

2017 Comprehensive Annual Financial Report

For the year ended December 31, 2017



City of Burien, Washington

400 SW 152nd 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, 2017

Prepared by:

City of Burien Finance Department

400 SW 152nd St., Suite 300

Burien, Washington 98166

(206) 241-4647

Website: www.burienwa.gov

BURIEN CITY COUNCIL

Lucy Krakowiak, Mayor

Stephen Armstrong

Austin Bell

Lauren Berkowitz

Bob Edgar

Nancy Tosta

Debi Wagner



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

VISION FOR BURIEN

Our Future. Our Choices.

COMMUNITY



Genuine
Engaged
Stable

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

DIVERSITY



Inclusive
Multicultural
Multi-centered

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

ENVIRONMENT



Natural
Green
Livable

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

PROSPERITY



Local
Expansive
Creative

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

EDUCATION & YOUTH



Teaching
Learning
Nurturing

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

HEALTH & SAFETY



Healthy
Active
Peaceful

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

GOVERNANCE



Responsive
Effective
Collaborative

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

**City of Burien
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2017**

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July 26, 2018

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, 2017. 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 administration, economic development, community information, and directing and coordinating departmental operations.

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

Legal Services are provided by 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 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 2017 expenditures reported in the financial statements relating to those entities:

• King County Sheriff's Office (police services)	\$11,393,176
• Jail Services with the South Correctional Entity (SCORE) and King County Department of Adult Detention	830,710
• King County District Court	469,747
• King County Public Works Department (street & signal maintenance)	<u>211,947</u>

Total 2017 major contracts with other governmental agencies \$12,905,580

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 27.8% of the total sales tax revenue to the City in 2017. Auto dealers serve a regional market competing with other regional auto centers. The next largest sectors of activity reflect Burien's role as a sub-regional commercial center serving the residents of Burien and surrounding communities. These sectors include general merchandise, food services, miscellaneous store retailers, food and beverage, and related retail merchandise. The City has growing service centers spurred by medical and related services centered around 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 also anticipates growth 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 continues to actively work with the Port of Seattle to redevelop the Northeast Redevelopment Area (NERA), which was blighted by construction of the third runway. A cold storage unit was recently constructed on those parcels and is now operational. Other airport-related development projects on port-owned property are under construction. The State appropriated funding for construction of the SR-518/Des Moines Memorial Drive eastbound off-ramp. The City and the Port of Seattle continue to develop infrastructure as a result of a \$5 million grant from the Federal Aviation Administration.

Two apartment complexes, one market-rate and one senior living, were constructed in the Burien Town Square development and were quickly leased. While more tenants have occupied the ground floor retail units, they still have a few vacancies.

A major natural organic market is remodeling a vacant grocery store and should open in 2018. Two other businesses will also occupy part of the space.

IV. MAJOR INITIATIVES

Achievements for 2017 include:

- Updated the 2017-2020 Strategic Plan and added new initiatives. Continued implementation.
- Continued strengthening General Fund reserves, increasing the funding set aside in the Capital Partnership Reserve to address facility needs.
- Established a Human Services Commission to identify the need for and improve the allocation of human services funding. Hired a full-time Human Services Manager to oversee this important function.
- Implemented a new financial software system.
- Established an Airport Committee to address changes in air traffic that are negatively impacting Burien residents.
- Completed design of a wayfinding program.
- Adopted and implemented a new City brand.
- Began work on a website re-design.
- Implemented agenda management software.

- Continued the Northeast Redevelopment Area Pilot Program to design additional public infrastructure in that area. This project is primarily funded by a \$5 million dollar grant from the Federal Aviation Administration.
- Completed reconstruction of the City Hall Spray Park.
- Completed the Shoreline Master Program update.
- Completed replacement of the Gateway Arch.
- Participated in a legal consortium of cities organized to address franchise issues related to small cell carriers.
- Completed the update of the Parks, Recreation, and Open Space Plan.
- Began development of the Lake Burien School Park site plan.
- Began design of the Moshier Park restroom and field improvement project.
- Completed design and began construction of the City-wide ADA sidewalk improvement project.
- Completed the Lake to Sound Trail project.
- Completed design and began construction of the 8th Avenue S Stormwater Retrofit Improvements.
- Began design of the 5th Avenue South traffic calming project.
- Completed construction of the SW 165th Street Low Impact Development Improvement Project.

Initiatives for 2018 include:

- Continue working with FAA and the Port of Seattle to reduce airport impacts on Burien residents.
- Seek partnerships to leverage the Capital Partnership Reserve to achieve operational and capital project goals. Develop a strategy for a permanent Public Works maintenance facility.
- Continue implementation of Community Outreach and Engagement Strategies including implementation of a community connectors program.
- Launch the new website.
- Complete construction and installation of wayfinding signs.
- Pursue new revenue sources to address increased public safety and infrastructure needs.
- Continue implementation of additional phases of the new financial software.
- Replace the City Hall and Community Center telephone system.

- Improve efficiency and effectiveness of nuisance abatement and code compliance services emphasizing compliance through filing of cases in district and superior court.
- Complete design and begin 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 2017 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 2017. 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

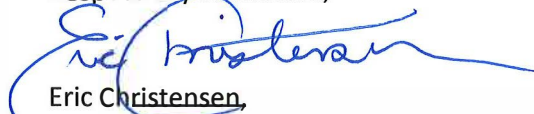
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burien for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. This was the twenty-first consecutive 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, 2016

Christopher P. Morill

Executive Director/CEO

ELECTED CITY OFFICIALS

2017 City Councilmembers

Lucy Krakowiak, Mayor
 Nancy Tosta, Deputy Mayor
 Stephen Armstrong
 Austin Bell
 Lauren Berkowitz
 Bob Edgar
 Debi Wagner

Term Ending

December 2019
 December 2017
 December 2017
 December 2019
 December 2017
 December 2019
 December 2017

2018 City Councilmembers

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

Term Ending

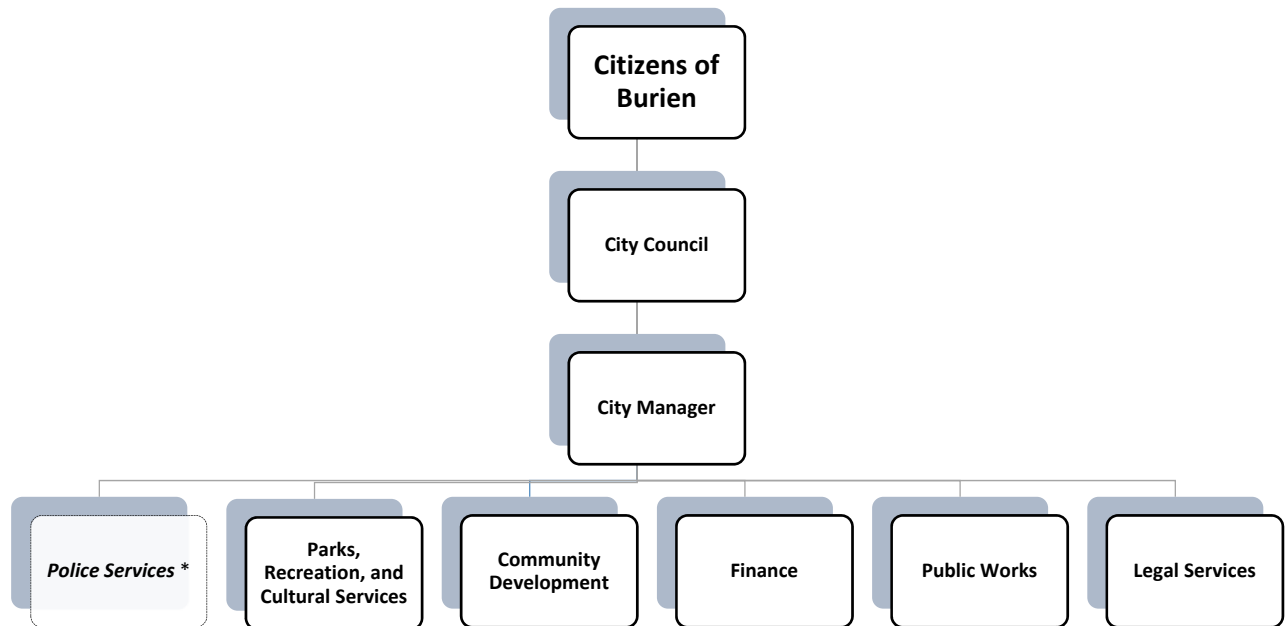
December 2021
 December 2019
 December 2019
 December 2019
 December 2021
 December 2021
 December 2021

CITY ADMINISTRATION

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

Brian Wilson
 Kim Krause (end 4/13/18)
 Eric Christensen (start 6/25/18)
 Lisa Marshall
 Chip Davis
 Steve Roemer
 Maiya Andrews
 Marcus Williams (interim)

City of Burien, Washington Organizational Chart



* Contracted Services

Prepared By:

Kim Krause
Finance Director

Patti Rader
Finance Manager

Ellen Mounts
Accountant

Joshua White
Financial Analyst

Lori Fleming
Contract Management Analyst

Cathy Rossick
Accounting Assistant





Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

July 25, 2018

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, King County, Washington, as of and for the year ended December 31, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Street Fund 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

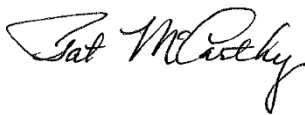
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for the purposes of additional analysis and is not a required part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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 25, 2018, 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, 2017 by \$144.9 million (net position). Of this amount, \$33.5 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining amount, \$0.3 million is restricted for debt service, \$2.5 million is restricted for capital projects, and \$108.7 million is net investment in capital assets.
- The City's total net position increased by \$4.75 million. This amount includes an increase of \$5.4 million in unrestricted net position and a \$1 million increase in restricted net position. This is offset by a \$3.7 million decrease in invested in capital assets, net of related debt.
- As of December 31, 2017, the City of Burien's governmental funds reported a combined ending fund balance of \$32.9 million. This is an increase of \$5.4 million compared to the prior year amount of \$27.5 million. Of the current year's combined ending fund balance, \$30 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, 2017, the total of assigned and unassigned General Fund balance was \$22.7 million, or 95% of total General Fund expenditures. This is an increase of \$4.2 million from the prior year.
- The City's long-term debt decreased during 2017 by \$1.9 million. Governmental long term liabilities decreased by \$1.8 million and business-type long term liabilities by \$0.1 million as a result of scheduled debt service payments.

REPORT LAYOUT

The Government-wide financial statements are designed to provide readers with a broad overview of the City of Burien's finances in a manner similar to a private sector business. Besides the Management's Discussion and Analysis (MD&A), the report consists of 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 \$144.9 million at the close of the fiscal year. During fiscal year 2017, net position increased \$4.75 million. A \$2.8 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 \$108.7 million or 75% 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 \$33.5 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 41,489,650	\$ 36,309,371	\$ 5,333,983	\$ 4,662,555	\$ 46,823,632	\$ 40,971,926
Capital assets,						
net of accumulated depreciation	114,707,520	121,563,244	13,859,878	12,421,967	128,567,399	133,985,211
Total assets	156,197,170	157,872,615	19,193,861	17,084,522	175,391,031	174,957,137
Deferred outflows of resources						
Deferred amount from debt refunding	55,938	67,126	-	-	55,938	67,126
Deferred outflow related to pensions	545,218	789,312	88,756	150,345	633,974	939,657
Total deferred outflows of resources	601,156	856,438	88,756	150,345	689,913	1,006,783
Long-term liabilities	19,361,053	20,937,974	704,544	779,255	20,065,596	21,717,229
Other liabilities	5,429,553	5,603,530	313,194	410,204	5,742,747	6,013,734
Net Pension Liability	3,411,953	4,287,360	555,434	816,640	3,967,387	5,104,000
Total liabilities	28,202,559	30,828,864	1,573,172	2,006,099	29,775,731	32,834,963
Deferred inflows of resources						
Deferred inflow related to pensions	561,150	77,236	91,350	14,712	652,500	91,948
Deferred inflow related to long-term debt	706,967	785,519	-	-	706,967	785,519
Total deferred inflows of resources	1,268,117	862,755	91,350	14,712	1,359,467	877,467
Net position:						
Net investment in capital assets	95,629,008	100,810,142	13,112,601	11,591,658	108,741,608	112,401,800
Restricted	2,748,229	1,767,972	-	-	2,748,229	1,767,972
Unrestricted	28,950,414	24,459,320	4,505,494	3,622,398	33,455,908	28,081,718
Total net position	\$ 127,327,651	\$ 127,037,434	\$ 17,618,094	\$ 15,214,056	\$ 144,945,745	\$ 142,251,490

Total net position for governmental activities increased by \$0.3 million to \$127.3 million. Total assets and deferred outflows decreased by \$1.9 million primarily due to the depreciation of capital assets. This decrease is offset by the increase in cash and cash equivalents as a result of revenues exceeding expenditures in the General Fund, Street Fund and the Public Works Reserve Fund. Total liabilities and deferred inflows decreased by \$2.3 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 by \$2.4 million to \$17.6 million. Of this increase, \$1.4 million is an increase in capital assets - \$0.7 million in construction work-in-progress for the 8th Avenue S. Sub-basin retrofit improvements, and \$0.7 million of the capitalization of drainage improvements, offset by accumulated depreciation.

CHANGE OF NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2017:

The Statement of Activities shows a net increase in the City of Burien's net position of \$4.75 million. Below is a summary version of the Statement of Activities.

Summary of Revenues

	Governmental Activities		Business - Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 4,547,410	\$ 4,741,239	\$ 3,915,258	\$ 3,602,773	\$ 8,462,668	\$ 8,344,012
Operating grants & contributions	3,555,016	3,209,930	54,548	-	3,609,565	3,209,930
Capital grants & contributions	884,673	5,291,650	976,849	182,082	1,861,522	5,473,732
General revenues:						
Property taxes	7,710,870	7,495,772	-	-	7,710,870	7,495,772
Sales and use taxes	9,825,632	9,267,023	-	-	9,825,632	9,267,023
Other taxes	8,701,260	7,409,627	-	-	8,701,260	7,409,627
Investment interest	312,092	125,574	55,595	30,287	367,688	155,861
Gain (loss) on disposal of capital assets	508,161	967,228	-	-	508,161	967,228
Extraordinary item	-	(47,604)	-	-	-	(47,604)
Miscellaneous	716,078	382,792	8,000	8,000	724,078	390,792
Total revenues	\$ 36,761,192	\$ 38,843,231	\$ 5,010,251	\$ 3,823,142	\$ 41,771,444	\$ 42,666,373

Summary of Expenses

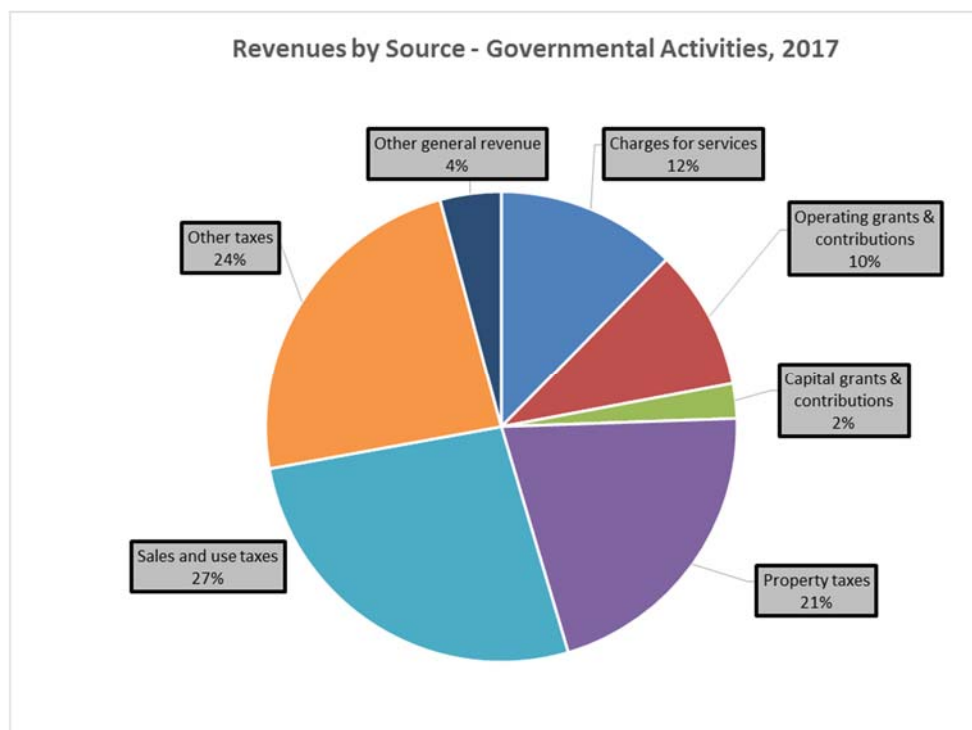
	Governmental Activities		Business - Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Expenses						
General government	\$ 5,823,417	\$ 4,819,552	\$ -	\$ -	\$ 5,823,417	\$ 4,819,552
Judicial	469,747	409,284	-	-	469,747	409,284
Public safety	12,445,067	12,085,175	-	-	12,445,067	12,085,175
Natural Environment	217,164	175,776	-	-	217,164	175,776
Transportation	8,391,172	7,527,658	-	-	8,391,172	7,527,658
Economic environment	1,979,171	2,402,303	-	-	1,979,171	2,402,303
Social services	90,519	96,897	-	-	90,519	96,897
Culture and recreation	4,316,910	3,456,327	-	-	4,316,910	3,456,327
Interest on long-term debt	894,546	892,323	3,909	4,325	898,455	896,648
Surface water management	-	-	2,389,053	2,228,559	2,389,053	2,228,559
Total expenses	34,627,713	31,865,295	2,392,963	2,232,884	37,020,676	34,098,179
Increase in net position before transfers	2,133,479	6,977,936	2,617,288	1,590,258	4,750,767	8,568,194
Gain/ Loss on disposal of capital assets	-	-	-	-	-	-
Transfers	213,250	190,000	(213,250)	(190,000)	-	-
Increase in net position	2,346,729	7,167,936	2,404,038	1,400,258	4,750,767	8,568,194
Net position - January 1	127,037,434	120,353,277	15,214,056	13,798,130	142,251,490	134,151,407
Prior period adjustment	(2,056,512)	(483,780)	-	15,668	(2,056,512)	(468,112)
Net position - January 1, restated	124,980,922	119,869,497	15,214,056	13,813,798	140,194,977	133,683,295
Net position - December 31	\$ 127,327,651	\$ 127,037,434	\$ 17,618,094	\$ 15,214,056	\$ 144,945,744	\$ 142,251,490

**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR FISCAL YEAR ENDING DECEMBER 31, 2017**

Governmental Activities

Governmental activity revenues decreased by \$2.1 million to \$36.8 million. This decrease is due to a prior year one-time \$4.7 million capital grant that was received in the prior year to restore the north shoreline at Seahurst Park. General revenues increased by \$2.2 million driven by increases in sales taxes, Real Estate Excise taxes, and an increase in the Transportation Benefit District Fee.

