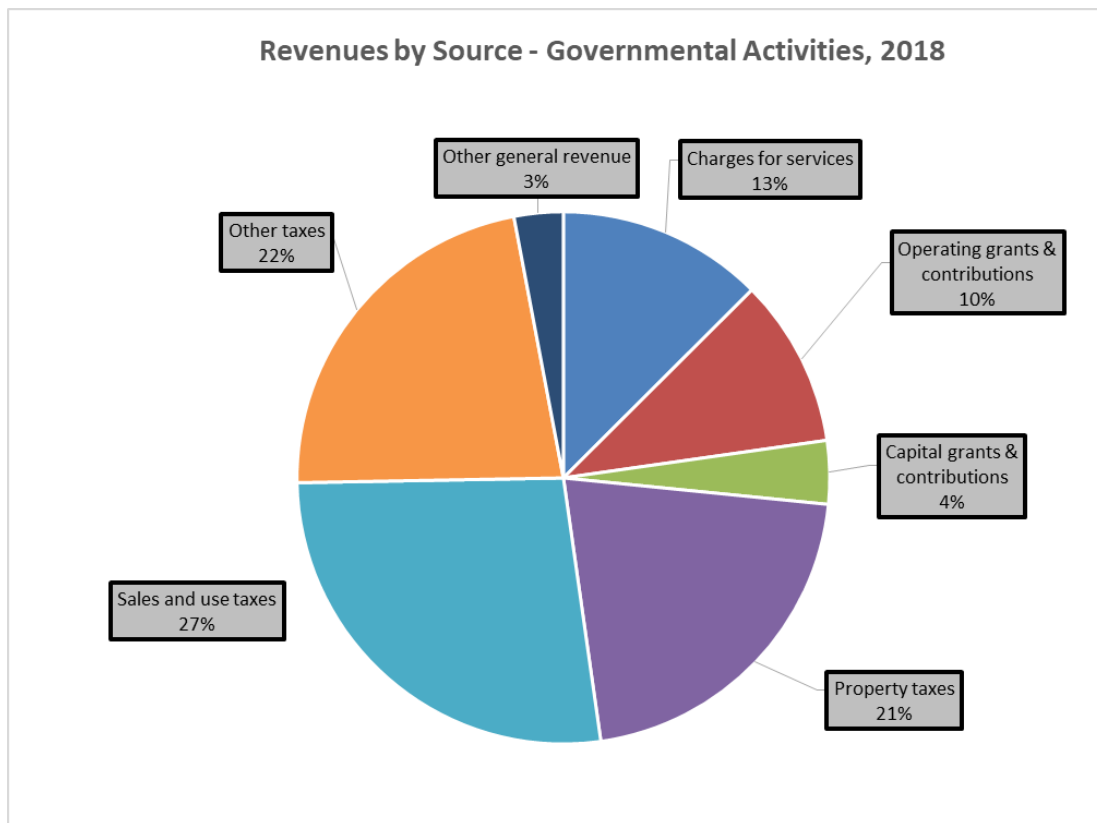


**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES  
FOR FISCAL YEAR ENDING DECEMBER 31, 2018**

***Governmental Activities***

Governmental activity revenues increased by \$0.6 million to \$37.3 million. This increase in revenues is due to increases in charges for services, operating and capital grants and contributions, property taxes, sales taxes, and investment interest. These increases were offset by decreases in the other taxes and the miscellaneous revenue categories. There was also a one-time gain on the sales of capital assets recorded in 2017.

As shown by the chart below, taxes represent 70% of the City’s total governmental revenues. Of this amount, 21% are property taxes, 27% are sales taxes, 27% are other taxes – notably Utility Taxes, Business and Occupation Taxes and Real Estate Excise Taxes. Charges for Services and Grants & Contributions represent 27% of the City’s governmental revenues.



The following is a summary of the major changes to governmental revenues:

- Capital grants and contributions increased by \$552,578, mostly due to federal and state funding for the replacement of the Peter Western Bridge in the Transportation Capital Fund.
- Charges for Services increased by \$126,689 primarily due to the inclusion of charges for services revenue totaling \$270,000 from an internal service fund. In the past, these were treated as internal transfers. There was also a \$104,362 increase in the collection of the Town Square mitigation fee as another property began paying the annual fee. Decreases in building and other related permit fees were offset by increases in plan review fees and charges. Engineering review charges were down by \$50,293. Revenues from recreation fees decreased by \$56,570 and collections from transportation mitigation fees decreased by \$91,587. The fee is collected on projects that have a specific impact on future transportation needs. Franchise fees paid by solid waste collectors decreased by \$30,361.

- Operating Grants and Contributions increased by \$261,612 due to new grants and increases in state shared revenues. A new Community Development Block Grant of \$41,907 was received to cover the cost of grant administration. A grant was also received from the Washington State Department of Ecology totaling \$17,425 to provide funding for the required Shoreline Master Program review. State shared revenues increased as follows: fuel tax by \$29,236, marijuana excise tax by \$101,981, and liquor excise tax by \$17,496. There was also a \$40,045 increase in franchise fees from Seattle City Light resulting from a small rate increase.
- Sales Taxes increased \$242,186 driven by increases in food services, online retail sales, and the wholesale of medical devices. These increases was offset by declining sales tax revenues from construction activity and motor vehicle sales as compared to the prior year.
- Other Taxes decreased \$371,106, of which Real Estate Excise Taxes decreased by \$198,883 .

Governmental expenses decreased \$0.35 million to \$34.3 million. Expenditures increased in most categories due to staffing changes, with the exception of the Transportation category which decreased substantially due to the completion of a large maintenance project.

The following is a summary of the major changes to governmental expenditures:

- General Government expenditures increased \$224,918, mainly due to staffing changes. Three existing positions were reclassified to higher-level positions to reflect increased workloads and additional responsibilities. The Administrative Services Manager became the Administrative Services Director, the Information Services Technician was reclassified to Information Systems Analyst, and the Front Desk Assistant at City Hall was reclassified to a Department Assistant. The Human Resources Technician is increased from 0.6 FTE to 1.0 FTE and the Contract Management Analyst is increased from 0.7 FTE to 0.8 FTE. Limited-term additions include a full-time Information Systems Help Desk Technician (1.0) to meet customer service demands during system conversions in 2018 and 2019 and a temporary Accounting Assistant (1.0) process business licenses and business and occupation tax returns which were previously provided by services contract.
- Public Safety expenditures increased \$410,691, of which \$506,380 is associated with a 2.8% increase in the cost of the City's police contract with the King County Sheriff's Office, and an \$39,107 decrease in the City's share of jail services provided by the South Correctional Entity (SCORE).
- Transportation expenditures decreased \$1,717,015 mostly as a result of the completion of the Peter Western Bridge demolition in 2017 at a cost of \$775,656. The relocation of the Public Works Maintenance Shop was completed during 2017 at a cost of \$85,959. There were also decreases of \$985,735 in infrastructure depreciation and in \$43,065 for pension expense.
- Culture and Recreation expenditures increased \$285,870. The cost of the landscape maintenance contract increased by \$87,648 with further increases projected for the future. In response to this, approval was received to initiate an in-house maintenance crew. Additional staff were hired in November at a cost of \$39,497 and startup supplies and minor equipment were purchased totaling \$10,801 to support the new service scheduled to take over maintenance at the beginning of 2019. A new Customer Service Supervisor position began in 2018 at a cost of \$53,892. Janitorial services increased by \$15,022 and other professional services by \$99,641.
- Economic Environment expenditures increased \$607,437, mainly because of the transfer of the Human Services program to this category with a cost of \$458,794. A new Senior Planner position began in 2018 at a cost of \$76,320. The Downtown Wayfinding project increased professional services costs by \$82,103.

### **Business-type Activities**

Business-type activity revenues decreased by \$0.9 million to \$4.2 million. Capital grants and contributions decreased by \$0.5 million due to lower grant reimbursements as the 8th Avenue South Sub-basin Retrofit Improvements project was completed.

Business-type expenses increased by \$0.6 million to \$3.0 million. The transfer out to the Transportation Capital Improvement Fund increased over 2017 by \$711,750 to provide support for surface water related improvements occurring in transportation projects. The cost of services increased by \$266,000 mostly due to maintenance on the Ambaum Pond. Personnel costs increased by \$250,000 as vacant positions from 2017 were filled. Depreciation expense increased by \$50,000.

## **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, primarily for funding street services, debt service, or capital improvement projects.

### **Fund Balances**

The total governmental fund balances as of December 31, 2018 is \$36,275,276, an increase of \$3,337,492 from the prior year amount of \$32,937,784. Of the General Fund balance of \$24,057,235, \$14,299,997, or 59%, is unassigned. The primary reason for the increase in fund balance is that revenues and other financing sources were in excess of expenditures and other financing uses in the General Fund by \$1,152,539.

The City's financial policies require that the General Fund maintain a fund balance of at least 20% of the General Fund's budgeted revenues, or approximately \$5.4 million for 2018. Furthermore, \$625,909 of the fund balance is restricted for drug enforcement purposes, \$7,500,000 of the fund balance is committed for a capital partnership reserve, \$438,322 is committed to support future projects in the City's Capital Improvement Program, \$1,000,000 is for a capital equipment reserve to provide furnishings and equipment to new City facilities, \$137,760 is committed for City parking projects, and \$55,247 is committed for arts projects.

The Street Fund, comprised of Motor Vehicle Fuel Tax revenues and other revenues designated by the City's financial policies, decreased its fund balance by \$0.4 million to \$1.4 million. The decrease was due to transferring available fund balance to the Transportation Capital Improvement Projects Fund. The Street Fund requires a minimum fund balance equal to 5% of budgeted recurring revenues. Any excess fund balance may be transferred and use for capital improvement projects.

The Debt Service Fund accumulates funds for the retirement of the City's debt. The fund's balance decreased minimally and remained at \$0.07 million. The fund balance is restricted for debt service, and there is no minimum fund balance requirement.

The Parks and General Government Capital Improvement Projects Fund decreased its fund balance by \$0.3 million to \$1.3 million. This fund provides for the completion of capital projects for City parks and general government facilities, and is primarily funded through grants and transfers from the General Fund and Capital

Project Reserve Fund. The main reason for this decrease is increased construction expenditures compared with the prior year, due to the completion of improvements at Moshier Park and improvements to the playground and pathway at Lakeview Park. The fund balance is used for projects in future years, and there is no minimum fund balance requirement.

The Transportation Capital Improvement Projects Fund increased its fund balance by \$3.1 million to \$6.9 million, mainly due an increase in transfers in from other funds. This fund provides for the completion of transportation or street-related capital projects, which sometimes have a storm drainage component. Funds are provided through grants and transfers from the Street Fund, Capital Projects Reserve Fund, Public Works Reserve Fund, and Surface Water Management Capital Improvement Projects Fund. The fund balance is used for projects in future years, and there is no minimum fund balance requirement.

### **Proprietary Funds**

The City has one proprietary fund, the Surface Water Management Fund. The Surface Water Management Fund's revenue is comprised of surface water management fees and grants to fund surface water operations and capital improvement projects. The increase in net position reflects revenues that exceeded estimates and expenses that were less than anticipated. The excess will be appropriated for capital improvement projects in future years. The fund balance policy is to maintain a minimum of 5% of recurring revenue.

### **BUDGETARY HIGHLIGHTS**

On September 17, 2018, the City Council adopted Ordinance No. 691 to increase expenditures whose costs are covered by the receipt of new state and local grants. This ordinance increased revenues and expenditures in the General Fund by \$143,000. Of this amount, \$25,000 is a grant from the State Department of Ecology to reimburse staff costs as they review and update the City's required review of its Shoreline Master Program. The remaining \$118,000 is a grant from King County's Veterans, Seniors, and Human Services Levy. Of this grant award, \$56,000 is appropriated for community outreach efforts to increase participation in the City's recreation programs for senior citizens, along with \$2,000 in supplies for those efforts, and \$60,000 for the installation of accessible doors at the Burien Community Center in compliance with the Americans with Disabilities Act (ADA) and for a hearing loop system to assist hard-of-hearing and hearing impaired individuals.

Ordinance No. 691 also increased revenues and expenditures in the Surface Water Management Fund by \$152,000. The City received a Water Quality Stormwater grant from the State Department of Ecology to fund the City's Stormfest education fair. Of this amount, \$136,000 was used to support curriculum development and translation and other support services, and the remaining \$16,000 was used for supplies to support teaching and demonstrations at the event.

Also on September 17, 2018, the City Council adopted Ordinance No. 692, which increased expenditures by \$352,000 to hire additional staff and purchase equipment for the City to assume responsibilities for landscape maintenance of City parks upon the expiration of the City's landscape maintenance contract. Of this amount, labor expenditures were increased by \$74,000 to add 1.0 FTE Lead Parks Maintenance Worker and 3.0 FTE Parks and Facilities Maintenance Workers from November 1, 2018 to December 31, 2018. In addition, these positions were included in the 2019-2020 Biennial Budget. The remaining \$261,000 were for equipment and capital purchases to support landscape maintenance operations, primarily with the purchase of vehicles, mowers, and other improvements for a temporary maintenance yard.

General Fund revenues exceeded budget estimates by 2.4%, or \$663,000. Higher investment income of \$372,000 is a result of rising interest rates. Intergovernmental revenues were above expectations as the City

received increased returns from the Seattle City Light franchise fee and state shared revenue from the Marijuana Excise Tax.

The City's sales tax revenues exceeded budgeted levels by 5.3%, or \$502,000, with the sectors for food services, online retail services, and sales of wholesale medical devices leading the increase. This is partially offset by the City's Utility Taxes falling short of budgeted estimates by 12% due to a continuing trend in decreased usage of landline telephones, along with decreased electricity and natural gas usage compared to an unusually cold winter in the prior year.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of December 31, 2018, the City had \$127.2 million in capital assets as reflected in the following table, which represents a decrease of nearly \$1.4 million from the previous year. The decrease is the result of asset additions being offset by the annual depreciation expense. Detailed information on Capital Assets is available in Note 7 of the Notes to the Financial Statements.

### CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

	Governmental Activities		Business - Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 25,662,236	\$ 25,662,236	\$ 1,076,060	\$ 1,076,060	\$ 26,738,296	\$ 26,738,296
Construction work in progress	3,490,440	1,759,634	371,765	1,890,863	3,862,205	3,650,497
Buildings	8,322,532	9,048,508	-	-	8,322,532	9,048,508
Machinery, equipment, and vehicles	1,403,009	1,001,275	337,175	298,574	1,740,184	1,299,849
Other improvements	13,892,987	14,353,086	-	-	13,892,987	14,353,086
Infrastructure	60,022,304	62,597,106	12,306,502	10,590,731	72,328,806	73,187,837
Intangible assets	281,981	285,676	-	3,650	281,981	289,326
Total	\$ 113,075,489	\$ 114,707,520	\$ 14,091,502	\$ 13,859,878	\$ 127,166,991	\$ 128,567,399

Construction work in progress (CWIP) for governmental activities is \$3.5 million, which is comprised of parks and street improvement projects still under construction. The CWIP amount of \$0.4 million for business-type activities is surface water infrastructure projects.

The following table shows the change in capital assets between 2017 and 2018.

### CHANGE IN CAPITAL ASSETS

	Governmental Activities		Business - Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Changes in capital assets						
Land	\$ 0	\$ (311,835)	\$ 0	\$ -	\$ 0	\$ (311,835)
Construction work in progress	1,730,806	(1,044,647)	(1,519,098)	(4,955,067)	211,708	(5,999,714)
Buildings	(725,976)	(725,977)	-	-	(725,976)	(725,977)
Machinery, equipment, and vehicles	401,734	34,996	38,601	(27,004)	440,335	7,992
Other improvements	(460,099)	(471,416)	-	-	(460,099)	(471,416)
Infrastructure	(2,574,802)	(4,622,520)	1,715,771	5,514,793	(859,031)	892,273
Intangible assets	(3,695)	285,676	(3,650)	(3,650)	(7,345)	282,026
Total	\$ (1,632,031)	\$ (6,855,723)	\$ 231,624	\$ 529,072	\$ (1,400,408)	\$ (6,326,651)

## Outstanding Debt

At the end of 2018, the City had \$20.9 million in long-term debt compared to \$22.8 million in 2017. The City of Burien's total long-term debt decreased \$1.9 million, which reflects a reduction of \$1.8 million in governmental activities and a decrease of \$0.1 million in business-type activities. The decrease in outstanding debt in both governmental and business type activities reflects the occurrence of regularly scheduled debt service payments.

### OUTSTANDING LONG TERM LIABILITIES AT YEAR-END

	Governmental Activities		Business - Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 16,088,415	\$ 17,511,967	\$ -	\$ -	\$ 16,088,415	\$ 17,511,967
Special obligation bonds - SCORE PDA	2,864,800	2,957,200	-	-	2,864,800	2,957,200
Special assessment debt with government commitment (public works trust fund loan)	571,918	684,831	-	-	571,918	684,831
Public works trust fund loan	748,341	937,653	664,246	747,277	1,412,587	1,684,930
Total long-term debt	20,273,474	22,091,651	664,246	747,277	20,937,720	22,838,928
Net pension obligation	2,675,695	3,411,953	364,868	555,434	3,040,563	3,967,387
Total long-term liabilities	\$ 22,949,169	\$ 25,503,604	\$ 1,029,114	\$ 1,302,711	\$ 23,978,283	\$ 26,806,315

For additional debt information, see Notes 9 and 10 in the Notes to the Financial Statements.

## ECONOMIC FACTORS

The City anticipates future economic growth by continuing to actively work with the Port of Seattle to redevelop the Northeast Redevelopment Area and utilizing two new federally designated investment "Opportunity Zones" in the City to attract new investment and development. The City also anticipates an increase in growth in the tourism industry via development of the City's first hotel, and potential subsequent lodging facilities. Property and commercial development remain strong, with interest in multifamily development being particularly strong in the downtown.

## NEXT YEAR'S BUDGETS AND RATES

On December 17, 2018, the City Council adopted Ordinance No. 699, adopting the 2019-2020 Biennial Budget. Compared to the 2018 Revised Budget, total expenditures in 2019 decreased by \$249,000. Expenditures for one-time capital expenditures decreased by \$898,000, as well as an \$858,000 reduction in professional contract services, of which a majority was designated one-time expenditures. This decrease is offset by a \$600,000 increase in the City's contract for police services, and a \$646,000 increase in personnel expenditures.

