

# 2016 Comprehensive Annual Financial Report

For the year ended December 31, 2016



## City of Burien, Washington

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

Burien, WA 98166

(206) 241-4647



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The City of Burien, Washington

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended  
December 31, 2016

*Prepared by:*

*City of Burien Finance Department*

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

*Burien, Washington 98166*

*(206) 241-4647*

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

## **BURIEN CITY COUNCIL**

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, 2016**

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June 28, 2016

**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, 2016. The purpose of the report is to provide residents, investors, grantor agencies and other interested parties with reliable financial information about the City.

**I. INTRODUCTION TO THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

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

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

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

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

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

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

**Executive Services** are provided by the City Manager who is responsible for administering policies and programs established by the City Council, maintaining the official records of the City including meeting minutes, contracts, and other official business, as well as personnel administration, 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 2016 expenditures reported in the financial statements relating to those entities:

• King County Sheriff's Office (police services)	\$11,084,747
• Jail Services with the South Correctional Entity (SCORE) and King County Department of Adult Detention	719,072
• King County District Court	409,284
• King County Public Works Department (street & signal maintenance)	242,206
• King County Surface Water Management Division	<u>45,777</u>

Total 2016 major contracts with other governmental agencies \$12,501,086

### III. ECONOMIC CONDITIONS AND OUTLOOK

#### Local Economy

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

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

While historically the regional economy of Puget Sound has been dominated by the Boeing Company, there has been substantial diversification over the last several years. Other industries such as computer software (Microsoft Corporation is at the forefront), internet retail (Amazon and Expedia) and wireless communications (T-Mobile) now have corporate headquarters in the region. The diversification also includes increased activity in international trade through the Port of Seattle and growth in international trade related services.

The business economy of the City itself is also relatively diversified. Economic activity within Burien can best be measured in the form of revenue from taxable retail sales. The largest local economic sectors are automotive dealers and gas stations, which comprised 26.8% of the total sales tax revenue to the City in 2016. 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 North East Redevelopment Area (NERA), which was blighted by construction of the third runway. The City sold the two adjoining parcels of land that were purchased with the 2013 line of credit. A cold storage unit was recently constructed on those parcels. Other airport-related development projects on port-owned property are beginning 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.

The Burien Town Square development continues to move forward. Construction of two apartment complexes, one upscale and one senior living, was completed in 2017 and the units were quickly leased. The ground floor retail units continue to attract more tenants.

A major natural organic market has also announced that it will locate in Burien.

#### **IV. MAJOR INITIATIVES**

Achievements for 2016 include:

- Adopted the 2017-2020 Strategic Plan. Linked the 2017-2018 Biennial Budget initiatives to the priorities identified in the Strategic Plan.
- Conducted a biennial community survey to identify priorities for the 2017-2018 Biennial Budget.
- Adopted policies that strengthened the General Fund reserves, resulting in an increase in the City's credit rating from A1 to Aa2.
- Enhanced community engagement and resident communications by launching *Burien Magazine*, a quarterly publication mailed to all residents.
- Issued a request for proposal and selected a new financial software vendor.

- Advanced economic development in the North East Redevelopment Area by completing the sale of the land parcels purchased for redevelopment. Construction of a cold storage facility was recently completed.
- Refunded the 2006 General Obligation Bonds, resulting in a 10-year savings of more than \$735,000.
- Completed a downtown parking and mobility study.
- Implemented a Police Explorer program.
- Obtained funding for and designed the State Route 518 Eastbound Off-ramp to Des Moines Memorial Drive.
- Published an Americans with Disabilities Act Transition Plan.
- Completed creek stabilization improvements at SW 158<sup>th</sup> Street and 4<sup>th</sup> Avenue South.
- Completed the Citywide Roadway Embankment Stabilization and Shorewood Drive Gabion Wall Repair Projects.
- Began the North East 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 design of the City Hall Spray Park reconstruction project.
- Adopted and implemented the 2015 Construction Codes, including updating applications and supporting materials.
- Conducted a LEAN study of the permitting process, focusing on expanding electronic permit applications and improving the development review and permitting process.
- Completed zoning code amendments related to low impact development.
- Completed the Critical Areas Ordinance and Shoreline Master Program minor amendments to comply with the Growth Management Act coordination requirement.
- Created a new marketing brochure and on-line registration service for Seahurst Park's picnic shelter rentals, resulting in increased revenue and improved efficiency.
- Secured grant funding to replace the playground equipment at Lakeview Park.
- Reformatted teen programs, resulting in a 58% participant increase in the After School program and a 230% participant increase in the Late Night program.
- Utilized Community Development Block Grant funding to construct the Hilltop Elementary Crosswalk Rectangular Rapid Flashing Beacon and Pedestrian Trail.
- Utilized Community Development Block Grant funding to construct the South 132<sup>nd</sup> Street Pedestrian and Bike Trail.

- Completed construction of the dog park.
- Completed design of the 4<sup>th</sup> Avenue SW and 6<sup>th</sup> Avenue SW intersections with SW 148<sup>th</sup> Street.
- Secured \$1.4 million in grant funding for design and construction of the 8<sup>th</sup> Avenue S Stormwater Retrofit Improvements. Began project design.
- Completed design of SW 165<sup>th</sup> Street Low Impact Development Improvement Project.

Initiatives for 2017 include:

- Implement the 2017-2020 Strategic Plan.
- Seek to reduce airport impacts on Burien residents.
- Adopt and implement a new City brand.
- Establish a Council/staff committee to identify the need for and improve the allocation of the City's human services funding.
- 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 a website re-design.
- Implement recommendations from the Downtown Mobility Study including design and installation of wayfinding signs.
- Pursue new revenue sources to address increased public safety and infrastructure needs.
- Purchase and implement agenda management software.
- Implement the new financial software.
- Complete the Shoreline Master Program update.
- 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.
- Participate in legal consortium of cities organized to address franchise issues related to small cell carriers.
- Complete reconstruction of the City Hall Spray Park.
- Update the Park, Recreation, and Open Space Plan.
- Construct the 165<sup>th</sup> Street Low Impact Development Improvement Project.

## V. CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burien for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. This was the twentieth 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.

## VI. ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire Finance Department, in particular, Patti Rader, the City's Finance Manager. 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,



Kim Krause,  
Finance Director

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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, 2015**

Executive Director/CEO

**ELECTED CITY OFFICIALS**

2016 City Councilmembers

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

Term Ending

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

2017 City Councilmembers

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

Term Ending

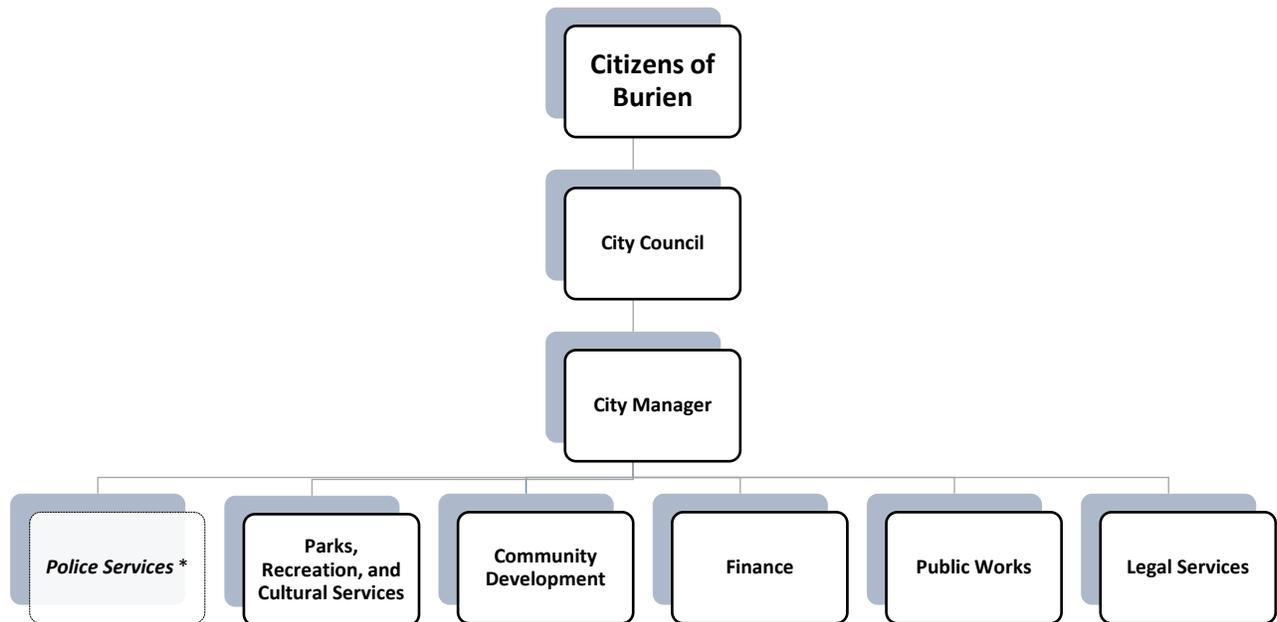
December 2019  
 December 2017  
 December 2017  
 December 2019  
 December 2017  
 December 2019  
 December 2017

**CITY ADMINISTRATION**

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

Tony Piasecki  
 Kim Krause  
 Lisa Marshall  
 Chip Davis  
 Steve Roemer  
 Maiya Andrews  
 Scott Kimerer

### City of Burien, Washington Organizational Chart



\* Contracted Services

**Prepared By:**

Kim Krause  
Finance Director

Patti Rader  
Finance Manager

Ellen Mounts  
Accountant

Lori Fleming  
Contract Management Analyst

Cathy Rossick  
Accounting Assistant





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

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

June 28, 2017

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burien, King County, Washington, as of December 31, 2016, 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 on pages 3-1 through 3-9 and pension plan information on pages 5-2 through 5-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining individual fund statements and schedules on pages 6-2 through 6-10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City.

Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we will also issue our report dated June 28, 2017, 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. 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, stylized initial "P".

Pat McCarthy

State Auditor

Olympia, WA

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## 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

In the last ten years, total net position has increased by an average of \$4.74 million per year. The trend continues this year with an increase of \$8.6 million. The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$142.2 million. Of this amount, \$109.1 million is net invested in capital assets and the remaining \$31.4 million is available for capital projects, debt service, and funding the government's ongoing activities and obligations.

Government activities net position increased by \$7.2 million and business-type activities increased by \$1.4 million. The increase in government activities is comprised of increases that include \$661 thousand in net invested in capital assets, \$1.14 million in restricted assets, and \$4.88 million in unrestricted assets. The increase in net invested in capital assets is the capitalization of the Army Corps of Engineers work to reconstruct the north shoreline of Seahurst Park. This asset addition is offset by the annual depreciation expense. The increase in restricted and unrestricted assets is primarily cash resulting from unanticipated revenues and underspent expense budgets. The business-type activities increase reflects the capitalization of a grant-funded project in the North East Redevelopment Area, an increase in cash due to receipt of a storm water connection fee, and expenses that were less than anticipated.

At year-end December 31, 2016, the City of Burien's governmental funds reported a combined ending fund balance of \$27.6 million, an increase of \$6.2 million compared to the prior year. Of this increase, \$4.0 million reflects revenues that exceeded expectations including sales taxes (\$1,400,000), real estate excise taxes (\$926,000), other taxes (\$348,000), license and permits (\$670,000), charges for services (\$182,000), intergovernmental (\$175,000), and other miscellaneous (\$322,000). The balance of \$2.2 million is the result of expenditure savings due to unspent budgets, primarily in general government and economic environment, but also in culture and recreation, transportation, and public safety.

At the end of the current fiscal year, unassigned fund balance in the General Fund is \$16.1 million, or 60% of total current year General Fund revenues. This is an increase of \$4.3 million from the \$11.8 million in unassigned General Fund fund balance at the end of 2015. The increase in available fund balance is predominantly due to revenues exceeding expectations and expenditure savings as compared to the adopted budget. The \$16.1 million ending fund balance exceeds the financial policy requirement of 17.5% of ongoing revenues by approximately \$11.4 million. The 2017-2018 Biennial Budget included increasing the minimum fund balance goal from 17.5% to 20% and setting aside an additional \$2 million in assigned reserves. Of the additional \$2 million set-aside, \$1 million was added to the capital partnership reserve and \$1 million was used to establish a capital equipment reserve. The capital partnership reserve was established in 2016 to communicate Burien's interest in working with public agencies such as the Highline School District, neighboring cities, or other jurisdictions to address common needs and opportunities. The capital equipment reserve was established for purchasing furnishings and equipment for new facilities. In 2017, the total set-aside for these two reserves is \$4 million. Increasing these reserves reduces the amount available to \$8.7 million. The City Council also adopted a strategic plan in 2016 that identified priorities for funding in the 2017-2018 and 2019-2020 biennia. The adopted budget includes using fund balance for one-time expenditures of just under \$2.5

million, primarily to replace the City's technology infrastructure including the financial software, the permitting software, the park registration software, the website, the telephone system, and the meeting room technology. The remaining balance is available to fund future capital programs, future operations, and withstand economic downturns.

## **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.

## CITY AS A WHOLE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$142.2 million at the close of the fiscal year.

During fiscal year 2016, net position increased by \$8.6 million. More than half of this increase reflects the addition of a grant funded capital project in the form of the Army Corps of Engineers' work to restore the north shoreline of Seahurst Park. The balance of the increase is primarily cash resulting from unanticipated revenues and underspent expense budgets.

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

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 36,309,371	\$ 29,779,055	\$ 4,662,555	\$ 3,731,515	\$ 40,971,926	\$ 33,510,570
Capital assets, net of accumulated depreciation	121,563,244	125,709,510	12,421,967	11,892,895	133,985,211	137,602,405
Total assets	157,872,615	155,488,565	17,084,522	15,624,410	174,957,137	171,112,975
Deferred outflows of resources						
Deferred amount from debt refunding	67,126	78,314	-	-	67,126	78,314
Deferred outflow related to pensions	789,312	507,720	150,345	95,672	939,657	603,392
Total deferred outflows of resources	856,438	586,034	150,345	95,672	1,006,783	681,706
Long-term liabilities	20,937,974	26,573,928	779,255	859,358	21,717,229	27,433,286
Other liabilities	5,603,530	5,023,630	410,204	285,536	6,013,734	5,309,166
Net Pension Liability	4,287,360	3,577,943	816,640	674,207	5,104,000	4,252,150
Total liabilities	30,828,864	35,175,501	2,006,099	1,819,101	32,834,963	36,994,602
Deferred inflows of resources						
Deferred inflow related to pensions	77,236	545,820	14,712	102,851	91,948	648,671
Deferred inflow related to long-term debt	785,519	-	-	-	785,519	-
Total deferred inflows of resources	862,755	545,820	14,712	102,851	877,467	648,671
Net position:						
Net investment in capital assets	97,763,342	96,834,728	11,591,658	10,979,556	109,355,000	107,814,284
Restricted	1,767,972	625,585	-	-	1,767,972	625,585
Unrestricted	27,506,120	22,892,965	3,622,398	2,818,574	31,128,518	25,711,539
Total net position	\$ 127,037,434	\$ 120,353,278	\$ 15,214,056	\$ 13,798,130	\$ 142,251,490	\$ 134,151,408

### Governmental Activities

The change in total net position for 2016 is an increase of \$7.2 million. The increase is primarily cash resulting from unanticipated revenues and underspent expense budgets.

### Business-type Activities

The \$1.4 million increase in net position of the Surface Water Management Fund is comprised of capitalization of a grant-funded project and receipt of a storm water connection fee for new development in the North East Redevelopment Area.

**STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016:**

The Statement of Activities shows a net increase in the City of Burien's net position of \$8.6 million. Below is a summary version of the Statement of Activities.

**Summary of Revenues**

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 4,741,239	\$ 4,678,326	\$ 3,602,773	\$ 3,260,770	\$ 8,344,012	\$ 7,939,096
Operating grants & contributions	3,209,930	3,020,558	-	33,402	3,209,930	3,053,960
Capital grants & contributions	5,291,650	534,153	182,082	150,957	5,473,732	685,110
General revenues:						
Property taxes	7,495,772	7,383,258	-	-	7,495,772	7,383,258
Sales and use taxes	9,267,023	7,965,473	-	-	9,267,023	7,965,473
Other taxes	7,409,627	6,741,434	-	-	7,409,627	6,741,434
Investment interest	125,574	37,626	30,287	4,783	155,861	42,409
Gain (loss) on disposal of capital assets	967,228	-	-	-	967,228	-
Extraordinary item	(47,604)	-	-	-	(47,604)	-
Miscellaneous	382,792	332,095	8,000	8,000	390,792	340,095
Total revenues	\$ 38,843,231	\$ 30,692,923	\$ 3,823,142	\$ 3,457,912	\$ 42,666,373	\$ 34,150,835