As shown by the chart below, taxes represent 72% of the City’s total governmental revenues. Of this amount, 21% are property taxes, 27% are sales taxes, and 24% are other taxes – notably Utility Taxes, Business and Occupation Taxes and Real Estate Excise Taxes. Charges for Services and Grants & Contributions each represent 12% of the City’s governmental revenues.



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

- Capital grants and contributions decreased by \$4,406,977, mostly due to a large capital contribution in 2017 from the Army Corp of Engineers for the Seahurst Restoration project. 2018 grants and contributions include federal funding for the Peter Western Bridge, and grant funding from the Washington State Department of Ecology for improvements made to Moshier Park
- Charges for Services decreased \$193,829 primarily due to a decrease in building permits and plan review fees compared to the prior year.
- Operating Grants and Contributions increased \$345,086 due to the receipt of a \$108,000 grant to fund additional police officers and a \$130,573 increase in franchise fees from Seattle City Light resulting from increased power usage during an unusually cold winter.
- Sales Taxes increased \$558,609 driven by increased motor vehicle sales, as well as increased sales tax revenues from food services and real estate services. This increase was offset by declining sales tax

revenues from construction activity compared with the prior year, which doubled in the prior year due to the start of a number of major construction projects.

- Other Taxes increased \$1,291,633, of which Real Estate Excise Taxes increased \$870,229 due to major property sales of apartment complexes, a warehouse and a nursing home. \$278,863 of this increase is for the increase of Transportation Benefit District from \$10 to \$20 in 2017.

Governmental expenditures increased \$2.7 million to \$34.6 million. The primary reasons for this increase are additional expenditures on capital projects in transportation and culture and recreation, filling of staffing vacancies, and the acquisition of the City's new financial management system.

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

- General Government expenditures increased \$1,003,864, due to a number of factors: the implementation of the City's new financial management system, the addition of a Public Records Officer approved by the City Council in 2017, the filling of a number of position vacancies that occurred in the prior year, an increase of the City's share of King County elections and voter registration costs, and an increase in the cost of business license services.
- Public Safety expenditures increased \$359,892, of which \$308,428 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 \$116,242 increase in the City's share of jail services provided by the South Correctional Entity (SCORE).
- Transportation expenditures increased \$863,514 as a result of two major construction projects (Citywide sidewalk barrier mitigation and the Peter Western Bridge projects), the relocation of the Public Works maintenance shop, and the addition of a maintenance worker.
- Culture and Recreation expenditures increased \$860,583, including \$257,205 in increased personnel expenditure due to filling of staffing vacancies which occurred in the prior year, as well as the addition of new intermittent staff primarily for after school programs. The completion of the Town Square Spray Park increased expenditures by \$330,420.
- Economic Environment expenditures decreased \$423,132, mainly because of a \$234,052 decrease compared with the prior year in which the City paid fees related to the sale of property in the Northeast Redevelopment Area.

Business-type Activities

Business-type activity revenues increased by \$1.2 million to \$5 million. Additional grants for the 8th Avenue S. Sub-basin retrofit improvements and additional Stormwater Connection Fees from the development of the Northeast Redevelopment Area are the primary reason for the revenue increase.

Business-type expenses increased by \$0.2 million to \$2.4 million. Increased depreciation expense and costs associated with the relocation of the Public Works maintenance shop is offset by a decrease in personnel expenses due to position vacancies in 2017.

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, 2017 is \$32,937,784, an increase of \$5,375,984 from the prior year amount of \$27,561,800. Of the General Fund balance of \$22,904,647, \$12,982,399, or 57%, 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 \$3,398,236.

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 2017. Furthermore, \$7,500,000 of the fund balance is committed for a capital partnership reserve, \$1,234,628 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 \$49,906 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, increased its fund balance by \$0.8 million to \$1.9 million. The City's sale of the right-of-way in the Northeast Redevelopment Area (NERA) to the Port of Seattle is the main reason for the increase in fund balance. The Street Fund requires a minimum fund balance equal to 5% of budgeted recurring revenues. Any excess fund balance may be transferred to the Transportation Capital Improvement Projects Fund for capital improvement projects.

The Debt Service Fund accumulates funds for the retirement of the City's debt. The fund's balance decreased by \$0.2 million to \$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 \$0.5 million to \$1.7 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 the Town Square Spray Park and the reconstruction of the Downtown Gateway Arch. The fund balance is used for projects in future years, and there is no minimum fund balance requirement.

The Transportation Capital Improvement Projects Fund decreased its fund balance by \$0.04 million to \$3.76 million. 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 March 20, 2017, the City Council adopted an amendment to the 2017-2018 Adopted Budget to increase funding for the Town Square Spray Park and the Gateway Arch replacement, which was damaged by a boom truck in February 2016. This ordinance increased capital expenditures in the Parks and General Government Capital Improvement Program Fund by \$420,000. Of this amount, \$330,000 was for the Gateway Arch replacement, and \$90,000 for the Town Square Spray Park. The Gateway Arch expenditures were funded through insurance proceeds, while the additional Town Square Spray Park expenditures were funded by a transfer from the City's Capital Project Reserve Fund.

On December 4, 2017, the City Council adopted mid-biennium amendments to the 2017-2018 Biennial Budget. These amendments decreased General Fund expenditures in 2017 by \$962,370. Of this decrease, \$650,000 are re-appropriations of capital expenditures to the following year for projects relating to upgrading the City's telephone system, City Council chamber technology, and implementation of the City's financial management system. Professional services expenditure was decreased by \$425,800 reduction in Professional Services, \$295,000 of which is a re-appropriation for special projects occurring in the following year. These decreases are primarily offset by a \$40,000 increase in animal control services and \$40,000 for the City's contract for King County District Court services. Street Fund expenditures in 2017 were increased by \$273,940. Of this increase, \$120,000 are for the relocation of the City's Public Works Maintenance Shop, \$45,000 for consulting assistance for emergency work, \$55,000 for street paving and \$50,000 for on-call snowplow services.

General Fund revenues exceeded budget estimates by 5.0%, or \$1.35 million. Growth in the retail sector, along with real estate and food services, drove sales taxes to exceed budget estimates for sales tax by 7.3%, or \$0.67 million. This growth is offset by a decrease in construction sales tax revenues, which doubled in the prior year due to the start of a number of major construction projects.

The \$0.2 million variance with the final budget for Licenses and Permits is due to major construction projects that began in 2017, which caused revenue from building and electrical permits to exceed budgeted estimates. The \$0.2 million variance for Intergovernmental Revenue is due to increased franchise payments from Seattle City Light related to an unusually cold winter that increased power consumption. The \$0.1 million variance with the final budget for Charges for Services is due to planning and development fees associated with increased building activity.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2017, the City had invested \$128.6 million in capital assets as reflected in the following table, which represents a decrease of nearly \$5.4 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	
	2017	2016	2017	2016	2017	2016
Land	\$ 25,662,236	\$ 25,974,071	\$ 1,076,060	\$ 1,076,060	\$ 26,738,296	\$ 27,050,131
Construction work in progress	1,759,634	2,804,281	1,890,863	1,153,203	3,650,497	3,957,484
Buildings	9,048,508	9,774,485	-	-	9,048,508	9,774,485
Machinery, equipment, and vehicles	1,001,275	966,279	298,574	322,841	1,299,849	1,289,120
Other improvements	14,353,086	14,824,502	-	-	14,353,086	14,824,502
Infrastructure	62,597,106	67,219,626	10,590,731	9,862,563	73,187,837	77,082,189
Intangible assets	285,676	-	3,650	7,300	289,326	7,300
Total	\$ 114,707,520	\$ 121,563,244	\$ 13,859,878	\$ 12,421,967	\$ 128,567,399	\$ 133,985,211

Construction work in progress (CWIP) for governmental activities is \$1.8 million, which is comprised of parks and street improvement projects still under construction. The CWIP amount of \$1.9 million for business-type activities is surface water infrastructure projects.

The following table shows the change in capital assets between 2016 and 2017.

CHANGE IN CAPITAL ASSETS

	Governmental Activities		Business - Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Changes in capital assets						
Land	\$ (311,835)	\$ (3,514,757)	\$ (0)	\$ -	\$ (311,835)	\$ (3,514,757)
Construction work in progress	(1,044,647)	(4,947,715)	737,660	(4,955,067)	(306,987)	(9,902,782)
Buildings	(725,977)	(725,976)	-	-	(725,977)	(725,976)
Machinery, equipment, and vehicles	34,996	(194,677)	(24,267)	(27,004)	10,729	(221,681)
Other improvements	(471,416)	9,618,723	-	-	(471,416)	9,618,723
Infrastructure	(4,622,520)	(4,378,415)	728,168	5,514,793	(3,894,352)	1,136,378
Intangible assets	285,676	(3,449)	(3,650)	(3,650)	282,026	(7,099)
Total	\$ (6,855,724)	\$ (4,146,266)	\$ 1,437,911	\$ 529,072	\$ (5,417,812)	\$ (3,617,194)

Outstanding Debt

At the end of 2017, the City had \$22.8 million in long-term debt compared to \$24.7 million in 2016. 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 \$0.1million 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	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 17,511,967	\$ 18,895,519	\$ -	\$ -	\$ 17,511,967	\$ 18,895,519
Special obligation bonds - SCORE PDA	2,957,200	3,046,800	-	-	2,957,200	3,046,800
Special assessment debt with government commitment (public works trust fund loan)	684,831	797,744	-	-	684,831	797,744
Public works trust fund loan	937,653	1,126,965	747,277	830,308	1,684,930	1,957,273
Total long-term debt	22,091,651	23,867,028	747,277	830,308	22,838,928	24,697,336
Net pension obligation	3,411,953	4,287,360	555,434	816,640	3,967,387	5,104,000
Total long-term liabilities	\$ 25,503,604	\$ 28,154,388	\$ 1,302,711	\$ 1,646,948	\$ 26,806,315	\$ 29,801,336

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. During 2017 a cold storage unit was constructed and is now operational. The City is working to develop infrastructure in partnership with the Port of Seattle with a \$5 million grant provided by the Federal Aviation Administration. Property and commercial development remain strong, with the opening of a major organic market in 2018, and the development of market rate apartments in the Boulevard Park neighborhood.

NEXT YEAR'S BUDGETS AND RATES

The amendments to the 2017-2018 Biennial Budget adopted by the City Council on December 4, 2017 increased General Fund expenditures by \$1,383,695. Of this increase, \$954,765 are for increased personnel expenditures. The City increased its total FTE by 6.9, of which 6.33 FTE is in the General Fund. The following are the major changes to City personnel levels:

- Add 1.0 FTE Human Services Manager,
- Add 1.0 FTE Information Systems Help Desk Technician
- Add 1.0 FTE temporary Accounting Assistant,
- Add 1.0 FTE Customer Service Supervisor,
- Add 0.5 FTE temporary Accounting Intern,
- Increase Intermittent Staff at Parks, Recreation and Cultural Services by 0.7 FTE,
- Increase Department Assistants by 0.57 FTE,
- Increase Human Resources Technician by 0.4 FTE to 1.0 FTE,

Of the remaining \$428,938 in General Fund appropriation increases, \$265,000 is for professional services relating to an airport environmental consulting study and other emerging issues, \$175,000 is for increased costs for jail and district court contracts, \$100,000 is for increased costs for animal control services, and \$75,000 is for increased maintenance of City parks. These increases are offset by a \$150,000 reduction in professional services related to the City's implementation of a new financial management system.

FINANCIAL CONTACT

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

BASIC FINANCIAL STATEMENTS



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City of Burien, Washington
Statement of Net Position
December 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 33,596,783	\$ 5,192,673	\$ 38,789,456
Receivables (net of allowance for uncollectibles)	2,151,923	123,325	2,275,248
Due from other governments	2,357,431	17,985	2,375,417
Restricted cash and cash equivalents	79,447	-	79,447
Investment in joint venture - SCORE	3,304,065	-	3,304,065
Capital assets not being depreciated:			
Land	25,662,236	1,076,060	26,738,296
Construction in progress	1,759,634	1,890,863	3,650,497
Capital assets, net of accumulated depreciation:			
Buildings	9,048,508	-	9,048,508
Machinery, equipment, and vehicles	1,001,275	298,574	1,299,849
Other improvements	14,353,086	-	14,353,086
Infrastructure	62,597,106	10,590,731	73,187,837
Intangible assets	285,676	3,650	289,326
Total assets	<u>156,197,170</u>	<u>19,193,861</u>	<u>175,391,031</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount from debt refunding	55,938	-	55,938
Deferred outflow related to pensions	545,218	88,756	633,974
Total deferred outflows of resources	<u>601,156</u>	<u>88,756</u>	<u>689,913</u>
LIABILITIES			
Accounts payable and other liabilities	1,053,948	178,251	1,232,198
Accrued interest payable	66,802	2,180	68,982
Due to other governments	1,385,608	45,256	1,430,863
Unearned revenues	310,396	-	310,396
Deposits payable	269,266	-	269,266
Non-current liabilities:			
Special assessment debt with government commitment	684,831		684,831
Due within one year	1,658,702	87,508	1,746,211
Due in more than one year	19,361,053	704,544	20,065,596
Net pension liabilities	3,411,953	555,434	3,967,387
Total liabilities	<u>28,202,559</u>	<u>1,573,173</u>	<u>29,775,731</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	561,150	91,350	652,500
Deferred inflow related to premium on long-term debt refunding	706,967	-	706,967
Total deferred inflows of resources	<u>1,268,117</u>	<u>91,350</u>	<u>1,359,467</u>
NET POSITION			
Net investment in capital assets	95,629,008	13,112,601	108,741,608
Restricted for:			
Debt service	292,036	-	292,036
Capital projects	2,456,193	-	2,456,193
Unrestricted	28,950,414	4,505,494	33,455,908
Total net position	<u>\$ 127,327,651</u>	<u>\$ 17,618,094</u>	<u>\$ 144,945,745</u>

City of Burien, Washington
Statement of Activities
For the Year Ended December 31, 2017
 Page 1 of 2

<u>Functions/Programs</u>	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 5,823,417	\$ 1,150,433	\$ 1,897,791
Judicial	469,747	176,289	-
Public safety	12,445,067	36,680	388,245
Natural environment	217,164	49,870	-
Transportation	8,391,172	1,229,414	1,143,398
Economic environment	1,979,171	1,401,209	78,762
Social services	90,519	57,825	31,671
Culture and recreation	4,316,910	445,689	15,150
Interest on long-term debt	894,546	-	-
Total governmental activities	<u>34,627,713</u>	<u>4,547,410</u>	<u>3,555,016</u>
Business-type activities:			
Surface water management	<u>2,392,963</u>	<u>3,915,258</u>	<u>54,548</u>
Total business-type activities	<u>2,392,963</u>	<u>3,915,258</u>	<u>54,548</u>
Total primary government	<u>\$ 37,020,676</u>	<u>\$ 8,462,668</u>	<u>\$ 3,609,565</u>

General revenues:
 Taxes
 Property taxes
 Retail sales and use taxes
 Business and occupation taxes
 Excise taxes
 Other taxes
 Unrestricted investment earnings
 Miscellaneous
 Gain (loss) on disposal of capital assets
 Transfers
 Total general revenues and transfers

Change in net position

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

City of Burien, Washington
Statement of Activities
For the Year Ended December 31, 2017
Page 2 of 2

Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Functions/Programs
\$ -	\$ (2,775,193)	\$ -	\$ (2,775,193)	Governmental activities:
-	(293,458)	-	(293,458)	General government
-	(12,020,142)	-	(12,020,142)	Judicial
-	(167,295)	-	(167,295)	Public safety
784,768	(5,233,591)	-	(5,233,591)	Natural environment
-	(499,201)	-	(499,201)	Transportation
-	(1,023)	-	(1,023)	Economic environment
99,904	(3,756,166)	-	(3,756,166)	Social services
-	(894,546)	-	(894,546)	Culture and recreation
<u>884,673</u>	<u>(25,640,615)</u>	<u>-</u>	<u>(25,640,615)</u>	Interest on long-term debt
				Total governmental activities
				Business-type activities:
<u>976,849</u>	<u>-</u>	<u>2,553,693</u>	<u>2,553,693</u>	Surface water management
<u>976,849</u>	<u>-</u>	<u>2,553,693</u>	<u>2,553,693</u>	Total business-type activities
<u>\$ 1,861,522</u>	<u>\$ (25,640,615)</u>	<u>\$ 2,553,693</u>	<u>\$ (23,086,922)</u>	Total primary government
				General revenues:
	7,710,870	-	7,710,870	Taxes
	9,825,632	-	9,825,632	Property taxes
	4,966,540	-	4,966,540	Retail sales and use taxes
	666,752	-	666,752	Business and occupation taxes
	3,067,968	-	3,067,968	Excise taxes
	312,092	55,595	367,688	Other taxes
	716,078	8,000	724,078	Unrestricted investment earnings
	508,161	-	508,161	Miscellaneous
	213,250	(213,250)	-	Gain (loss) on disposal of capital assets
	<u>27,987,344</u>	<u>(149,655)</u>	<u>27,837,689</u>	Transfers
				Total general revenues and transfers
	2,346,729	2,404,038	4,750,767	Change in net position
	127,037,434	15,214,056	142,251,490	Net position - January 1
	<u>(2,056,512)</u>	<u>-</u>	<u>(2,056,512)</u>	Prior period adjustment
	<u>124,980,922</u>	<u>15,214,056</u>	<u>140,194,978</u>	Net position - January 1, restated
	<u><u>127,327,651</u></u>	<u><u>\$ 17,618,094</u></u>	<u><u>\$ 144,945,745</u></u>	Net position - December 31