Of the increase in personnel expenditures, the City implemented a 3.6% Cost of Living Adjustment (COLA) for City employees in accordance with the City's Financial Policies. The Adopted Budget also provided for the following changes to personnel levels in the General Fund:

- Add 1.0 FTE Parks & Facilities Maintenance Lead (position created in Nov. 2018 by Ordinance 691)
- Add 1.0 FTE Facilities Operations Worker (reclassification of position created in Nov. 2018 by Ordinance 691)
- Add 2.0 FTE Parks & Facilities Maintenance Workers (positions created in Nov. 2018 by Ordinance 691)
- Add 2.0 FTE Parks & Facilities Maintenance Assistants
- Remove 0.5 FTE temporary Accounting Intern
- Reduce 0.5 FTE for temporary Accounting Assistant

- Reduce 0.57 FTE in one-time temporary increase in Department Assistants
- Eliminate 1.0 FTE Management Analyst
- Reduce 0.57 FTE for temporary increase in Assistant Public Works Director

## **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 152<sup>nd</sup> St., Suite 300, Burien, Washington 98166.



## BASIC FINANCIAL STATEMENTS



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City of Burien, Washington  
Statement of Net Position  
December 31, 2018

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 37,235,117	\$ 4,686,346	\$ 41,921,463
Receivables (net of allowance for uncollectibles)	1,936,410	104,919	2,041,329
Due from other governments	3,241,253	478,238	3,719,491
Restricted cash and cash equivalents	79,447	-	79,447
<b>Total current assets</b>	<b>42,492,227</b>	<b>5,269,503</b>	<b>47,761,730</b>
Noncurrent assets:			
Investment in joint venture - SCORE	3,391,062	-	3,391,062
Land	25,662,235	1,076,060	26,738,295
Construction in progress	3,490,441	371,765	3,862,206
Buildings	8,322,531	-	8,322,531
Machinery, equipment, and vehicles	1,403,009	337,175	1,740,184
Other improvements	13,892,989	-	13,892,989
Infrastructure	60,022,304	12,306,502	72,328,806
Intangible assets	281,981	-	281,981
<b>Total noncurrent assets</b>	<b>116,466,552</b>	<b>14,091,502</b>	<b>130,558,054</b>
<b>Total assets</b>	<b>158,958,779</b>	<b>19,361,005</b>	<b>178,319,784</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount from debt refunding	44,750	-	44,750
Deferred outflow related to pensions	597,421	81,467	678,888
<b>Total deferred outflows of resources</b>	<b>642,171</b>	<b>81,467</b>	<b>723,638</b>
<b>Total assets and deferred outflows of resources</b>	<b>159,600,950</b>	<b>19,442,472</b>	<b>179,043,422</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other liabilities	1,502,366	241,074	1,743,440
Accrued interest payable	61,814	1,937	63,751
Due to other governments	1,198,039	74,282	1,272,321
Unearned revenues	714,601	-	714,601
Deposits payable	254,344	-	254,344
Due within one year	1,815,183	89,598	1,904,781
<b>Total current liabilities</b>	<b>5,546,347</b>	<b>406,891</b>	<b>5,953,238</b>
Noncurrent liabilities:			
Special assessment debt with government commitment	459,006	-	459,006
Due in more than one year	17,666,848	634,353	18,301,201
Net pension liabilities	2,675,695	364,868	3,040,563
<b>Total noncurrent liabilities</b>	<b>20,801,549</b>	<b>999,221</b>	<b>21,800,770</b>
<b>Total liabilities</b>	<b>26,347,896</b>	<b>1,406,112</b>	<b>27,754,008</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to pensions	1,016,763	138,650	1,155,413
Deferred inflow related to premium on long-term debt refunding	628,415	-	628,415
<b>Total deferred inflows of resources</b>	<b>1,645,178</b>	<b>138,650</b>	<b>1,783,828</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>27,993,074</b>	<b>1,544,762</b>	<b>29,537,836</b>
<b>NET POSITION</b>			
Net investment in capital assets	95,711,566	13,427,255	109,138,821
Restricted for:			
Capital Projects	2,214,769	-	2,214,769
Debt Service	358,254	-	358,254
Drug Enforcement	625,909	-	625,909
Unrestricted	32,697,381	4,470,455	37,167,836
<b>Total net position</b>	<b>\$ 131,607,879</b>	<b>\$ 17,897,710</b>	<b>\$ 149,505,589</b>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
Statement of Activities  
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 6,048,335	\$ 1,472,160	\$ 2,087,381	\$ -	\$ (2,488,794)	\$ -	\$ (2,488,794)
Judicial	451,380	184,520	-	-	(266,860)	-	(266,860)
Public Safety	12,855,758	33,065	396,186	-	(12,426,507)	-	(12,426,507)
Natural environment	267,643	54,250	-	-	(213,393)	-	(213,393)
Transportation	6,674,157	1,068,142	1,172,725	1,018,368	(3,414,922)	-	(3,414,922)
Economic Environment	2,586,608	1,415,018	109,332	-	(1,062,258)	-	(1,062,258)
Social Services	114,266	44,829	32,504	9,682	(27,251)	-	(27,251)
Culture and recreation	4,602,780	402,115	18,500	409,201	(3,772,964)	-	(3,772,964)
Interest and fiscal charges	681,498	-	-	-	(681,498)	-	(681,498)
Total governmental activities	<u>34,282,425</u>	<u>4,674,099</u>	<u>3,816,628</u>	<u>1,437,251</u>	<u>(24,354,447)</u>	<u>-</u>	<u>(24,354,447)</u>
Business-type activities:							
SURFACE WATER MANAGEMENT	2,991,539	3,454,563	126,222	454,503	-	1,043,749	1,043,749
Total business-type activities	<u>2,991,539</u>	<u>3,454,563</u>	<u>126,222</u>	<u>454,503</u>	<u>-</u>	<u>1,043,749</u>	<u>1,043,749</u>
Total primary government	<u>\$ 37,273,964</u>	<u>\$ 8,128,662</u>	<u>\$ 3,942,850</u>	<u>\$ 1,891,754</u>	<u>(24,354,447)</u>	<u>1,043,749</u>	<u>(23,310,698)</u>
General revenues:							
Property taxes					7,902,018	-	7,902,018
Retail sales and use taxes					10,067,818	-	10,067,818
Business and occupation taxes					4,646,989	-	4,646,989
Excise taxes					823,147	-	823,147
Other taxes					2,860,018	-	2,860,018
Unrestricted investment earnings					690,980	112,360	803,340
Miscellaneous					404,697	8,506	413,203
Gain (loss) on disposal of capital assets					16,234	-	16,234
Transfers					885,000	(885,000)	-
Total general revenues, special items, and transfers					<u>28,296,901</u>	<u>(764,134)</u>	<u>27,532,767</u>
Change in net position					3,942,454	279,615	4,222,069
Net position - beginning					127,327,651	17,618,094	144,945,745
Prior Period Adjustment					337,775	-	337,775
Net position - beginning-restated					<u>127,665,426</u>	<u>-</u>	<u>145,283,520</u>
Net position - ending					<u>\$ 131,607,880</u>	<u>\$ 17,897,709</u>	<u>\$ 149,505,589</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
 Balance Sheet  
 Governmental Funds  
 December 31, 2018

	GENERAL	STREET	DEBT SERVICE	PARKS & GEN GOVT CAPITAL PROJECTS	TRANSPORTATION CAPITAL PROJECTS	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 23,635,837	\$ 1,251,140	\$ 70,473	\$ 1,674,169	\$ 6,777,284	\$ 2,366,397	\$ 35,775,300
Accounts receivable	14,646	14,300	-	-	-	-	28,946
Taxes receivable - Current	1,025,101	103,429	-	-	-	78,713	1,207,243
Taxes receivable - delinquent	164,952	-	-	-	-	-	164,952
Special assessments receivable	-	-	535,268	-	-	-	535,268
Due from other governments	2,292,492	185,539	-	63,947	641,836	57,440	3,241,254
Restricted cash and cash equivalents	79,447	-	-	-	-	-	79,447
Total assets	<u>\$ 27,212,475</u>	<u>\$ 1,554,408</u>	<u>\$ 605,741</u>	<u>\$ 1,738,116</u>	<u>\$ 7,419,120</u>	<u>\$ 2,502,550</u>	<u>\$ 41,032,410</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 436,996	\$ 15,656	\$ -	\$ 167,871	\$ 386,487	\$ -	\$ 1,007,010
Retainage payable	4,135	-	-	-	12,676	-	16,811
401 (a) payable	26,663	-	-	-	-	-	26,663
Due to other governments	1,146,639	51,399	-	-	-	-	1,198,038
Deposits payable	254,344	-	-	-	-	-	254,344
Accrued wages and benefits payable	316,392	42,933	-	213	809	-	360,347
Unearned revenue	714,601	-	-	-	-	-	714,601
Total liabilities	<u>2,899,770</u>	<u>109,988</u>	<u>-</u>	<u>168,084</u>	<u>399,972</u>	<u>-</u>	<u>3,577,814</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue-property taxes	164,952	-	-	-	-	-	164,952
Unavailable revenue-special assessments	-	-	535,268	-	-	-	535,268
Unavailable revenue-grants	78,221	-	-	240,311	136,443	-	454,975
Unavailable revenue-accounts receivable	12,296	11,825	-	-	-	-	24,121
Total deferred inflow of resources	<u>255,469</u>	<u>11,825</u>	<u>535,268</u>	<u>240,311</u>	<u>136,443</u>	<u>-</u>	<u>1,179,316</u>
Total liabilities and deferred inflows of resources	<u>3,155,239</u>	<u>121,813</u>	<u>535,268</u>	<u>408,395</u>	<u>536,415</u>	<u>-</u>	<u>4,757,130</u>
<b>FUND BALANCES (DEFICITS)</b>							
Restricted							
Debt service	-	-	70,473	-	-	287,781	358,254
Drug Enforcement	625,909	-	-	-	-	-	625,909
Other capital projects	-	-	-	-	-	2,214,769	2,214,769
Committed							
Arts Projects	55,247	-	-	-	-	-	55,247
Parking projects	137,760	-	-	-	-	-	137,760
Assigned							
Capital equipment reserve	1,000,000	-	-	-	-	-	1,000,000
Capital partnership	7,500,000	-	-	-	-	-	7,500,000
Capital projects	438,322	-	-	-	-	-	438,322
Parks capital projects	-	-	-	1,329,720	-	-	1,329,720
Street maintenance	-	1,432,594	-	-	-	-	1,432,594
Transportation capital projects	-	-	-	-	6,882,704	-	6,882,704
Unassigned							
Unassigned	14,299,997	-	-	-	-	-	14,299,997
Total fund balances (deficits)	<u>\$ 24,057,235</u>	<u>\$ 1,432,594</u>	<u>\$ 70,473</u>	<u>\$ 1,329,720</u>	<u>\$ 6,882,704</u>	<u>\$ 2,502,550</u>	<u>\$ 36,275,276</u>
Total liabilities and fund balances (deficits)	<u>\$ 27,212,474</u>	<u>\$ 1,554,407</u>	<u>\$ 605,741</u>	<u>\$ 1,738,115</u>	<u>\$ 7,419,119</u>	<u>\$ 2,502,550</u>	<u>\$ 41,032,406</u>

The notes to financial statements are an integral part of this statement.

**City of Burien, Washington**  
**Reconciliation of Balance Sheet**  
**To the Statement of Net Position**  
**December 31, 2018**

Fund balances of governmental funds		\$36,275,276
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Land	25,662,235	
Construction in progress	3,490,441	
Buildings (net of accumulated depreciation)	8,322,531	
Machinery and equipment (net of accumulated depreciation)	1,403,009	
Improvements (net of accumulated depreciation)	13,892,989	
Infrastructure (net of accumulated depreciation)	60,022,304	
Intangibles (net of accumulated amortization)	281,981	
		113,075,490
<p>Investment in joint ventures (SCORE) are not considered financial resources and, therefore, are not reported in the funds.</p>		
		3,391,062
<p>Certain liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Accrued interest payable on long-term debt	(61,814)	
General obligation bonds	(15,460,000)	
2009 bonds A and B-SCORE joint venture	(2,864,800)	
Special assessment debt payable	(571,918)	
Public works trust fund loan payable	(748,341)	
Compensated Absences	(295,977)	
Deferred charge on refunding	44,750	
Net pension	(2,675,695)	
		(22,633,795)
<p>Receivables not available to pay current period expenditures and, therefore, are deferred in the funds.</p>		
Property taxes	164,952	
Special assessments	535,267	
Grants	454,975	
Charges for services	11,825	
Fines/penalties	4,535	
Miscellaneous	7,763	
		1,179,317
<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>		
		1,368,283
<p>Some deferred outflows and inflows of resources are not reported in the funds.</p>		
Deferred inflow related to pensions	89,605	
Deferred inflow related to long term debt	(628,415)	
Deferred outflow related to pensions	(508,947)	
		(1,047,757)
Net position of governmental activities		\$131,607,879

City of Burien, Washington  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2018

	GENERAL	STREET	DEBT SERVICE	PARKS & GEN GOVT CAPITAL PROJECTS	TRANSPORTATION CAPITAL PROJECTS	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 7,731,917	\$ -	\$ -	\$ 99,300	\$ -	\$ -	\$ 7,831,217
Retail sales and use taxes	10,067,818	-	-	-	-	-	10,067,818
Real estate excise tax	-	-	-	-	-	2,624,537	2,624,537
Business and occupation taxes	1,410,247	-	-	-	-	-	1,410,247
Utility taxes	2,291,635	417,200	-	-	-	-	2,708,835
Other Taxes	570,617	235,481	-	-	-	780,437	1,586,535
Licenses and permits	1,844,548	988,557	-	-	-	-	2,833,105
Intergovernmental revenues	2,547,100	1,172,725	102,551	95,762	908,756	-	4,826,894
Charges for services	1,136,273	-	152,527	-	65,731	51,310	1,405,841
Fines & forfeitures	165,479	-	152	-	-	-	165,631
Investment earnings	472,800	39,165	5,528	30,780	52,686	64,148	665,107
Special assessments penalties and interest	-	-	3,081	-	-	-	3,081
Rents and leases	307,278	-	-	-	-	-	307,278
Contributions and donations	12,566	-	-	-	-	-	12,566
Special assessments principal	-	-	81,599	-	-	-	81,599
Miscellaneous	89,618	506	-	-	-	-	90,124
Total revenues	<u>28,647,896</u>	<u>2,853,634</u>	<u>345,438</u>	<u>225,842</u>	<u>1,027,173</u>	<u>3,520,432</u>	<u>36,620,415</u>
<b>EXPENDITURES</b>							
Current:							
General government	5,348,875	-	-	-	-	-	5,348,875
Judicial	451,380	-	-	-	-	-	451,380
Public Safety	13,031,185	-	-	-	-	-	13,031,185
Natural environment	267,643	-	-	-	-	-	267,643
Transportation	243,741	1,897,039	-	-	911,567	-	3,052,347
Economic Environment	2,666,335	-	-	-	-	-	2,666,335
Social Services	60,062	-	-	-	-	-	60,062
Culture and recreation	3,600,153	-	-	74,887	-	-	3,675,040
Debt service:							
Public works trust fund loan principal	-	-	302,225	-	-	-	302,225
LTGO bond principal	-	-	1,345,000	-	-	-	1,345,000
Interest and fiscal charges	-	-	753,851	-	-	-	753,851
Capital outlay:							
General government	199,284	-	-	-	-	-	199,284
Transportation	-	66,803	-	-	2,349,532	-	2,416,335
Social Services	54,204	-	-	-	-	-	54,204
Culture and recreation	62,369	-	-	507,139	-	-	569,508
Total expenditures	<u>25,985,231</u>	<u>1,963,842</u>	<u>2,401,076</u>	<u>582,026</u>	<u>3,261,099</u>	<u>-</u>	<u>34,193,274</u>
Excess (deficiency) of revenues over expenditures	<u>2,662,665</u>	<u>889,792</u>	<u>(2,055,638)</u>	<u>(356,184)</u>	<u>(2,233,926)</u>	<u>3,520,432</u>	<u>2,427,141</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	80,000	-	2,055,000	-	5,360,000	-	7,495,000
Transfers out	(1,600,000)	(1,315,000)	-	-	-	(3,695,000)	(6,610,000)
Compensation for Loss of Asset	-	-	-	15,479	-	-	15,479
Insurance Recoveries	9,874	-	-	-	-	-	9,874
Total other financing sources (uses)	<u>(1,510,126)</u>	<u>(1,315,000)</u>	<u>2,055,000</u>	<u>15,479</u>	<u>5,360,000</u>	<u>(3,695,000)</u>	<u>910,353</u>
Net change in fund balances	1,152,539	(425,208)	(638)	(340,705)	3,126,074	(174,568)	3,337,494
Fund balances - beginning	22,904,695	1,857,805	71,111	1,670,425	3,756,632	2,677,118	32,937,786
Fund balances - ending	<u>\$ 24,057,234</u>	<u>\$ 1,432,597</u>	<u>\$ 70,473</u>	<u>\$ 1,329,720</u>	<u>\$ 6,882,706</u>	<u>\$ 2,502,550</u>	<u>\$ 36,275,280</u>

The notes to financial statements are an integral part of this statement.

**City of Burien, Washington**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2018**

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Net change in fund balances - total governmental funds		\$3,337,494
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Amounts reported for governmental activities in the statement of net position 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 plus extraordinary gains from the sale of land.

Capital outlays	3,239,330		
Depreciation expense	<u>(5,538,885)</u>		(2,299,555)

Investment in joint ventures (SCORE) are not considered financial resources and, therefore, are not reported in the funds.

86,997

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	4,988		
Accrued refunding premium	78,552		
Accrued compensated absences expense	<u>23,925</u>		107,465

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

Property tax revenue	70,801		
Special assessments revenue	(83,445)		
Grants	426,985		
Charges for services	(478)		
Miscellaneous	<u>(15,625)</u>		398,238

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.

250,530

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 position.

Principal payments on long-term debt	1,739,625		
Amortization of deferred charge on bond refunding	<u>(11,188)</u>		1,728,437

Certain expenditures reported in the funds either increase or decrease long-term liabilities or deferred outflows reported on the Statement of Net Position and have been eliminated from the Statement of Activities.

Pension	<u>332,848</u>		<u>332,848</u>
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Change in net position of governmental activities		<u><u>\$3,942,454</u></u>
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The notes to financial statements are an integral part of this statement.