**Summary of Expenses**

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Expenses						
General government	\$ 4,819,552	\$ 4,444,232	\$ -	\$ -	\$ 4,819,552	\$ 4,444,232
Judicial	409,284	443,957	-	-	409,284	443,957
Public safety	12,085,175	11,404,767	-	-	12,085,175	11,404,767
Environment services	175,776	172,845	-	-	175,776	172,845
Transportation	7,527,658	7,206,454	-	-	7,527,658	7,206,454
Economic environment	2,402,303	1,864,073	-	-	2,402,303	1,864,073
Social services	96,897	97,069	-	-	96,897	97,069
Culture and recreation	3,456,327	3,551,109	-	-	3,456,327	3,551,109
Interest on long-term debt	892,323	1,014,265	4,325	4,740	896,648	1,019,005
Surface water management	-	-	2,228,559	2,221,621	2,228,559	2,221,621
Total expenses	31,865,295	30,198,771	2,232,884	2,226,361	34,098,179	32,425,132
Increase in net position before transfers	6,977,936	494,152	1,590,258	1,231,551	8,568,194	1,725,703
Transfers	190,000	23,250	(190,000)	(23,250)	-	-
Increase in net position	7,167,936	517,402	1,400,258	1,208,301	8,568,194	1,725,703
Net position - January 1	120,353,278	110,188,178	13,798,130	13,289,065	134,151,408	123,477,243
Prior period adjustment	(483,780)	13,358,466	15,668	-	(468,112)	13,358,466
Change in accounting principal	-	(3,710,768)	-	(699,236)	-	(4,410,004)
Net position - January 1, restated	119,869,498	119,835,876	13,813,798	12,589,829	133,683,296	132,425,705
Net position - December 31	\$ 127,037,434	\$ 120,353,278	\$ 15,214,056	\$ 13,798,130	\$ 142,251,490	\$ 134,151,407

## **GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES FOR FISCAL YEAR ENDING DECEMBER 31, 2016**

### ***Governmental Activities***

Overall, governmental revenues increased by \$8.2 million from the prior year. Of this amount, \$4.7 million is recorded as a capital grant from the Army Corps of Engineers, resulting from their work to restore the north shoreline of Seahurst Park. The City also received \$2.1 million more in tax revenue in 2016 due to improved economic conditions after the recession in addition to recognizing a gain of just under \$1 million on the sale of the North East Redevelopment Area property.

The \$1.7 million increase in expenses is the result of increasing the authorized expense appropriation as a result of the revenue growth. The majority of the increase is in public safety, general government, and economic environment.

### ***Business-type Activities***

The modest increase in Surface Water Management Fund revenues (\$365 thousand) in 2016 is due to the receipt of a storm water connection fee for the new development in the North East Redevelopment Area.

## **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.

### **Governmental Funds Fund Balances**

The total governmental fund balances increased \$6.2 million. Of the General Fund balance of \$18.8 million, \$16.1 million or 86% is unassigned. Unassigned fund balance is 60% of General Fund revenues. The City's financial policies state that General Fund Fund Balance shall be a minimum of 17.5% of recurring revenues with a goal of 20% by the 2017-2018 biennium. The 20% goal of \$5.1 million was achieved with the adoption of the 2017-2018 Biennial Budget. In 2016, Council set aside \$2 million for a Capital Partnership Reserve to communicate Burien's interest in working with public agencies such as the Highline School District, neighboring cities, or other jurisdictions to address common needs and opportunities. The 2017-2018 Adopted Budget increased this reserve to \$3 million and established a capital equipment reserve of \$1 million to furnish and equip any new facilities. The 2017-2018 Adopted Budget also appropriates approximately \$2.5 million in fund balance primarily for the purpose of upgrading the City's technology infrastructure. The growth in fund balance is the result of revenues that exceeded expectations and expenditures that were less than budgeted, primarily in general government and economic environment, but also in culture and recreation, transportation, and public safety. Unassigned fund balance is available to fund future capital programs, future operations, and withstand economic downturns.

Other governmental funds accumulate reserved fund balances for designated purposes.

The Street Fund, comprised of gas tax revenues, business license fees, solid waste utility taxes, and franchise fees, is used for transportation expenses. Any excess fund balance may be transferred to the Transportation Capital Projects Fund for capital improvement projects. The minimum fund balance requirement is 5% of budgeted recurring revenue. The growth in the 2016 fund balance reflects revenues that exceeded budget and expenditures that were less than budget.

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

The Parks and General Government Capital Improvement Projects Fund is primarily funded with grants and transfers from the General Fund or Capital Projects Reserve Fund for the completion of parks and general government capital improvement projects. There is no minimum fund balance requirement.

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

### **Proprietary Funds**

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

The Surface Water Management Fund is comprised of surface water management fees and grants to fund surface water operations and capital improvement projects. The increase in net position 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**

At the end of 2015, the City Council adopted the 2015-2016 mid-biennial budget amendment that adjusted beginning fund balances to the 2014 actual ending fund balance amounts and reduced some revenue and expenditure estimates and increased others to reflect current activity. In 2016, the City Council approved four additional budget amendments. The first amendment provided for the sale of property in the North East Redevelopment Area and authorized repayment of the line of credit used to purchase the property. The second and third amendments provided additional funding for building inspection services and construction of the Hilltop Elementary Crosswalk and Path Project, respectively. The fourth amendment adjusted revenues and expenditures relating to refunding the 2006 Limited Tax General Obligation Bonds.

General Fund revenues exceeded budget estimates by 10.6% in 2016 due in large part to higher than anticipated revenues, including taxes, licenses and permits, intergovernmental revenue, charges for services, rents and leases, and investment earnings. Expenditures were 6.0% less than the amended budget due to savings primarily in general government and economic environment, but also in culture and recreation, transportation, and public safety.

**CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

As of December 31, 2016, the City had invested \$134.0 million in capital assets as reflected in the following table, which represents a decrease of \$3.6 million from the previous year. The decrease is the result of selling the land in the North East Redevelopment Area. Other asset additions are offset by the annual depreciation expense. Detailed information on Capital Assets is available in Note 8 of the Notes to the Financial Statements.

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

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 25,974,071	\$ 29,488,828	\$ 1,076,060	\$ 1,076,060	\$ 27,050,131	\$ 30,564,888
Construction work in progress	2,804,281	7,751,996	1,153,203	6,108,270	3,957,484	13,860,266
Buildings	9,774,485	10,500,461	-	-	9,774,485	10,500,461
Machinery, equipment, and vehicles	966,279	1,160,956	322,841	349,845	1,289,120	1,510,801
Other improvements	14,824,502	5,205,779	-	-	14,824,502	5,205,779
Infrastructure	67,219,626	71,598,041	9,862,563	4,347,770	77,082,189	75,945,811
Intangible assets	-	3,449	7,300	10,950	7,300	14,399
Total	\$ 121,563,244	\$ 125,709,510	\$ 12,421,967	\$ 11,892,895	\$ 133,985,211	\$ 137,602,405

The table above shows the change in capital assets between 2015 and 2016. Construction work in progress (CWIP) for governmental activities is \$2.8 million, which is comprised of parks and street improvement projects still under construction. The CWIP amount of \$1.2 million for business-type activities is surface water infrastructure projects.

**CHANGE IN CAPITAL ASSETS**

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Changes in capital assets						
Land	\$ (3,514,757)	\$ -	\$ -	\$ -	\$ (3,514,757)	\$ -
Construction work in progress	(4,947,715)	(7,939,117)	(4,955,067)	594,364	(9,902,782)	(7,344,753)
Buildings	(725,976)	(748,737)	-	-	(725,976)	(748,737)
Machinery, equipment, and vehicles	(194,677)	(272,935)	(27,004)	6,002	(221,681)	(266,933)
Other improvements	9,618,723	(165,137)	-	-	9,618,723	(165,137)
Infrastructure	(4,378,415)	17,451,671	5,514,793	(352,960)	1,136,378	17,098,711
Intangible assets	(3,449)	(3,449)	(3,650)	10,950	(7,099)	7,501
Total	\$ (4,146,266)	\$ 8,322,296	\$ 529,072	\$ 258,356	\$ (3,617,194)	\$ 8,580,652

**Outstanding Debt**

At the end of 2016, the City had \$29.8 million in long-term liabilities compared to \$34.1 million in 2015. The City of Burien's total long-term liabilities decreased \$4.3 million, which reflects a reduction of \$4.4 million in governmental activities offset by an increase of \$59,402 in business-type activities. Governmental liabilities reflect a decrease of \$5.1 million in governmental debt due to debt service payments and repayment of the 2013 line of credit. The City sold the land that was purchased with the line of credit. These reductions are offset by an increase of \$709,417 in the pension obligation. The increase in business-type activities reflects a reduction of \$83,031 due to regularly scheduled debt payments offset by an increase of \$142,433 in the pension obligation.