City of Burien, Washington
Balance Sheet
Governmental Funds
December 31, 2017
Page 1 of 2

	General	Street	Debt Service
ASSETS			
Cash and cash equivalents	\$ 22,271,314	\$ 1,663,463	\$ 71,111
Accounts receivable	97,419	7,150	-
Taxes receivable:			
Current	1,009,943	128,496	-
Delinquent	94,151	-	-
Special assessments receivable	-	-	618,712
Due from other governments	2,052,346	177,906	-
Restricted cash and cash equivalents	79,447	-	-
Total assets	<u>25,604,620</u>	<u>1,977,015</u>	<u>689,823</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u><u>\$ 25,604,620</u></u>	<u><u>\$ 1,977,015</u></u>	<u><u>\$ 689,823</u></u>
LIABILITIES			
Accounts payable	\$ 452,867	\$ 38,751	
Retainage payable		1,903	
401(a) payable	26,663	-	-
Due to other governments	1,257,890	34,606	-
Deposits payable	269,266	-	-
Accrued wages and benefits payable	269,661	37,077	-
Unearned revenue	310,396	-	-
Total liabilities	<u>2,586,743</u>	<u>112,337</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	94,151	-	-
Unavailable revenue-special assessments	-	-	618,712
Unavailable revenue-grants	1,159	-	-
Unavailable revenue-accounts receivable	17,872	6,875	-
Total deferred inflows of resources	<u>113,182</u>	<u>6,875</u>	<u>618,712</u>
FUND BALANCES (DEFICITS)			
Restricted:			
Debt service	-	-	71,111
Other capital projects	-	-	-
Committed:			
Arts projects	49,906	-	-
Parking projects	137,760	-	-
Assigned:			
Capital partnership	7,500,000	-	-
Capital Equipment Reserve	1,000,000	-	-
Capital projects	1,234,628	-	-
Street maintenance	-	1,857,804	-
Parks capital projects	-	-	-
Transportation capital projects	-	-	-
Unassigned:	<u>12,982,403</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>22,904,697</u>	<u>1,857,804</u>	<u>71,111</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u><u>\$ 25,604,620</u></u>	<u><u>\$ 1,977,015</u></u>	<u><u>\$ 689,823</u></u>

City of Burien, Washington
Balance Sheet
Governmental Funds
December 31, 2017
Page 2 of 2

Parks and General Government Capital Projects	Transportation Capital Projects	Other Governmental	Total
\$ 1,679,782	\$ 4,019,817	\$ 2,440,901	\$ 32,146,388
15,479	-	-	120,048
-	-	180,573	1,319,012
-	-	-	94,151
-	-	-	618,712
44,612	26,831	55,737	2,357,431
-	-	-	79,447
<u>1,739,873</u>	<u>4,046,648</u>	<u>2,677,211</u>	<u>36,735,190</u>
-	-	-	-
<u>\$ 1,739,873</u>	<u>\$ 4,046,648</u>	<u>\$ 2,677,211</u>	<u>\$ 36,735,190</u>
\$ 52,187	\$ 111,451	\$ 93	\$ 655,349
-	\$ 58,170	-	\$ 60,072
-	-	-	26,663
1,504	91,608	-	1,385,608
-	-	-	269,266
278	1,956	-	308,972
-	-	-	310,396
<u>53,969</u>	<u>263,185</u>	<u>93</u>	<u>3,016,326</u>
-	-	-	94,151
-	-	-	618,712
-	26,831	-	27,990
15,479	-	-	40,225
<u>15,479</u>	<u>26,831</u>	<u>-</u>	<u>781,079</u>
-	-	220,925	292,036
-	-	2,456,193	2,456,193
-	-	-	49,906
-	-	-	137,760
-	-	-	7,500,000
-	-	-	1,000,000
-	-	-	1,234,628
-	-	-	1,857,804
1,670,425	-	-	1,670,425
-	3,756,632	-	3,756,632
-	-	-	12,982,403
<u>1,670,425</u>	<u>3,756,632</u>	<u>2,677,118</u>	<u>32,937,785</u>
<u>\$ 1,739,873</u>	<u>\$ 4,046,648</u>	<u>\$ 2,677,211</u>	<u>\$ 36,735,190</u>

City of Burien, Washington
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2017

Total fund balances - governmental funds	\$	32,937,785
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		
Land	25,662,236	
Construction in progress	1,759,634	
Buildings (net of accumulated depreciation)	9,048,508	
Machinery and equipment (net of accumulated depreciation)	1,001,275	
Improvements (net of accumulated depreciation)	14,353,086	
Infrastructure (net of accumulated depreciation)	62,597,106	
Intangibles (net of accumulated amortization)	<u>285,676</u>	114,707,520
<p>Investment in joint ventures (SCORE) are not a financial resource and, therefore are not reported in the funds.</p>		
		3,304,065
<p>Receivables not available to pay current period expenditures and, therefore, are deferred in the funds:</p>		
Property taxes	94,151	
Special assessments	618,712	
Grants	27,990	
Charges for services	12,303	
Fines/Penalties	1,800	
Miscellaneous	26,123	781,079
<p>Certain liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
General obligation bonds	(16,805,000)	
2009 bonds A and B- SCORE joint venture	(2,957,200)	
Special assessment debt payable	(684,831)	
Public works trust fund loans payable	(937,653)	
Compensated absences	(319,902)	
Deferred charge on refunding	55,938	
Net pension	(3,411,953)	
Accrued interest payable on long-term debt	<u>(66,802)</u>	(25,127,403)
<p>Some deferred outflows and inflows of resources are not reported in the funds.</p>		
Deferred inflow related to pensions	545,218	
Deferred inflow related to long term debt	(706,967)	
Deferred outflow related to pensions	<u>(561,150)</u>	(722,899)
<p>Internal service funds are used by management to charge the costs of certain activities such as equipment rental to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.</p>		
		<u>1,447,503</u>
Net position of governmental activities	\$	<u><u>127,327,651</u></u>

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City of Burien, Washington
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017
Page 1 of 2

	General	Street	Debt Service
REVENUES			
Taxes			
Property taxes	\$ 7,688,487	\$ -	\$ -
Retail sales and use taxes	9,825,632	-	-
Real estate excise tax	-	-	-
Business and occupation taxes	1,514,984	-	-
Utility taxes	2,575,255	423,580	-
Gambling and other taxes	459,746	244,548	-
Licenses and permits	1,924,447	1,011,411	-
Intergovernmental revenues	2,318,144	1,143,398	106,794
Charges for services	1,169,883	-	48,164
Fines and forfeitures	183,790	-	120
Investment earnings	209,853	20,972	1,563
Special assessments penalties and interest	-	-	3,636
Rents and leases	321,287	-	-
Contributions and donations	25,085	-	-
Special assessments principal	-	-	87,817
Miscellaneous	56,286	602	-
Total revenues	<u>28,272,880</u>	<u>2,844,511</u>	<u>248,095</u>
EXPENDITURES			
Current:			
General government	5,124,501	-	-
Judicial	469,747	-	-
Public safety	12,371,239	-	-
Natural environment	217,164	-	-
Transportation	252,100	1,906,852	-
Economic environment	1,999,018	-	-
Social services	90,519	-	-
Culture and recreation	3,098,228	-	-
Debt service			
Principal	-	-	1,607,224
Interest and fiscal charges	-	-	792,310
Capital outlay	373,496	34,319	-
Total expenditures	<u>23,996,013</u>	<u>1,941,171</u>	<u>2,399,534</u>
Excess (deficiency) of revenues over expenditures	<u>4,276,867</u>	<u>903,340</u>	<u>(2,151,439)</u>
Other financing			
Transfers in	80,000	-	1,975,000
Transfers out	(228,075)	(970,000)	-
Proceeds from sale of capital assets	-	819,996	-
Insurance Recoveries	22,052	598	-
Total other financing sources (uses)	<u>(126,023)</u>	<u>(149,406)</u>	<u>1,975,000</u>
Net change in fund balances	4,150,845	753,934	(176,439)
Fund balances - beginning	<u>18,753,851</u>	<u>1,103,869</u>	<u>247,550</u>
Fund balances - ending	<u>\$ 22,904,697</u>	<u>\$ 1,857,803</u>	<u>\$ 71,111</u>

City of Burien, Washington
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017
Page 2 of 2

Parks and General Government Capital Projects	Transportation Capital Projects	Other Governmental	Total
\$ 98,805	\$ -	\$ -	\$ 7,787,292
-	-	-	9,825,632
-	-	2,823,420	2,823,420
-	-	-	1,514,984
-	-	-	2,998,835
-	-	659,726	1,364,020
-	-	-	2,935,858
99,904	757,937	-	4,426,178
-	157,318	46,661	1,422,027
-	-	-	183,911
17,326	29,344	21,486	300,543
-	-	-	3,636
-	-	-	321,287
-	-	-	25,085
-	-	-	87,817
-	-	-	56,888
<u>216,036</u>	<u>944,599</u>	<u>3,551,293</u>	<u>36,077,414</u>
-	-	-	5,124,501
-	-	-	469,747
-	-	-	12,371,239
-	-	-	217,164
-	1,560,033	2,097	3,721,081
624	-	-	1,999,642
-	-	-	90,519
195,288	-	-	3,293,516
-	-	-	1,607,224
-	-	-	792,310
<u>840,368</u>	<u>895,936</u>	<u>-</u>	<u>2,144,118</u>
<u>1,036,280</u>	<u>2,455,968</u>	<u>2,097</u>	<u>31,831,062</u>
<u>(820,244)</u>	<u>(1,511,369)</u>	<u>3,549,196</u>	<u>4,246,352</u>
78,075	1,470,750	-	3,603,825
-	-	(2,392,500)	(3,590,575)
-	-	-	819,996
<u>273,737</u>	<u>-</u>	<u>-</u>	<u>296,387</u>
<u>351,812</u>	<u>1,470,750</u>	<u>(2,392,500)</u>	<u>1,129,633</u>
(468,432)	(40,619)	1,156,696	5,375,984
<u>2,138,857</u>	<u>3,797,251</u>	<u>1,520,422</u>	<u>27,561,800</u>
<u>\$ 1,670,425</u>	<u>\$ 3,756,632</u>	<u>\$ 2,677,118</u>	<u>\$ 32,937,785</u>

City of Burien, Washington
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental to the Statement of Activities
For the Fiscal Year Ended December 31, 2017

Net change in fund balances - total governmental funds		\$ 5,375,984
Amounts reported for governmental activities in the statement of activities are different because:		
<p>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.</p>		
Capital outlays	2,144,118	
Loss on capital asset	(321,620)	
Depreciation expense	(6,383,411)	
		(4,560,913)
<p>Donations of capital assets are not reported in the governmental funds. However, in the statement of activities, the fair market value of those assets is recognized as revenue.</p>		
		-
<p>Investment in joint ventures are not considered financial resources and are, therefore not reported in the funds.</p>		
		(67,337)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>		
Property tax revenue	(76,422)	
Special assessments revenue	(90,071)	
Grants	13,511	
Charges for services	5,615	
Miscellaneous	24,833	
	24,833	(122,533)
<p>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.</p>		
Principal payments on long-term debt	1,607,224	
Amortization of deferred charge on bond refunding	(11,188)	
	(11,188)	1,596,036
<p>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.</p>		
Accrued interest expense	(12,496)	
Accrued refunding premium	(78,552)	
Accrued compensated absences expense	(52,350)	
	(52,350)	(143,398)
<p>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.</p>		
Pension		147,399
<p>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.</p>		
		121,491
Change in net position of governmental activities		\$ 2,346,729

City of Burien, Washington
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
For the Year ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 20,765,000	\$ 21,120,000	\$ 22,064,105	\$ 944,105
Licenses and permits	1,710,000	1,771,000	1,924,447	153,447
Intergovernmental revenue	2,055,000	2,090,000	2,318,144	228,144
Charges for services	1,020,000	1,070,000	1,169,883	99,883
Fines and forfeitures	200,000	200,000	183,790	(16,210)
Investment earnings	56,000	121,000	209,853	88,853
Rents and leases	295,000	310,000	321,287	11,287
Contributions and donations	-	-	25,085	25,085
Miscellaneous	290,000	240,000	56,286	(183,714)
Total revenues	<u>26,391,000</u>	<u>26,922,000</u>	<u>28,272,880</u>	<u>1,350,880</u>
EXPENDITURES				
Current:				
General government	5,746,025	5,486,125	5,124,501	361,624
Judicial	450,000	490,000	469,747	20,253
Public safety	12,950,000	12,950,000	12,371,239	578,761
Natural environment	180,000	220,000	217,164	2,836
Transportation	369,425	376,970	252,100	124,870
Economic environment	2,516,615	2,388,850	1,999,018	389,832
Social services	106,000	116,000	90,519	25,481
Culture and recreation	3,214,160	3,191,910	3,098,228	93,682
Capital outlay	1,337,000	687,000	373,496	313,504
Total expenditures	<u>26,869,225</u>	<u>25,906,855</u>	<u>23,996,012</u>	<u>1,910,843</u>
Excess (deficiency) of revenues over expenditures	<u>(478,225)</u>	<u>1,015,145</u>	<u>4,276,868</u>	<u>3,261,723</u>
OTHER FINANCING SOURCES (USES)				
Compensation for loss of fixed asset	-	-	22,052	22,052
Transfers In	100,000	100,000	80,000	(20,000)
Transfers out	(1,112,055)	(398,075)	(228,075)	170,000
Total other financing uses (sources)	<u>(1,012,055)</u>	<u>(298,075)</u>	<u>(126,023)</u>	<u>172,052</u>
Net change in fund balances	(1,490,280)	717,070	4,150,845	3,433,775
Fund balances - beginning	<u>14,322,185</u>	<u>18,663,850</u>	<u>18,753,851</u>	<u>90,001</u>
Fund balances - ending	<u>\$ 12,831,905</u>	<u>\$ 19,380,920</u>	<u>\$ 22,904,696</u>	<u>\$ 3,523,776</u>

City of Burien, Washington
Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Utility taxes	\$ 390,000	\$ 410,000	\$ 423,580	\$ 13,580
Other taxes	245,000	250,000	244,548	(5,452)
Intergovernmental revenues	1,145,000	1,135,000	1,143,398	8,398
Licenses and permits	975,000	1,005,000	1,011,411	6,411
Investment earnings	1,000	6,000	20,972	14,972
Miscellaneous	-	-	602	602
Total revenues	2,756,000	2,806,000	2,844,511	38,511
EXPENDITURES				
Current:				
Transportation	1,814,075	2,088,015	1,906,852	181,163
Capital outlay	92,000	92,000	34,319	57,681
Total expenditures	1,906,075	2,180,015	1,941,171	238,844
Excess of revenues over expenditures	849,925	625,985	903,340	277,355
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,290,000)	(970,000)	(970,000)	-
Insurance recoveries	-	-	598	598
Sale of capital assets	-	-	819,996	819,996
Total other financing sources (uses)	(1,290,000)	(970,000)	(149,406)	820,594
Net change in fund balances	(440,075)	(344,015)	753,934	1,097,949
Fund balance - beginning	591,705	1,103,870	1,103,869	(1)
Fund balances - ending	\$ 151,630	\$ 759,855	\$ 1,857,803	\$ 1,097,948

City of Burien, Washington
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities <u>Enterprise Fund</u> Surface Water Management	<u>Governmental Activities Internal Service Fund</u> Equipment Replacement
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,192,673	\$ 1,450,395
Utility receivables, net	123,325	-
Due from other governments	17,985	-
Total current assets	<u>5,333,983</u>	<u>1,450,395</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	1,076,060	-
Construction in progress	1,890,863	-
Capital assets, net of accumulated depreciation:		
Machinery, equipment, and vehicles	298,574	208,613
Infrastructure	10,590,731	-
Intangible assets	3,650	-
Total noncurrent assets	<u>13,859,878</u>	<u>208,613</u>
Total assets	<u>19,193,861</u>	<u>1,659,008</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources: pensions	<u>88,756</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	100,610	2,892
Retainage Payable	22,452	-
Accrued employee wages and benefits payable	55,189	-
Compensated absences	4,477	-
Accrued interest payable	2,180	-
Due to other governments	45,256	-
Public works trust fund loan payable	83,031	-
Total current liabilities	<u>313,195</u>	<u>2,892</u>
Non-current liabilities:		
Compensated absences	40,297	-
Net pension liabilities	555,434	-
Public works trust fund loan payable	664,247	-
Total liabilities	<u>1,573,173</u>	<u>2,892</u>
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources: pensions	<u>91,350</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	13,112,601	208,613
Unrestricted	4,505,494	1,447,503
Total net position	<u>\$ 17,618,094</u>	<u>\$ 1,656,116</u>

City of Burien, Washington
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Surface Water Management	Equipment Replacement
Operating revenues:		
Charges for services	\$ 3,915,258	\$ 70,000
Miscellaneous	8,000	-
Total operating revenues	<u>3,923,258</u>	<u>70,000</u>
Operating expenses:		
Personnel services	1,081,285	-
Supplies	93,630	30,246
Services	683,312	-
Taxes	314	-
Depreciation	530,513	59,812
Total operating expenses	<u>2,389,053</u>	<u>90,058</u>
Operating income (loss)	1,534,205	(20,058)
Non-operating revenues (expenses):		
Intergovernmental revenues	28,950	-
Investment earnings	55,595	11,549
Private grants/donations	25,000	-
Insurance recoveries	598	-
Interest expense	(3,909)	-
Total nonoperating revenues (expenses)	<u>106,234</u>	<u>11,549</u>
Income before capital contributions and transfers	<u>1,640,439</u>	<u>(8,509)</u>
Capital contribution	976,849	-
Transfers in	-	200,000
Transfers out	(213,250)	-
Total transfers	<u>763,599</u>	<u>200,000</u>
Change in net position	<u>2,404,038</u>	<u>191,491</u>
Net position - January 1	15,214,056	1,464,625
Net position - December 31	<u>\$ 17,618,094</u>	<u>\$ 1,656,116</u>