City of Burien, Washington  
GENERAL  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 7,700,000	\$ 7,840,000	\$ 7,731,917	\$ (108,083)
Retail sales and use taxes	9,200,000	9,565,000	10,067,818	502,818
Business and occupation taxes	1,245,000	1,345,000	1,410,247	65,247
Utility taxes	2,585,000	2,605,000	2,291,635	(313,365)
Other Taxes	505,000	455,000	570,617	115,617
Licenses and permits	1,765,000	1,836,000	1,844,548	8,548
Intergovernmental revenues	2,095,000	2,363,000	2,547,100	184,100
Charges for services	1,030,000	1,080,000	1,136,273	56,273
Fines & forfeitures	200,000	200,000	165,479	(34,521)
Investment earnings	56,000	101,000	472,800	371,800
Rents and leases	295,000	305,000	307,278	2,278
Contributions and donations	-	-	12,566	12,566
Miscellaneous	290,000	290,000	89,618	(200,382)
Total revenues	<u>26,966,000</u>	<u>27,985,000</u>	<u>28,647,896</u>	<u>662,896</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,182,305	6,149,320	5,348,875	800,445
Judicial	450,000	520,000	451,380	68,620
Public Safety	13,430,000	13,495,000	13,031,185	463,815
Natural environment	185,000	245,000	267,643	(22,643)
Transportation	345,560	358,615	243,741	114,874
Economic Environment	3,008,895	3,248,485	2,666,335	582,150
Social Services	106,000	174,000	60,062	113,938
Culture and recreation	3,311,795	3,617,200	3,600,153	17,047
Total current	<u>26,019,555</u>	<u>27,807,620</u>	<u>25,669,374</u>	<u>2,138,246</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
General government	-	745,000	199,284	545,716
Social Services	-	60,000	54,204	5,796
Culture and recreation	-	263,000	62,369	200,631
Total capital outlay	<u>-</u>	<u>1,068,000</u>	<u>315,857</u>	<u>752,143</u>
Total expenditures	<u>26,019,555</u>	<u>28,875,620</u>	<u>25,985,231</u>	<u>2,890,389</u>
Excess (deficiency) of revenues over expenditures	<u>946,445</u>	<u>(890,620)</u>	<u>2,662,665</u>	<u>3,553,285</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	80,000	80,000	80,000	-
Transfers out	(620,000)	(1,600,000)	(1,600,000)	-
Insurance Recoveries	-	-	9,874	9,874
Total other financing sources (uses)	<u>(540,000)</u>	<u>(1,520,000)</u>	<u>(1,510,126)</u>	<u>9,874</u>
Net change in fund balances	406,445	(2,410,620)	1,152,539	3,563,159
Fund balances - beginning	22,904,695	22,904,695	22,904,695	-
Fund balances - ending	<u>\$ 23,311,140</u>	<u>\$ 20,494,075</u>	<u>\$ 24,057,234</u>	<u>\$ 3,563,159</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
STREET  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Utility taxes	\$ 400,000	\$ 420,000	\$ 417,200	\$ (2,800)
Other Taxes	250,000	250,000	235,481	(14,519)
Licenses and permits	990,000	1,030,000	988,557	(41,443)
Intergovernmental revenues	1,175,000	1,155,000	1,172,725	17,725
Investment earnings	1,000	6,000	39,165	33,165
Miscellaneous	-	-	506	506
Total revenues	<u>2,816,000</u>	<u>2,861,000</u>	<u>2,853,634</u>	<u>(7,366)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>1,851,720</u>	<u>1,949,395</u>	<u>1,897,039</u>	<u>52,356</u>
Total current	<u>1,851,720</u>	<u>1,949,395</u>	<u>1,897,039</u>	<u>52,356</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Transportation	<u>60,000</u>	<u>60,000</u>	<u>66,803</u>	<u>(6,803)</u>
Total capital outlay	<u>60,000</u>	<u>60,000</u>	<u>66,803</u>	<u>(6,803)</u>
Total expenditures	<u>1,911,720</u>	<u>2,009,395</u>	<u>1,963,842</u>	<u>45,553</u>
Excess (deficiency) of revenues over expenditures	<u>904,280</u>	<u>851,605</u>	<u>889,792</u>	<u>38,187</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(875,000)</u>	<u>(1,325,000)</u>	<u>(1,315,000)</u>	<u>10,000</u>
Total other financing sources (uses)	<u>(875,000)</u>	<u>(1,325,000)</u>	<u>(1,315,000)</u>	<u>10,000</u>
Net change in fund balances	29,280	(473,395)	(425,208)	48,187
Fund balances - beginning	<u>1,857,805</u>	<u>1,857,805</u>	<u>1,857,805</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,887,085</u>	<u>\$ 1,384,410</u>	<u>\$ 1,432,597</u>	<u>\$ 48,187</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
Statement of Net Position  
Proprietary Funds  
December 31, 2018

	Business-type Activities	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,686,346	\$ 1,459,817
Accounts receivable	104,919	-
Due from other governments	478,238	-
Total current assets	<u>5,269,503</u>	<u>1,459,817</u>
Noncurrent assets:		
Land	1,076,060	-
Infrastructure	12,306,502	-
Machinery & Equipment	337,175	480,876
Construction Work In Progress	371,765	-
Total noncurrent assets	<u>14,091,502</u>	<u>480,876</u>
Total assets	<u>19,361,005</u>	<u>1,940,693</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflow related to pension	81,467	-
Total deferred outflows of resources	<u>81,467</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 19,442,472</u>	<u>\$ 1,940,693</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	153,862	91,534
Retainage payable	27,646	-
Due to other governments	74,282	-
Accrued wages and benefits payable	59,567	-
Compensated absences	6,567	-
Accrued interest payable	1,937	-
Public works trust fund loan payable	83,031	-
Total current liabilities	<u>406,892</u>	<u>91,534</u>
Noncurrent liabilities:		
Compensated absences	53,137	-
Due in more than one year	581,216	-
Net pension liabilities	364,868	-
Total noncurrent liabilities	<u>999,221</u>	<u>-</u>
Total liabilities	<u>1,406,113</u>	<u>91,534</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflow related to pensions	138,650	-
Total deferred inflows of resources	<u>138,650</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,544,763</u>	<u>91,534</u>
<b>NET POSITION</b>		
Net investment in capital assets	13,427,255	480,876
Unrestricted	4,470,455	1,368,283
Total net position	<u>\$ 17,897,710</u>	<u>\$ 1,849,159</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2018

	Business-type Activities	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
<b>OPERATING REVENUES</b>		
Intergovernmental revenues	\$ 126,222	\$ -
Charges for services	3,454,563	270,000
Rents and leases	8,000	-
Total operating revenues	<u>3,588,785</u>	<u>270,000</u>
<b>OPERATING EXPENSES</b>		
Personnel services	1,333,481	-
Supplies	125,279	45,119
Services	948,935	225
Taxes	310	-
Depreciation	580,041	57,486
Total operating expenses	<u>2,988,046</u>	<u>102,830</u>
Operating income (loss)	<u>600,739</u>	<u>167,170</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Capital Contribution	454,503	-
Investment earnings	112,360	25,874
Miscellaneous	506	-
Interest expense	(3,494)	-
Total nonoperating revenues (expenses)	<u>563,875</u>	<u>25,874</u>
Income (loss) before contributions and transfers	1,164,614	193,044
Transfers out	(885,000)	-
Change in net position	279,614	193,044
Total net position - beginning	17,618,095	1,656,115
Total net position - ending	<u>\$ 17,897,709</u>	<u>\$ 1,849,159</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 3,410,253	\$ -
Cash from interfund	-	270,000
Other receipts	8,000	-
Payments to employees	(1,450,150)	-
Payments to suppliers	(968,286)	(45,437)
Payment for interfund services used	(70,000)	-
Operating Grants	126,222	-
Net cash provided (used) by operating activities	<u>1,056,039</u>	<u>224,563</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from (to) other funds	(885,000)	-
Net cash provided (used) by noncapital financing activities	<u>(885,000)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital grants	56,967	-
Acquisition and construction of capital assets	(759,926)	(241,015)
Principal paid on capital debt	(83,031)	-
Interest paid on capital debt	(3,736)	-
Net cash provided (used) by capital and related financing activities	<u>(789,726)</u>	<u>(241,015)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	112,360	25,874
Net cash provided (used) by investing activities	<u>112,360</u>	<u>25,874</u>
Net increase (decrease) in cash and cash equivalents	(506,327)	9,422
Balances - beginning of year	5,192,673	1,450,395
Balances - end of the year	<u>\$ 4,686,346</u>	<u>\$ 1,459,817</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating Income	\$ 600,740	\$ 167,170
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	580,041	57,486
Pension Expense	(135,977)	-
Changes in assets and liabilities:		
Accounts Payable - Other	31,839	-
Accounts Payable - Supplier	9,221	(93)
Customer Receivables	18,406	-
Salaries & Benefits Payable	19,308	-
Retainage Payable	(1,903)	-
Intergovernmental receipts/payments	(65,636)	-
Net cash provided (used) by operating activities	<u>\$ 1,056,039</u>	<u>\$ 224,563</u>
<b>CASH RECONCILIATION</b>		
Actual Balance - end of year	\$ 4,686,346	\$ 1,459,817
Balance - end of year out of balance	<u>-</u>	<u>-</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
Statement of Fiduciary Net Position  
December 31, 2018

	Custodial Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 103,417
Total Cash	103,417
Total assets	103,417
 <b>LIABILITIES</b>	
Accounts payable	\$ 23,236
Accrued wages and benefits payable	20,017
Payroll Withholding and employer contribution	60,164
Total liabilities	103,417
 <b>NET POSITION</b>	
Total net position	\$ -

The notes to financial statements are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

The financial statements of the City have been prepared in conformity with 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. The significant accounting policies are describe below.

**A. Reporting entity**

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.

As required by the generally accepted accounting principles the financial statements present the City 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.

**B. Basis of presentation – Government-Wide and Fund 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 non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. 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.

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. Our policy is not to allocate indirect costs to 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. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.



As a general rule, 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The fund financial statements provide a more detailed level of financial information at the fund level.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources, 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 City's roadways. Street Fund revenue sources include motor vehicle fuel tax, solid waste utility tax and franchise fees, parking tax, and right of way use permit fees. This fund does not meet the criteria to qualify as a major fund but it is essential to City operations and therefore, reported as a major fund.

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. This fund does not meet the criteria to qualify as a major fund but it is an essential component of the City's capital improvement program and therefore, reported as a major fund.

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

The City reports the following major enterprise 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 agency funds which are custodial in nature (assets equal liabilities) and do 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 Public Works Reserve Fund, and the Transportation Benefit District Fund.

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

## C. 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.

### 1. Government-Wide and Governmental Fund

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers property taxes as available if they are collected within 60 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. 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 fees, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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). Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as a revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

### 2. Proprietary Funds

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary

fund's ongoing operations. The principal operating revenues of the City are charges for services. Operating expenses include cost of services and depreciation on capital assets, etc. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The agency funds have no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

## **D. Budgetary Information**

### **1. 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.

### **2. 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:

- a. 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.
- b. The City Council conducts at least two public hearings on the proposed budget prior to budget adoption.
- c. 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.

### **3. 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, salary ranges, hours or other conditions of employment must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund, it is accomplished by ordinance.

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

## **E. 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, 2016, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment 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 79 (see Cash and Investment Note 3). Funds invested in qualifying external investment pools such as the Local Government Investment Pool are stated at amortized cost.

### **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 state law requires all businesses to collect sales tax at the time of the sale and remit 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. As of December 31, 2018, \$5,011 of special assessments receivable were delinquent.

**3. Interfund Transactions**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either interfund loans receivable/payable or advances to 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 assets (e.g., roads, bridges, sidewalks, and similar items), 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 \$5,000 and an estimated life in excess of three years. Such assets are recorded at historical cost if historical cost data is not available. Infrastructure assets acquired prior to the implementation of GASB Statement 34 are recorded at estimated historical cost and all infrastructure assets acquired since implementation of GASB Statement 34 are valued at cost. GASB Statement 72 requires that donated capital assets, works of art, historical treasures, and similar assets be measured at acquisition value (an entry price). Prior to this statement, donated assets were measured at fair value. The acquisition value is considered to be the price that would be paid to acquire an asset at the acquisition date.

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 only has two items that qualify for reporting in this category. The first item is the deferred charge on long-term debt 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. The second item is the deferred outflow of pension contributions made between the measurement date of the state pension plan and the City's fiscal year end.

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 has two items that qualify for reporting in this category. The first item is a deferred inflow due to differences between expected and actual experience and the net difference between projected and actual investment earnings from state pension plan investments. The second item results from receiving a premium on long-term debt refunding.

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

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria has not been met.

## 8. Long-term Obligations

Long-term obligations are recorded in the government-wide Statement of Net Position. At year-end, these liabilities include three General Obligation bond issues, 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 debt description in Note 9 and the joint venture disclosure in Note 13.

## 9. Fund Equity

Restricted net position represents 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.

## 10. Fund Balance

According to the City's Adopted Financial Policies, the City establishes and maintains reservations of Fund Balance, as defined in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This policy applies to the City's governmental funds.

The reservations of fund balance are established at a minimum of 20% of budgeted recurring revenues for the General Fund and 5% of budgeted recurring revenues for the Street and Surface Water Management Funds. City Council action in the form of budget appropriation or amendment is required to change or redistribute balances in reserve accounts.

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 by an external party or imposed by law through either 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 an ordinance 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. In addition, any deficit fund balances in the other governmental fund types are reported as unassigned.

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.

**11. Pensions**

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

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The City has complied with finance-related legal and contractual provisions. 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. All expenditures are within legal appropriations.

**NOTE 3. CASH AND INVESTMENTS**

**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, 2018, the carrying amount of the City's demand deposits with Key Bank was \$1,529,001. Petty and working cash totaling \$9,100 is allocated to various City departments.

The Local Government Investment Pool (LGIP) is a qualifying external investment pool subject to reporting under GASB 79. The fair value of the position in the state investment pool is the same as the value of shares held by the City in the pool at amortized cost. 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 Office of the State Auditor, an independently elected public official, audits the LGIP annually. There are no limitations on the City's ability to withdraw funds.

As of December 31, 2018, the City had the following investments and maturity:

	<b>Amortized Cost</b>	<b>Less than One Year</b>
State Treasurer's Local Government Investment Pool	\$41,818,041	\$41,818,041
Total Investments	\$41,818,041	\$41,818,041

**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, which are not subject to interest rate risk, as the weighted average maturity (WAM) of



the portfolio does not exceed 60 days and the weighted average life (WAL) of the portfolio does not exceed 120 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 that 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, 2018, 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. The LGIP does not have a credit rating, but all of its investments have a Moody's rating of Aaa and an S&P rating of AAA or AA+.

## **NOTE 4. PROPERTY TAXES**

Property taxes are levied by the county assessor and collected by the county treasurer. Assessments are based on 100 percent of actual value. Taxes are levied and become a lien on the first day of the levy year, January 1. Tax bills are mailed on February 14. 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 assessed value of property is established for the next year's levy on May 31.

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 the total property tax rate to exceed \$10.

The City's regular levy for 2018 was \$1.23516 per \$1,000 of the assessed valuation of \$6,328,880,752 for a total regular levy of \$7,817,186, net of adjustments.

**NOTE 5. INTERFUND BALANCES AND TRANSFERS**

Interfund receivables and payables 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.

Interfund 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. The principal purposes for interfund transfers include interfund subsidies, transfers into capital project and debt service funds, and transfers into internal service funds for interfund equipment rental services. 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:

		<b>Transfer From</b>					
		General Fund	Street Fund	Transportation CIP	Surface Water Utility Fund	All Others	<b>Total</b>
<b>Transfer To</b>	General Fund		\$ 80,000			\$ -	\$ 80,000
	Debt Service Fund		285,000			1,770,000	2,055,000
	Transportation CIP		950,000		885,000	3,525,000	5,360,000
	Surface Water Utility Fund						-
	All Others	-				-	-
	<b>Total</b>	<b>\$ -</b>	<b>\$ 1,315,000</b>	<b>\$ -</b>	<b>\$ 885,000</b>	<b>\$ 5,295,000</b>	<b>\$ 7,495,000</b>

**NOTE 6. RESTRICTED COMPONENT OF NET POSITION**

The government-wide statement of net position reports \$3,197,559 of restricted component of net position, of which \$3,128,459 is restricted by enabling legislation. The balance of \$69,100 is restricted by debt covenants.

**NOTE 7. CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2018 was as follows:

	Primary Government					Ending Balance
	Beginning Balance	Prior Period Adjustment	Adjusted Beginning Balance	Increases	Decreases	
	1/1/2018					12/31/2018
<b>Governmental activities :</b>						
Capital assets, not being depreciated:						
Land and land improvements	\$ 25,662,234		\$ 25,662,234	\$ -	\$ -	\$ 25,662,234
Construction in progress	1,759,633	-	1,759,633	2,451,553	720,745	3,490,440
Total capital assets, not being depreciated	27,421,867	-	27,421,867	2,451,553	720,745	29,152,675
Capital assets, being depreciated:						
Buildings and structures	15,099,531		15,099,531	-	-	15,099,531
Other improvements	19,355,367	337,774	19,693,141	105,926	-	19,799,066
Machinery and equipment	3,784,471	-	3,784,471	583,184	23,404	4,344,251
Infrastructure	124,013,025		124,013,025	1,095,723	-	125,108,748
Total capital assets being depreciated	162,252,393	337,774	162,590,168	1,784,833	23,404	164,351,597
Less accumulated depreciation for:						
Buildings and structures	(6,051,022)		(6,051,022)	(725,977)	-	(6,776,999)
Other improvements	(5,002,282)		(5,002,282)	(903,796)	-	(5,906,079)
Machinery and equipment	(2,783,196)	-	(2,783,196)	(181,450)	23,404	(2,941,242)
Infrastructure	(61,415,917)	-	(61,415,917)	(3,670,527)	-	(65,086,444)
Total accumulated depreciation	(75,252,418)	-	(75,252,418)	(5,481,750)	23,404	(80,710,764)
Total capital assets, being depreciated, net	86,999,976	337,774	87,337,750	(3,696,917)	-	83,640,833
Intangible Assets:						
Intangible assets, not being amortized	-	-	-	-	-	-
Intangible assets, being amortized	638,888		638,888	53,440	-	692,328
Less accumulated amortization	(353,212)		(353,212)	(57,135)	-	(410,347)
Total intangible asset, being amortized, net	285,676	-	285,676	(3,695)	-	281,981
<b>Governmental activities capital assets, net</b>	<b>\$114,707,520</b>	<b>\$ 337,774</b>	<b>\$115,045,293</b>	<b>\$ (1,249,059)</b>	<b>\$ 720,745</b>	<b>\$ 113,075,489</b>
<b>Business-type activities:</b>						
Capital assets, not being depreciated:						
Land and land improvements	\$ 1,076,060	\$ -	\$ 1,076,060	\$ -	\$ -	\$ 1,076,060
Construction in progress	1,890,863	-	1,890,863	247,220	1,766,319	371,765
Total capital assets, not being depreciated	2,966,923	-	2,966,923	247,220	1,766,319	1,447,825
Capital assets, being depreciated:						
Buildings and structures	-	-	-	-	-	-
Infrastructure	16,043,627		16,043,627	2,263,959	-	18,307,586
Machinery and equipment	480,047	-	480,047	66,803	-	546,850
Total capital assets being depreciated	16,523,674	-	16,523,674	2,330,762	-	18,854,436
Less accumulated depreciation for:						
Buildings and structures	-	-	-	-	-	-
Infrastructure	(5,452,895)		(5,452,895)	(548,189)	-	(6,001,084)
Machinery and equipment	(181,473)	-	(181,473)	(28,202)	-	(209,675)
Total accumulated depreciation	(5,634,368)	-	(5,634,368)	(576,391)	-	(6,210,759)
Total capital assets, being depreciated, net	10,889,305	-	10,889,305	1,754,371	-	12,643,678
Intangible Assets:						
Intangible assets, not being amortized	-	-	-	-	-	-
Intangible assets, being amortized	10,950		10,950	-	-	10,950
Less accumulated amortization	(7,300)		(7,300)	(3,650)	-	(10,950)
Total intangible asset, being amortized, net	3,650	-	3,650	(3,650)	-	-
Total Intangible assets	3,650	-	3,650	(3,650)	-	-
<b>Business-type activities capital assets, net</b>	<b>\$ 13,859,878</b>	<b>\$ -</b>	<b>\$ 13,859,878</b>	<b>\$ 1,997,942</b>	<b>\$ 1,766,319</b>	<b>\$ 14,091,503</b>

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

Depreciation and amortization expenses were charged to functions/programs of the primary government as follows:

<b>Governmental activities</b>	<b>Depreciation</b>	<b>Amortization</b>	<b>Total</b>
General Government	\$ 712,022	\$ 57,135	\$ 769,157
Public Safety	3,970	-	3,970
Transportation	3,694,569	-	3,694,569
Culture and Recreation	1,064,742	-	1,064,742
Economic Environment	6,447	-	6,447
<b>Total - Governmental activities</b>	<b>\$ 5,481,750</b>	<b>\$ 57,135</b>	<b>\$ 5,538,885</b>
<b>Business-type activities</b>			
Surface Water Management	\$ 576,391	\$ 3,650	\$ 580,041
<b>Total - Business-type activities</b>	<b>\$ 576,391</b>	<b>\$ 3,650</b>	<b>\$ 580,041</b>

**NOTE 8. CONSTRUCTION COMMITMENTS**

The City had four active construction projects as of December 31, 2018: the Lakeview Park Improvements, Des Moines Memorial Drive Overlay, the 2018 Slurry Seal Program, and the SW 165th Street Drainage Improvements.

At year-end, the City’s commitments with contractors are as follows:

<b>Project Name</b>	<b>Total Contract Amount w/Change Order</b>	<b>Amount Paid Through 12/31/18</b>	<b>Balance Remaining</b>
Lakeview Park Improvements	\$ 174,244	\$ 133,571	\$ 40,673
Des Moines Memorial Drive Overlay	\$ 390,897	\$ 369,726	\$ 21,171
2018 Slurry Seal Construction	\$ 274,274	\$ 253,525	\$ 20,750
SW 165th Drainage Improvements	\$ 431,398	\$ 413,511	\$ 17,887

**NOTE 9. LONG-TERM DEBT**

**A. Long Term Debt**

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. All debt is displayed net of premium or discount.