**OUTSTANDING DEBT AT YEAR-END**

	Governmental <u>Activities</u>		Business - Type <u>Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 18,895,519	\$ 23,593,562	\$ -	\$ -	\$ 18,895,519	\$ 23,593,562
Special obligation bonds - SCORE PDA	3,046,800	3,132,600	-	-	3,046,800	3,132,600
Special assessment debt with government commitment (public works trust fund loan)	797,744	910,657	-	-	797,744	910,657
Public works trust fund loan	1,126,965	1,316,277	830,308	913,339	1,957,273	2,229,616
Total long-term debt	23,867,028	28,953,096	830,308	913,339	24,697,336	29,866,435
Net pension obligation	4,287,360	3,577,943	816,640	674,207	5,104,000	4,252,150
Total long-term liabilities	\$ 28,154,388	\$ 32,531,039	\$ 1,646,948	\$ 1,587,546	\$ 29,801,336	\$ 34,118,585

For additional debt information, see Notes 10 and 11 in the Notes to the Financial Statements.

**ECONOMIC FACTORS**

The City rebounded from the Great Recession with substantial growth in its largest revenue source over the past three years, Sales Tax. Sales Tax is now well past pre-recession levels and represents 27.8% of governmental revenues. The majority of the growth is in automobile sales and construction. Property values also rebounded from the severe losses during the Great Recession. Property Taxes are now 22.4% of governmental resources. Business and Occupation/Utility Taxes are 12.9% of governmental revenues. While Utility Taxes continue to decline due to loss of telephone taxes, Business and Occupation Taxes are growing. This growth is partially due to a rate increase that took effect January 1, 2015 and partially due to construction activity. The rate increase was supported by the business community and is dedicated to economic development activities. Intergovernmental revenues from state shared revenues and grants make up 9.2% of total governmental resources. Building permit revenue remained strong due to continued construction activity, including several large projects. Real estate excise taxes showed marked growth due to an active housing market.

**NEXT YEAR'S BUDGETS AND RATES**

The City's 2017-2018 Biennial Budget reflects increased revenue estimates and additional expenditure appropriations, including items that were identified as priorities during development of the 2017-2020 Strategic Plan. Funded priorities include adding two community policing personnel, a Sergeant and a Detective. Three positions that were eliminated during the recession were restored: Senior Planner, GIS Analyst, and Information Systems Manager (reclassified from a lower level position). Other positions that were added or increased include:

- Increase Front Desk Assistant from .50 to 1.0
- Increase Parks Maintenance Assistant from .75 to 1.0
- Increase Recreation Coordinator from .55 to .75
- Add .60 Human Resources Technician
- Add Street Maintenance Worker II

The budget also includes replacement of almost all the City's technology infrastructure: the financial software, the permitting software, the parks registration software, the website, the meeting room technology, and the telephone system.

The Transportation Benefit District car tab fee was increased from \$10 to \$20 to provide additional funding for the annual pavement management program.

## **FINANCIAL CONTACT**

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

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## BASIC FINANCIAL STATEMENTS



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**City of Burien, Washington**  
**Statement of Net Position**  
**December 31, 2016**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 28,334,776	\$ 4,472,550	\$ 32,807,326
Receivables (net of allowance for uncollectibles)	2,088,954	121,618	2,210,572
Due from other governments	2,447,547	68,387	2,515,934
Restricted cash and cash equivalents	66,692	-	66,692
Investment in joint venture - SCORE	3,371,402	-	3,371,402
Capital assets not being depreciated:			
Land	25,974,071	1,076,060	27,050,131
Construction in progress	2,804,281	1,153,203	3,957,484
Capital assets, net of accumulated depreciation:			
Buildings	9,774,485	-	9,774,485
Machinery, equipment, and vehicles	966,279	322,841	1,289,120
Other improvements	14,824,502	-	14,824,502
Infrastructure	67,219,626	9,862,563	77,082,189
Intangible assets	-	7,300	7,300
Total assets	<u>157,872,615</u>	<u>17,084,522</u>	<u>174,957,137</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount from debt refunding	67,126	-	67,126
Deferred outflow related to pensions	789,312	150,345	939,657
Total deferred outflows of resources	<u>856,438</u>	<u>150,345</u>	<u>1,006,783</u>
<b>LIABILITIES</b>			
Accounts payable and other liabilities	939,918	263,085	1,203,003
Accrued interest payable	54,306	2,422	56,728
Due to other governments	1,714,316	57,714	1,772,030
Unearned revenues	350,485	-	350,485
Deposits payable	133,418	-	133,418
Non-current liabilities:			
Special assessment debt with government commitment	797,744		797,744
Due within one year	1,613,343	86,983	1,700,326
Due in more than one year	20,937,974	779,255	21,717,229
Net pension	4,287,360	816,640	5,104,000
Total liabilities	<u>30,828,864</u>	<u>2,006,099</u>	<u>32,834,963</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow related to pensions	77,236	14,712	91,948
Deferred inflow related to long-term debt	785,519	-	785,519
Total deferred inflows of resources	<u>862,755</u>	<u>14,712</u>	<u>877,467</u>
<b>NET POSITION</b>			
Net investment in capital assets	100,810,142	11,591,658	112,401,800
Restricted for:			
Debt service	481,069	-	481,069
Capital projects	1,286,903	-	1,286,903
Unrestricted	24,459,320	3,622,398	28,081,718
Total net position	<u>\$ 127,037,434</u>	<u>\$ 15,214,056</u>	<u>\$ 142,251,490</u>

**City of Burien, Washington**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**  
 Page 1 of 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Governmental activities:</b>			
General government	\$ 4,819,552	\$ 763,834	\$ 1,099,579
Judicial	409,284	172,662	-
Public safety	12,085,175	-	867,496
Natural environment	175,776	-	-
Transportation	7,527,658	1,331,955	1,209,480
Economic environment	2,402,303	1,871,138	-
Social services	96,897	-	32,125
Culture and recreation	3,456,327	601,650	1,250
Interest on long-term debt	892,323	-	-
Total governmental activities	<u>31,865,295</u>	<u>4,741,239</u>	<u>3,209,930</u>
 <b>Business-type activities:</b>			
Surface water management	<u>2,232,884</u>	<u>3,602,773</u>	<u>-</u>
Total business-type activities	<u>2,232,884</u>	<u>3,602,773</u>	<u>-</u>
Total primary government	<u>\$ 34,098,179</u>	<u>\$ 8,344,012</u>	<u>\$ 3,209,930</u>

General revenues:

Taxes

Property taxes

Retail sales and use taxes

Business and occupation taxes

Excise taxes

Other taxes

Unrestricted investment earnings

Gain (loss) on disposal of capital assets

Extraordinary item

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1

Prior period adjustment

Net position - January 1, restated

Net position - December 31

**City of Burien, Washington**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**  
**Page 2 of 2**

Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	<b>Functions/Programs</b>
\$ -	\$ (2,956,139)	\$ -	\$ (2,956,139)	Governmental activities:
-	(236,622)	-	(236,622)	General government
-	(11,217,679)	-	(11,217,679)	Judicial
-	(175,776)	-	(175,776)	Public safety
425,600	(4,560,623)	-	(4,560,623)	Natural environment
-	(531,165)	-	(531,165)	Transportation
-	(64,772)	-	(64,772)	Economic environment
4,866,050	2,012,623	-	2,012,623	Social services
-	(892,323)	-	(892,323)	Culture and recreation
<u>5,291,650</u>	<u>(18,622,476)</u>	<u>-</u>	<u>(18,622,476)</u>	Interest on long-term debt
				Total governmental activities
				Business-type activities:
<u>182,082</u>	<u>-</u>	<u>1,551,971</u>	<u>1,551,971</u>	Surface water management
<u>182,082</u>	<u>-</u>	<u>1,551,971</u>	<u>1,551,971</u>	Total business-type activities
<u>\$ 5,473,732</u>	<u>\$ (18,622,476)</u>	<u>\$ 1,551,971</u>	<u>\$ (17,070,505)</u>	Total primary government
				General revenues:
	7,495,772	-	7,495,772	Taxes
	9,267,023	-	9,267,023	Property taxes
	4,302,288	-	4,302,288	Retail sales and use taxes
	2,722,452	-	2,722,452	Business and occupation taxes
	384,887	-	384,887	Excise taxes
	125,574	30,287	155,861	Other taxes
	967,228	-	967,228	Unrestricted investment earnings
	(47,604)	-	(47,604)	Gain (loss) on disposal of capital assets
	382,792	8,000	390,792	Extraordinary item
	190,000	(190,000)	-	Miscellaneous
	<u>25,790,412</u>	<u>(151,713)</u>	<u>25,638,699</u>	Transfers
				Total general revenues and transfers
	7,167,936	1,400,258	8,568,194	Change in net position
	120,353,278	13,798,130	134,151,408	Net position - January 1
	(483,780)	15,668	(468,112)	Prior period adjustment
	<u>119,869,498</u>	<u>13,813,798</u>	<u>133,683,296</u>	Net position - January 1, restated
	<u>127,037,434</u>	<u>\$ 15,214,056</u>	<u>\$ 142,251,490</u>	Net position - December 31