City of Burien, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities Enterprise Fund Surface Water Management	Governmental Activities Internal Service Fund Equipment Replacement
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	\$ (737,937)	\$ (27,354)
Receipts from customers	3,918,135	70,000
Other receipts	8,000	-
Payments to employees	(1,182,382)	-
Payment for interfund services used	(70,000)	-
Net cash provided (used for) operating activities	<u>1,935,817</u>	<u>42,646</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to/from other funds	(213,250)	200,000
Operating grant	53,950	-
Net cash provided (used for) noncapital financing activities	<u>(159,300)</u>	<u>200,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants	1,022,668	-
Acquisition and construction of capital assets	(2,048,851)	(133,349)
Principal paid on capital debt	(83,031)	-
Interest paid on capital debt	(4,152)	-
Net cash provided by (used for) capital and related financing activities	<u>(1,113,366)</u>	<u>(133,349)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	56,374	11,549
Net cash provided by investing activities	<u>56,374</u>	<u>11,549</u>
Net increase (decrease) in cash and cash equivalents	719,526	120,846
Cash and cash equivalents, January 1	<u>4,472,550</u>	<u>1,329,549</u>
Cash and cash equivalents, December 31	<u>\$ 5,192,076</u>	<u>\$ 1,450,395</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	<u>\$ 1,534,205</u>	<u>\$ (20,058)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities:		
Depreciation expense	530,513	59,812
Pension expense	(122,979)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,707)	-
(Increase) decrease in intergovernmental receivables	4,584	-
(Decrease) increase in employee wages and benefits payable	13,562	-
(Decrease) increase in accrued liabilities	-	2,892
(Decrease) increase in compensated absences	8,320	-
(Decrease) increase in accounts payable	(18,087)	-
(Decrease) increase in retainage payable	1,903	-
(Decrease) increase in intergovernmental payable	(14,497)	-
Total adjustments	<u>401,612</u>	<u>62,704</u>
Net cash provided by (used for) operating activities	<u>\$ 1,935,817</u>	<u>\$ 42,646</u>

**City of Burien, Washington
Statement of Net Position
Fiduciary Fund
December 31, 2017**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 95,204
Total assets	\$ 95,204
 LIABILITIES	
Accounts Payable	92,768
Payroll withholdings and employer contributions	\$ 2,436
Total liabilities	\$ 95,204

**NOTES TO FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

Prior to 2017, The Burien Transportation Benefit District was a blended component unit of the City. It was formed when the City Council adopted Ordinance No. 516 on July 20, 2009. On November 7, 2016 the City Council adopted Ordinance No. 661 to assume the rights, powers, immunities, functions and obligations of the Burien Transportation District (TBD). This change became effective on December 31,2016. For the 2017 fiscal year, the activities of the TBD are now reported in Fund 118 within the City's financial statements.

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 latter 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, 2017 \$4,290 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 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 of Burien 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 of Burien 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. The City's policy is to maintain an ending fund balance in the General Fund of at least 20% of budgeted General Fund recurring revenues with a goal of 20% by the 2017-18 biennium. For the Street and Surface Water Management Funds, the policy is to maintain an ending fund balance of at least 5% of recurring revenues in these funds.

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 revenue 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, 2017, the carrying amount of the City’s demand deposits with Key Bank was \$615,751. Petty and working cash totaling \$8,800 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 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, 2017, the City had the following investments and maturity:

	Amortized Cost	Less than One Year
State Treasurer’s Local Government Investment Pool	<u>\$38,405,399</u>	<u>\$38,405,399</u>
Total Investments	<u>\$38,405,399</u>	<u>\$38,405,399</u>

Interest Rate Risk

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

Credit Risk

Washington State law limits investments in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances, primary certificates of deposit issued by qualified public depositories, the State Treasurer's Local Government Investment Pool, and repurchase agreements collateralized by the previously authorized investments. Additionally investments may be made in commercial paper and bonds of the State of Washington and any local government in the State of Washington 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, 2017, 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 it’s 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 2017 was \$1.36228 per \$1,000 of the assessed valuation of \$5,663,272,829 for a total regular levy of \$7,640,079, 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:

		Transfer From					
		General Fund	Debt Service Fund	Transportation CIP	Surface Water Utility Fund	All Others	Total
Transfer To	General Fund				\$ 40,000	\$ 40,000	\$ 80,000
	Debt Service Fund					1,975,000	1,975,000
	Transportation CIP				173,250	1,297,500	1,470,750
	Surface Water Utility Fund						-
	All Others	228,075				75,000	303,075
	Total	\$ 228,075	\$ -	\$ -	\$ 213,250	\$ 3,387,500	\$ 3,828,825

NOTE 6. RESTRICTED COMPONENT OF NET POSITION

The government-wide statement of net position reports \$2,748,229 of restricted component of net position, of which \$2,677,118 is restricted by enabling legislation. The balance of \$71,111 is restricted by debt covenants.

NOTE 7. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

	Primary Government					Ending Balance
	Beginning Balance	Prior Period Adjustment	Adjusted Beginning Balance	Increases	Decreases	
	1/1/2017					12/31/2017
Governmental activities :						
Capital assets, not being depreciated:						
Land and land improvements	\$ 25,974,070		\$ 25,974,070	\$ -	\$ 311,835	\$ 25,662,234
Construction in progress	2,804,280	(2,048,435)	755,845	1,013,739	9,951	1,759,633
Total capital assets, not being depreciated	28,778,349	(2,048,435)	26,729,914	1,013,739	321,786	27,421,867
Capital assets, being depreciated:						
Buildings and structures	15,099,531		15,099,531	-	-	15,099,531
Other improvements	18,941,730		18,941,730	413,637	-	19,355,367
Machinery and equipment	3,644,089	(1,427)	3,642,663	210,926	69,118	3,784,471
Infrastructure	123,979,283		123,979,283	33,742	-	124,013,025
Total capital assets being depreciated	161,664,633	(1,427)	161,663,207	658,305	69,118	162,252,394
Less accumulated depreciation for:						
Buildings and structures	(5,325,046)		(5,325,046)	(725,977)	-	(6,051,022)
Other improvements	(4,117,228)		(4,117,228)	(885,054)	-	(5,002,282)
Machinery and equipment	(2,677,810)	1,427	(2,676,383)	(175,217)	68,404	(2,783,196)
Infrastructure	(56,759,655)	-	(56,759,655)	(4,656,262)	-	(61,415,917)
Total accumulated depreciation	(68,879,739)	1,427	(68,878,313)	(6,442,510)	68,404	(75,252,418)
Total capital assets, being depreciated, net	92,784,894	-	92,784,894	(5,784,204)	714	86,999,976
Intangible Assets:						
Intangible assets, not being amortized						
Intangible assets, being amortized	354,892		354,892	285,676	1,680	638,888
Less accumulated amortization	(354,892)		(354,892)	-	(1,680)	(353,212)
Total intangible asset, being amortized, net	-	-	-	285,676	3,360	285,676
Governmental activities capital assets, net	\$121,563,244	\$ (2,048,435)	\$119,514,808	\$ (4,484,789)	\$ 325,860	\$ 114,707,519
Business-type activities:						
Capital assets, not being depreciated:						
Land and land improvements	\$ 1,076,060	\$ -	\$ 1,076,060	\$ -	\$ -	\$ 1,076,060
Construction in progress	1,153,203	(9,408)	1,143,795	1,412,127	665,059	1,890,863
Total capital assets, not being depreciated	2,229,263	(9,408)	2,219,855	1,412,127	665,059	2,966,923
Capital assets, being depreciated:						
Buildings and structures	-	-	-	-	-	-
Infrastructure	14,816,360		14,816,360	1,227,267	-	16,043,627
Machinery and equipment	476,549	-	476,549	3,498	-	480,047
Total capital assets being depreciated	15,292,909	-	15,292,909	1,230,765	-	16,523,674
Less accumulated depreciation for:						
Buildings and structures	-	-	-	-	-	-
Infrastructure	(4,953,797)		(4,953,797)	(499,098)	-	(5,452,895)
Machinery and equipment	(153,709)	-	(153,709)	(27,765)	-	(181,473)
Total accumulated depreciation	(5,107,506)	-	(5,107,506)	(526,863)	-	(5,634,368)
Total capital assets, being depreciated, net	10,185,403	-	10,185,403	703,902	-	10,889,306
Intangible Assets:						
Intangible assets, not being amortized						
Intangible assets, being amortized	10,950	-	10,950	-	-	10,950
Less accumulated amortization	(3,650)	-	(3,650)	(3,650)	-	(7,300)
Total intangible asset, being amortized, net	14,600	-	14,600	(3,650)	-	3,650
Total Intangible assets	14,600	-	14,600	(3,650)	-	3,650
Business-type activities capital assets, net	\$ 12,429,267	\$ (9,408)	\$ 12,419,859	\$ 2,112,379	\$ 665,059	\$ 13,859,879

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

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

Governmental activities	Depreciation	Amortization	Total
General Government	\$ 697,330		\$ 697,330
Public Safety	6,491		6,491
Transportation	4,689,306	-	4,689,306
Culture and Recreation	1,046,006	-	1,046,006
Economic Environment	3,377	-	3,377
Total - Governmental activities	\$ 6,442,510	\$ -	\$ 6,442,510
Business-type activities			
Surface Water Management	\$ 526,863	\$ 3,650	\$ 530,513
Total - Business-type activities	\$ 526,863	\$ 3,650	\$ 530,513

NOTE 8. CONSTRUCTION COMMITMENTS

The City had three active construction projects as of December 31,2017, the Citywide ADA Barrier Mitigation, 8th Avenue South Sub-basin Retrofit Improvements, SW 165th Street Drainage Improvements.

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

Project Name	Total Contract Amount (w/Change Orders)	Amount Paid thru 12/31/17	Balance Remaining
Citywide ADA Barrier Mitigation	\$717,766	\$400,975	\$316,791
8th Avenue South Sub-basin Retrofit Improvements	\$1,159,383	\$1,133,582	\$25,801
SW 165th Street Drainage Improvements	\$431,398	\$410,985	\$20,413

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, the South Correctional Entity, (SCORE) Public Development Authority (PDA) issued \$86 million of Special Obligation Bonds to build a jail facility. The City of Burien’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:

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	89,600
2010 Limited Tax G.O. - Street Overlay	2010-2029	2.00-6.13%	8,615,000	405,000
2011 Limited Tax G.O. - 2002 Refunding & 1st Avenue South	2011-2031	2.00-4.00%	8,550,000	450,000
2016 Limited Tax G.O. Refunding Bonds	2016-2026	2.00-4.00%	5,320,000	450,000

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

Debt Service Requirement to Maturity General Obligation Bonds For the Year Ended December 31, 2017				
Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	1,515,952	867,926	-	-
2019	1,558,952	815,640	-	-
2020	1,602,152	756,205	-	-
2021	1,657,152	692,491	-	-
2022	1,725,952	624,708	-	-
2023-2027	7,651,608	2,094,491	-	-
2028-2032	3,639,000	622,966	-	-
2033-2037	911,800	165,342	-	-
2038	206,600	8,885	-	-
Total General Obligation Bonds	\$ 20,469,167	\$ 6,648,654	\$ -	\$ -

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 \$516,710 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 \$841,886 with the City’s half equaling \$420,943. 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 \$747,277.

Public Works Trust Fund (PWTF) Loans For the Year Ended December 31, 2017				
Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	189,312	4,688	83,031	3,736
2019	189,312	3,741	83,031	3,321
2020	189,312	2,795	83,031	2,906
2021	189,313	1,848	83,031	2,491
2022	60,135	902	83,031	2,076
2023-2024	120,270	903	332,123	4,152
Total PWTF Loans	\$ 937,654	\$ 14,877	\$ 747,278	\$ 18,682

B. Refunded Debt

In prior years the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the City’s financial statements. At December.

C. 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 \$263,888. 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 \$420,943. The delinquent special assessments receivable balance as of December 31, 2017 is \$4,290. 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:

Special Assessment Debt with Government Commitment (PWTF)					
For the Year Ended December 31, 2017					
Year Ending December 31	Governmental Activities		Business-Type Activities		
	Principal	Interest	Principal	Interest	
2018	112,913	3,424	-	-	
2019	112,913	2,860	-	-	
2020	112,913	2,295	-	-	
2021	112,912	1,731	-	-	
2022	112,912	1,166	-	-	
2023-2024	120,269	901	-	-	
Total Special Assessment Debt	\$ 684,832	\$ 12,377	\$ -	\$ -	

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2017, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2017	Additions	Reductions	Ending Balance 12/31/2017	Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds:</u>					
2010 Limited Tax G.O. Bond	6,300,000	-	(405,000)	5,895,000	415,000
2011 Limited Tax G.O. Bond	6,540,000	-	(450,000)	6,090,000	470,000
2016 Limited Tax G.O. Refunding Bonds	5,270,000	-	(450,000)	4,820,000	460,000
Premium on 2016 LTGO Refunding Bonds	785,519	-	(78,552)	706,967	78,552
Total bonds payable	18,895,519	-	(1,383,552)	17,511,967	1,423,552
<u>Due to Other Governments</u>					
2009 (A) SCORE and 2009 (B) SCORE	3,046,800	-	(89,600)	2,957,200	92,400
<u>Special Assessment Debt with government commitment (PWTFLL)</u>					
LID #1 -PW-02-691-007 - SW 152nd St Enhancement Project	316,666	-	(52,778)	263,888	52,778
LID #2 - PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	481,078	-	(60,135)	420,943	60,135
Total special assessment debt	797,744	-	(112,913)	684,831	112,913
<u>Public Works Trust Fund Loans:</u>					
PW-01-691-009 -SW 152nd St Enhancement Project	645,887	-	(129,177)	516,710	129,177
PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	481,078	-	(60,135)	420,943	60,135
Total public works trust fund loans	1,126,965	-	(189,312)	937,653	189,312
Compensated absences	267,552	52,350	-	319,902	31,990
Net Pension Liabilities	4,287,360	-	(875,407)	3,411,953	-
Total governmental activities	\$ 28,421,940	\$ 52,350	\$ (2,650,784)	\$ 25,823,506	\$ 1,850,167
Business-Type Activities:					
<u>Public Works Trust Funds Loan:</u>					
PW-06-962-010 Ambaum Regional Pond Expansion Project	830,308	-	(83,031)	747,277	83,031
Total public works trust fund loan	830,308	-	(83,031)	747,277	83,031
Compensated absences	35,929	8,845	-	44,774	4,477
Net Pension Liabilities	816,640	-	(261,206)	555,434	-
Total business-type activities	\$ 1,682,877	\$ 8,845	\$ (344,237)	\$ 1,347,485	\$ 87,508

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 \$319,902, an increase of \$52,350 from the previous year that also increases 2017 government expenditures by the same amount. The liability for the proprietary fund is \$44,774, an increase of \$8,845 over 2016. 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 2017:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$3,967,387
Pension assets	\$0
Deferred outflows of resources	\$633,974
Deferred inflows of resources	652,500
Pension expense/expenditures	\$409,920

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.

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 2017 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January – June 2017:		
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UUAL	4.77%	
Administrative Fee	0.18%	
Total	11.18%	6.00%
July – December 2017:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UUAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	6.00%

* 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 2017 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January – June 2017:		
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UUAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	11.18%	6.12%
July – December 2017:		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UUAL	5.03%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.70%	7.38%

* For employees participating in JBM, the contribution rate was 15.30% for January – June 2017 and 18.45% for July – December 2017.

The City of Burien’s actual contributions to the plan were \$657,528 which included \$274,203 reported as the PERS Plan 1 UAAL for the year ended December 31, 2017.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. 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 *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30,

2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

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.

- For all plans, except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected..
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent). Consistent with the long-term expected rate of return, a 7.5 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 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 7.5 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 7.5 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, 2017, 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	5%	4.90%
Real Estate	15%	5.80%
Global Equity	37%	6.30%
Private Equity	23%	9.30%
	100%	

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 7.5 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 (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

Plan	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$2,488,877	\$2,043,093	\$1,656,948
PERS 2/3	\$5,184,251	\$1,924,295	\$(746,756)

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, 2017, the City of Burien reported a total pension liability of \$3,967,387 for its proportionate share of the net pension liabilities as follows:

Plan	Liability (or Asset)
PERS 1	\$2,043,093
PERS 2/3	\$1,924,295

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

	Change in Proportionate Share 6/30/16	Change in Proportionate Share 6/30/17	Change in Proportion
PERS 1	0.043175%	0.043057%	0.000118%
PERS 2/3	0.055320%	0.055383%	-0.000063%

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, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2017, the City of Burien recognized pension expense as follows:

Plan	Pension Expense
PERS 1	\$118,024
PERS 2/3	\$291,896
TOTAL	\$409,920

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, the City of Burien reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments	0	76,242
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	149,708	0
TOTAL	\$149,708	\$76,242

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$194,976	\$63,287
Net difference between projected and actual investment earnings on pension plan investments	0	512,971
Changes of assumptions	20,440	0
Changes in proportion share	48,126	0
Contributions subsequent to the measurement date	220,725	0
TOTAL	\$484,267	\$576,257

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, 2018. 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
2018	(\$51,535)	(\$173,900)
2019	\$16,270	\$69,730
2020	(\$3,778)	(\$43,320)
2021	(\$37,200)	(\$205,949)
2022		\$17,706
Thereafter		\$23,018

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, 2017, there were seventy-four active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2017, was \$5,676,321 out of total payroll of \$6,188,963. Employee contributions during the year totaled \$351,520. City contributions were \$331,677.