General Obligation Bonds outstanding at year-end consist of several Limited Tax General Obligation Bond issues. In 2009, South Correctional Entity Facility Public Development Authority (the “SCORE PDA”) issued \$86 million of Special Obligation Bonds to build a jail facility. The City’s 4% ownership share totaled \$3,449,400. For more information about this joint venture, see Note 13. In 2010, the City issued \$8.615 million in Limited Tax General Obligation Bonds 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, issued to purchase park property and Town Square, and to provide funding to complete the first phase of the 1st Avenue South capital project. In 2016, the City refunded the 2006 bonds that were issued to provide funds for a future Senior and Activity Center and to continue development of the Town Square Project.

General Obligation bonds currently outstanding are as follows:

**General Obligation Bonds Currently Outstanding**

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
2009 Series A & B Special Obligation Bonds - SCORE PDA	2013-2038	3.00-6.62%	3,449,400	95,400
2010 Limited Tax G.O. - Street Overlay	2010-2029	2.00-6.13%	8,615,000	425,000
2011 Limited Tax G.O. - 2002 Refunding & 1st Avenue South	2011-2031	2.00-4.00%	8,550,000	485,000
2016 Limited Tax G.O. Refunding Bonds	2016-2026	2.00-4.00%	5,320,000	475,000

The annual debt service requirements to maturity for general obligation bonds are as follows:

General Obligation Bonds For the Year Ended December 31, 2018		
Year Ending December 31	Governmental Activities	
	Principal	Interest
2019	1,401,848	815,640
2020	1,445,048	756,205
2021	1,500,048	692,491
2022	1,568,848	624,708
2023	1,402,648	553,957
2024-2028	6,736,344	1,760,942
2029-2033	2,690,600	450,654
2034-2038	951,000	126,131
<b>Total General Obligation Bonds</b>	<b>\$ 17,696,385</b>	<b>\$ 5,780,728</b>

Public Works Trust Fund Loan – State of Washington Public Works Trust Fund Loans are a direct responsibility of the City. The City currently has three such loans, two for the governmental funds and one for the proprietary fund. The first loan for the SW 152nd Street Enhancement Project has an outstanding balance of \$387,533 and is being repaid with Real Estate Excise Taxes received in the Public Works Reserve Fund. The second loan is associated with the 1st Avenue South Phase 1 capital project and is paid half from general revenues and half from a special assessment on the benefitting property owners. The total outstanding balance is \$721,616 with the City’s half equaling \$360,808. The third 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 \$664,246.

Public Works Trust Fund (PWTF) Loans For the Year Ended December 31, 2018		
Year Ending December 31	Governmental Activities	
	Principal	Interest
2019	189,312	3,741
2020	189,312	2,795
2021	189,313	1,848
2022	60,135	902
2023	60,136	603
2024	60,135	300
<b>Total PWTF Loans</b>	<b>\$ 748,343</b>	<b>\$ 10,189</b>

<b>Business Type Activities Public Works Trust Fund Loans For the Year Ended December 31, 2018</b>			
<b>Year Ending December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Public Works Trust Fund Loans</b>
2019	83,031	3,321	86,352
2020	83,031	2,906	85,937
2021	83,031	2,491	85,522
2022	83,031	2,076	85,107
2023	83,031	1,661	84,691
2024-2026	249,093	2,491	251,583
<b>Total Business Type Activities</b>	<b>\$ 664,247</b>	<b>\$ 14,946</b>	<b>\$ 679,192</b>

**B. 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. Special assessment debt is in the form of two public works trust fund loans. The first loan is for special assessment (LID #1) benefiting property owners on the 152nd Street Enhancement project. The outstanding balance as of December 31, 2017 is \$211,110. This second loan is for a special assessment for the 1st Avenue South Corridor Project – Phase 1 (LID# 2) is paid for by the benefitting property owners. The outstanding balance at year-end is \$360,808. The delinquent special assessments receivable balance as of December 31, 2018 is \$5,011. 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.

The annual debt service requirements to maturity for special assessment debt are as follows:

<b>Special Assessment Debt with Government Commitment (PWTFLL) For the Year Ended December 31, 2018</b>		
<b>Year Ending December 31</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2019	112,913	2,860
2020	112,913	2,295
2021	112,912	1,731
2022	112,912	1,166
2023	60,134	600
2024	60,135	301
<b>Total Special Assessment Debt</b>	<b>\$ 571,918</b>	<b>\$ 8,953</b>

**NOTE 10. CHANGES IN LONG-TERM LIABILITIES**

During the year ended December 31, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2018	Additions	Reductions	Ending Balance 12/31/2018	Due Within One Year
<b>Governmental Activities:</b>					
<u>General Obligation Bonds:</u>					
2010 Limited Tax G.O. Bond	5,895,000	-	(415,000)	5,480,000	425,000
2011 Limited Tax G.O. Bond	6,090,000	-	(470,000)	5,620,000	485,000
2016 Limited Tax G.O. Refunding Bonds	4,820,000	-	(460,000)	4,360,000	475,000
Premium on 2016 LTGO Refunding Bonds	706,967	-	(78,552)	628,415	78,552
Total bonds payable	17,511,967	-	(1,423,552)	16,088,415	1,463,552
<u>Due to Other Governments</u>					
2009 (A) SCORE and 2009 (B) SCORE	2,957,200	-	(92,400)	2,864,800	95,400
<u>Special Assessment Debt with government commitment (PWTFL)</u>					
LID #1 - PW-02-691-007 - SW 152nd St Enhancement Project	263,888	-	(52,778)	211,110	52,778
LID #2 - PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	420,943	-	(60,135)	360,808	60,135
Total special assessment debt	684,831	-	(112,913)	571,918	112,913
<u>Public Works Trust Fund Loans:</u>					
PW-01-691-009 - SW 152nd St Enhancement Project	516,710	-	(129,177)	387,533	129,177
PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	420,943	-	(60,135)	360,808	60,135
Total public works trust fund loans	937,653	-	(189,312)	748,341	189,312
Compensated absences	319,902	352,967	(376,892)	295,977	32,557
Net Pension Liabilities	3,411,953	-	(736,258)	2,675,695	-
Total governmental activities	\$ 25,823,506	\$ 352,967	\$ (2,931,327)	\$ 23,245,147	\$ 1,893,734
<b>Business-Type Activities:</b>					
<u>Public Works Trust Funds Loan:</u>					
PW-06-962-010 Ambaum Regional Pond Expansion Project	747,277	-	(83,031)	664,246	83,031
Total public works trust fund loan	747,277	-	(83,031)	664,246	83,031
Compensated absences	44,774	64,231	(51,391)	57,614	6,567
Net Pension Liabilities	555,434	-	(190,566)	364,868	-
Total business-type activities	\$ 1,347,485	\$ 64,231	\$ (273,597)	\$ 1,086,728	\$ 89,598

**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 \$295,977, a decrease of \$23,925 from the previous year that also decreases 2018 government expenditures by the same amount. The liability for the proprietary fund is \$57,614, an increase of \$12,840 over 2017. Essentially all of the compensated absences liability has historically been liquidated through charges to the departments in the General Fund, Street Fund, and the Surface Water Management Fund.

### Pension Liabilities

This amount represents the City's total liability for all state sponsored pension plans. Note 11 provides a detailed analysis of the City's current pension liabilities. Typically, these liabilities are liquidated through charges to the departments in the General Fund, Street Fund, and the Surface Water Management Fund.

### NOTE 11. PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2018:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$3,040,563
Pension assets	\$0
Deferred outflows of resources	\$678,888
Deferred inflows of resources	\$1,155,413
Pension expense/expenditures	\$329,658

### State Sponsored 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 and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

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

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

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

### Public Employees' Retirement System (PERS)

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

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced



benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

**Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee*</b>
January–August 2018:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UUAL	5.03%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.70%</b>	<b>6.00%</b>
September-December 2018:		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UUAL	5.13%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.83%</b>	<b>6.00%</b>

\* For employees participating in JBM, the contribution rate was 12.26%

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

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

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

after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service or after five years of service if 12 months of that service are earned after age 44.

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

**Contributions**

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates:</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
January–August 2018:		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>12.70%</b>	<b>7.38%</b>
September-December 2018:		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>12.83%</b>	<b>7.41%</b>

\* For employees participating in JBM, the contribution rate was 18.45% to 18.53%.

The City of Burien’s actual contributions to the plan were \$812,284 which included \$322,649 reported as the PERS Plan 1 UAAL for the year ended December 31, 2018.

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2007-2012 Experience Study* and the *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30,

2018. Plan liabilities were rolled forward from June 30, 2017, to June 30, 2018, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.5% salary inflation
- **Salary increases:** In addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

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

- Lowered the valuation interest rate from 7.70% to 7.50% for all systems except LEOFF 2. For LEOFF 2 the valuation interest rate was lowered from 7.50% to 7.40%.
- Lowered the assumed general salary growth from 3.75% to 3.50% for all systems.
- Lowered assumed inflation from 3.00% to 2.75% for all systems.
- Modified how the valuation software calculates benefits paid to remarried duty-related death survivors of LEOFF 2 members.
- Updated the trend that the valuation software uses to project medical inflation for LEOFF 2 survivors of a duty-related death, and for certain LEOFF 2 medical-related duty disability benefits.

### **Discount Rate**

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

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent). Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, employers, whose rates include a component for the PERS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

### **Long-Term Expected Rate of Return**

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated investment returns provided by the Washington State

Investment Board (WSIB). The WSIB used the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

**Estimated Rates of Return by Asset Class**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2018, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB’s most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	7%	4.90%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	<b>100%</b>	

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

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

Plan	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$2,506,533	\$2,039,593	\$1,635,129
PERS 2/3	\$4,578,459	\$1,000,970	\$(1,932,172)

**Pension Plan Fiduciary Net Position**

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

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

At June 30, 2018, the City of Burien reported a total pension liability of \$3,040,563 for its proportionate share of the net pension liabilities as follows:

Plan	Liability (or Asset)
PERS 1	\$2,039,593
PERS 2/3	\$1,000,970

At June 30, the City of Burien’s proportionate share of the collective net pension liabilities was as follows:

	<b>Change in Proportionate Share 6/30/17</b>	<b>Change in Proportionate Share 6/30/18</b>	<b>Change in Proportion</b>
PERS 1	0.043057%	0.045669%	-0.002612%
PERS 2/3	0.055383%	0.058625%	-0.003242%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer’s proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

**Pension Expense**

For the year ended December 31, 2018, the City of Burien recognized pension expense as follows:

<b>Plan</b>	<b>Pension Expense</b>
PERS 1	\$306,573
PERS 2/3	\$23,085
<b>TOTAL</b>	<b>\$329,658</b>

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2018, the City of Burien reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments	0	\$81,052
Changes of assumptions	0	0
Changes in proportion and differences between contributions and proportionate share of contributions	0	0
Contributions subsequent to the measurement date	\$167,094	0
<b>TOTAL</b>	<b>\$167,094</b>	<b>\$81,052</b>

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$122,693	\$175,251
Net difference between projected and actual investment earnings on pension plan investments	\$0	\$614,241
Changes of assumptions	\$11,710	\$284,868
Changes in proportion and differences between contributions and proportionate share of contributions	\$130,865	\$0
Contributions subsequent to the measurement date	\$246,526	\$0
<b>TOTAL</b>	<b>\$511,794</b>	<b>\$1,074,360</b>

Deferred outflows of resources related to pensions resulting from the City of Burien’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3
2019	\$3,546	\$(64,877)
2020	\$(17,718)	\$(183,733)
2021	\$(53,168)	\$(355,829)
2022	\$(13,712)	\$(119,082)
2023		\$(31,389)
Thereafter		\$(54,183)

**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, 2018, there were seventy-eight active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2018, was \$6,607,780, out of total payroll of \$6,957,951. Employee contributions during the year totaled \$411,843. City contributions were \$376,697.

## **NOTE 12. HEALTH AND WELFARE**

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

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

As of December 31, 2018, 257 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental, and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2017, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's

termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

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

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

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

### **NOTE 13. 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 its 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. The SCORE PDA issued \$86 million in special obligation bonds in 2009 (the "Bonds") to construct, develop, acquire and equip the SCORE Facility. Pursuant to the Formation Interlocal Agreement and the ordinances of each city, each Owner



City (which includes the Cities of Auburn, Burien, Federal Way, Renton, SeaTac and Tukwila) is obligated to budget for and pay its share, and only its share, of the principal of and interest on the Bonds as the same become due and payable. Each Owner City’s obligation to pay its portion is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Owner City on all of the taxable property within the Owner City and other sources of revenues available therefor.

The following is a summary of the debt service requirements for the Bonds:

Summary of Debt Service Requirements											
Debt Service Schedule					Debt Service Allocation to Owner Cities						
Year	Principal	Interest	BABs		Auburn	Burien	Federal Way	Renton	SeaTac	Tukwila	
			Subsidy	Total	31%	4%	18%	36%	3%	8%	
2019	2,310,000	4,602,229	(1,478,317)	5,433,912	1,684,513	217,356	978,104	1,956,208	163,017	434,713	
2020	2,385,000	4,484,854	(1,440,560)	5,429,294	1,683,081	217,172	977,273	1,954,546	162,879	434,344	
2021	2,465,000	4,363,604	(1,401,577)	5,427,027	1,682,378	217,081	976,865	1,953,730	162,811	434,162	
2022	2,590,000	4,233,250	(1,500,618)	5,322,632	1,650,016	212,905	958,074	1,916,148	159,679	425,811	
2023-2027	14,485,000	18,727,798	(6,710,481)	26,502,317	8,215,718	1,060,093	4,770,417	9,540,834	795,070	2,120,185	
2028-2032	17,725,000	13,590,870	(4,959,695)	26,356,175	8,170,414	1,054,247	4,744,112	9,488,223	790,685	2,108,494	
2033-2037	21,855,000	7,082,263	(2,731,829)	26,205,434	8,123,685	1,048,217	4,716,978	9,433,956	786,163	2,096,435	
2038-2039	10,115,000	676,321	(353,824)	10,437,497	3,235,624	417,500	1,878,749	3,757,499	313,125	835,000	
Totals	\$ 73,930,000	\$ 57,761,189	\$ (20,576,901)	\$ 111,114,288	\$ 34,445,429	\$ 4,444,571	\$ 20,000,572	\$ 40,001,144	\$ 3,333,429	\$ 8,889,144	

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, 2018 related to SCORE:

South Correctional Entity (SCORE)				
Member City	Percent of Equity	2017 Equity Balance	2018 Apportionment	2018 Equity Balance
Auburn	29.00%	\$ 3,147,747	\$ 949,658	\$ 4,097,405
Burien	4.00%	346,865	179,397	526,262
Des Moines	2.00%	163,335	178,510	341,845
Federal Way	24.00%	2,353,747	1,131,823	3,485,570
Renton	29.00%	3,016,168	1,141,371	4,157,539
SeaTac	5.00%	456,976	262,464	719,440
Tukwila	7.00%	719,422	311,686	1,031,108
Grand Totals	100.00%	\$ 10,204,260	\$ 4,154,909	\$ 14,359,169

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

**Joint Venture Reconciliation to the Government-wide Financial Statements**

Since the obligation to fund future joint venture-related debt is separately reported as due to other governments, the investment in joint ventures is reported as a combination of this debt with the current reported equity in joint ventures as follows:

Investment in Joint Venture - SCORE	Balance	Prior Period			Balance
	1/1/2018	Adjustment	Additions	Reductions	12/31/2018
SCORE Public Development Authority 2009 (A) and 2009 (B) Bonds	\$ 2,957,200	\$ -	\$ -	\$ (92,400)	\$ 2,864,800
Total Due to Other Governmental Units	2,957,200	-	-	(92,400)	2,864,800
South Correctional Entity (SCORE)	346,865	-	179,397	-	526,262
Total Joint Venture Equity Share	346,865	-	179,397	-	526,262
<b>Total Investment in Joint Venture</b>	<b>\$ 3,304,065</b>	<b>\$ -</b>	<b>\$ 179,397</b>	<b>\$ (92,400)</b>	<b>\$ 3,391,062</b>

**NOTE 14. PRIOR PERIOD ADJUSTMENTS****Governmental activities**

A prior period adjustment of \$337,775 was required to add the City Gateway asset which was completed in 2017 to the Other Improvements capital asset category.

**NOTE 15. 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 160 Members.

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

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

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

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

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

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

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

**NOTE 16. CONTINGENCIES AND LITIGATION**

The City participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The audits of these programs including the year ended December 31, 2018, have not yet been completed. Management believes that such disallowances, if any, will be immaterial.

There are no claims or pending claims against the City at this time. In the opinion of management, the City's insurance coverage is sufficient to cover the potential liability from any single claim pending against the City, or the aggregate potential liability from all pending claims or lawsuits.

**NOTE 17. TAX ABATEMENTS**

The City offers a multifamily property tax exemption to encourage increased residential opportunities within its urban center. Another purpose is to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers having insufficient housing opportunities that will increase and improve residential opportunities within these urban centers, including affordable housing opportunities. The urban center is comprised of the "downtown" area of Burien.

Chapter 84.14 of the Revised Code of Washington (RCW), currently provides the opportunity for limited, eight-year exemptions from ad valorem property taxation for qualified new multifamily and rehabilitated multifamily housing constructed in the downtown core and 12-year exemptions from ad valorem property taxation for qualified new multifamily and rehabilitated multifamily housing constructed in the downtown core, where at least twenty percent of the units are affordable for low and moderate-income households constructed in the downtown core. Up to July 22, 2017, this chapter provides for a ten-year exemption.

Abatements are obtained through application by the property owner, including proof of improvements that have been made, and equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements. The abatement is not applied to the value of the land or any improvements made prior to the rehabilitation of other non-qualifying portions of the building. If the application is approved and all requirements met, exemption begins January 1, of the year immediately following the calendar year of issuance of the final certificate of tax exemption. If at any time it is determined the property no longer complies with the terms of the contract or the requirements, or the use of the property for any reason no longer qualifies for the tax exemption, the tax exemption shall be cancelled and additional taxes, interest, and penalties imposed.

The city entered into a property tax abatement agreement with Town Square Parcel 1 LLC and RECP/ UP Burien II, LP, project named Burien Town Square; a six (6) story building of 124 units. The final certificate of tax exemption was issued February 1, 2010, with the ten-year ad valorem property tax exemption to start with tax year 2011. The amount of the property tax abated during the fiscal year 2018 was \$47,541.

**REQUIRED SUPPLEMENTARY INFORMATION**



**City of Burien**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System**  
**As of June 30 2018**  
**Last 10 Fiscal Years (Additional years will be displayed as they become available)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>PERS 1</b>					
Employer's proportion of the net pension liability (asset)	0.04567%	0.04306%	0.04318%	0.04382%	0.043474%
Employer's proportionate share of the net pension liability	2,039,593	\$ 2,043,093	\$ 2,318,691	\$ 2,291,974	\$ 2,190,041
Employer's covered employee payroll	\$ 6,081,841	\$ 5,429,753	\$ 5,168,590	\$ 4,936,324	\$ 4,612,900
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	33.54%	37.63%	44.86%	46.43%	47.48%
Plan fiduciary net position as a percentage of the total pension liability	63.22%	61.24%	57.03%	59.10%	61.19%
<b>PERS 2/3</b>					
Employer's proportion of the net pension liability (asset)	0.05863%	0.05538%	0.05532%	0.05486%	0.052156%
Employer's proportionate share of the net pension liability	1,000,970	\$ 1,924,295	\$ 2,785,309	\$ 1,960,178	\$ 1,054,262
Employer's covered employee payroll	\$ 6,081,841	\$ 5,429,753	\$ 5,168,590	\$ 4,867,917	\$ 4,466,328
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	607.59%	282.17%	185.57%	248.34%	423.65%
Plan fiduciary net position as a percentage of the total pension liability	95.77%	90.97%	85.82%	89.20%	93.29%

**City of Burien**  
**Schedule of Employer Contributions**  
**Public Employees' Retirement System**  
**As of December 31 2018**  
**Last 10 Fiscal Years (Additional years will be displayed as they become available)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>PERS 1</b>					
Statutorily or contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ 13,043
Contributions in relation to the statutorily or contractually required contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,043)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employer payroll	\$ -	\$ -	\$ -	\$ -	\$ 141,619
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	9.21%
<b>PERS 2/3</b>					
Statutorily or contractually required contributions	\$ 800,808	\$ 657,528	\$ 555,689	\$ 534,385	\$ 432,400
Contributions in relation to the statutorily or contractually required contributions	<u>\$ (800,808)</u>	<u>\$ (657,528)</u>	<u>\$ (555,689)</u>	<u>\$ (534,385)</u>	<u>\$ (432,400)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employer payroll	\$ 6,376,230	\$ 5,599,254	\$ 4,970,388	\$ 5,248,139	\$ 4,694,892
Contributions as a percentage of covered employee payroll	12.56%	11.74%	11.18%	10.18%	9.21%

**Notes to required schedule:**

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 12.