**City of Burien, Washington**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**  
**Page 1 of 2**

	General	Street	Debt Service
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,967,676	\$ 1,010,026	\$ 248,178
Accounts receivable	197,314	46,309	-
Taxes receivable:			
Current	739,266	52,814	-
Delinquent	170,573	-	-
Special assessments receivable	-	-	708,783
Due from other governments	2,090,382	162,153	-
Restricted cash and cash equivalents	66,692	-	-
Total assets	<u>21,231,903</u>	<u>1,271,302</u>	<u>956,961</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total deferred outflows of resources	-	-	-
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 21,231,903</u></u>	<u><u>\$ 1,271,302</u></u>	<u><u>\$ 956,961</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 445,018	\$ 92,859	\$ 628
401(a) payable	24,641	-	-
Due to other governments	1,108,178	42,299	-
Deposits payable	133,418	-	-
Accrued wages and benefits payable	216,612	32,275	-
Unearned revenue	350,485	-	-
Total liabilities	<u>2,278,352</u>	<u>167,433</u>	<u>628</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	170,573	-	-
Unavailable revenue-special assessments	-	-	708,783
Unavailable revenue-grants	7,000	-	-
Unavailable revenue-accounts receivable	22,127	-	-
Total deferred inflows of resources	<u>199,700</u>	<u>-</u>	<u>708,783</u>
<b>FUND BALANCES (DEFICITS)</b>			
<b>Restricted:</b>			
Debt service	-	-	247,550
Other capital projects	-	-	-
<b>Committed:</b>			
Arts projects	29,567	-	-
Parking projects	137,760	-	-
<b>Assigned:</b>			
Capital partnership	2,000,000	-	-
Capital projects	482,359	-	-
Street maintenance	-	1,103,869	-
Parks capital projects	-	-	-
Transportation capital projects	-	-	-
<b>Unassigned:</b>	<u>16,104,165</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>18,753,851</u>	<u>1,103,869</u>	<u>247,550</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u><u>\$ 21,231,903</u></u>	<u><u>\$ 1,271,302</u></u>	<u><u>\$ 956,961</u></u>

**City of Burien, Washington**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**  
**Page 2 of 2**

Parks and General Government Capital Projects	Transportation Capital Projects	Other Governmental	Total
\$ 2,628,863	\$ 3,824,422	\$ 1,326,062	\$ 27,005,227
8,077	-	-	251,700
-	-	165,818	957,898
-	-	-	170,573
-	-	-	708,783
23,470	143,000	28,542	2,447,547
-	-	-	66,692
<u>2,660,410</u>	<u>3,967,422</u>	<u>1,520,422</u>	<u>31,608,420</u>
-	-	-	-
<u>\$ 2,660,410</u>	<u>\$ 3,967,422</u>	<u>\$ 1,520,422</u>	<u>\$ 31,608,420</u>
\$ 37,663	\$ 88,478	\$ -	\$ 664,646
-	-	-	24,641
483,787	80,052	-	1,714,316
-	-	-	133,418
103	1,641	-	250,631
-	-	-	350,485
<u>521,553</u>	<u>170,171</u>	<u>-</u>	<u>3,138,137</u>
-	-	-	170,573
-	-	-	708,783
-	-	-	7,000
-	-	-	22,127
<u>-</u>	<u>-</u>	<u>-</u>	<u>908,483</u>
-	-	233,519	481,069
-	-	1,286,903	1,286,903
-	-	-	29,567
-	-	-	137,760
-	-	-	2,000,000
-	-	-	482,359
-	-	-	1,103,869
2,138,857	-	-	2,138,857
-	3,797,251	-	3,797,251
-	-	-	16,104,165
<u>2,138,857</u>	<u>3,797,251</u>	<u>1,520,422</u>	<u>27,561,800</u>
<u>\$ 2,660,410</u>	<u>\$ 3,967,422</u>	<u>\$ 1,520,422</u>	<u>\$ 31,608,420</u>

**City of Burien, Washington  
Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
December 31, 2016**

Total fund balances - governmental funds	\$	27,561,800
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Land	25,974,071	
Construction in progress	2,804,281	
Buildings (net of accumulated depreciation)	9,774,485	
Machinery and equipment (net of accumulated depreciation)	966,279	
Improvements (net of accumulated depreciation)	14,824,502	
Infrastructure (net of accumulated depreciation)	<u>67,219,626</u>	121,563,244
<p>Investment in joint ventures (SCORE) are not a financial resource and, therefore are not reported in the funds.</p>		
		3,371,402
<p>Receivables not available to pay current period expenditures and, therefore, are deferred in the funds:</p>		
Property taxes	170,573	
Special assessments	708,783	
Grants	7,000	
Charges for services	<u>22,127</u>	908,483
<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	(18,110,000)	
2009 bonds A and B- SCORE joint venture	(3,046,800)	
Special assessment debt payable	(797,744)	
Public works trust fund loans payable	(1,126,965)	
Compensated absences	(267,552)	
Deferred charge on refunding	67,126	
Net pension	(4,287,360)	
Accrued interest payable on long-term debt	<u>(54,306)</u>	(27,623,601)
<p>Some deferred outflows and inflows of resources are not reported in the funds.</p>		
Deferred inflow related to pensions	789,312	
Deferred inflow related to long term debt	(785,519)	
Deferred outflow related to pensions	<u>(77,236)</u>	(73,443)
<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>1,329,549</u>
Net position of governmental activities	\$	<u><u>127,037,434</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, 2016**  
 Page 1 of 2

	General	Street	Debt Service
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 7,480,328	\$ -	\$ -
Retail sales and use taxes	9,267,023	-	-
Real estate excise tax	-	-	-
Business and occupation taxes	1,402,572	-	-
Utility taxes	2,519,740	379,974	-
Gambling and other taxes	465,909	247,377	-
Licenses and permits	1,902,558	1,151,822	-
Intergovernmental revenues	1,997,465	1,098,809	110,672
Charges for services	1,235,002	-	48,164
Fines and forfeitures	204,623	-	136
Investment earnings	82,236	6,126	1,954
Special assessments penalties and interest	-	-	4,097
Rents and leases	246,164	-	-
Contributions and donations	13,876	-	-
Special assessments principal	-	-	124,251
Miscellaneous	76,672	9,023	178
Total revenues	<u>26,894,168</u>	<u>2,893,131</u>	<u>289,452</u>
<b>EXPENDITURES</b>			
Current:			
General government	4,102,597	-	-
Judicial	409,284	-	-
Public safety	11,939,188	-	-
Natural environment	175,776	-	-
Transportation	577,837	1,450,783	-
Economic environment	2,405,924	-	-
Social services	96,897	-	-
Culture and recreation	2,865,379	-	-
Debt service			
Principal	-	-	5,195,787
Interest and fiscal charges	-	-	930,810
Capital outlay	66,688	760	-
Total expenditures	<u>22,639,570</u>	<u>1,451,543</u>	<u>6,126,597</u>
Excess (deficiency) of revenues over expenditures	<u>4,254,598</u>	<u>1,441,588</u>	<u>(5,837,145)</u>
<b>Other financing sources (uses)</b>			
Refunding bonds issued	-	-	5,320,000
Premium on refunding bonds issued	-	-	785,519
Payment to refunding bond escrow agent	-	-	(6,022,466)
Underwriter's discount on refunding bonds issued	-	-	(42,560)
Transfers in	173,000	-	5,965,000
Transfers out	(4,611,000)	(958,000)	-
Insurance recoveries	-	-	-
Sale of capital assets	4,500,000	-	-
Total other financing sources (uses)	<u>62,000</u>	<u>(958,000)</u>	<u>6,005,493</u>
Net change in fund balances	4,316,598	483,588	168,348
Fund balances - beginning	<u>14,437,253</u>	<u>620,281</u>	<u>79,202</u>
Prior period adjustment	-	-	-
Fund balances - beginning, as restated	<u>14,437,253</u>	<u>620,281</u>	<u>79,202</u>
Fund balances - ending	<u>\$ 18,753,851</u>	<u>\$ 1,103,869</u>	<u>\$ 247,550</u>