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, 2017, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. 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"). 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 Subsidy	Total	Auburn 31%	Burien 4%	Federal Way 18%	Renton 36%	SeaTac 3%	Tukwila 8%
2018	\$ 2,240,000	\$ 4,715,979	\$ (1,512,496)	\$ 5,443,483	\$ 1,687,480	\$ 217,739	\$ 979,827	\$ 1,959,654	\$ 163,304	\$ 435,479
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	\$ 76,170,000	\$ 62,477,168	\$ (22,089,397)	\$ 116,557,771	\$ 36,132,909	\$ 4,662,310	\$ 20,980,399	\$ 41,960,798	\$ 3,496,733	\$ 9,324,623

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, 2017 related to SCORE:

South Correctional Entity (SCORE)				
Member City	Percent of Equity	2016 Equity Balance	2017 Apportionment	2017 Equity Balance
Auburn	31.00%	\$ 3,115,334	\$ 32,413	\$ 3,147,747
Burien	3.00%	324,602	22,263	346,865
Des Moines	2.00%	166,583	(3,248)	163,335
Federal Way	23.00%	2,292,265	61,482	2,353,747
Renton	30.00%	2,941,503	74,665	3,016,168
SeaTac	4.00%	434,029	22,947	456,976
Tukwila	7.00%	703,323	16,099	719,422
Grand Totals	100.00%	\$ 9,977,639	\$ 226,621	\$ 10,204,260

Completed financial statements for SCORE and SCORE PDA can be obtained at SCORE, Attn: Finance Manager, 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	Additions	Reductions	Balance
	1/1/2017	Adjustment			12/31/2017
SCORE Public Development Authority 2009 (A)and 2009 (B) Bonds	\$ 3,046,800	\$ -	\$ -	\$ (89,600)	\$ 2,957,200
Total Due to Other Governmental Units	3,046,800	-	-	(89,600)	2,957,200
South Correctional Entity (SCORE)	324,602	-	22,263		346,865
Total Joint Venture Equity Share	324,602	-	22,263	-	346,865
Total Investment in Joint Venture	\$ 3,371,402	\$ -	\$ 22,263	\$ (89,600)	\$ 3,304,065

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

A prior period adjustment of (\$2,048,435) was required to remove prior year capital expenses related to design work on the SR 518/Des Moines Memorial Drive Interchange that had been placed in the construction in progress asset awaiting project completion. Construction work will be completed by the Washington State Department of Transportation who will own the infrastructure once the project has been completed.

A prior period adjustment of \$8,077.26 was required to remove prior year expenses related to the restoration of an impaired asset placed in the construction in progress asset in error.

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 161 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 \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 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, 2017, have not yet been completed. Management believes that such disallowances, if any, will be immaterial.

The Estate of Lilliam Lissette Portillo Cruz; Carlos, Khaleb and Aron Portillo claim

On April 27, 2016, attorney Patricia Willner, representing the Estate of Lilliam Portillo, as well Ms. Portillo's surviving husband, Carlos, and her two sons, Khaleb and Aron, filed claims for Ms. Portillo's death and injuries and damages sustained by her family arising from an automobile collision at the intersection of SR 509 and SR 518. They claim \$9.5 Million in damages.

Alleged in their claims: Ms. Portillo was the driver of a vehicle making a left turn on a green light from northbound SR 509 to westbound SR 518 on October 24, 2015. She was not able to see traffic approaching from her left due to overgrown bushes. As she entered the intersection, the vehicle in which she and her son, Khaleb, were traveling was struck on the driver's side by a vehicle driven by Manoj Siwakoti who was traveling eastbound on SR 518 and failed to stop for a red light. Ms. Portillo died at the scene of the collision and her vehicle was a total loss.

With regard to the "overgrown bushes" referenced in the Portillos' claim, preliminary investigation by WCIA indicates that they are part of landscaping located on Washington State Department of Transportation limited access right of way and is not in City-owned right-of-way. Mr. Siwakoti, who was driving the vehicle that struck Ms. Portillo's vehicle, was charged with vehicular homicide in superior court. Based on the information in the charging document, it appears the County prosecutors have some evidence of recklessness.

On May 10, 2018 the plaintiffs entered into a settlement agreement with the State of Washington and the City of Burien. Neither the City nor WCIA paid the plaintiffs any damages related to the incident.

On March 27, 2017 the City was served a Summons and Complaint in Revels v. City of Burien, King County Superior Court cause number 17-2-06670-2KNT. The Complaint alleges that on April 1, 2014, Gregg Revels was riding his motorcycle behind his friend, Lee Cornett, who was riding on Cornett's own motorcycle up a hill on 156th Street when Cornett was struck and killed by a drunk driver. Revels reached the crest of the hill shortly after the impact and ran into impact debris, causing Revels to fall onto his right side. Revels alleges that the fall caused Revels to suffer "significant medical and general damages" in an amount to be established at trial. The lawsuit alleges that the City is liable because of deficient sight distance for prevailing speed; lack of pavement markings; lack of warning signs; and lack of speed reductions. Trial is scheduled for March 19, 2018.

On July 30, 2015, Revels filed a claim with the City pursuant to 4.96.020 related to the April 1, 2014 incident. In his claim, Revels stated that his damages include a concussion, emotional distress, memory loss, loss of appetite, pain and suffering, and \$8,423 in damages to his motorcycle. Revels submitted \$9,000 in medical bills and an estimated cost of \$20,000 for a treatment plan. According to the City's Insurer, Washington Cities Insurance Authority (WCIA), some of the documentation did not appear to support a connection to the April 1, 2014

incident. WCIA offered to settle the claim for \$7,500 in January 2016, but no response to the settlement agreement was received. The lawsuit above followed.

The City has a strong case to defend against the allegations in the lawsuit, particularly in light of the fact that the at fault driver was intoxicated at the time of the accident and was traveling at a high rate of speed and in a reckless manner that, as a consequence, was the intervening and sole cause of the accident and resulting injuries. With respect to the construction, maintenance, repair, marking and signage allegations, the City has a strong position in this lawsuit on those issues as well. The City has complied with all necessary and reasonably required measures with respect to the street.

Trial was originally scheduled for March 18, 2018. On February 1, 2018 the parties settled for \$23,000, which was paid by WCIA in exchange for full release and settlement of all claims against the City of Burien.

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 2017 was \$46,414.

REQUIRED SUPPLEMENTARY INFORMATION



City of Burien
Schedule of Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
As of June 30 2017
Last 10 Fiscal Years (Additional years will be displayed as they become available)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
PERS 1				
Employer's proportion of the net pension liability (asset)	0.04306%	0.04318%	0.04382%	0.043474%
Employer's proportionate share of the net pension liability	\$ 2,043,093	\$ 2,318,691	\$ 2,291,974	\$ 2,190,041
Employer's covered employee payroll	\$ 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	37.63%	44.86%	46.43%	47.48%
Plan fiduciary net position as a percentage of the total pension liability	61.24%	57.03%	59.10%	61.19%
PERS 2/3				
Employer's proportion of the net pension liability (asset)	0.05538%	0.05532%	0.05486%	0.052156%
Employer's proportionate share of the net pension liability	\$ 1,924,295	\$ 2,785,309	\$ 1,960,178	\$ 1,054,262
Employer's covered employee payroll	\$ 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	282.17%	185.57%	248.34%	423.65%
Plan fiduciary net position as a percentage of the total pension liability	90.97%	85.82%	89.20%	93.29%

City of Burien
Schedule of Employer Contributions
Public Employees' Retirement System
As of December 31 2017

Last 10 Fiscal Years (Additional years will be displayed as they become available)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
PERS 1				
Statutorily or contractually required contributions	\$ -	\$ -	\$ -	\$ 13,043
Contributions in relation to the statutorily or contractually required contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,043)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</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%	9.21%
PERS 2/3				
Statutorily or contractually required contributions	\$ 657,528	\$ 555,689	\$ 534,385	\$ 432,400
Contributions in relation to the statutorily or contractually required contributions	<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>\$ -</u></u>	<u><u>\$ -</u></u>
Covered employer payroll	\$ 5,599,254	\$ 4,970,388	\$ 5,248,139	\$ 4,694,892
Contributions as a percentage of covered employee payroll	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 Balance Sheet
Nonmajor Governmental Funds
December 31, 2017**

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Public Works Reserve	Transportation Benefit District	LID Guaranty	
ASSETS				
Cash and cash equivalents	\$ 2,275,620	\$ 281	\$ 165,000	\$ 2,440,901
Taxes receivable	180,573	-	-	180,573
Due from other governments	-	55,737	-	55,737
Total assets	<u>2,456,193</u>	<u>56,018</u>	<u>165,000</u>	<u>2,677,211</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>2,456,193</u>	<u>56,018</u>	<u>165,000</u>	<u>2,677,211</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ 93	\$ -	\$ 93
Total liabilities	<u>-</u>	<u>93</u>	<u>-</u>	<u>93</u>
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Restricted:				
Other capital projects	2,456,193	-	-	2,456,193
Debt service	-	55,925	165,000	220,925
Total fund balance	<u>2,456,193</u>	<u>55,925</u>	<u>165,000</u>	<u>2,677,118</u>
Total liabilities and fund balance	<u>\$ 2,456,193</u>	<u>\$ 56,018</u>	<u>\$ 165,000</u>	<u>\$ 2,677,211</u>

City of Burien, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Public Works Reserve	Transportation Benefit District	LID Guaranty	
Revenues				
Real estate excise taxes	\$ 2,823,420	\$ -	\$ -	\$ 2,823,420
Transportation benefit district vehicle fees	-	659,726	-	659,726
Charges for services	46,661	-	-	46,661
Investment earnings	19,208	2,278	-	21,486
Total revenues	<u>2,889,289</u>	<u>662,004</u>	<u>-</u>	<u>3,551,293</u>
Expenditures				
Total expenditures	<u>-</u>	<u>2,097</u>	<u>-</u>	<u>2,097</u>
Excess of revenues over (under) expenditures	<u>2,889,289</u>	<u>659,907</u>	<u>-</u>	<u>3,549,196</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,720,000)</u>	<u>(672,500)</u>	<u>-</u>	<u>(2,392,500)</u>
Total other financing sources (uses)	<u>(1,720,000)</u>	<u>(672,500)</u>	<u>-</u>	<u>(2,392,500)</u>
Net change in fund balances	1,169,289	(12,593)	-	1,156,696
Fund balances - beginning	<u>1,286,903</u>	<u>68,519</u>	<u>165,000</u>	<u>1,520,422</u>
Fund balances - ending	<u>\$ 2,456,192</u>	<u>\$ 55,926</u>	<u>\$ 165,000</u>	<u>\$ 2,677,118</u>

City of Burien, Washington
Public Works Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual
For the Year Ended December 31, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Real estate excise taxes	\$ 2,100,000	\$ 2,823,420	\$ 723,420
Charges for services	15,000	46,661	31,661
Investment earnings	1,000	19,208	18,208
Total revenues	<u>2,116,000</u>	<u>2,889,289</u>	<u>773,289</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>2,116,000</u>	<u>2,889,289</u>	<u>773,289</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,820,000)</u>	<u>(1,720,000)</u>	<u>100,000</u>
Total other financing sources (uses)	<u>(1,820,000)</u>	<u>(1,720,000)</u>	<u>100,000</u>
Net change in fund balances	296,000	1,169,289	873,289
Fund balances - beginning	<u>1,286,900</u>	<u>1,286,903</u>	<u>3</u>
Fund balances - ending	<u><u>\$ 1,582,900</u></u>	<u><u>\$ 2,456,192</u></u>	<u><u>\$ 873,292</u></u>

City of Burien, Washington
Transportation Benefit District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual
For the Year Ended December 31, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Transportation benefit district vehicle fees	\$ 650,000	\$ 659,726	\$ 9,726
Investment earnings	-	2,278	2,278
Total revenues	<u>650,000</u>	<u>662,004</u>	<u>12,004</u>
Expenditures			
Transportation	<u>5,000</u>	<u>2,097</u>	<u>(2,903)</u>
Total expenditures	<u>5,000</u>	<u>2,097</u>	<u>(2,903)</u>
Excess of revenues over expenditures	<u>645,000</u>	<u>659,907</u>	<u>14,907</u>
Other financing sources (uses)			
Transfers out	<u>(675,000)</u>	<u>(672,500)</u>	2,500
Total other financing sources (uses)	<u>(675,000)</u>	<u>(672,500)</u>	2,500
Net change in fund balance	(30,000)	(12,593)	17,407
Fund balance - beginning	<u>68,520</u>	<u>68,519</u>	<u>(1)</u>
Fund balance - ending	<u>\$ 38,520</u>	<u>\$ 55,926</u>	<u>\$ 17,406</u>

City of Burien, Washington
LID Guaranty Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual
For the Year Ended December 31, 2017

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

City of Burien, Washington
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual
For the Year Ended December 31, 2017

	Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	\$ 110,000	\$ 106,794	\$ (3,206)
Charges for services	48,000	48,164	164
Fines and forfeitures	-	120	120
Investment earnings	-	1,563	1,563
Special assessment interest	-	3,636	3,636
Special assessment principal	84,000	87,817	3,817
Total revenues	<u>242,000</u>	<u>248,095</u>	<u>6,095</u>
EXPENDITURES			
Public works trust fund loan principal	302,225	302,224	1
LTGO bond principal	1,394,600	1,305,000	89,600
Interest and fiscal charges	920,140	792,310	127,830
Total expenditures	<u>2,616,965</u>	<u>2,399,534</u>	<u>217,431</u>
Excess of revenues over expenditures	<u>(2,374,965)</u>	<u>(2,151,439)</u>	<u>223,526</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued			-
Premium on refunding bonds issued			-
Payment to refunded bond escrow agent			-
Underwriter's discount on refunding bonds issued			-
Transfers in	2,225,000	1,975,000	(250,000)
Total other financing sources (uses)	<u>2,225,000</u>	<u>1,975,000</u>	<u>(250,000)</u>
Net change in fund balance	(149,965)	(176,439)	(26,474)
Fund balances - beginning	247,550	247,550	-
Fund balances - ending	<u>\$ 97,585</u>	<u>\$ 71,111</u>	<u>\$ (26,474)</u>

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, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
ASSETS				
Cash and cash equivalents	\$ 60,572	\$ 8,473,356	\$ 8,438,724	\$ 95,204
Total assets	<u>\$ 60,572</u>	<u>\$ 8,473,356</u>	<u>\$ 8,438,724</u>	<u>\$ 95,204</u>
LIABILITIES				
Accounts Payable	0	119,514	95,611	\$ 23,903
Payroll withholdings and employer contributions	\$ 60,572	\$ 12,843,820	\$ 12,833,091	\$ 71,301
Total liabilities	<u>\$ 60,572</u>	<u>\$ 12,963,334</u>	<u>\$ 12,928,702</u>	<u>\$ 95,204</u>

**Statistical Section
December 31, 2017**

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

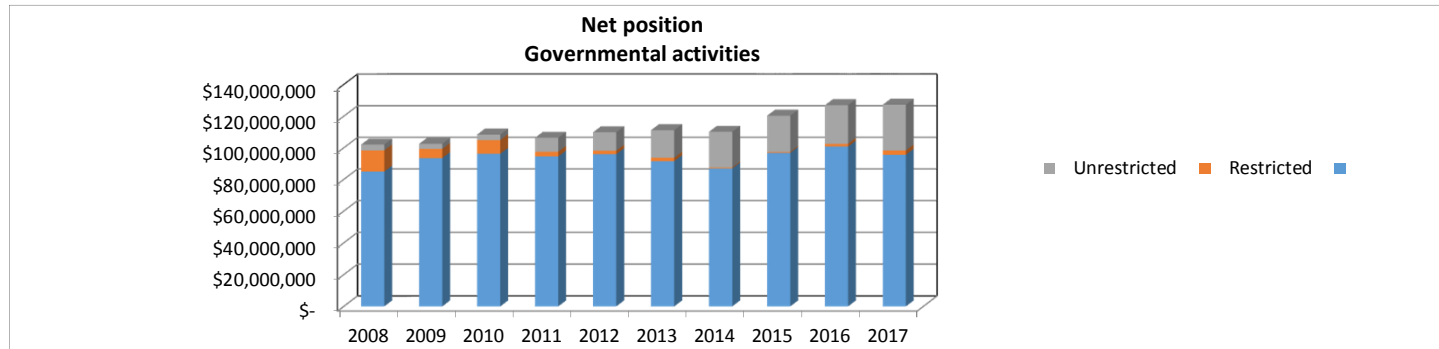
Operating Information

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.