The required contributions rate increased on July 1, 2015 from 9.21% of covered payroll to 11.18% of covered employee payroll. The required contribution rate increased again on July 1, 2017 to 12.70%.

There are no changes in assumptions used between the valuation data presented above.

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**COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES**





## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues sources that are restricted, committed, or assigned to expenditures for specific purposes other than debt service or capital projects.

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 Governmental Balance Sheet  
 Nonmajor Governmental Funds  
 Summary by Fund Type  
 December 31, 2018

	Special revenue funds		Debt service funds	Total Nonmajor Governmental Funds
	Public Works Reserve	Transportation Benefit District	LID Guaranty	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,136,056	\$ 65,341	\$ 165,000	\$ 2,366,397
Taxes receivable - Current	78,713		-	78,713
Due from other governments		57,440	-	57,440
Total assets	\$ 2,214,769	\$ 122,781	\$ 165,000	\$ 2,502,550
<b>LIABILITIES</b>				
Total liabilities	-	-	-	-
<b>FUND BALANCES (DEFICITS)</b>				
Restricted				
Debt service		122,781	165,000	287,781
Other capital projects	2,214,769		-	2,214,769
Committed				
Assigned				
Unassigned				
Total fund balances (deficits)	\$ 2,214,769	\$ 122,781	\$ 165,000	\$ 2,502,550
Total liabilities and fund balances (deficits)	\$ 2,214,769	\$ 122,781	\$ 165,000	\$ 2,502,550

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special revenue funds  
For the Year Ended December 31, 2018

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	PUBLIC WORKS RESERVE	TRANSPORTATION BENEFIT DISTRICT	LID GUARANTY	
<b>REVENUES</b>				
Real estate excise tax	\$ 2,624,537	\$ -		\$ 2,624,537
Other Taxes	-	780,437		780,437
Charges for services	51,310	-		51,310
Investment earnings	57,729	6,419		64,148
Total revenues	<u>2,733,576</u>	<u>786,856</u>	<u>-</u>	<u>3,520,432</u>
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Capital outlay:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,733,576</u>	<u>786,856</u>	<u>-</u>	<u>3,520,432</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(2,975,000)</u>	<u>(720,000)</u>		<u>(3,695,000)</u>
Total other financing sources (uses)	<u>(2,975,000)</u>	<u>(720,000)</u>	<u>-</u>	<u>(3,695,000)</u>
Net change in fund balances	(241,424)	66,856	-	(174,568)
Fund balances - beginning	2,456,193	55,925	\$ 165,000	2,677,118
Fund balances - ending	<u>\$ 2,214,769</u>	<u>\$ 122,781</u>	<u>\$ 165,000</u>	<u>\$ 2,502,550</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
PUBLIC WORKS RESERVE  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Real estate excise tax	\$ 1,500,000	\$ 1,600,000	\$ 2,624,537	\$ 1,024,537
Charges for services	15,000	15,000	51,310	36,310
Investment earnings	1,000	1,000	57,729	56,729
Total revenues	<u>1,516,000</u>	<u>1,616,000</u>	<u>2,733,576</u>	<u>1,117,576</u>
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>1,516,000</u>	<u>1,616,000</u>	<u>2,733,576</u>	<u>1,117,576</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,500,000)	(3,075,000)	(2,975,000)	100,000
Total other financing sources (uses)	<u>(1,500,000)</u>	<u>(3,075,000)</u>	<u>(2,975,000)</u>	<u>100,000</u>
Net change in fund balances	16,000	(1,459,000)	(241,424)	1,217,576
Fund balances - beginning	2,456,193	2,456,193	2,456,193	-
Fund balances - ending	<u>\$ 2,472,193</u>	<u>\$ 997,193</u>	<u>\$ 2,214,769</u>	<u>\$ 1,217,576</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
 TRANSPORTATION BENEFIT DISTRICT  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other Taxes	\$ 720,000	\$ 750,000	\$ 780,437	\$ 30,437
Investment earnings	-	-	6,419	6,419
Total revenues	<u>720,000</u>	<u>750,000</u>	<u>786,856</u>	<u>36,856</u>
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>720,000</u>	<u>750,000</u>	<u>786,856</u>	<u>36,856</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(720,000)	(720,000)	(720,000)	-
Total other financing sources (uses)	<u>(720,000)</u>	<u>(720,000)</u>	<u>(720,000)</u>	<u>-</u>
Net change in fund balances	-	30,000	66,856	36,856
Fund balances - beginning	55,925	55,925	55,925	-
Fund balances - ending	<u>\$ 55,925</u>	<u>\$ 85,925</u>	<u>\$ 122,781</u>	<u>\$ 36,856</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
**LID GUARANTY**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	\$ 165,000	\$ 165,000	\$ 165,000	\$ -
Fund balances - ending	<u>\$ 165,000</u>	<u>\$ 165,000</u>	<u>\$ 165,000</u>	<u>\$ -</u>

The notes to financial statements are an integral part of this statement.

City of Burien, Washington  
DEBT SERVICE  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 110,000	\$ 110,000	\$ 102,551	\$ (7,449)
Charges for services	48,000	48,000	152,527	104,527
Fines & forfeitures	-	-	152	152
Investment earnings	-	-	5,528	5,528
Special assessments penalties and interest	-	-	3,081	3,081
Special assessments principal	84,000	84,000	81,599	(2,401)
Total revenues	<u>242,000</u>	<u>242,000</u>	<u>345,438</u>	<u>103,438</u>
<b>EXPENDITURES</b>				
Current:				
Total current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:				
Public works trust fund loan principal	302,225	302,225	302,225	-
LTGO bond principal	1,437,400	1,437,400	1,345,000	92,400
Interest and fiscal charges	879,045	879,045	753,851	125,194
Total debt service	<u>2,618,670</u>	<u>2,618,670</u>	<u>2,401,076</u>	<u>217,594</u>
Capital outlay:				
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,618,670</u>	<u>2,618,670</u>	<u>2,401,076</u>	<u>217,594</u>
Excess (deficiency) of revenues over expenditures	<u>(2,376,670)</u>	<u>(2,376,670)</u>	<u>(2,055,638)</u>	<u>321,032</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,355,000	2,355,000	2,055,000	(300,000)
Total other financing sources (uses)	<u>2,355,000</u>	<u>2,355,000</u>	<u>2,055,000</u>	<u>(300,000)</u>
Net change in fund balances	(21,670)	(21,670)	(638)	21,032
Fund balances - beginning	71,111	71,111	71,111	-
Fund balances - ending	<u>\$ 49,441</u>	<u>\$ 49,441</u>	<u>\$ 70,473</u>	<u>\$ 21,032</u>

The notes to financial statements are an integral part of this statement.

## **Fiduciary Funds**

### **Agency Funds**

Agency Funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government. The City has two agency funds: the Payroll Clearing Fund and the Human Services Agency Fund.

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.

The Human Services Agency fund accounts for receipts from and payments on behalf of surrounding cities that are members of a joint human services consortium.



**City of Burien, Washington**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended December 31, 2018**

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>ASSETS</b>				
Cash and cash equivalents	\$ 95,204	\$ 1,276,813	\$ 1,268,600	\$ 103,417
Due From Other Governments	\$ -	\$ 92,944	\$ 92,944	\$ -
Total assets	<u>\$ 95,204</u>	<u>\$ 1,369,757</u>	<u>\$ 1,361,544</u>	<u>\$ 103,417</u>
<b>LIABILITIES</b>				
Accounts Payable	23,903	116,180	116,847	\$ 23,236
Human Service Custodial Account	-	116,180	116,180	\$ -
Payroll withholdings and employer contributions	\$ 71,301	\$ 5,146,378	\$ 5,137,498	\$ 80,181
Total liabilities	<u>\$ 95,204</u>	<u>\$ 5,378,738</u>	<u>\$ 5,370,525</u>	<u>\$ 103,417</u>

**Statistical Section  
December 31, 2018**

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

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

**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 -----	7-14
Schedule 12	Legal Debt Margin Information -----	7-15
Schedule 13	Ratios of General Bonded Debt Outstanding -----	7-16
Schedule 14	Direct and Overlapping Governmental Activities Debt -----	7-17

**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 -----	7-18
Schedule 16	Principal Employers-----	7-19

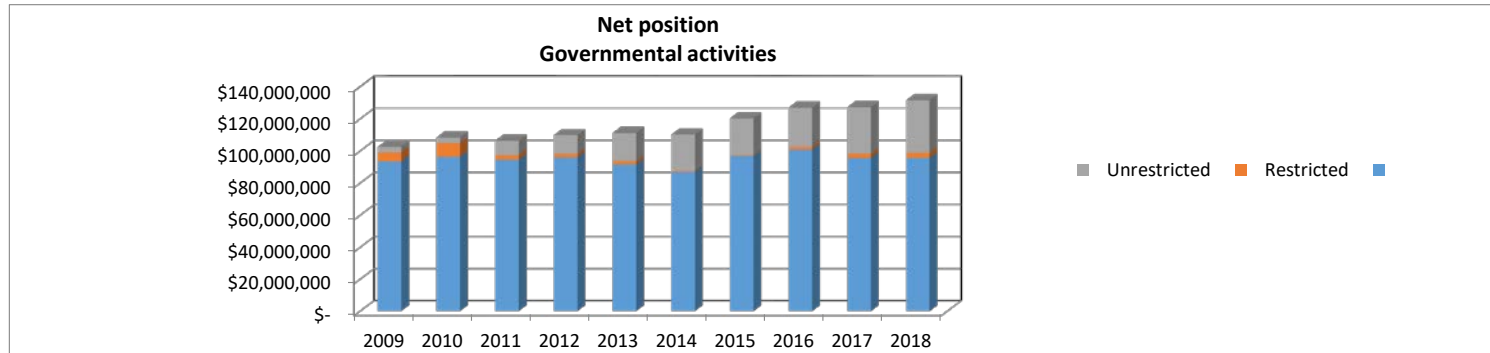
**Operating Information**

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.

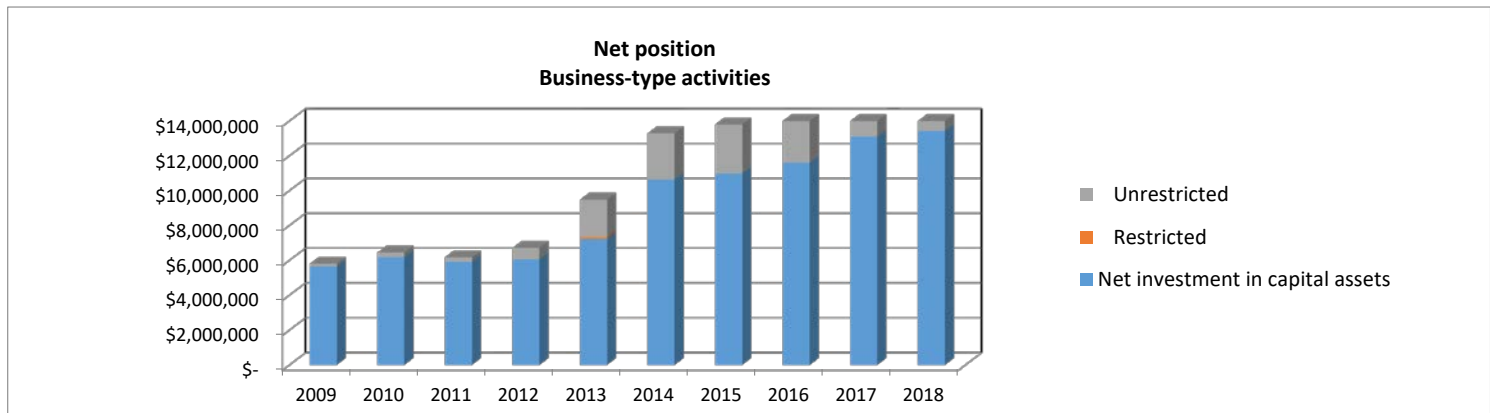
Schedule 17	Full Time Equivalent City Government Employees by Function -----	7-20
Schedule 18	Operating Indicators by Function -----	7-21
Schedule 19	Capital Asset Statistics by Function -----	7-22

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 93,522,178	\$ 96,277,930	\$ 94,556,265	\$ 95,980,110	\$ 91,618,635	\$ 86,914,714	\$ 96,834,728	\$ 100,810,142	\$ 95,629,008	\$ 95,711,566
Restricted	5,782,283	8,641,935	2,996,149	2,217,091	2,113,503	608,938	625,585	1,767,972	2,748,229	3,198,932
Unrestricted	3,237,190	3,502,537	8,866,329	11,684,423	17,486,338	22,664,526	22,892,965	24,459,320	28,950,414	32,697,381
<b>Total Governmental activities net position</b>	<b>\$ 102,541,651</b>	<b>\$ 108,422,402</b>	<b>\$ 106,418,743</b>	<b>\$ 109,881,624</b>	<b>\$ 111,218,476</b>	<b>\$ 110,188,178</b>	<b>\$ 120,353,278</b>	<b>\$ 127,037,434</b>	<b>\$ 127,327,651</b>	<b>\$ 131,607,879</b>

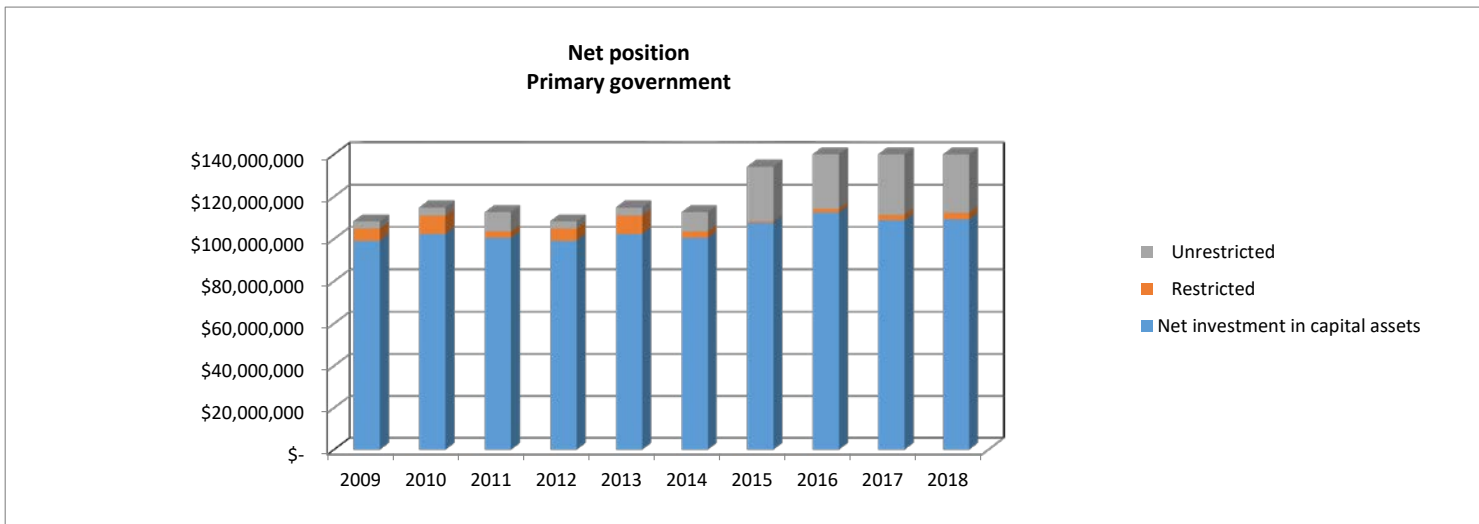


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-type activities</b>										
Net investment in capital assets	\$ 5,638,102	\$ 6,178,060	\$ 5,918,785	\$ 6,043,691	\$ 7,224,754	\$ 10,638,169	\$ 10,979,556	\$ 11,591,658	\$ 13,112,601	\$ 13,427,255
Restricted	-	-	-	-	88,428	-	-	-	-	-
Unrestricted	163,911	266,381	258,279	664,347	2,167,721	2,650,896	2,818,574	3,622,398	4,505,494	4,470,455
<b>Total Business-type activities net position</b>	<b>\$ 5,802,013</b>	<b>\$ 6,444,441</b>	<b>\$ 6,177,064</b>	<b>\$ 6,708,038</b>	<b>\$ 9,480,903</b>	<b>\$ 13,289,065</b>	<b>\$ 13,798,130</b>	<b>\$ 15,214,056</b>	<b>\$ 17,618,094</b>	<b>\$ 17,897,710</b>



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Primary government</b>										
Net investment in capital assets	\$ 99,160,280	\$ 102,455,990	\$ 100,475,050	\$ 99,160,280	\$ 102,455,990	\$ 100,475,050	\$ 107,814,284	\$ 112,401,800	\$ 108,741,608	\$ 109,138,821
Restricted	5,782,283	8,641,935	2,996,149	5,782,283	8,641,935	2,996,149	625,585	1,767,972	2,748,229	3,198,932
Unrestricted	3,401,101	3,768,918	9,124,608	3,401,101	3,768,918	9,124,608	25,711,539	28,081,718	33,455,908	37,167,836
<b>Total Primary Government net position</b>	<b>\$ 108,343,664</b>	<b>\$ 114,866,843</b>	<b>\$ 112,595,807</b>	<b>\$ 108,343,664</b>	<b>\$ 114,866,843</b>	<b>\$ 112,595,807</b>	<b>\$ 134,151,408</b>	<b>\$ 142,251,490</b>	<b>\$ 144,945,745</b>	<b>\$ 149,505,589</b>