**City of Burien, Washington**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**  
**Page 2 of 2**

Parks and General Government Capital Projects	Transportation Capital Projects	Other Governmental	Total
\$ -	\$ -	\$ -	\$ 7,480,328
-	-	-	9,267,023
-	-	2,013,191	2,013,191
-	-	-	1,402,572
-	-	-	2,899,714
-	-	380,863	1,094,149
-	-	-	3,054,380
205,015	425,599	-	3,837,560
-	180,133	25,518	1,488,817
-	-	-	204,759
10,448	15,560	4,467	120,791
-	-	-	4,097
-	-	-	246,164
11,478	-	-	25,354
-	-	-	124,251
-	-	-	85,873
<u>226,941</u>	<u>621,292</u>	<u>2,424,039</u>	<u>33,349,023</u>
-	-	-	4,102,597
-	-	-	409,284
-	-	-	11,939,188
-	-	-	175,776
-	695,274	-	2,723,894
-	-	-	2,405,924
-	-	-	96,897
39,469	-	-	2,904,848
-	-	-	5,195,787
-	-	-	930,810
135,305	652,123	-	854,876
<u>174,774</u>	<u>1,347,397</u>	<u>-</u>	<u>31,739,881</u>
<u>52,167</u>	<u>(726,105)</u>	<u>2,424,039</u>	<u>1,609,142</u>
-	-	-	5,320,000
-	-	-	785,519
-	-	-	(6,022,466)
-	-	-	(42,560)
186,000	685,000	-	7,009,000
-	-	(1,450,000)	(7,019,000)
15,300	-	-	15,300
-	-	-	4,500,000
<u>201,300</u>	<u>685,000</u>	<u>(1,450,000)</u>	<u>4,545,793</u>
253,467	(41,105)	974,039	6,154,935
<u>2,369,170</u>	<u>3,838,356</u>	<u>546,383</u>	<u>21,890,645</u>
<u>(483,780)</u>	<u>-</u>	<u>-</u>	<u>(483,780)</u>
<u>1,885,390</u>	<u>3,838,356</u>	<u>546,383</u>	<u>21,406,865</u>
<u>\$ 2,138,857</u>	<u>\$ 3,797,251</u>	<u>\$ 1,520,422</u>	<u>\$ 27,561,800</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, 2016**

Net change in fund balances - total governmental funds \$ 6,154,935

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

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

Capital outlays	854,876	
Depreciation expense	(5,965,769)	
Sale of capital assets	(3,532,772)	
Loss on capital asset - extraordinary item	<u>(47,604)</u>	(8,691,269)

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. 4,672,513

Investment in joint ventures are not considered financial resources and are, therefore not reported in the funds. (138,039)

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

Property tax revenue	15,444	
Special assessments revenue	(126,207)	
Business and occupation tax revenue	-	
Grants	(8,493)	
Charges for services	(6,717)	
Miscellaneous	<u>7,960</u>	(118,013)

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.

Issuance of 2016 refunding bonds	(5,320,000)	
Premium on refunding bonds issued	(785,519)	
Payment to refunded bond escrow agent	6,022,466	
Underwriter's discount on refunded bonds issued	42,560	
Principal payments on long-term debt	5,195,787	
Amortization of deferred charge on bond refunding	<u>(11,188)</u>	5,144,106

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

Accrued interest expense	49,676	
Accrued compensated absences expense	<u>(15,290)</u>	34,386

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

Pension		40,759
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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.

68,558

Change in net position of governmental activities \$ 7,167,936

**City of Burien, Washington**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual**  
**For the Year ended December 31, 2016**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 19,254,000	\$ 19,484,000	\$ 21,135,572	\$ 1,651,572
Licenses and permits	1,325,000	1,395,000	1,902,558	507,558
Intergovernmental revenue	1,775,000	1,908,300	1,997,465	89,165
Charges for services	1,069,850	1,058,000	1,235,002	177,002
Fines and forfeitures	200,000	200,000	204,623	4,623
Investment earnings	11,000	11,000	82,236	71,236
Rents and leases	166,000	173,000	246,164	73,164
Contributions and donations	-	1,000	13,876	12,876
Miscellaneous	65,000	90,000	76,672	(13,328)
Total revenues	23,865,850	24,320,300	26,894,168	2,573,868
<b>EXPENDITURES</b>				
Current:				
General government	4,287,070	4,533,650	4,102,597	431,053
Judicial	350,000	450,000	409,284	40,716
Public safety	11,934,150	12,069,150	11,939,188	129,962
Natural environment	175,000	175,000	175,776	(776)
Transportation	672,515	723,000	577,837	145,163
Economic environment	2,455,325	2,859,085	2,405,924	453,161
Social services	95,300	105,500	96,897	8,603
Culture and recreation	3,036,200	3,077,735	2,865,379	212,356
Capital outlay	19,250	79,250	66,688	12,562
Total expenditures	23,024,810	24,072,370	22,639,570	1,432,800
Excess (deficiency) of revenues over expenditures	841,040	247,930	4,254,598	4,006,668
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets		4,275,000	4,500,000	225,000
Transfers In	173,000	173,000	173,000	-
Transfers out	(900,000)	(4,811,000)	(4,611,000)	200,000
Total other financing uses (sources)	(727,000)	(363,000)	62,000	425,000
Net change in fund balances	114,040	(115,070)	4,316,598	4,431,668
Fund balances - beginning	7,902,375	12,076,705	14,437,253	2,360,548
Fund balances - ending	\$ 8,016,415	\$ 11,961,635	\$ 18,753,851	\$ 6,792,216

**City of Burien, Washington**  
**Street Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual**  
**For the Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Utility taxes	\$ 330,000	\$ 365,000	\$ 379,974	\$ 14,974
Other taxes	175,000	215,000	247,377	32,377
Intergovernmental revenues	975,000	1,020,000	1,098,809	78,809
Licenses and permits	990,000	990,000	1,151,822	161,822
Investment earnings	1,000	1,000	6,126	5,126
Miscellaneous	-	-	9,023	9,023
Total revenues	<u>2,471,000</u>	<u>2,591,000</u>	<u>2,893,131</u>	<u>302,131</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	1,680,530	1,661,575	1,450,783	210,792
Capital outlay	-	-	760	(760)
Total expenditures	<u>1,680,530</u>	<u>1,661,575</u>	<u>1,451,543</u>	<u>210,032</u>
Excess of revenues over expenditures	790,470	929,425	1,441,588	512,163
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(858,000)	(958,000)	(958,000)	-
Total other financing sources (uses)	<u>(858,000)</u>	<u>(958,000)</u>	<u>(958,000)</u>	<u>-</u>
Net change in fund balances	(67,530)	(28,575)	483,588	512,163
Fund balance - beginning	<u>245,245</u>	<u>259,640</u>	<u>620,281</u>	<u>360,641</u>
Fund balances - ending	<u>\$ 177,715</u>	<u>\$ 231,065</u>	<u>\$ 1,103,869</u>	<u>\$ 872,804</u>

**City of Burien, Washington**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2016**

	Business-Type Activities Enterprise Fund Surface Water Management	Governmental Activities Internal Service Fund Equipment Replacement
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,472,550	\$ 1,329,549
Utility receivables, net	121,618	-
Due from other governments	68,387	-
Total current assets	4,662,555	1,329,549
Noncurrent assets:		
Capital assets not being depreciated:		
Land	1,076,060	-
Construction in progress	1,153,203	-
Capital assets, net of accumulated depreciation:		
Machinery, equipment, and vehicles	322,841	135,076
Infrastructure	9,862,563	-
Intangible assets	7,300	-
Total noncurrent assets	12,421,967	135,076
Total assets	17,084,522	1,464,625
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Total deferred outflows of resources: pensions	150,345	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	215,801	-
Accrued employee wages and benefits payable	47,284	-
Compensated absences	3,952	-
Accrued interest payable	2,422	-
Due to other governments	57,714	-
Public works trust fund loan payable	83,031	-
Total current liabilities	410,204	-
Non-current liabilities:		
Compensated absences	31,977	-
Net pension	816,640	-
Public works trust fund loan payable	747,278	-
Total liabilities	2,006,099	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Total deferred inflows of resources: pensions	14,712	-
<b>NET POSITION</b>		
Net investment in capital assets	11,591,658	135,076
Unrestricted	3,622,398	1,329,549
Total net position	\$ 15,214,056	\$ 1,464,625

**City of Burien, Washington**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2016**

	Business-Type Activities Enterprise Fund Surface Water Management	Governmental Activities Internal Service Fund Equipment Replacement
<b>Operating revenues:</b>		
Charges for services	\$ 3,602,773	\$ 70,000
Miscellaneous	8,000	-
Total operating revenues	<u>3,610,773</u>	<u>70,000</u>
<b>Operating expenses:</b>		
Personnel services	1,181,750	-
Supplies	93,974	8,715
Services	624,902	-
Taxes	28,724	-
Depreciation	299,209	127,510
Total operating expenses	<u>2,228,559</u>	<u>136,225</u>
Operating income (loss)	1,382,214	(66,225)
<b>Non-operating revenues (expenses):</b>		
Investment earnings	30,287	4,783
Interest expense	(4,325)	-
Total nonoperating revenues (expenses)	<u>25,962</u>	<u>4,783</u>
Income before capital contributions and transfers	<u>1,408,176</u>	<u>(61,442)</u>
Capital contribution	182,082	-
Transfers in	-	200,000
Transfers out	(190,000)	-
Total transfers	<u>(7,918)</u>	<u>200,000</u>
Change in net position	<u>1,400,258</u>	<u>138,558</u>
Net position - January 1	13,798,130	1,326,067
Prior Period Adjustment	15,668	-
Net position January 1, restated	<u>13,813,798</u>	<u>1,326,067</u>
Net position - December 31	<u>\$ 15,214,056</u>	<u>\$ 1,464,625</u>