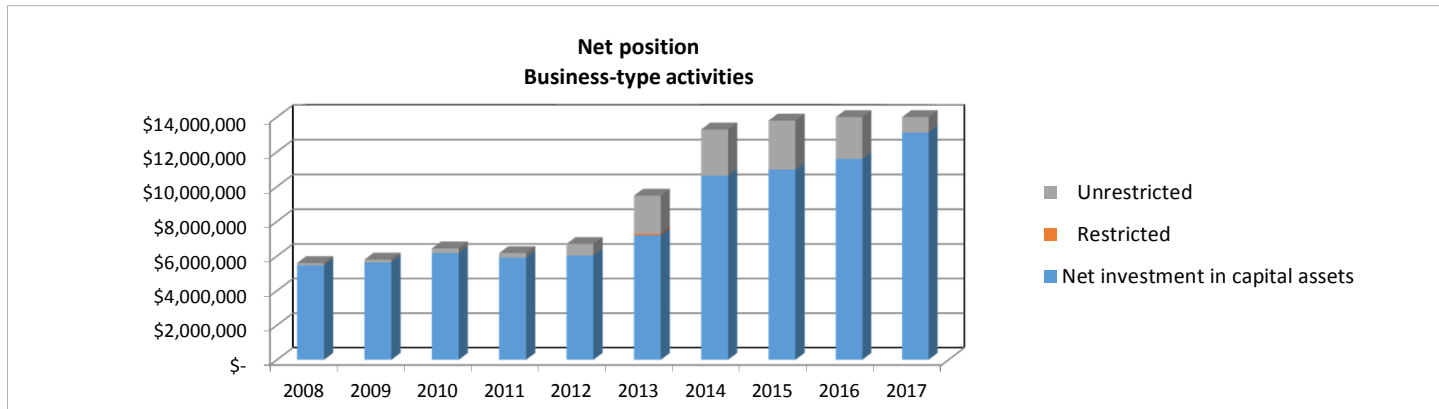
Schedule 17	Full Time Equivalent City Government Employees by Function -----	7-20
Schedule 18	Operating Indicators by Function -----	7-21
Schedule 19	Capital Asset Statistics by Function -----	7-22

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 84,983,988	\$ 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
Restricted	13,423,818	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
Unrestricted	3,687,935	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
Total Governmental activities net position	\$ 102,095,741	\$ 102,541,651	\$ 108,422,402	\$ 106,418,743	\$ 109,881,624	\$ 111,218,476	\$ 110,188,178	\$ 120,353,278	\$ 127,037,434	\$ 127,327,651

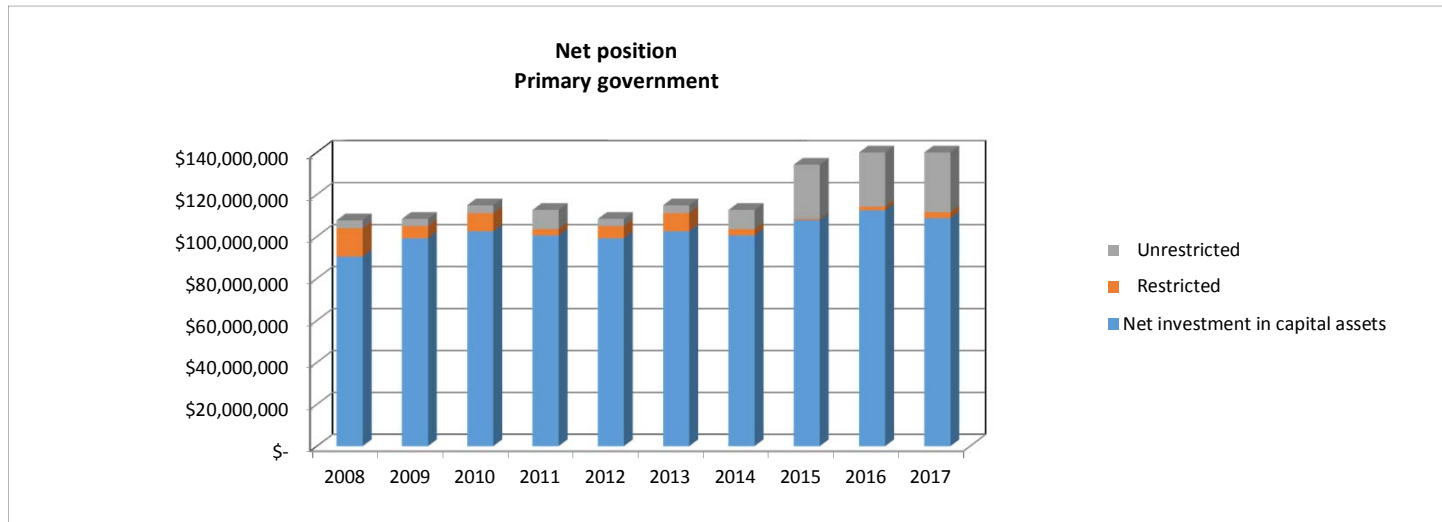


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities										
Net investment in capital assets	\$ 5,455,883	\$ 5,638,102	\$ 6,178,060	\$ 5,918,785	\$ 6,043,691	\$ 7,224,754	\$ 10,638,169	\$ 10,979,556	\$ 11,591,658	\$ 13,112,601
Restricted	-	-	-	-	-	88,428	-	-	-	-
Unrestricted	147,692	163,911	266,381	258,279	664,347	2,167,721	2,650,896	2,818,574	3,622,398	4,505,494
Total Business-type activities net position	\$ 5,603,575	\$ 5,802,013	\$ 6,444,441	\$ 6,177,064	\$ 6,708,038	\$ 9,480,903	\$ 13,289,065	\$ 13,798,130	\$ 15,214,056	\$ 17,618,094



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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Primary government										
Net investment in capital assets	\$ 90,439,871	\$ 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
Restricted	13,423,818	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
Unrestricted	3,835,627	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
Total Primary Government net position	\$ 107,699,316	\$ 108,343,664	\$ 114,866,843	\$ 112,595,807	\$ 108,343,664	\$ 114,866,843	\$ 112,595,807	\$ 134,151,408	\$ 142,251,490	\$ 144,945,745



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

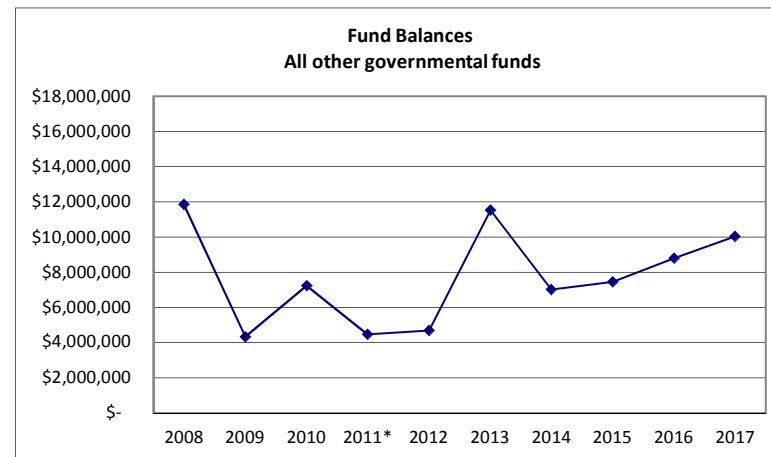
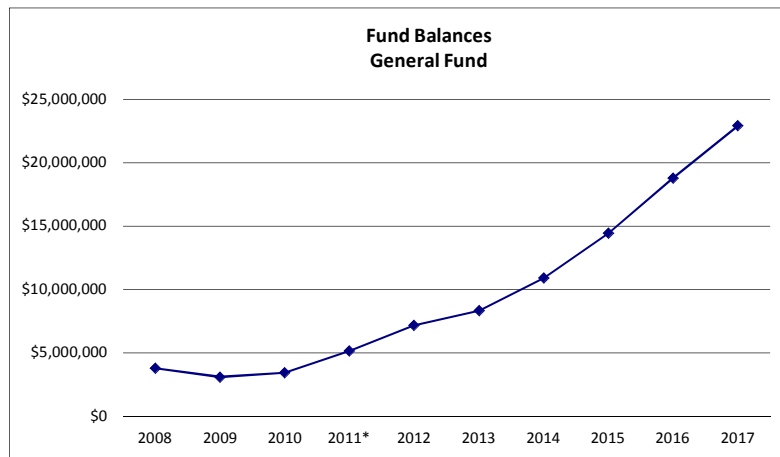
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses										
Governmental activities:										
General government	\$ 4,301,319	\$ 3,445,149	\$ 4,364,535	\$ 5,357,042	\$ 4,551,848	\$ 4,386,693	\$ 4,311,613	\$ 4,444,232	\$ 4,819,552	\$ 5,823,417
Judicial	236,123	454,344	488,330	682,282	626,862	262,312	349,238	443,957	409,284	469,747
Public Safety	7,457,624	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
Natural environment	-	-	-	-	-	-	162,654	172,845	175,776	217,164
Environmental services	405,561	644,205	580,156	619,813	571,646	148,888	-	-	-	-
Transportation	4,670,274	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
Economic environment	1,551,828	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
Social services	7,274	8,856	10,391	11,274	11,897	90,535	90,736	97,069	96,897	90,519
Culture and recreation	2,590,110	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
Interest on long-term debt	502,459	488,960	597,646	885,197	1,111,758	1,162,928	1,149,080	1,014,265	892,323	894,546
Total Governmental activities expenses	21,722,572	22,313,920	27,481,564	29,006,663	29,421,555	30,529,009	32,365,755	30,198,771	31,865,295	34,627,713
Business-type activities:										
Storm water management	1,100,780	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
Total Business-type activities expenses	1,100,780	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
Total Primary government expenses	\$ 22,823,352	\$ 23,590,912	\$ 29,016,253	\$ 30,794,271	\$ 31,242,538	\$ 32,622,274	\$ 34,829,227	\$ 32,425,132	\$ 34,098,179	\$ 37,020,676
Program Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 727,145	\$ 822,322	\$ 1,376,229	\$ 1,152,091	\$ 2,441,503	\$ 1,626,846	\$ 1,689,073	\$ 782,390	\$ 763,834	\$ 1,150,433
Judicial	4,703	231,341	374,706	351,054	230,165	105,460	121,790	136,078	172,662	176,289
Public safety	-	-	-	-	-	-	-	-	-	36,680
Natural environment	-	-	-	-	-	-	46,515	46,880	-	49,870
Environmental services	223,089	536	6,014	68,322	55,715	121,489	-	-	-	-
Transportation	915,307	185,707	246,870	339,954	2,409,223	497,808	789,342	1,117,465	1,331,955	1,229,414
Economic environment	1,253,287	916,319	698,606	953,552	978,459	458,874	864,263	2,018,846	1,871,138	1,401,209
Social services	-	-	-	-	-	-	-	-	-	57,825
Culture and recreation	476,056	519,539	576,896	629,822	668,644	547,348	535,200	576,667	601,650	445,689
Operating grants and contributions	4,356,547	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
Capital grants and contributions	10,186,732	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
Total Governmental activities program revenues	18,142,866	8,180,918	15,867,404	8,272,967	14,377,713	12,755,454	9,877,469	8,233,037	13,242,819	8,987,099
Business-type activities:										
Charges for Services										
Surface water management	1,729,442	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
Operating grants and contributions	7,977	-	-	96,294	163,465	305,504	8,329	33,402	-	54,548
Capital grants and contributions	95,000	-	394,182	-	-	1,069,581	4,316,461	150,957	182,082	976,849
Total Business-type activities revenues	1,832,419	1,936,479	2,695,257	2,547,613	2,715,155	4,214,790	7,193,755	3,445,129	3,784,855	4,946,656
Total Primary government revenues	19,975,285	10,117,397	18,562,661	10,820,580	17,092,868	16,970,244	17,071,224	11,678,166	17,027,674	13,933,754
Net (Expense)/Revenue										
Governmental Activities	(3,579,706)	(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)
Business-type Activities	731,639	659,487	1,160,568	760,005	894,172	2,121,525	4,730,283	1,218,768	1,551,971	2,553,693
Total Net Expense	\$ (2,848,067)	\$ (13,473,515)	\$ (10,453,592)	\$ (19,973,691)	\$ (14,149,670)	\$ (15,652,030)	\$ (17,758,003)	\$ (20,746,966)	\$ (17,070,505)	\$ (23,086,922)

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

	<u>2008</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>
General Revenues										
Governmental activities:										
Taxes										
Property taxes	\$ 5,296,290	\$ 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
Sales and use taxes	5,652,874	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
Business and occupation taxes	3,197,015	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
Excise taxes	-	-	-	-	-	1,132,780	1,407,944	1,814,710	2,722,452	666,752
Other taxes	1,139,338	652,366	1,240,213	1,330,211	1,428,506	510,260	347,376	371,040	384,887	3,067,968
Penalties and interest	-	-	-	-	-	6,886	-	-	-	-
Unrestricted investment earnings	381,608	65,022	28,013	24,482	24,461	20,004	27,743	37,626	125,574	312,092
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-	151,395	-	967,228	508,161
Extraordinary item	-	-	-	-	-	-	-	-	(47,604)	-
Miscellaneous	-	-	-	-	-	275,274	313,908	332,095	382,792	716,078
Transfers	1,558,099	463,692	520,173	1,028,638	364,909	25,140	590,000	23,250	190,000	213,250
Total Governmental activities	\$ 17,225,224	\$ 14,578,912	\$ 17,494,911	\$ 18,730,037	\$ 18,506,723	\$ 19,545,008	\$ 21,474,284	\$ 22,483,136	\$ 25,790,412	\$ 27,987,344
Business-type activities:										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,608	\$ 460	\$ -	\$ -	\$ -
Grants and contributions	31,640	2,643	2,033	1,256	-	-	-	-	-	-
Unrestricted investment earnings	-	-	-	-	1,711	2,490	2,698	4,783	30,287	55,595
Miscellaneous	-	-	-	-	-	8,330	9,449	8,000	8,000	8,000
Transfers	(1,558,099)	(463,692)	(520,173)	(1,028,638)	(364,909)	(25,140)	(590,000)	(23,250)	(190,000)	(213,250)
Total Business-type activities	\$ (1,526,459)	\$ (461,049)	\$ (518,140)	\$ (1,027,382)	\$ (363,198)	\$ 71,288	\$ (577,393)	\$ (10,467)	\$ (151,713)	\$ (149,655)
Total primary government	\$ 15,698,765	\$ 14,117,863	\$ 16,976,771	\$ 17,702,655	\$ 18,143,525	\$ 19,616,296	\$ 20,896,891	\$ 22,472,669	\$ 25,638,699	\$ 27,837,689
Change in net position										
Governmental activities	\$ 13,645,518	\$ 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
Business-type activities	(794,820)	198,438	642,428	(267,377)	530,974	2,192,813	4,152,890	1,208,301	1,400,258	2,404,038
Total change in net position	\$ 12,850,698	\$ 644,348	\$ 6,523,179	\$ (2,271,036)	\$ 3,993,855	\$ 3,964,266	\$ 3,138,888	\$ 1,725,703	\$ 8,568,194	\$ 4,750,767

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

	<u>2008</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>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 3,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	1,248,147	703,909	141,586	168,144	168,186	167,327	187,666
Assigned	-	-	-	127,907	293,754	-	2,082,050	2,511,593	2,482,359	9,734,628
Unassigned	-	-	-	3,768,412	6,152,269	8,186,409	8,675,156	11,757,474	16,104,165	12,982,403
Unrestricted	3,768,613	3,102,449	3,418,177	-	-	-	-	-	-	-
Total General Fund	\$ 3,768,613	\$ 3,102,449	\$ 3,418,177	\$ 5,147,946	\$ 7,149,932	\$ 8,327,995	\$ 10,925,350	\$ 14,437,253	\$ 18,753,851	\$ 22,904,697
All other governmental funds										
Restricted	-	-	-	1,484,215	825,558	513,870	608,938	625,585	1,767,972	2,748,229
Committed	-	-	-	-	-	11,011,980	-	-	-	-
Assigned	-	-	-	2,975,413	3,883,193	-	6,399,457	6,827,807	7,039,977	7,284,860
Unassigned	-	-	-	-	(16,659)	-	-	-	-	-
Unrestricted, reported in:										
Special Revenue Funds	1,151,402	1,342,006	2,001,837	-	-	-	-	-	-	-
Debt Service Funds	103,916	232,767	178,686	-	-	-	-	-	-	-
Capital Project Funds	10,577,804	2,740,321	5,037,701	-	-	-	-	-	-	-
Total all other governmental funds	\$ 11,833,122	\$ 4,315,094	\$ 7,218,224	\$ 4,459,628	\$ 4,692,092	\$ 11,525,850	\$ 7,008,395	\$ 7,453,392	\$ 8,807,949	\$ 10,033,089



*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

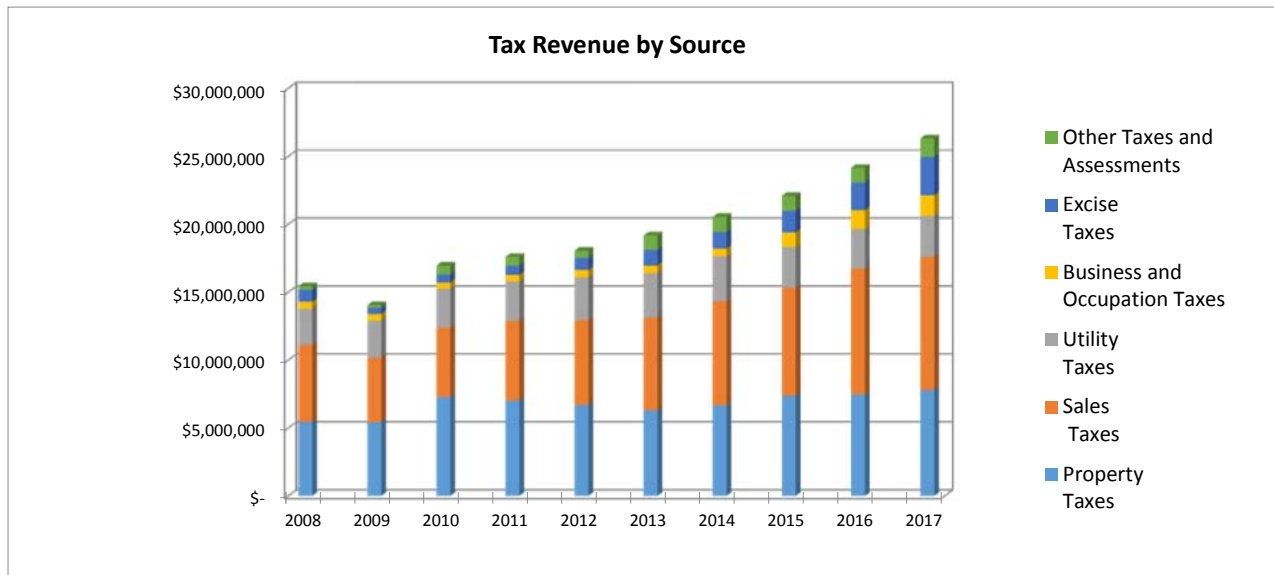
Schedule 4
City of Burien
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2008</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>
Revenues										
Taxes	\$ 15,446,916	\$ 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
Licenses and permits	1,478,569	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
Intergovernmental	13,544,957	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
Charges for services	2,034,042	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
Fines and forfeitures	50,841	281,586	413,523	365,952	252,367	266,568	359,476	210,065	204,759	183,911
Investment earnings	380,207	77,449	28,200	24,185	24,018	19,344	27,103	36,291	120,791	300,543
Special assessments	115,324	115,651	97,470	91,058	86,498	95,802	103,617	95,318	128,348	91,453
Rents and leases	-	-	-	-	-	177,144	200,772	226,750	246,164	321,287
Contributions and donations	-	-	-	-	-	279	491	38,952	25,354	25,085
Miscellaneous	41,000	36,631	579,929	42,545	1,208,724	104,655	79,883	62,452	85,873	56,888
Total revenues	<u>33,091,856</u>	<u>22,265,419</u>	<u>24,489,795</u>	<u>25,793,226</u>	<u>32,556,953</u>	<u>32,330,159</u>	<u>30,803,021</u>	<u>30,771,115</u>	<u>33,349,023</u>	<u>36,077,414</u>
Expenditures										
General Government	4,454,315	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
Judicial	-	-	-	-	-	262,312	349,238	443,957	409,284	469,747
Public Safety	7,442,974	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
Natural environment	-	-	-	-	-	-	162,654	172,845	175,776	217,164
Environmental services	405,561	644,205	580,156	744,791	674,645	148,888	-	-	-	-
Transportation	1,579,884	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
Economic environment	1,499,453	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
Social services	7,274	8,856	10,391	11,274	11,897	90,535	90,736	97,069	96,897	90,519
Culture and recreation	2,359,512	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
Debt Service:										
Principal	739,308	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
Interest and fiscal charges	513,639	501,065	577,867	917,319	1,140,081	1,139,237	1,153,494	985,817	930,810	792,310
Capital outlay	19,720,970	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
Total expenditures	<u>38,722,890</u>	<u>31,241,279</u>	<u>30,639,299</u>	<u>34,453,792</u>	<u>31,102,003</u>	<u>31,664,752</u>	<u>28,697,580</u>	<u>26,637,465</u>	<u>31,739,881</u>	<u>31,831,062</u>
Excess (deficiency) of revenues over expenditures	(5,631,034)	(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
Other financing sources (uses)										
Proceeds from sale of capital assets	5,000	-	-	-	-	-	238,500	-	4,500,000	819,996
Transfers in	7,946,811	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
Transfers out	(6,388,712)	(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)
Proceeds of long-term debt	600,000	-	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
Total other financing sources (uses)	<u>2,163,099</u>	<u>676,015</u>	<u>9,368,362</u>	<u>7,929,590</u>	<u>779,500</u>	<u>2,145,784</u>	<u>1,753,680</u>	<u>(176,750)</u>	<u>4,545,793</u>	<u>1,129,633</u>
Net change in fund balances	<u>\$ (3,467,935)</u>	<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>
Debt service as a percentage of noncapital expenditures	6.59%	6.59%	6.48%	8.93%	11.02%	11.30%	10.79%	9.85%	19.84%	8.08%