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

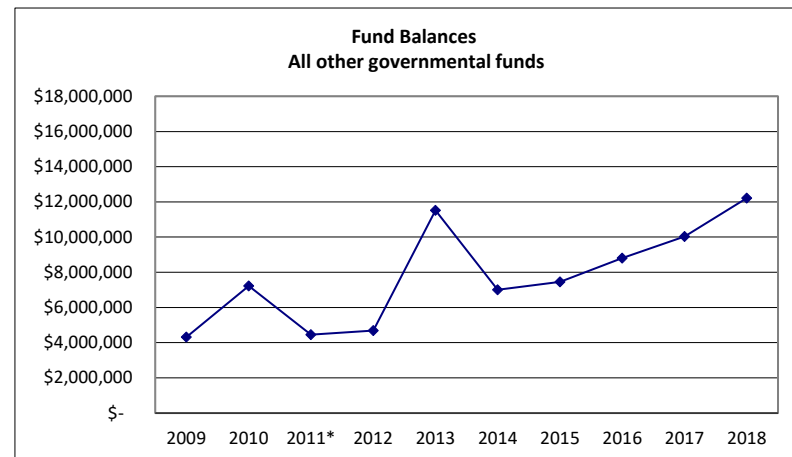
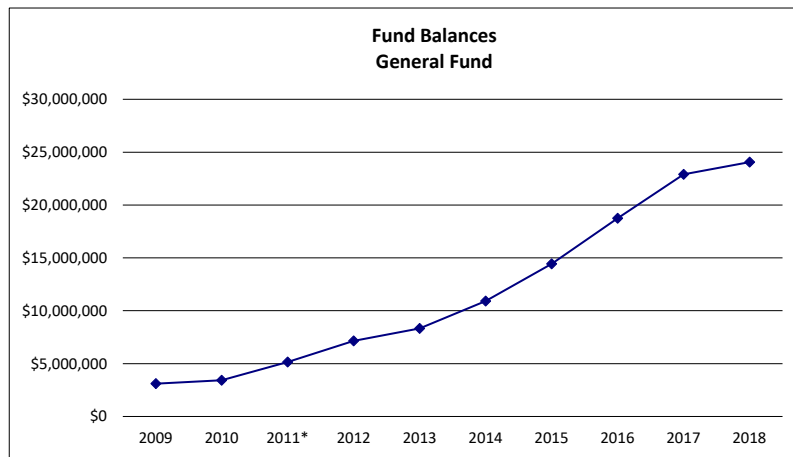
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,445,149	\$ 4,364,535	\$ 5,357,042	\$ 4,551,848	\$ 4,386,693	\$ 4,311,613	\$ 4,444,232	\$ 4,819,552	\$ 5,823,417	\$ 6,048,335
Judicial	454,344	488,330	682,282	626,862	262,312	349,238	443,957	409,284	469,747	451,380
Public Safety	7,376,981	9,181,710	10,013,892	10,259,523	10,390,038	10,902,905	11,404,767	12,085,175	12,445,067	12,855,758
Natural environment	-	-	-	-	-	162,654	172,845	175,776	217,164	267,643
Environmental services	644,205	580,156	619,813	571,646	148,888	-	-	-	-	-
Transportation	5,336,579	7,744,105	6,769,161	7,426,951	8,902,304	10,441,969	7,206,454	7,527,658	8,391,172	6,674,157
Economic environment	1,904,957	1,351,931	1,449,570	1,595,928	1,621,067	1,554,327	1,864,073	2,402,303	1,979,171	2,586,608
Social services	8,856	10,391	11,274	11,897	90,535	90,736	97,069	96,897	90,519	114,266
Culture and recreation	2,653,889	3,162,760	3,218,432	3,265,142	3,564,244	3,403,233	3,551,109	3,456,327	4,316,910	4,602,780
Interest on long-term debt	488,960	597,646	885,197	1,111,758	1,162,928	1,149,080	1,014,265	892,323	894,546	681,498
<b>Total Governmental activities expenses</b>	<b>22,313,920</b>	<b>27,481,564</b>	<b>29,006,663</b>	<b>29,421,555</b>	<b>30,529,009</b>	<b>32,365,755</b>	<b>30,198,771</b>	<b>31,865,295</b>	<b>34,627,713</b>	<b>34,282,425</b>
Business-type activities:										
Storm water management	1,276,992	1,534,689	1,787,608	1,820,983	2,093,265	2,463,472	2,226,361	2,232,884	2,392,963	2,991,539
<b>Total Business-type activities expenses</b>	<b>1,276,992</b>	<b>1,534,689</b>	<b>1,787,608</b>	<b>1,820,983</b>	<b>2,093,265</b>	<b>2,463,472</b>	<b>2,226,361</b>	<b>2,232,884</b>	<b>2,392,963</b>	<b>2,991,539</b>
<b>Total Primary government expenses</b>	<b>\$ 23,590,912</b>	<b>\$ 29,016,253</b>	<b>\$ 30,794,271</b>	<b>\$ 31,242,538</b>	<b>\$ 32,622,274</b>	<b>\$ 34,829,227</b>	<b>\$ 32,425,132</b>	<b>\$ 34,098,179</b>	<b>\$ 37,020,676</b>	<b>\$ 37,273,964</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services										
General government	\$ 822,322	\$ 1,376,229	\$ 1,152,091	\$ 2,441,503	\$ 1,626,846	\$ 1,689,073	\$ 782,390	\$ 763,834	\$ 1,150,433	\$ 1,472,160
Judicial	231,341	374,706	351,054	230,165	105,460	121,790	136,078	172,662	176,289	184,520
Public safety	-	-	-	-	-	-	-	-	36,680	33,065
Natural environment	-	-	-	-	-	46,515	46,880	-	49,870	54,250
Environmental services	536	6,014	68,322	55,715	121,489	-	-	-	-	-
Transportation	185,707	246,870	339,954	2,409,223	497,808	789,342	1,117,465	1,331,955	1,229,414	1,068,142
Economic environment	916,319	698,606	953,552	978,459	458,874	864,263	2,018,846	1,871,138	1,401,209	1,415,018
Social services	-	-	-	-	-	-	-	-	57,825	44,829
Culture and recreation	519,539	576,896	629,822	668,644	547,348	535,200	576,667	601,650	445,689	402,115
Operating grants and contributions	4,077,745	3,199,708	3,159,909	3,351,870	3,220,740	2,975,035	3,020,558	3,209,930	3,555,016	3,816,628
Capital grants and contributions	1,427,409	9,388,375	1,618,263	4,242,134	6,176,889	2,856,251	534,153	5,291,650	884,673	1,437,251
<b>Total Governmental activities program revenues</b>	<b>8,180,918</b>	<b>15,867,404</b>	<b>8,272,967</b>	<b>14,377,713</b>	<b>12,755,454</b>	<b>9,877,469</b>	<b>8,233,037</b>	<b>13,242,819</b>	<b>8,987,099</b>	<b>9,927,978</b>
Business-type activities:										
Charges for Services										
Surface water management	1,936,479	2,301,075	2,451,319	2,551,690	2,839,705	2,868,965	3,260,770	3,602,773	3,915,258	3,454,563
Operating grants and contributions	-	-	96,294	163,465	305,504	8,329	33,402	-	54,548	126,222
Capital grants and contributions	-	394,182	-	-	1,069,581	4,316,461	150,957	182,082	976,849	454,503
<b>Total Business-type activities revenues</b>	<b>1,936,479</b>	<b>2,695,257</b>	<b>2,547,613</b>	<b>2,715,155</b>	<b>4,214,790</b>	<b>7,193,755</b>	<b>3,445,129</b>	<b>3,784,855</b>	<b>4,946,656</b>	<b>4,035,288</b>
<b>Total Primary government revenues</b>	<b>10,117,397</b>	<b>18,562,661</b>	<b>10,820,580</b>	<b>17,092,868</b>	<b>16,970,244</b>	<b>17,071,224</b>	<b>11,678,166</b>	<b>17,027,674</b>	<b>13,933,754</b>	<b>13,963,266</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(14,133,002)	(11,614,160)	(20,733,696)	(15,043,842)	(17,773,555)	(22,488,286)	(21,965,734)	(18,622,476)	(25,640,615)	(24,354,447)
Business-type Activities	659,487	1,160,568	760,005	894,172	2,121,525	4,730,283	1,218,768	1,551,971	2,553,693	1,043,749
<b>Total Net Expense</b>	<b>\$ (13,473,515)</b>	<b>\$ (10,453,592)</b>	<b>\$ (19,973,691)</b>	<b>\$ (14,149,670)</b>	<b>\$ (15,652,030)</b>	<b>\$ (17,758,003)</b>	<b>\$ (20,746,966)</b>	<b>\$ (17,070,505)</b>	<b>\$ (23,086,922)</b>	<b>\$ (23,310,698)</b>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Revenues</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 5,438,426	\$ 7,268,281	\$ 7,081,681	\$ 6,759,220	\$ 6,208,867	\$ 6,652,930	\$ 7,383,258	\$ 7,495,772	\$ 7,710,870	\$ 7,902,018
Sales and use taxes	4,734,585	5,101,336	5,875,089	6,249,226	6,816,465	7,669,549	7,965,473	9,267,023	9,825,632	10,067,818
Business and occupation taxes	3,224,821	3,336,895	3,389,936	3,680,401	4,549,331	4,313,439	4,555,684	4,302,288	4,966,540	4,646,989
Excise taxes	-	-	-	-	1,132,780	1,407,944	1,814,710	2,722,452	666,752	823,147
Other taxes	652,366	1,240,213	1,330,211	1,428,506	510,260	347,376	371,040	384,887	3,067,968	2,860,018
Penalties and interest	-	-	-	-	6,886	-	-	-	-	-
Unrestricted investment earnings	65,022	28,013	24,482	24,461	20,004	27,743	37,626	125,574	312,092	690,980
Gain/(Loss) on sale of capital assets	-	-	-	-	-	151,395	-	967,228	508,161	16,234
Extraordinary item	-	-	-	-	-	-	-	(47,604)	-	-
Miscellaneous	-	-	-	-	275,274	313,908	332,095	382,792	716,078	404,697
Transfers	463,692	520,173	1,028,638	364,909	25,140	590,000	23,250	190,000	213,250	885,000
<b>Total Governmental activities</b>	<b>\$ 14,578,912</b>	<b>\$ 17,494,911</b>	<b>\$ 18,730,037</b>	<b>\$ 18,506,723</b>	<b>\$ 19,545,008</b>	<b>\$ 21,474,284</b>	<b>\$ 22,483,136</b>	<b>\$ 25,790,412</b>	<b>\$ 27,987,344</b>	<b>\$ 28,296,901</b>
Business-type activities:										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 85,608	\$ 460	\$ -	\$ -	\$ -	\$ -
Grants and contributions	2,643	2,033	1,256	-	-	-	-	-	-	-
Unrestricted investment earnings	-	-	-	1,711	2,490	2,698	4,783	30,287	55,595	112,360
Miscellaneous	-	-	-	-	8,330	9,449	8,000	8,000	8,000	8,506
Transfers	(463,692)	(520,173)	(1,028,638)	(364,909)	(25,140)	(590,000)	(23,250)	(190,000)	(213,250)	(885,000)
<b>Total Business-type activities</b>	<b>\$ (461,049)</b>	<b>\$ (518,140)</b>	<b>\$ (1,027,382)</b>	<b>\$ (363,198)</b>	<b>\$ 71,288</b>	<b>\$ (577,393)</b>	<b>\$ (10,467)</b>	<b>\$ (151,713)</b>	<b>\$ (149,655)</b>	<b>\$ (764,134)</b>
<b>Total primary government</b>	<b>\$ 14,117,863</b>	<b>\$ 16,976,771</b>	<b>\$ 17,702,655</b>	<b>\$ 18,143,525</b>	<b>\$ 19,616,296</b>	<b>\$ 20,896,891</b>	<b>\$ 22,472,669</b>	<b>\$ 25,638,699</b>	<b>\$ 27,837,690</b>	<b>\$ 27,532,767</b>
<b>Change in net position</b>										
Governmental activities	\$ 445,910	\$ 5,880,751	\$ (2,003,659)	\$ 3,462,881	\$ 1,771,453	\$ (1,014,002)	\$ 517,402	\$ 7,167,936	\$ 2,346,729	\$ 3,942,454
Business-type activities	198,438	642,428	(267,377)	530,974	2,192,813	4,152,890	1,208,301	1,400,258	2,404,038	279,615
<b>Total change in net position</b>	<b>\$ 644,348</b>	<b>\$ 6,523,179</b>	<b>\$ (2,271,036)</b>	<b>\$ 3,993,855</b>	<b>\$ 3,964,266</b>	<b>\$ 3,138,888</b>	<b>\$ 1,725,703</b>	<b>\$ 8,568,194</b>	<b>\$ 4,750,768</b>	<b>\$ 4,222,069</b>

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

	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ 3,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	625,909
Committed	-	-	1,248,147	703,909	141,586	168,144	168,186	167,327	187,666	193,007
Assigned	-	-	127,907	293,754	-	2,082,050	2,511,593	2,482,359	9,734,628	8,938,322
Unassigned	-	-	3,768,412	6,152,269	8,186,409	8,675,156	11,757,474	16,104,165	12,982,403	14,299,997
Unrestricted	3,102,449	3,418,177	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 3,102,449</b>	<b>\$ 3,418,177</b>	<b>\$ 5,147,946</b>	<b>\$ 7,149,932</b>	<b>\$ 8,327,995</b>	<b>\$ 10,925,350</b>	<b>\$ 14,437,253</b>	<b>\$ 18,753,851</b>	<b>\$ 22,904,697</b>	<b>\$ 24,057,235</b>
<b>All other governmental funds</b>										
Restricted	-	-	1,484,215	825,558	513,870	608,938	625,585	1,767,972	2,748,229	2,573,023
Committed	-	-	-	-	11,011,980	-	-	-	-	-
Assigned	-	-	2,975,413	3,883,193	-	6,399,457	6,827,807	7,039,977	7,284,860	9,645,018
Unassigned	-	-	-	(16,659)	-	-	-	-	-	-
Unrestricted, reported in:										
Special Revenue Funds	1,342,006	2,001,837	-	-	-	-	-	-	-	-
Debt Service Funds	232,767	178,686	-	-	-	-	-	-	-	-
Capital Project Funds	2,740,321	5,037,701	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 4,315,094</b>	<b>\$ 7,218,224</b>	<b>\$ 4,459,628</b>	<b>\$ 4,692,092</b>	<b>\$ 11,525,850</b>	<b>\$ 7,008,395</b>	<b>\$ 7,453,392</b>	<b>\$ 8,807,949</b>	<b>\$ 10,033,089</b>	<b>\$ 12,218,041</b>



\*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)**

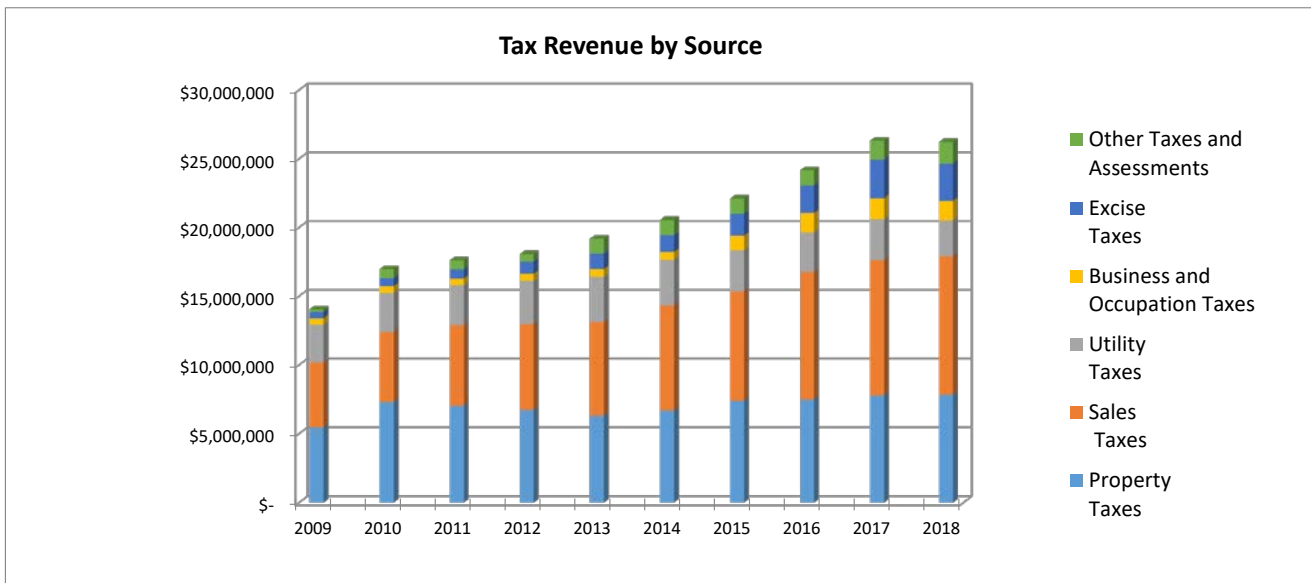
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>										
Taxes	\$ 14,016,723	\$ 16,964,353	\$ 17,608,180	\$ 18,060,523	\$ 19,177,395	\$ 20,543,961	\$ 22,096,967	\$ 24,156,977	\$ 26,314,184	\$ 26,229,189
Licenses and permits	1,122,043	1,203,414	1,766,269	1,759,549	2,006,940	2,254,351	2,922,580	3,054,380	2,935,858	2,833,105
Intergovernmental	5,384,309	4,199,152	4,568,322	7,690,858	9,301,827	5,816,024	3,531,738	3,837,560	4,426,178	4,826,894
Charges for services	1,231,027	1,003,754	1,326,715	3,474,416	1,180,205	1,417,343	1,550,002	1,488,817	1,422,027	1,405,841
Fines and forfeitures	281,586	413,523	365,952	252,367	266,568	359,476	210,065	204,759	183,911	165,631
Investment earnings	77,449	28,200	24,185	24,018	19,344	27,103	36,291	120,791	300,543	665,107
Special assessments	115,651	97,470	91,058	86,498	95,802	103,617	95,318	128,348	91,453	84,680
Rents and leases	-	-	-	-	177,144	200,772	226,750	246,164	321,287	307,278
Contributions and donations	-	-	-	-	279	491	38,952	25,354	25,085	12,566
Miscellaneous	36,631	579,929	42,545	1,208,724	104,655	79,883	62,452	85,873	56,888	90,124
Total revenues	<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>	<u>30,803,021</u>	<u>30,771,115</u>	<u>33,349,023</u>	<u>36,077,414</u>	<u>36,620,415</u>
<b>Expenditures</b>										
General Government	3,859,719	4,156,636	4,719,055	4,484,834	3,634,689	3,579,425	3,675,020	4,102,597	5,124,501	5,348,875
Judicial	-	-	-	-	262,312	349,238	443,957	409,284	469,747	451,380
Public Safety	7,575,198	9,156,830	10,685,772	10,018,788	10,465,298	11,033,588	11,331,487	11,939,188	12,371,239	13,031,185
Natural environment	-	-	-	-	-	162,654	172,845	175,776	217,164	267,643
Environmental services	644,205	580,156	744,791	674,645	148,888	-	-	-	-	-
Transportation	1,853,404	3,281,688	1,846,820	1,362,791	2,037,154	3,184,689	2,701,219	2,723,894	3,721,081	3,052,347
Economic environment	1,796,853	1,329,356	1,445,874	1,595,062	1,629,585	1,556,138	1,888,074	2,405,924	1,999,642	2,666,335
Social services	8,856	10,391	11,274	11,897	90,535	90,736	97,069	96,897	90,519	60,062
Culture and recreation	2,415,119	2,708,974	2,768,412	2,752,246	2,930,768	2,790,023	2,962,893	2,904,848	3,293,516	3,675,040
Debt Service:										
Principal	780,558	892,225	1,262,225	1,447,225	1,560,225	1,596,825	1,557,225	5,195,787	1,607,224	1,647,225
Interest and fiscal charges	501,065	577,867	917,319	1,140,081	1,139,237	1,153,494	985,817	930,810	792,310	753,851
Capital outlay	11,806,302	7,945,176	10,052,250	7,614,434	7,766,061	3,200,770	821,859	854,876	2,144,118	3,239,331
Total expenditures	<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>	<u>28,697,580</u>	<u>26,637,465</u>	<u>31,739,881</u>	<u>31,831,062</u>	<u>34,193,274</u>
Excess (deficiency) of revenues over expenditures	(8,975,860)	(6,149,504)	(8,660,566)	1,454,950	665,407	2,105,441	4,133,650	1,609,142	4,246,352	2,427,141
Other financing sources (uses)										
Proceeds from sale of capital assets	-	-	-	-	-	238,500	-	4,500,000	819,996	-
Transfers in	2,339,482	4,088,674	4,233,250	3,606,131	3,628,655	3,515,000	4,441,250	7,009,000	3,603,825	7,495,000
Transfers out	(1,663,467)	(3,407,428)	(3,255,750)	(2,826,631)	(3,853,515)	(3,190,000)	(4,618,000)	(7,019,000)	(3,590,575)	(6,610,000)
Proceeds of long-term debt	-	8,687,116	8,970,155	-	2,370,562	1,168,000	-	5,320,000	-	-
Payment to refunded bond escrow agent	-	-	(2,018,065)	-	-	-	-	(6,022,466)	-	-
Discount on refunding bonds issues	-	-	-	-	-	-	-	(42,560)	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	785,519	-	-
Insurance recoveries	-	-	-	-	82	22,180	-	15,300	296,387	25,353
Total other financing sources (uses)	676,015	9,368,362	7,929,590	779,500	2,145,784	1,753,680	(176,750)	4,545,793	1,129,633	910,353
Net change in fund balances	<u>\$ (8,299,845)</u>	<u>\$ 3,218,858</u>	<u>\$ (730,976)</u>	<u>\$ 2,234,450</u>	<u>\$ 2,811,191</u>	<u>\$ 3,859,121</u>	<u>\$ 3,956,900</u>	<u>\$ 6,154,935</u>	<u>\$ 5,375,984</u>	<u>\$ 3,337,494</u>
Debt service as a percentage of noncapital expenditures	6.59%	6.48%	8.93%	11.02%	11.30%	10.79%	9.85%	19.84%	8.08%	7.76%