**City of Burien, Washington**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2016**

	Business-type Activities Enterprise Fund Surface Water Management	Governmental Activities Internal Service Fund Equipment Replacement
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers	\$ (673,728)	\$ (8,715)
Receipts from customers	3,579,425	70,000
Other receipts	8,132	-
Payments to employees	(1,180,937)	-
Net cash provided (used for) operating activities	<u>1,732,892</u>	<u>61,285</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to other funds	(190,000)	200,000
Net cash provided (used for) noncapital financing activities	<u>(190,000)</u>	<u>200,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital grants	135,536	-
Acquisition and construction of capital assets	(745,025)	(5,849)
Principal paid on capital debt	(83,030)	-
Interest paid on capital debt	(4,567)	-
Net cash provided by (used for) capital and related financing activities	<u>(697,086)</u>	<u>(5,849)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	18,490	4,783
Net cash provided by investing activities	<u>18,490</u>	<u>4,783</u>
Net increase (decrease) in cash and cash equivalents	864,296	260,219
Cash and cash equivalents, January 1	<u>3,608,254</u>	<u>1,069,330</u>
Cash and cash equivalents, December 31	<u>\$ 4,472,550</u>	<u>\$ 1,329,549</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	<u>\$ 1,382,214</u>	<u>\$ (66,225)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities:		
Depreciation expense	299,209	127,510
Pension expense	(379)	-
Prior period adjustment	15,668	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(7,035)	-
(Increase) decrease in intergovernmental receivables	(3,805)	-
(Decrease) increase in employee wages and benefits payable	15	-
(Decrease) increase in accrued liabilities	(9)	-
(Decrease) increase in compensated absences	2,927	-
(Decrease) increase in accounts payable	11,316	-
(Decrease) increase in intergovernmental payable	32,771	-
Total adjustments	<u>350,678</u>	<u>127,510</u>
Net cash provided by (used for) operating activities	<u>\$ 1,732,892</u>	<u>\$ 61,285</u>

**City of Burien, Washington**  
**Statement of Net Position**  
**Fiduciary Fund**  
**December 31, 2016**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 60,572
Total assets	<u>\$ 60,572</u>
<b>LIABILITIES</b>	
Payroll withholdings and employer contributions	\$ 60,572
Total liabilities	<u>\$ 60,572</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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

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

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

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

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

## 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, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is not to allocate indirect costs to a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, interfund activity has been eliminated from the government-wide statements with the exception of charges for surface water management activities. Elimination of these charges would distort the direct cost and program revenue of this activity.

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

The government 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. 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.

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

The government 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 the following fiduciary fund:

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

Additionally, the government reports the following fund types:

*Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted for expenditures for specified purposes. Special Revenue Funds include the Street Fund, the Public Works Reserve Fund, and the Transportation Benefit District Fund. The Street Fund is the only fund in this category reported as a major fund. Street Fund revenue sources include motor vehicle fuel tax, solid waste utility tax and franchise fees, parking tax, and business license fees.

*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 funds 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 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 fund has 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, the pay classification system, hours or other conditions of employment must be approved by the City Council.

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

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

## **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 4). 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.

## **3. Interfund Transactions**

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

**4. Capital Assets**

Capital Assets, which includes property, plant, equipment, and infrastructure, including all infrastructure acquired prior to the implementation of GASB 34, are reported in the applicable government or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of three years. Such assets are recorded at estimated historical cost if historical cost data is not available. Donated capital assets are recorded at estimated fair market value using the cost approach at the date of donation. Infrastructure assets acquired prior to the implementation of GASB 34 are recorded at estimated historical cost and all infrastructure assets acquired since implementation of GASB 34 are valued at cost.

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

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

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

**5. Compensated Absences**

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

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

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City of Burien only has 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 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 10 and the joint venture disclosure in Note 15.

#### **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 17.5% 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 17.5% 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 ordinances and resolutions adopted by Burien Councilmembers, the City's highest level of decision-making authority.

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

*Unassigned Fund Balance* is the residual amount in the General Fund not included in the categories described above. 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. Operating and Non-operating Revenues and Expenses**

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

## **12. 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. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

**NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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 4. 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, 2016, the carrying amount of the City’s demand deposits with Key Bank was \$476,198. 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, 2016, the City had the following investments and maturity:

	<b>Amortized Cost</b>	<b>Less than One Year</b>
State Treasurer’s Local Government Investment Pool	\$32,452,143	\$32,452,143
Total Investments	\$32,452,143	\$32,452,143

**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, 2016, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, which in itself is a diversified investment pool and is highly liquid.

**NOTE 5. 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 2016 was \$1.45568 per \$1,000 of the assessed valuation of \$5,159,990,547 for a total regular levy of \$7,443,096, net of adjustments.

**NOTE 6. 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						
Transfer To		General Fund	Debt Service Fund	Parks & General Government CIP	Transportation CIP	Surface Water Utility Fund	All Others	Total
	General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 133,000
Debt Service Fund	3,690,000	-	-	-	-	-	2,275,000	5,965,000
Parks & General Government CIP	-	-	-	-	-	-	186,000	186,000
Transportation CIP	-	-	-	-	-	150,000	535,000	685,000
Surface Water Utility Fund	-	-	-	-	-	-	-	-
All Others	150,000	-	-	-	-	-	50,000	200,000
<b>Total</b>	<b>\$ 3,840,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 190,000</b>	<b>\$ 3,179,000</b>	<b>\$ 7,209,000</b>

**NOTE 7. RESTRICTED COMPONENT OF NET POSITION**

The government-wide statement of net position reports \$1,767,972 of restricted component of net position, of which \$1,520,422 is restricted by enabling legislation. The balance of \$247,550 is restricted by debt covenants.

**NOTE 8. CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2016 was as follows:

Primary Government				
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities :</b>				
Capital assets, not being depreciated:				
Land and land improvements	\$ 29,488,828	\$ 18,015	\$ 3,532,772	\$ 25,974,071
Construction in progress	7,751,995	776,854	5,724,568	2,804,281
<b>Total capital assets, not being depreciated</b>	<b>37,240,823</b>	<b>794,869</b>	<b>9,257,340</b>	<b>28,778,352</b>
Capital assets, being depreciated:				
Buildings and structures	15,099,531	-	-	15,099,531
Other improvements	9,013,736	10,047,003	119,009	18,941,730
Machinery and equipment	3,702,748	47,164	105,822	3,644,089
Infrastructure	123,616,360	362,923	-	123,979,283
<b>Total capital assets being depreciated</b>	<b>151,432,375</b>	<b>10,457,090</b>	<b>224,831</b>	<b>161,664,633</b>
Less accumulated depreciation for:				
Buildings and structures	(4,599,069)	(725,977)	-	(5,325,046)
Other improvements	(3,807,958)	(380,676)	71,406	(4,117,228)
Machinery and equipment	(2,541,792)	(241,840)	105,822	(2,677,810)
Infrastructure	(52,018,317)	(4,741,338)	-	(56,759,655)
<b>Total accumulated depreciation</b>	<b>(62,967,136)</b>	<b>(6,089,830)</b>	<b>177,227</b>	<b>(68,879,739)</b>
<b>Total capital assets, being depreciated, net</b>	<b>88,465,238</b>	<b>4,367,260</b>	<b>47,604</b>	<b>92,784,894</b>
Intangible Assets:				
Intangible assets, not being amortized				
Intangible assets, being amortized	354,892	-	-	354,892
Less accumulated amortization	(351,443)	(3,449)	-	(354,892)
<b>Total intangible asset, being amortized, net</b>	<b>3,449</b>	<b>(3,449)</b>	<b>-</b>	<b>-</b>
<b>Governmental activities capital assets, net</b>	<b>\$125,709,511</b>	<b>\$ 5,158,680</b>	<b>\$ 9,304,944</b>	<b>\$ 121,563,246</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land and land improvements	\$ 1,076,060	\$ -	\$ -	\$ 1,076,060
Construction in progress	6,108,270	827,521	5,782,588	1,153,203
<b>Total capital assets, not being depreciated</b>	<b>7,184,330</b>	<b>827,521</b>	<b>5,782,588</b>	<b>2,229,263</b>
Capital assets, being depreciated:				
Buildings and structures	-	-	-	-
Infrastructure	9,033,772	5,782,588	-	14,816,360
Machinery and equipment	475,789	760	-	476,549
<b>Total capital assets being depreciated</b>	<b>9,509,561</b>	<b>5,783,348</b>	<b>-</b>	<b>15,292,909</b>
Less accumulated depreciation for:				
Buildings and structures	-	-	-	-
Infrastructure	(4,686,003)	(267,795)	-	(4,953,797)
Machinery and equipment	(125,944)	(27,765)	-	(153,709)
<b>Total accumulated depreciation</b>	<b>(4,811,946)</b>	<b>(295,559)</b>	<b>-</b>	<b>(5,107,506)</b>
<b>Total capital assets, being depreciated, net</b>	<b>4,697,615</b>	<b>5,487,789</b>	<b>-</b>	<b>10,185,403</b>
Intangible Assets:				
Intangible assets, not being amortized				
Intangible assets, being amortized	10,950	-	-	10,950
Less accumulated amortization	-	(3,650)	-	(3,650)
<b>Total intangible asset, being amortized, net</b>	<b>10,950</b>	<b>(3,650)</b>	<b>-</b>	<b>7,300</b>
<b>Total Intangible assets</b>	<b>10,950</b>	<b>(3,650)</b>	<b>-</b>	<b>7,300</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 11,892,895</b>	<b>\$ 6,311,660</b>	<b>\$ 5,782,588</b>	<b>\$ 12,421,967</b>