*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)

Fiscal Year	Property Taxes	Sales Taxes	Utility Taxes	Business and Occupation Taxes	Excise Taxes	Other Taxes and Assessments	Total Taxes
2008	5,457,689	5,652,874	2,670,766	526,249	859,233	280,105	15,446,916
2009	5,438,426	4,734,585	2,743,039	481,782	459,056	193,309	14,050,197
2010	7,285,909	5,101,336	2,853,809	483,086	587,121	653,092	16,964,353
2011	7,012,945	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
Change 2008-2017	42.7%	73.8%	12.3%	187.9%	228.6%	387.0%	70.4%



Source: City of Burien Finance Department

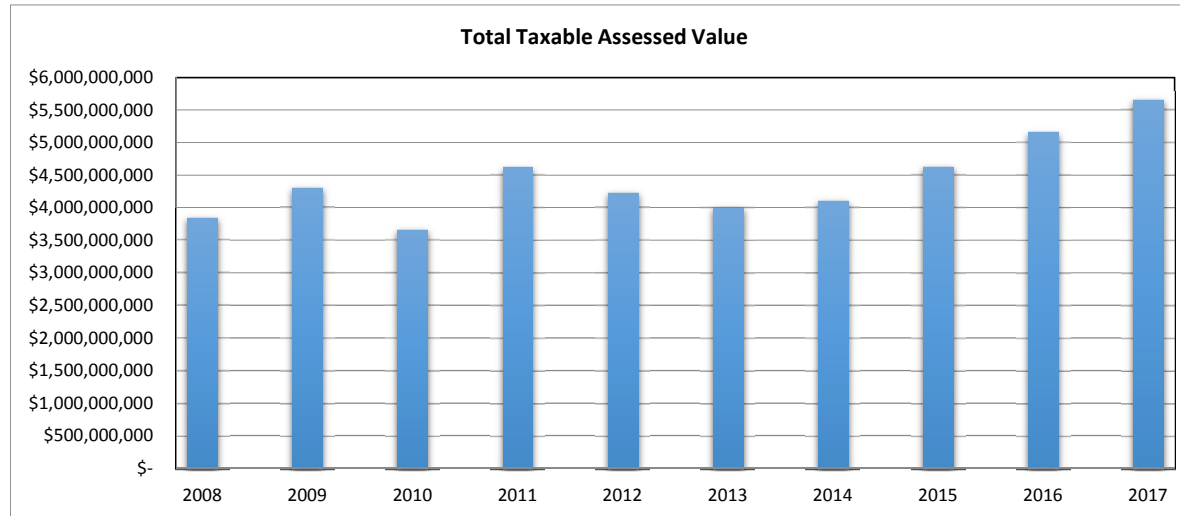
**Schedule 6
City of Burien
Principal Property Taxpayers
Current Year and Nine Years Ago**

TAXPAYER	2017			2008		
	TAXABLE ASSESSED	RANK	% OF TOTAL TAXABLE ASSESSED	TAXABLE ASSESSED	RANK	% OF TOTAL TAXABLE ASSESSED
	VALUE		VALUE	VALUE		VALUE
FPA5 Heights LLC*	\$ 58,871,000	1	1.04%	\$ 31,766,300	1	0.85%
Henry H Ketcham Lumber Company	27,627,000	2	0.49%			
Public Storage	26,665,000	3	0.47%			
Vintage Wellington LLC	26,168,000	4	0.46%			
Burien Plaza LLC	26,134,100	5	0.46%	19,681,100	4	0.52%
Puget Sound Commerce Center	26,122,300	6	0.46%			
Burien Town Plaza LLC	25,177,100	7	0.44%			
BRE MG Discovery Landing LLC**	21,979,000	8	0.39%	13,938,000	7	0.37%
Maple Pointe-126 LLC	18,473,000	9	0.33%			
Steinman Merle	17,702,500	10	0.31%			
Qwest Corporation			0.00%	20,537,712	2	0.55%
Fred Meyer			0.00%	18,840,612	3	0.50%
Powell-Five Corners Assoc.			0.00%	17,783,600	5	0.47%
Wesbild BP, Inc			0.00%	18,239,400	6	0.49%
Red Mortgage Capital			0.00%	9,916,000	8	0.26%
HCH Specialty Center			0.00%	5,626,900	9	0.15%
Albertsons			0.00%	4,610,800	10	0.12%
All Others	5,388,353,829		95.15%	3,593,845,460		95.71%
Total Assessed Valuation	\$ 5,663,272,829		100.00%	\$ 3,754,785,884		100.00%

*formerly Vintage Park Partners LLC

**formerly MG South Hills Apts. LLC

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

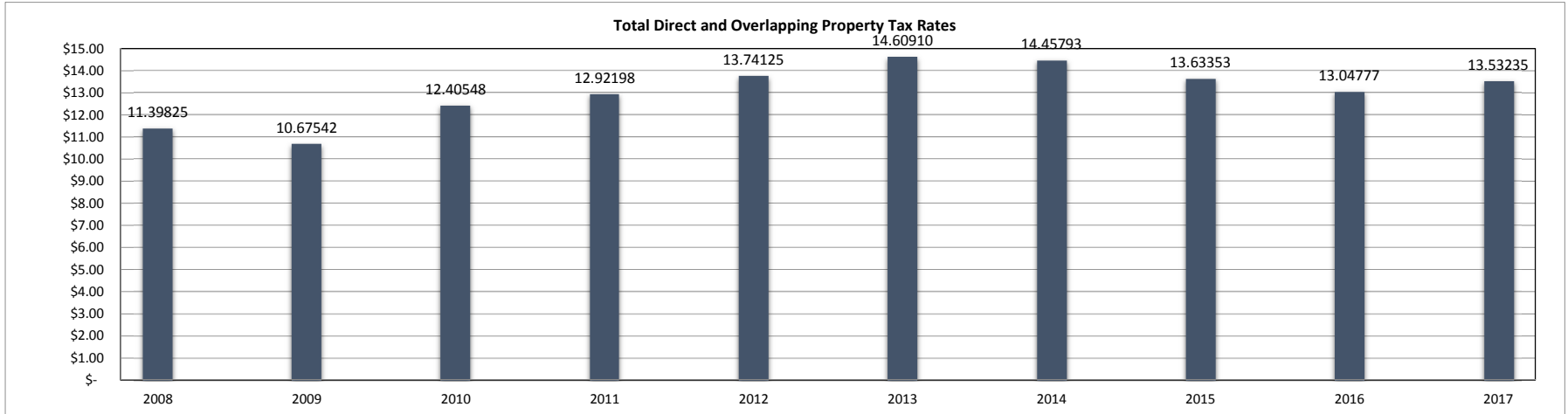


Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2008	3,754,785,884	53,833,456	36,525,259	3,845,144,599	1.39132
2009	4,212,964,074	55,290,643	35,056,572	4,303,311,289	1.26467
2010	3,580,133,188	54,401,316	31,078,381	3,665,612,885	1.52034
2011	4,525,470,270	57,948,096	43,395,005	4,626,813,371	1.55513
2012	4,120,048,552	54,401,218	50,940,246	4,225,390,016	1.60000
2013	3,897,291,722	53,983,903	54,023,833	4,005,299,458	1.60000
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

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

**Schedule 8
City of Burien
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(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	School Dist. Millage	Operating Millage	Debt Service Millage	Total Library Millage	State Schools	Port, EMS Flood, Ferry* & RST	
2008	1.39132	1.50000	0.00000	1.50000	1.08919	0.11851	1.20770	2.24520	1.78975	4.03495	0.39186	0.06150	0.45336	2.13233	0.67859	11.39825
2009	1.26467	1.43583	0.00000	1.43583	0.99517	0.10255	1.09772	2.16911	1.71560	3.88471	0.36118	0.05618	0.41736	1.96268	0.61245	10.67542
2010	1.52034	1.50000	0.40275	1.90275	1.21089	0.07410	1.28499	2.63804	1.72698	4.36502	0.42188	0.06338	0.48526	2.22253	0.62459	12.40548
2011	1.55513	1.50000	0.40233	1.90233	1.26609	0.07207	1.33816	2.84903	1.79420	4.64323	0.50000	0.06621	0.56621	2.27990	0.63702	12.92198
2012	1.60000	1.50000	0.43614	1.93614	1.34460	0.07128	1.41588	3.40126	1.74569	5.14695	0.50000	0.06992	0.56992	2.42266	0.64970	13.74125
2013	1.60000	1.50000	0.45419	1.95419	1.47279	0.06772	1.54051	3.81112	1.89953	5.71065	0.50000	0.06743	0.56743	2.56720	0.66912	14.60910
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

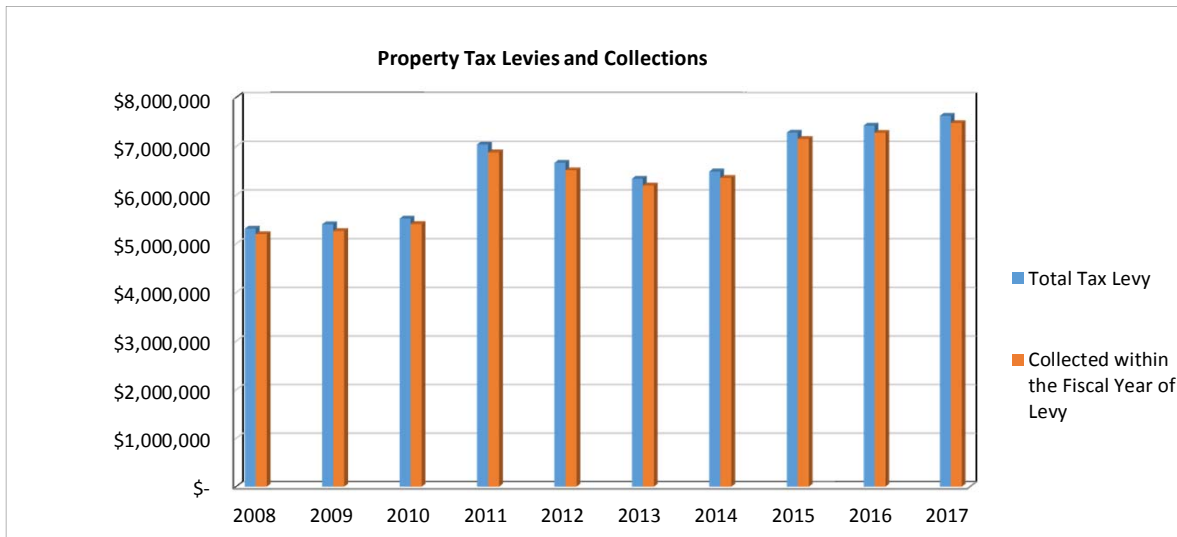


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

* Beginning in 2015 Ferry District is now 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
2008	5,306,261	5,197,215	97.94%	108,682	5,305,897	99.99%
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	7,038,992	6,873,887	97.65%	166,430	7,040,317	100.00%
2012	6,660,471	6,506,800	97.69%	153,321	6,660,121	99.99%
2013	6,333,144	6,194,591	97.81%	136,044	6,330,635	99.96%
2014	6,482,935	6,351,340	97.97%	125,701	6,477,041	99.91%
2015	7,279,378	7,151,250	98.24%	109,615	7,260,866	99.75%
2016	7,425,656	7,276,711	97.99%	102,516	7,379,227	99.37%
2017	7,628,009	7,478,632	98.04%	-	7,478,632	98.04%

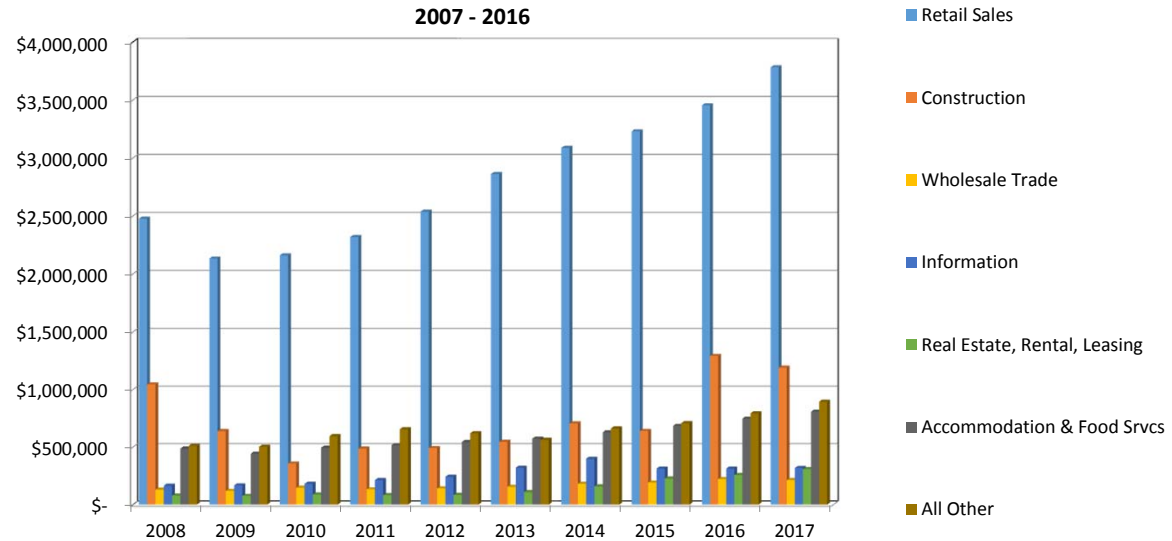


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

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

	Fiscal Year									
	<u>2008</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>
RETAIL TRADE										
Vehicle and Parts Dealer	\$ 1,206,451	\$ 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
General Merchandise Stores	362,069	359,315	370,659	397,970	416,600	433,555	451,571	493,589	503,842	502,015
Food & Beverage Stores	251,873	248,636	276,296	275,695	266,626	265,469	287,239	275,424	266,307	262,398
Misc Store Retailers	273,214	370,630	318,023	314,612	328,828	346,333	348,348	363,822	387,023	446,552
Health & Personal Care	136,682	97,967	97,673	101,059	108,840	123,731	125,145	134,020	147,897	207,517
Other Retail	247,225	107,660	124,439	152,009	155,874	178,628	219,657	216,264	254,285	275,920
Subtotal Retail	\$ 2,477,514	\$ 2,133,515	\$ 2,160,880	\$ 2,319,572	\$ 2,537,977	\$ 2,862,697	\$ 3,087,966	\$ 3,230,555	\$ 3,454,954	\$ 3,783,095
OTHER CATEGORIES										
Construction	\$ 1,046,693	\$ 640,972	\$ 358,112	\$ 488,860	\$ 492,853	\$ 547,432	\$ 706,856	\$ 641,194	\$ 1,294,298	\$ 1,192,381
Wholesale Trade	130,617	120,277	147,249	133,497	141,690	155,756	181,545	192,672	222,896	214,332
Information	164,905	167,846	181,753	214,544	242,260	321,272	399,198	313,453	313,721	319,632
Real Estate, Rental, Leasing	78,706	76,093	88,679	82,398	85,090	109,467	159,419	227,212	257,980	309,216
Accommod & Food Svcs	488,362	443,414	495,575	517,833	545,959	574,943	629,004	685,202	748,041	808,995
All Other Categories *	512,141	503,099	596,190	656,276	621,251	564,917	663,326	709,354	794,342	895,843
Subtotal Other	\$ 2,421,424	\$ 1,951,701	\$ 1,867,558	\$ 2,093,408	\$ 2,129,103	\$ 2,273,787	\$ 2,739,348	\$ 2,769,087	\$ 3,631,278	\$ 3,740,399
Total Sales Tax Collected	\$ 4,898,938	\$ 4,085,216	\$ 4,028,438	\$ 4,412,980	\$ 4,667,080	\$ 5,136,484	\$ 5,827,314	\$ 5,999,642	\$ 7,086,232	\$ 7,523,494