\*There will be fluctuations in 2013 due to implementation of BARS account changes



**Schedule 5**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Utility Taxes</b>	<b>Business and Occupation Taxes</b>	<b>Excise Taxes</b>	<b>Other Taxes and Assessments</b>	<b>Total Taxes</b>
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	7,012,945	5,875,089	2,903,076	486,860	667,741	662,470	17,608,181
2012	6,702,390	6,249,226	3,149,631	530,770	886,727	541,779	18,060,523
2013	6,308,968	6,816,465	3,275,973	569,665	1,132,780	1,073,544	19,177,395
2014	6,671,091	7,669,549	3,292,805	581,494	1,218,769	1,110,253	20,543,961
2015	7,384,213	7,965,473	2,969,403	1,084,849	1,595,257	1,097,772	22,096,967
2016	7,480,328	9,267,023	2,899,714	1,402,572	2,013,191	1,094,149	24,156,977
2017	7,787,292	9,825,632	2,998,835	1,514,984	2,823,420	1,364,020	26,314,184
2018	7,831,217	10,067,818	2,624,537	1,410,247	2,708,835	1,586,535	26,229,189
<b>Change 2009-2018</b>	44.0%	112.6%	-4.3%	192.7%	490.1%	720.7%	86.7%



Source: City of Burien Finance Department

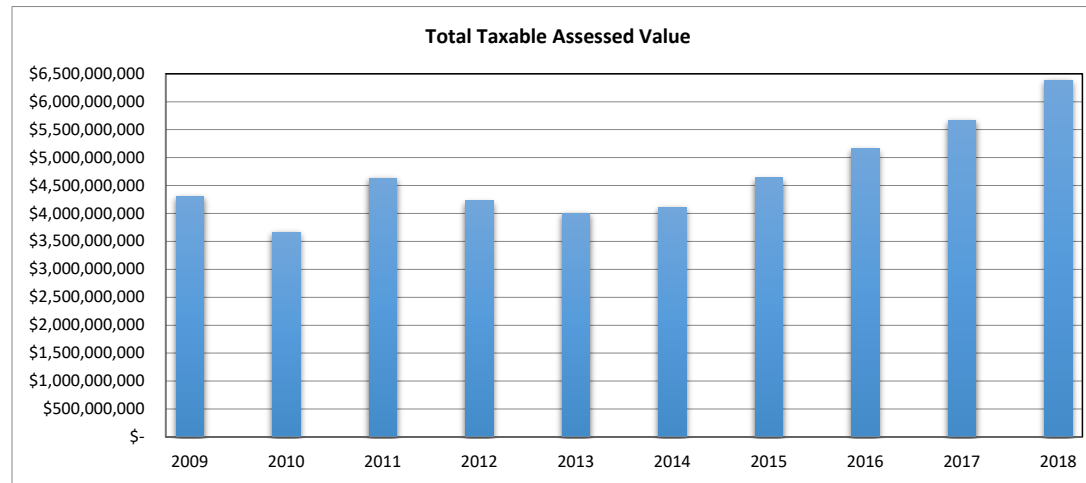
**Schedule 6**  
**City of Burien**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

TAXPAYER	2018			2009		
	TAXABLE ASSESSED		% OF TOTAL TAXABLE ASSESSED	TAXABLE ASSESSED		% OF TOTAL TAXABLE ASSESSED
	VALUE	RANK	VALUE	VALUE	RANK	VALUE
Bel Canto Watt Alturas LLC*	\$ 69,235,000	1	1.08%	\$ 28,928,300	1	0.67%
Puget Sound Commerce Center	53,445,500	2	0.84%			
Vintage Wellington LLC	29,792,000	3	0.47%			
Public Storage	29,059,905	4	0.46%			
Henry H Ketcham Lumber Company	28,993,000	5	0.45%			
Burien Plaza LLC	27,470,000	6	0.43%	20,189,700	2	0.47%
CHI Franciscan	26,682,500	7	0.42%			
Burien Town Plaza LLC	26,124,800	8	0.41%			
BRE MG Discovery Landing LLC**	24,945,000	9	0.39%	12,545,000	7	0.29%
Powell-Five Corners Assoc.	21,807,700	10	0.34%	16,430,100	6	0.38%
Qwest Corporation			0.00%	20,057,255	3	0.47%
Fred Meyer			0.00%	18,032,417	5	0.42%
Wesbild BP, Inc			0.00%	18,571,300	4	0.43%
Red Mortgage Capital			0.00%	8,924,000	8	0.21%
Burien Development Group			0.00%	6,872,800	9	0.16%
Burien Toyota			0.00%	6,356,447	10	0.15%
All Others	6,048,156,076		94.71%	4,146,403,970		96.35%
<b>Total Assessed Valuation</b>	<b>\$ 6,385,711,481</b>		<b>100.00%</b>	<b>\$ 4,303,311,289</b>		<b>100.00%</b>

\*formerly FPA5 Heights LLC and Vintage Park Partners LLC

\*\*formerly MG South Hills Apts. LLC

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



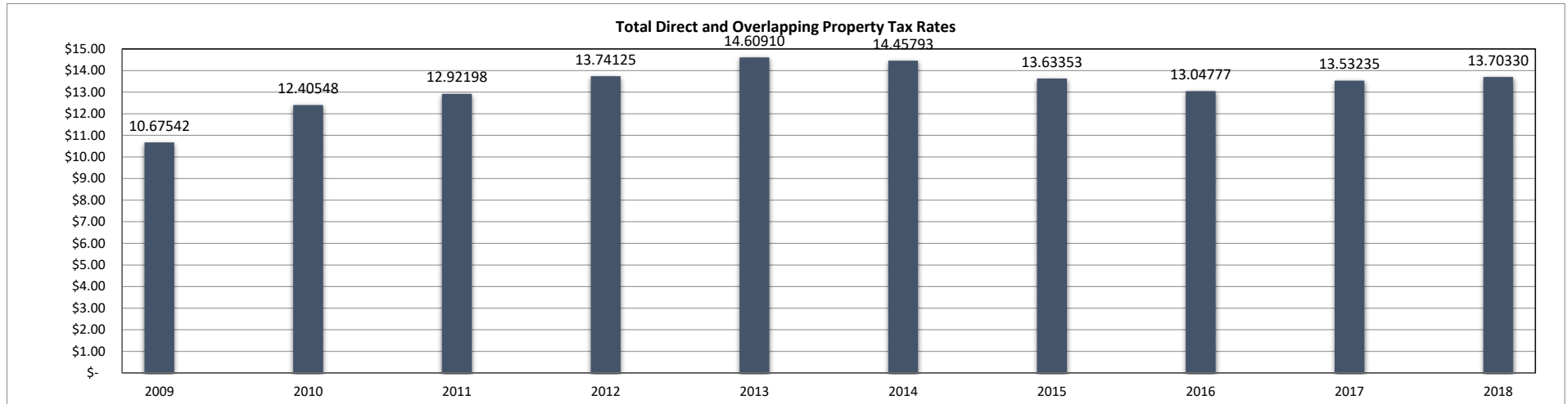
Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2009	4,212,964,074	55,290,643	35,056,572	4,303,311,289	1.26467
2010	3,580,133,188	54,401,316	31,078,381	3,665,612,885	1.52034
2011	4,525,470,270	57,948,096	43,395,005	4,626,813,371	1.55513
2012	4,120,048,552	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
2014	3,992,256,168	55,462,840	62,066,409	4,109,785,417	1.60000
2015	4,511,792,422	54,718,139	69,713,035	4,636,223,596	1.59050
2016	5,031,637,294	60,057,956	68,295,297	5,159,990,547	1.45568
2017	5,542,970,484	59,051,320	61,251,025	5,663,272,829	1.36228
2018	6,261,417,507	58,787,660	65,506,314	6,385,711,481	1.36228

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

Note: Property assessments are made each year by the King County Assessor and are based on 100 percent of the actual estimated value.

**Schedule 8  
City of Burien  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rate per \$1,000 of assessed value)**

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* & RST	
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
2014	1.60000	1.50000	0.44685	1.94685	1.45779	0.05826	1.51605	3.79750	1.85783	5.65533	0.50000	0.06175	0.56175	2.47044	0.70751	14.45793
2015	1.59050	1.50000	0.39264	1.89264	1.31499	0.03023	1.34522	3.67893	1.70872	5.38765	0.44747	0.05529	0.50276	2.28514	0.62962	13.63353
2016	1.45568	1.37719	0.35152	1.72871	1.44046	0.03981	1.48027	3.51745	1.63785	5.15530	0.42439	0.05275	0.47714	2.16898	0.58169	13.04777
2017	1.36228	1.50000	0.30776	1.80776	1.34685	0.03609	1.38294	3.37767	2.33468	5.71235	0.40118	0.05000	0.45118	2.03205	0.78379	13.53235
2018	1.23516	1.43995	0.27977	1.71972	1.29474	0.03261	1.32735	3.32737	2.05449	5.38186	0.36681	0.04509	0.41190	2.91820	0.70911	13.70330

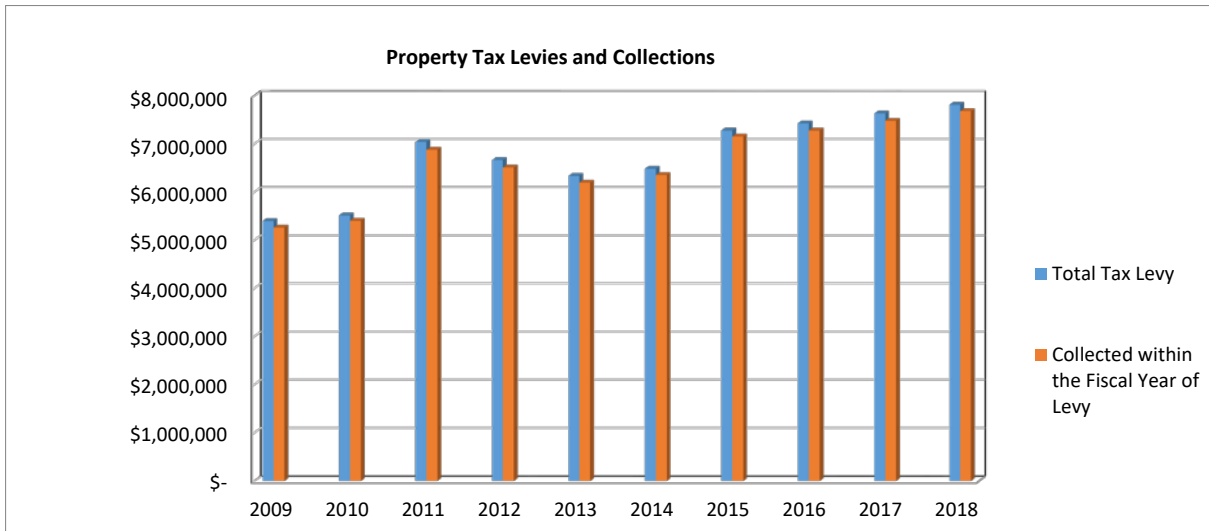


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

\* Beginning in 2015, Ferry District under King County

**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
2009	5,396,965	5,258,160	97.43%	138,785	5,396,945	100.00%
2010	5,514,772	5,404,321	98.00%	110,446	5,514,767	100.00%
2011	7,038,356	6,873,887	97.66%	166,430	7,040,317	100.00%
2012	6,660,890	6,506,800	97.69%	153,583	6,660,383	99.99%
2013	6,332,975	6,194,591	97.81%	136,853	6,331,444	99.98%
2014	6,482,711	6,351,340	97.97%	127,950	6,479,290	99.95%
2015	7,278,784	7,151,250	98.25%	123,101	7,274,351	99.94%
2016	7,424,519	7,276,711	98.01%	125,221	7,401,932	99.70%
2017	7,628,974	7,478,632	98.03%	104,566	7,583,198	99.40%
2018	7,813,017	7,677,464	98.27%	-	7,677,464	98.27%

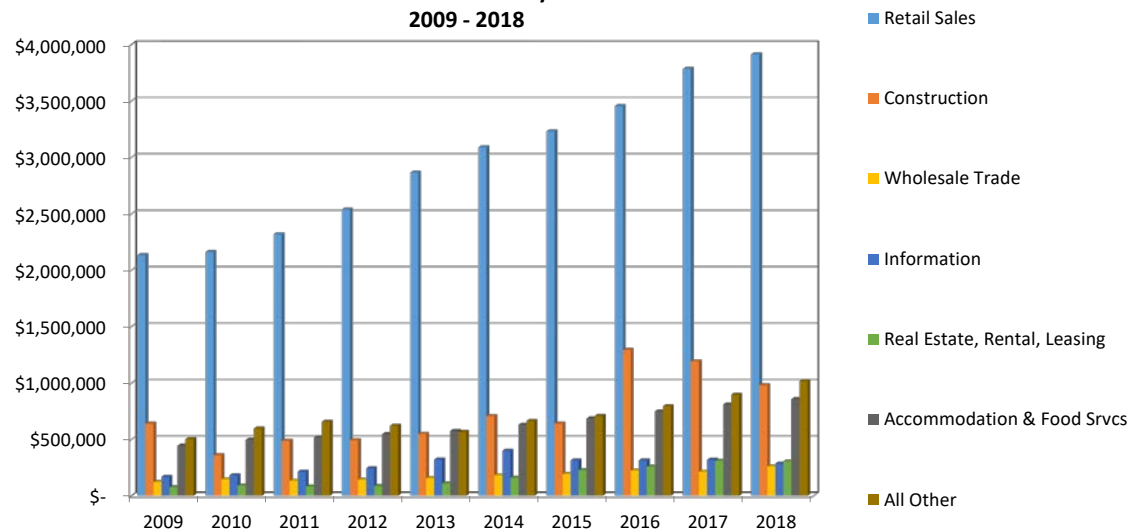


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>RETAIL TRADE</b>										
Vehicle and Parts Dealer	\$ 949,307	\$ 973,790	\$ 1,078,227	\$ 1,261,209	\$ 1,514,981	\$ 1,656,006	\$ 1,747,436	\$ 1,895,600	\$ 2,088,693	\$ 2,020,015
General Merchandise Stores	359,315	370,659	397,970	416,600	433,555	451,571	493,589	503,842	502,015	520,145
Food & Beverage Stores	248,636	276,296	275,695	266,626	265,469	287,239	275,424	266,307	262,398	303,121
Misc Store Retailers	370,630	318,023	314,612	328,828	346,333	348,348	363,822	387,023	446,552	614,912
Health & Personal Care	97,967	97,673	101,059	108,840	123,731	125,145	134,020	147,897	207,517	239,979
Other Retail	107,660	124,439	152,009	155,874	178,628	219,657	216,264	254,285	275,920	215,482
<b>Subtotal Retail</b>	<b>\$ 2,133,515</b>	<b>\$ 2,160,880</b>	<b>\$ 2,319,572</b>	<b>\$ 2,537,977</b>	<b>\$ 2,862,697</b>	<b>\$ 3,087,966</b>	<b>\$ 3,230,555</b>	<b>\$ 3,454,954</b>	<b>\$ 3,783,095</b>	<b>\$ 3,913,654</b>
<b>OTHER CATEGORIES</b>										
Construction	\$ 640,972	\$ 358,112	\$ 488,860	\$ 492,853	\$ 547,432	\$ 706,856	\$ 641,194	\$ 1,294,298	\$ 1,192,381	\$ 981,098
Wholesale Trade	120,277	147,249	133,497	141,690	155,756	181,545	192,672	222,896	214,332	259,606
Information	167,846	181,753	214,544	242,260	321,272	399,198	313,453	313,721	319,632	285,120
Real Estate, Rental, Leasing	76,093	88,679	82,398	85,090	109,467	159,419	227,212	257,980	309,216	304,958
Accommod & Food Svcs	443,414	495,575	517,833	545,959	574,943	629,004	685,202	748,041	808,995	856,632
All Other Categories *	503,099	596,190	656,276	621,251	564,917	663,326	709,354	794,342	895,843	1,018,184
<b>Subtotal Other</b>	<b>\$ 1,951,701</b>	<b>\$ 1,867,558</b>	<b>\$ 2,093,408</b>	<b>\$ 2,129,103</b>	<b>\$ 2,273,787</b>	<b>\$ 2,739,348</b>	<b>\$ 2,769,087</b>	<b>\$ 3,631,278</b>	<b>\$ 3,740,399</b>	<b>\$ 3,705,598</b>
<b>Total Sales Tax Collected</b>	<b>\$ 4,085,216</b>	<b>\$ 4,028,438</b>	<b>\$ 4,412,980</b>	<b>\$ 4,667,080</b>	<b>\$ 5,136,484</b>	<b>\$ 5,827,314</b>	<b>\$ 5,999,642</b>	<b>\$ 7,086,232</b>	<b>\$ 7,523,494</b>	<b>\$ 7,619,252</b>

**Sales Tax Collections by Sector  
2009 - 2018**



Sources: City of Burien Finance Department, Microflex Software and Financial Solutions

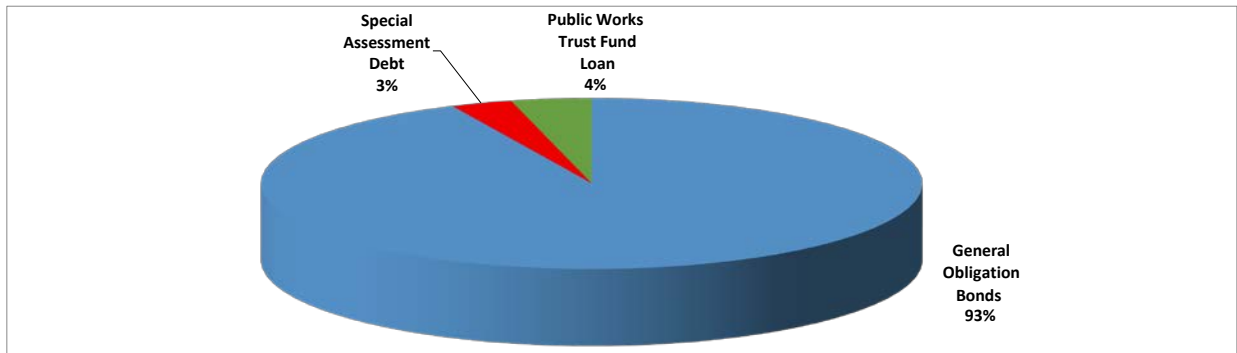
Only includes the .85% sales tax received for general governmental purposes

\* All Other includes Manufacturing; Transportation and Warehousing; Finance and Insurance; Professional, Science, and Technical Services; Administration, Support and Waste Management Services; Educational Services; Health Care Social Assistance; Arts, Entertainment and Recreation; Public Administration; and Other Services.