**Sales Tax Collections by Sector
2007 - 2016**



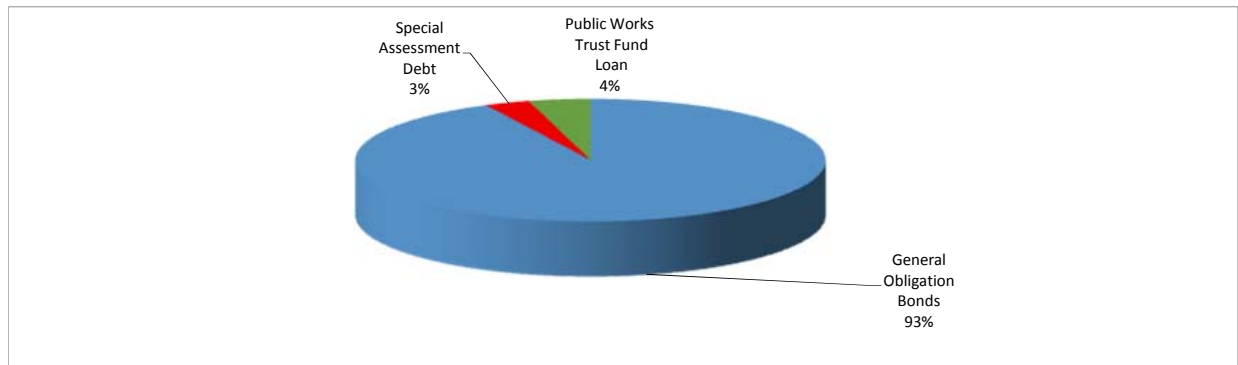
Sources: City of Burien Finance Department, Microflex Software and Financial Solutions
Only includes the .85% sales tax received for general governmental purposes

* 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		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	Total Primary Government Debt			
2008	11,615,000	1,697,712	2,638,129	1,490,005	17,440,846	31,540	0.96%	\$ 552.98
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	0.56%	\$ 450.65

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



**Schedule 12
City of Burien
Legal Debt Margin Information
December 31, 2017**

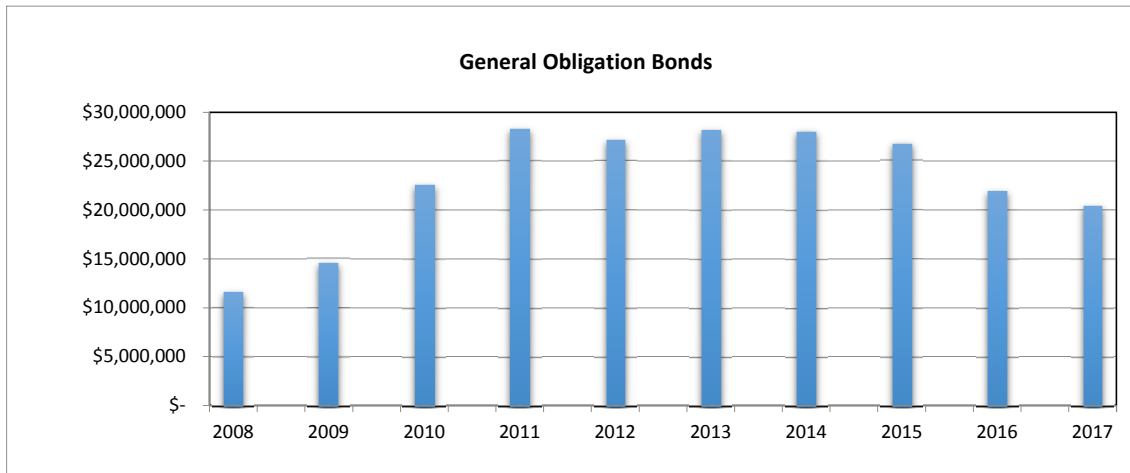
	Fiscal Year										
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
Debt Limit	\$ 285,650,497	\$ 322,748,347	\$ 343,081,657	\$ 316,904,251	\$ 312,964,326	\$ 300,397,459	\$ 308,233,906	\$ 347,716,770	\$ 386,999,291	\$ 402,653,811	updated 5.31
Total Net Debt Applicable to Limit	15,950,841	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	
Legal Debt Margin	<u>\$ 269,699,656</u>	<u>\$ 304,128,663</u>	<u>\$ 316,739,199</u>	<u>\$ 285,169,017</u>	<u>\$ 282,676,318</u>	<u>\$ 269,375,713</u>	<u>\$ 277,640,985</u>	<u>\$ 318,763,673</u>	<u>\$ 363,132,261</u>	<u>\$ 380,562,160</u>	
 Total Net Debt Applicable to Limit as a Percentage of Debt Limit	 5.58%	 5.77%	 7.68%	 10.01%	 9.68%	 10.33%	 9.93%	 8.33%	 6.17%	 5.49%	

Legal Debt Margin Calculation for Fiscal Year 2017

Total Assessed Value for 2017 Taxes	\$ 5,663,272,829
Debt Limit:	
2.5% of General Purpose Limit, Voted and Non-voted	141,581,821
2.5% of Utility Purpose Limit, Voted	141,581,821
2.5% of Open Space, Voted	141,581,821
Total Debt Limit	<u>\$ 424,745,462</u>
Debt Applicable to Limits:	
General Obligation Bonds	22,091,651
Legal Debt Margin	<u>\$ 402,653,811</u>

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

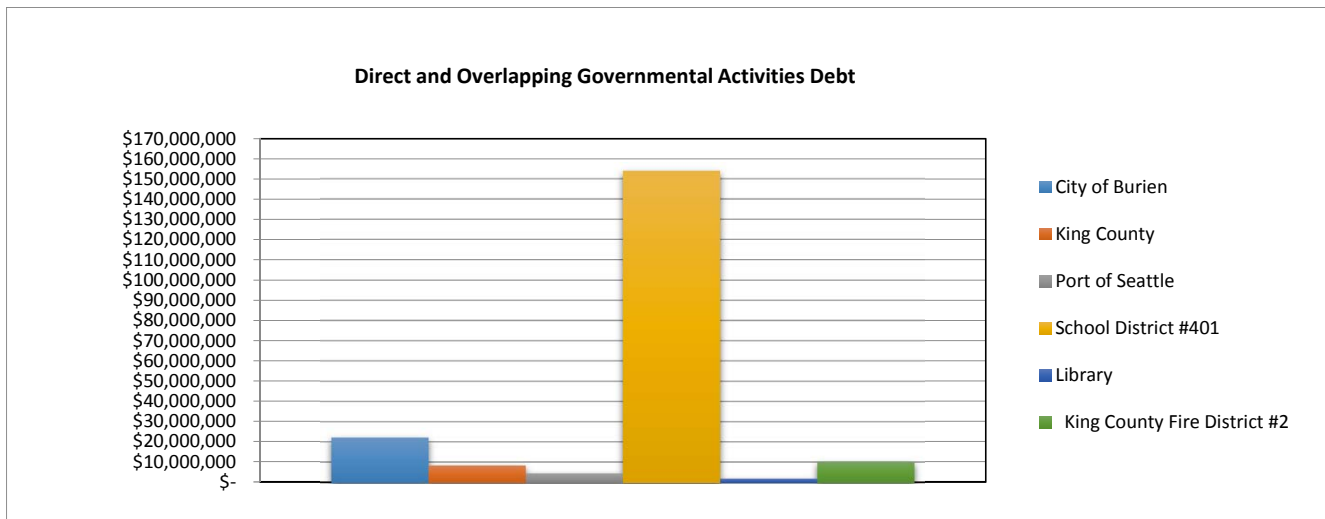
Fiscal Year	General Obligation Bonds	Assessed Value (AV)	% of General Obligation Debt to AV	Population	Per Capita
2008	11,615,000	3,845,144,599	0.30%	31,540	368.26
2009	14,579,400	4,303,311,289	0.34%	31,890	457.18
2010	22,604,400	3,665,612,885	0.62%	46,182	489.46
2011	28,299,400	4,626,813,371	0.61%	47,660	593.78
2012	27,154,400	4,225,390,016	0.64%	47,730	568.92
2013	28,190,362	4,005,299,458	0.70%	48,030	586.93
2014	28,063,762	4,109,785,417	0.68%	48,240	581.75
2015	26,726,162	4,636,223,596	0.58%	48,810	547.56
2016	21,942,319	5,159,990,547	0.43%	50,000	438.85
2017	20,469,167	5,663,272,829	0.36%	50,680	403.89



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

Schedule 14
City of Burien
Direct and Overlapping Governmental Activities Debt
As of December 31, 2017

	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to Burien</u>	<u>Estimated Amount Applicable to Burien</u>
Direct:			
City of Burien	\$ 22,091,651	100.00%	\$ 22,091,651
Overlapping:			
King County	719,456,000	1.19%	8,561,526
Port of Seattle	388,360,000	1.19%	4,621,484
School District #401	420,027,654	36.73%	154,276,157
Library	87,869,746	2.11%	1,854,052
King County Fire District #2	16,049,402	63.33%	10,163,781
Total Overlapping Debt:	<u>\$ 1,631,762,802</u>	<u>11.00%</u>	<u>\$ 179,477,001</u>
Total Direct and Overlapping Debt:	<u><u>\$ 1,653,854,453</u></u>		<u><u>\$ 201,568,652</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

Fiscal Year	Population¹	Personal Income² (in \$1,000's)	Per Capita Personal Income²	Unemployment Rate³	School Enrollment
2008	31,540	\$ 108,457,410	\$57,843	4.2%	17,647
2009	31,890	\$ 102,843,152	\$53,788	8.8%	18,224
2010	46,182	\$ 105,499,279	\$54,443	8.2%	17,391
2011	47,660	\$ 112,935,345	\$57,281	7.4%	17,532
2012	47,730	\$ 120,627,950	\$60,090	6.2%	18,427
2013	48,030	\$ 128,330,859	\$62,770	5.0%	18,975
2014	48,240	\$ 143,260,986	\$68,877	4.6%	19,039
2015	48,810	\$ 153,554,091	\$72,530	4.3%	19,039
2016	50,000	\$ 166,006,277	\$77,213	4.0%	19,133
2017	50,680	\$ 175,257,006	\$80,135	4.2%	18,876

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

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

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

Sources: City of Burien Community Development staff

U.S. Bureau of Economic Analysis

U.S. Bureau of Labor Statistics

Highline School District

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

Employer	2017			2008		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Highline School District #401	2,150	1	20.61%	2,200	1	25.17%
Highline Medical Center	900	2	8.63%	1,100	2	12.58%
Fred Meyer	248	3	2.38%	232	3	2.65%
Burien Toyota, Inc.	162	4	1.55%	137	6	1.57%
NAVOS Mental Health and Wellness Center	146	5	1.40%			
Regional Hospital for Respiratory & Complex Care	120	6	1.15%			
Burien Nursing & Rehabilitation Center	117	7	1.12%			
Safeway Store #1664	113	8	1.08%	104	7	1.19%
NAVOS Behavioral Health Center	108	9	1.04%			
Schick Shadel	105	10	1.01%			
Safeway Store #3120	103	11	0.99%			
Wizards Casino	99	12	0.95%	120	4	1.37%
PCC Community Markets	90	13	0.86%			
Rainier Golf & Country Club	90	13	0.86%			
El Dorado West Retirement Community	67	15	0.64%			
Life Care Center of Burien	-			144	5	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%
Total	4,618		44.27%	4,401		50.35%

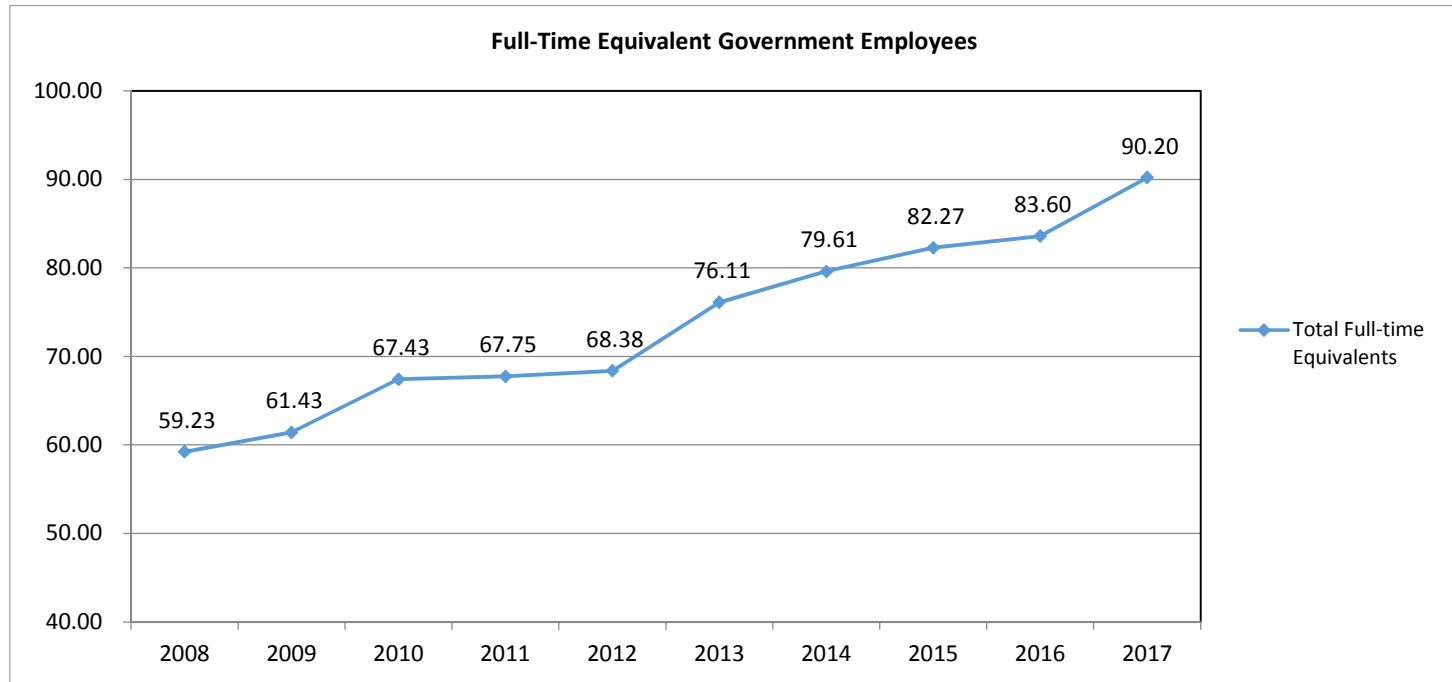
Total City employment in 2017 is 10,341

Total City employment in 2008 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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2008</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>
General Government	17.15	18.00	20.75	20.70	18.95	18.63	19.25	17.70	17.70	22.25
Culture and Recreation	14.63	15.88	16.18	15.95	15.38	19.64	21.55	21.97	22.10	24.90
Economic Environment	14.45	14.75	13.30	14.30	13.10	13.10	13.31	17.10	17.30	15.80
Transportation	7.45	6.10	8.50	8.20	10.30	11.50	11.50	11.25	11.25	12.18
Surface Water Management	5.55	6.70	8.70	8.60	10.65	13.25	14.00	14.25	15.25	15.08
Total Full-time Equivalents	59.23	61.43	67.43	67.75	68.38	76.11	79.61	82.27	83.60	90.20



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

	Fiscal Year									
	<u>2008</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>
Public Safety										
Response time for priority 1 calls	8.44 min.	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.
Response time to critical emergencies	3.28 min.	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.
Dispatched calls for service	10,191	10,507	13,410	15,742	16,416	17,039	18,521	19,600	21,275	20,648
Total crime index per 1,000 population	53.2	55.5	55.0	55.0	59.0	60.0	60.0	55.0	57.0	45.9
Traffic safety enforcement stops	2,157	2,060	1,508	1,672	1,743	2,139	1,396	1,321	2,831	2,750
Transportation										
Right of way use permits issued	306	330	353	359	428	469	498	499	423	554
Reported potholes	17	27	37	103	50	69	62	70	78	118
Economic Environment										
Citizen action requests	438	384	604	558	628	624	589	447	341	444
Land use-related permit applications	59	82	57	57	63	85	91	82	101	108
Percentage of land use permit reviews completed by target date	69%	73%	89%	93%	80%	86%	96%	95%	95%	100%
Construction related permit applications	2,153	1,763	1,473	1,898	1,915	2,079	2,212	2,550	2,640	2,644
Commercial permits	235	107	120	171	113	192	152	161	91	96
Construction Value-commercial	\$ 63,225,037	\$ 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
Residential permits	283	159	105	268	259	269	263	288	351	338
Construction value-residential	\$ 13,283,754	\$ 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
Culture and Recreation										
Acres of neighborhood parks	27	27	58	58	58	58	58	58	58	58
Acres of community parks	32	32	32	32	32	32	32	34	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	\$ 1,033	\$ 1,014	\$ 1,265	\$ 1,630	\$ 1,594	\$ 1,693	\$ 1,874	\$ 1,925	\$ 2,163	\$ 2,403
Number of kids provided scholarships	60	61	134	149	133	116	85	88	171	217
Surface Water Management										
Number of storm water ponds	15	15	18	19	22	22	24	26	27	27
Percentage of city drainage system mapped and inventoried	98%	99%	85%	98%	98%	99%	99%	99%	99%	99%
Catch basins - City owned			5,913	5,975	6,293		6,012	6,105	6,221	6,368
Total catch basins (City and private)								10,008	9,621	9,272

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>2008</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>
Transportation										
Streets (miles)	113	114	150	150	152	152	140	140	140	140
Street lights	664	700	930	930	930	939	939	939	940	940
Traffic signals	53	55	71	71	72	74	75	75	75	76
Culture and Recreation										
Skate Parks	1	1	1	1	1	1	1	1	1	1
Playgrounds	8	8	11	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	4	6	16	16	16	17	19	19	19

Sources: Various City of Burien Departments