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

Fiscal Year	Governmental activities			Business-type activities		Total Primary Government Debt	Population	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					
2009	14,579,400	1,588,134	2,452,150	1,411,524	20,031,208	31,890	1.17%	\$ 628.13	
2010	22,604,400	1,475,221	2,262,837	1,328,493	27,670,951	46,182	1.10%	\$ 599.17	
2011	28,299,400	1,362,308	2,073,526	1,245,463	32,980,696	47,660	1.21%	\$ 692.00	
2012	27,154,400	1,249,395	1,884,213	1,162,432	31,450,440	47,730	1.10%	\$ 658.92	
2013	28,190,362	1,136,483	1,694,901	1,079,401	32,101,147	48,030	1.06%	\$ 668.36	
2014	28,063,762	1,023,570	1,505,589	996,370	31,589,292	48,240	0.95%	\$ 654.84	
2015	26,726,162	910,658	1,316,277	913,339	29,866,436	48,810	0.84%	\$ 611.89	
2016	21,942,319	797,744	1,126,967	830,308	24,697,338	50,000	0.64%	\$ 493.95	
2017	20,469,167	684,831	937,653	747,278	22,838,929	50,680	0.54%	\$ 450.65	
2018	17,696,385	571,918	748,341	664,247	19,680,891	51,850	0.43%	\$ 379.57	

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



**Schedule 12  
City of Burien  
Legal Debt Margin Information  
December 31, 2018**

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 322,748,347	\$ 343,081,657	\$ 316,904,251	\$ 312,964,326	\$ 300,397,459	\$ 308,233,906	\$ 347,716,770	\$ 386,999,291	\$ 402,653,811	\$ 459,911,717
Total Net Debt Applicable to Limit	18,619,684	26,342,458	31,735,234	30,288,008	31,021,746	30,592,921	28,953,097	23,867,030	22,091,651	19,016,644
Legal Debt Margin	\$ 304,128,663	\$ 316,739,199	\$ 285,169,017	\$ 282,676,318	\$ 269,375,713	\$ 277,640,985	\$ 318,763,673	\$ 363,132,261	\$ 380,562,160	\$ 440,895,073
 Total Net Debt Applicable to Limit as a Percentage of Debt Limit	5.77%	7.68%	10.01%	9.68%	10.33%	9.93%	8.33%	6.17%	5.49%	4.13%

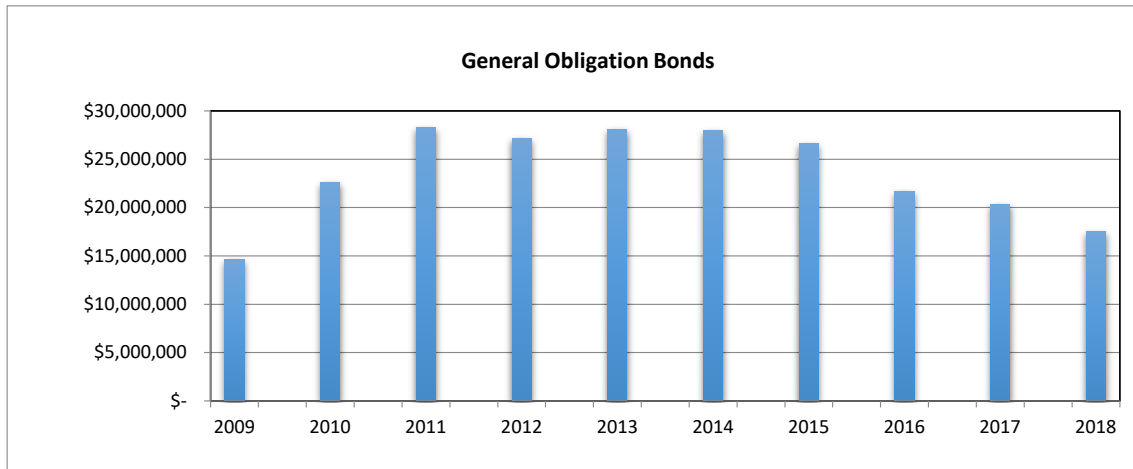
**Legal Debt Margin Calculation for Fiscal Year 2018**

Total Assessed Value for 2018 Taxes	\$ 6,385,711,481
Debt Limit:	
2.5% of General Purpose Limit, Voted and Non-voted	159,642,787
2.5% of Utility Purpose Limit, Voted	159,642,787
2.5% of Open Space, Voted	159,642,787
Total Debt Limit	<u>\$ 478,928,361</u>
Debt Applicable to Limits:	
General Obligation Bonds	19,016,644
<b>Legal Debt Margin</b>	<u><u>\$ 459,911,717</u></u>



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

<b>Fiscal Year</b>	<b>General Obligation Bonds*</b>	<b>Assessed Value (AV)</b>	<b>% of General Obligation Debt to AV</b>	<b>Population</b>	<b>Per Capita</b>
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	28,094,037	4,005,299,458	0.70%	48,030	584.93
2014	27,934,088	4,109,785,417	0.68%	48,240	579.06
2015	26,609,775	4,636,223,596	0.57%	48,810	545.17
2016	21,626,250	5,159,990,547	0.42%	50,000	432.53
2017	20,342,131	5,663,272,829	0.36%	50,680	401.38
2018	17,503,131	6,385,711,481	0.27%	51,850	337.57

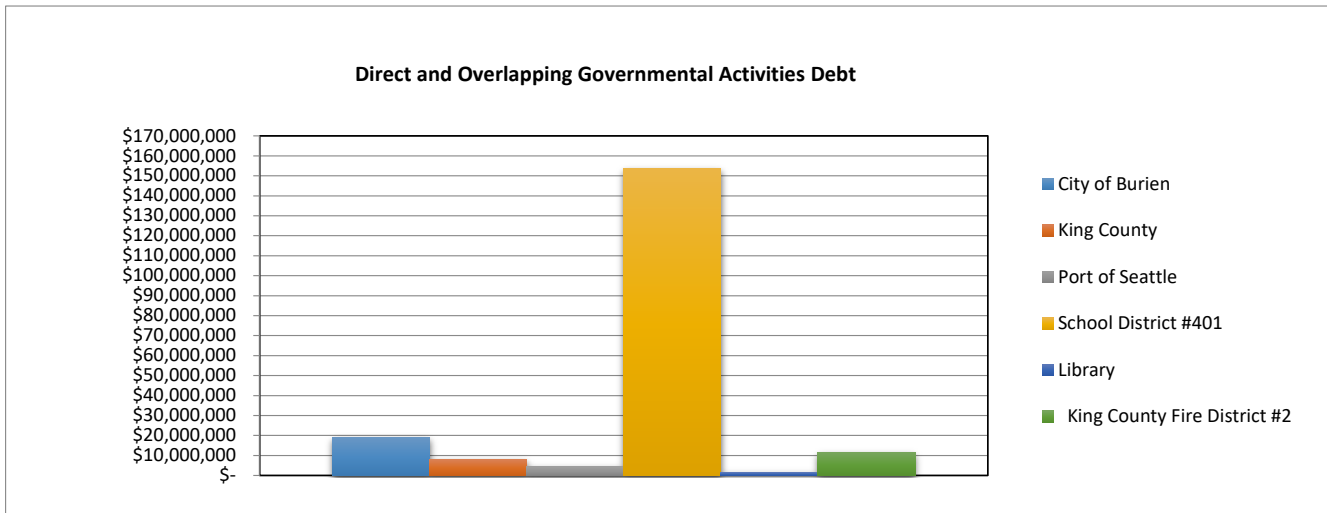


Sources: King County Department of Assessments  
City of Burien Finance Department

\*The amounts for General Obligation Bonds have been revised in prior years to reflect the amount of fund balances restricted for debt service that are available for the payment of debt.

**Schedule 14  
City of Burien  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2018**

	<b>Net General Obligation Debt Outstanding</b>	<b>Percentage Applicable to Burien</b>	<b>Estimated Amount Applicable to Burien</b>
<b>Direct:</b>			
<b>City of Burien</b>	\$ 19,016,644	100.00%	\$ 19,016,644
<b>Overlapping:</b>			
<b>King County</b>	656,541,218	1.19%	7,812,840
<b>Port of Seattle</b>	362,390,000	1.19%	4,312,441
<b>School District #401</b>	459,714,678	33.45%	153,774,560
<b>Library</b>	77,576,089	2.11%	1,636,855
<b>King County Fire District #2</b>	14,836,377	76.47%	11,345,081
<b>Total Overlapping Debt:</b>	<u>\$ 1,571,058,362</u>	<u>11.39%</u>	<u>\$ 178,881,778</u>
<b>Total Direct and Overlapping Debt:</b>	<u><u>\$ 1,590,075,006</u></u>		<u><u>\$ 197,898,422</u></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**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b> <b>(in \$1,000's)</b>	<b>Per Capita</b> <b>Personal</b> <b>Income<sup>2</sup></b>	<b>Unemployment</b> <b>Rate<sup>3</sup></b>	<b>School Enrollment</b>
<b>2009</b>	31,890	\$ 102,843,152	\$53,788	8.8%	18,224
<b>2010</b>	46,182	\$ 105,499,279	\$54,443	8.2%	17,391
<b>2011</b>	47,660	\$ 112,935,345	\$57,281	7.4%	17,532
<b>2012</b>	47,730	\$ 120,627,950	\$60,090	6.2%	18,427
<b>2013</b>	48,030	\$ 128,330,859	\$62,770	5.0%	18,975
<b>2014</b>	48,240	\$ 143,260,986	\$68,877	4.6%	19,039
<b>2015</b>	48,810	\$ 153,554,091	\$72,530	4.3%	19,039
<b>2016</b>	50,000	\$ 166,006,277	\$77,213	4.0%	19,133
<b>2017</b>	50,680	\$ 182,495,475	\$83,383	4.2%	18,876
<b>2018</b>	51,850	\$ 196,111,800	\$88,102	4.1%	18,193

*Note<sup>1</sup> : Population data is provided by Burien's Community Development staff.*

*Note<sup>2</sup> : Both personal income and per capita personal income are based on King County information, in which Burien is located.*

*Note<sup>3</sup> : 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**

<b>Employer</b>	<b>2018</b>			<b>2009</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>
Highline School District #401	2,150	1	17.89%	2,200	1	25.17%
Highline Medical Center	900	2	7.49%	1,100	2	12.58%
Fred Meyer	248	3	2.06%	223	3	2.55%
Burien Toyota, Inc.	162	4	1.35%	116	6	1.33%
NAVOS Mental Health and Wellness Center	146	5	1.22%			
Regional Hospital for Respiratory & Complex Care	120	6	1.00%			
Burien Nursing & Rehabilitation Center	117	7	0.97%			
Safeway Store #1664	109	8	0.91%	104	7	1.19%
NAVOS Behavioral Health Center	108	9	0.90%			
Schick Shadel	105	10	0.87%			
Safeway Store #3120	103	11	0.86%			
Wizards Casino	99	12	0.82%	120	5	1.37%
PCC Community Markets	90	13	0.75%			
Rainier Golf & Country Club	90	13	0.75%			
El Dorado West Retirement Community	67	15	0.56%			
Life Care Center of Burien	-			144	4	1.65%
Ruth Dykeman Children's Center	-			103	8	1.18%
Group Health Cooperative	-			91	9	1.04%
Highline West Seattle Mental Health	-			90	10	1.03%
Azteca	-			80	11	0.92%
<b>Total</b>	<b>4,614</b>		<b>38.40%</b>	<b>4,371</b>		<b>50.01%</b>

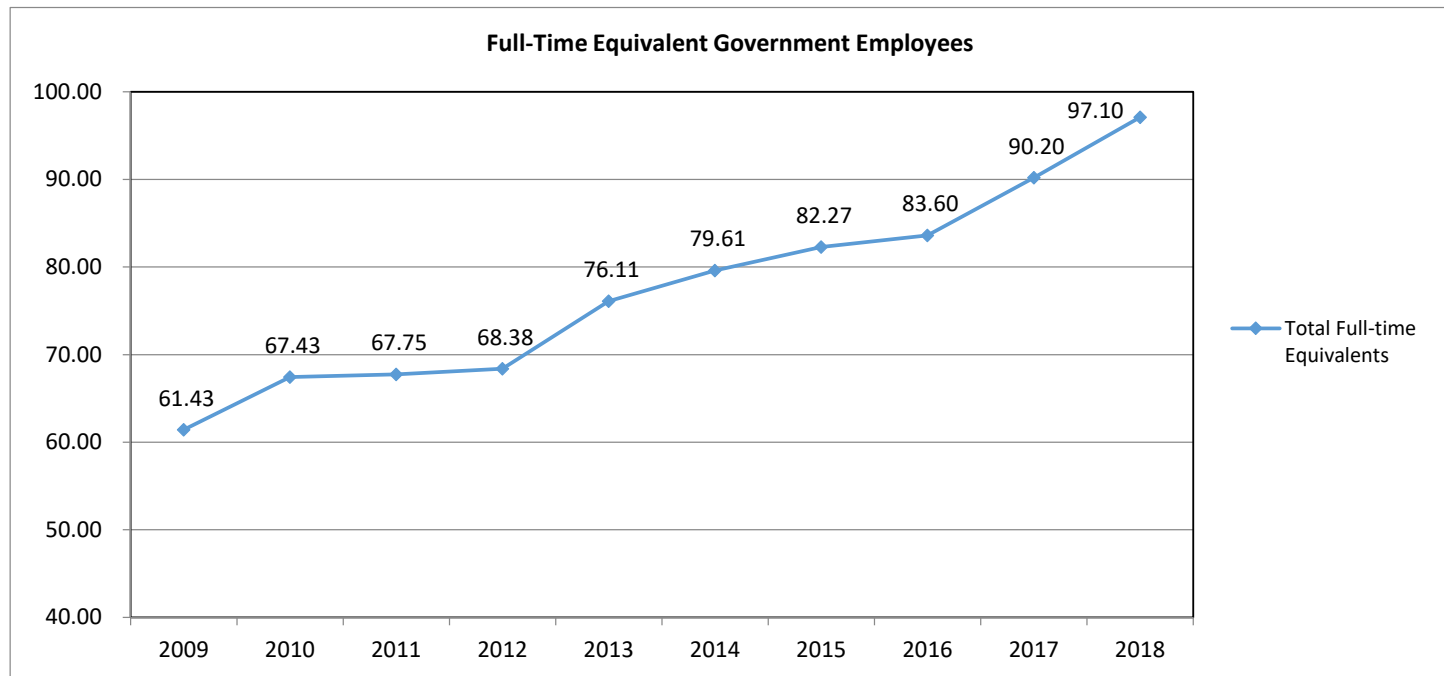
Total City employment in 2018 is 12,015

Total City employment in 2009 was 8,741

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**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Government	18.00	20.75	20.70	18.95	18.63	19.25	17.70	17.70	22.25	26.80
Culture and Recreation	15.88	16.18	15.95	15.38	19.64	21.55	21.97	22.10	24.90	26.66
Economic Environment	14.75	13.30	14.30	13.10	13.10	13.31	17.10	17.30	15.80	15.80
Transportation	6.10	8.50	8.20	10.30	11.50	11.50	11.25	11.25	12.18	12.47
Surface Water Management	6.70	8.70	8.60	10.65	13.25	14.00	14.25	15.25	15.08	15.37
<b>Total Full-time Equivalents</b>	<b>61.43</b>	<b>67.43</b>	<b>67.75</b>	<b>68.38</b>	<b>76.11</b>	<b>79.61</b>	<b>82.27</b>	<b>83.60</b>	<b>90.20</b>	<b>97.10</b>



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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Safety</b>										
Response time for priority 1 calls	8.69 min.	8.54 min.	7.54 min.	7.75 min.	7.39 min.	7.72 min.	7.05 min.	7.39 min.	7.73 min.	7.82 min.
Response time to critical emergencies	3.47 min.	2.87 min.	2.95 min.	3.40 min.	3.73 min.	3.48 min.	3.50 min.	3.85 min.	3.87 min.	5.43 min.
Dispatched calls for service	10,507	13,410	15,742	16,416	17,039	18,521	19,600	21,275	20,648	20,058
Total crime index per 1,000 population	55.5	55.0	55.0	59.0	60.0	60.0	55.0	57.0	45.9	41.5
Traffic safety enforcement stops	2,060	1,508	1,672	1,743	2,139	1,396	1,321	2,831	2,750	2,483
<b>Transportation</b>										
Right of way use permits issued	330	353	359	428	469	498	499	423	554	548
Reported potholes	27	37	103	50	69	62	70	78	118	89
<b>Economic Environment</b>										
Citizen action requests	384	604	558	628	624	589	447	341	444	441
Land use-related permit applications	82	57	57	63	85	91	82	101	108	130
Percentage of land use permit reviews completed by target date	73%	89%	93%	80%	86%	96%	95%	95%	100%	85%
Construction related permit applications	1,763	1,473	1,898	1,915	2,079	2,212	2,550	2,640	2,644	2,780
Commercial Building permits	107	120	171	113	192	152	161	91	96	132
Construction Value-commercial	\$ 6,917,359	\$ 17,117,248	\$ 21,820,575	\$ 11,317,784	\$ 38,940,428	\$ 32,608,065	\$ 68,921,928	\$ 25,214,801	\$ 39,495,363	\$ 51,924,212
Residential Building permits	159	105	268	259	269	263	288	351	338	212
Construction value-residential	\$ 9,233,956	\$ 10,516,667	\$ 14,442,960	\$ 27,855,391	\$ 22,984,594	\$ 23,254,345	\$ 38,223,822	\$ 57,860,004	\$ 43,537,949	\$ 17,677,303
<b>Culture and Recreation</b>										
Acres of neighborhood parks	27	58	58	58	58	58	58	58	58	58
Acres of community parks	32	32	32	32	32	32	34	35	35	35
Acres of regional and open space parks	287	287	287	287	287	287	287	287	287	287
Cost to maintain all parks per acre	\$ 1,014	\$ 1,265	\$ 1,630	\$ 1,594	\$ 1,693	\$ 1,874	\$ 1,925	\$ 2,163	\$ 2,403	\$ 2,622
Number of kids provided scholarships	61	134	149	133	116	85	88	171	217	235
<b>Surface Water Management</b>										
Number of storm water ponds	15	18	19	22	22	24	26	27	27	27
Percentage of city drainage system mapped and inventoried	99%	85%	98%	98%	99%	99%	99%	99%	99%	99%
Catch basins - City owned		5,913	5,975	6,293		6,012	6,105	6,221	6,368	6,392
Total catch basins (City and private)							10,008	9,621	9,272	9,942

Sources: Various City of Burien Departments

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Transportation										
Streets (miles)	114	150	150	152	152	140	140	140	140	144
Street lights	700	930	930	930	939	939	939	940	940	940
Traffic signals	55	71	71	72	74	75	75	75	76	78
Culture and Recreation										
Skate Parks	1	1	1	1	1	1	1	1	1	1
Playgrounds	8	11	12	12	12	12	12	12	12	12
Baseball/Softball Diamonds	5	5	5	5	5	5	5	5	5	5
Soccer/Football Fields	3	3	3	3	3	3	3	3	3	3
Community Centers	1	1	1	1	1	1	1	1	1	1
Surface Water Management										
Pump Stations	3	3	3	3	3	3	3	3	3	3
Storm Water Drainage Ponds	4	6	16	16	16	17	19	19	19	19

Sources: Various City of Burien Departments