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

<b>Governmental activities</b>	<b>Depreciation</b>	<b>Amortization</b>	<b>Total</b>
General Government	\$ 721,731	\$ 560	\$ 722,291
Public Safety	5,059	2,889	7,948
Transportation	4,802,525	-	4,802,525
Culture and Recreation	557,138	-	557,138
Economic Environment	3,377	-	3,377
<b>Total - Governmental activities</b>	<b>\$ 6,089,830</b>	<b>\$ 3,449</b>	<b>\$ 6,093,279</b>
<b>Business-type activities</b>			
Surface Water Management	\$ 295,559	\$ 3,650	\$ 299,209
<b>Total - Business-type activities</b>	<b>\$ 295,559</b>	<b>\$ 3,650</b>	<b>\$ 299,209</b>

**NOTE 9. CONSTRUCTION COMMITMENTS**

The City had one active construction project as of December 31, 2016, the Capacity Improvements at SW 158<sup>th</sup> and 4<sup>th</sup> Avenue SW in the Surface Water Management Fund. The construction contract on this project totals \$322,116 with \$301,869 being expended by the end of 2016, leaving a balance of \$20,247.

**NOTE 10. 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 15. 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:

<b>Purpose</b>	<b>Maturity Range</b>	<b>Interest Rate</b>	<b>Original Amount</b>	<b>Amount of Installment</b>
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:

<b>Debt Service Requirement to Maturity General Obligation Bonds For the Year Ended December 31, 2016</b>				
<b>Year Ending December 31</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	1,473,152	907,513	-	-
2018	1,515,952	867,926	-	-
2019	1,558,952	815,640	-	-
2020	1,602,152	756,205	-	-
2021	1,657,152	692,491	-	-
2022-2026	8,302,160	2,443,839	-	-
2027-2031	4,554,000	843,333	-	-
2032-2036	874,200	202,936	-	-
2037-2038	404,600	26,284	-	-
<b>Total General Obligation Bonds</b>	<b>\$ 21,942,319</b>	<b>\$ 7,556,167</b>	<b>\$ -</b>	<b>\$ -</b>

Public Works Trust Fund Loan – State of Washington Public Works Trust Fund Loans are a direct responsibility of the City. The City currently has three such loans, two for the governmental funds and one for the proprietary fund. The first loan for the SW 152nd Street Enhancement Project has an outstanding balance of \$645,887 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 \$962,156 with the City's half equaling \$481,078. 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 \$830,308.

<b>Public Works Trust Fund (PWTF) Loans For the Year Ended December 31, 2016</b>				
<b>Year Ending December 31</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	189,312	5,636	83,031	4,152
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
2022-2024	180,406	1,804	415,154	6,227
<b>Total PWTF Loans</b>	<b>\$ 1,126,967</b>	<b>\$ 20,512</b>	<b>\$ 830,308</b>	<b>\$ 22,833</b>

## B. Refunded Debt

The City issued \$5,320,000 of general obligation refunding bonds to advance refund \$5,910,000 of outstanding 2006 General Obligation bonds. The net proceeds of \$6,022,466 (including a \$785,518 premium and net of \$83,052 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent and were used to call the outstanding bonds on December 1, 2016. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. This advance refunding was undertaken to reduce total debt service payments over the next ten years by \$790,663 and resulted in an economic gain of \$735,194.

**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, 2016 is \$316,667. 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 \$481,078. The delinquent special assessments receivable balance as of December 31, 2016 is \$5,499. The LID Guaranty Fund was established with a transfer from the Street Fund to maintain a balance of approximately 10% of the outstanding debt owed by the special assessment.

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

<b>Special Assessment Debt with Government Commitment (PWTFI)</b>					
<b>For the Year Ended December 31, 2016</b>					
<b>Year Ending December 31</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2017	112,913	3,988	-	-	
2018	112,913	3,424	-	-	
2019	112,913	2,860	-	-	
2020	112,912	2,295	-	-	
2021	112,912	1,731	-	-	
2022-2024	233,181	2,068	-	-	
<b>Total Special Assessment Debt</b>	<b>\$ 797,744</b>	<b>\$ 16,366</b>	<b>\$ -</b>	<b>\$ -</b>	

**NOTE 11. CHANGES IN LONG-TERM LIABILITIES**

During the year ended December 31, 2016, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<u>General Obligation Bonds:</u>					
2006 Limited Tax G.O. Bond	\$ 6,380,000	\$ -	\$ (6,380,000)	\$ -	\$ -
2010 Limited Tax G.O. Bond	6,695,000	-	(395,000)	6,300,000	405,000
2011 Limited Tax G.O. Bond	6,980,000	-	(440,000)	6,540,000	450,000
2013 Limited Tax G.O.- Key Bank Line of Credit	3,538,562	-	(3,538,562)	-	-
2016 Limited Tax G.O. Refunding Bonds	-	5,320,000	(50,000)	5,270,000	450,000
Premium on 2016 LTGO Refunding Bonds	-	785,519	-	785,519	-
Total bonds payable	<u>23,593,562</u>	<u>6,105,519</u>	<u>(10,803,562)</u>	<u>18,895,519</u>	<u>1,305,000</u>
<u>Due to Other Governments</u>					
2009 (A) SCORE and 2009 (B) SCORE	<u>3,132,600</u>	<u>-</u>	<u>(85,800)</u>	<u>3,046,800</u>	<u>89,600</u>
<u>Special Assessment Debt with government commitment (PWTFI)</u>					
LID #1 -PW-02-691-007 - SW 152nd St Enhancement Project	369,444	-	(52,778)	316,666	52,778
LID #2 - PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	541,213	-	(60,135)	481,078	60,135
Total special assessment debt	<u>910,657</u>	<u>-</u>	<u>(112,913)</u>	<u>797,744</u>	<u>112,913</u>
<u>Public Works Trust Fund Loans:</u>					
PW-01-691-009 -SW 152nd St Enhancement Project	775,064	-	(129,177)	645,887	129,177
PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	541,213	-	(60,135)	481,078	60,135
Total public works trust fund loans	<u>1,316,277</u>	<u>-</u>	<u>(189,312)</u>	<u>1,126,965</u>	<u>189,312</u>
Compensated absences	252,262	15,290	-	267,552	29,431
Net pension	<u>3,577,943</u>	<u>709,417</u>	<u>-</u>	<u>4,287,360</u>	<u>-</u>
Total governmental activities	<u>\$ 32,783,301</u>	<u>\$ 6,830,226</u>	<u>\$ (11,191,587)</u>	<u>\$ 28,421,940</u>	<u>\$ 1,726,255</u>
<b>Business-Type Activities:</b>					
<u>Public Works Trust Funds Loan:</u>					
PW-06-962-010 Ambaum Regional Pond Expansion Project	913,339	-	(83,031)	830,308	83,031
Total public works trust fund loan	<u>913,339</u>	<u>-</u>	<u>(83,031)</u>	<u>830,308</u>	<u>83,031</u>
Compensated absences	32,640	3,289	-	35,929	3,952
Net pension	<u>674,207</u>	<u>142,433</u>	<u>-</u>	<u>816,640</u>	<u>-</u>
Total business-type activities	<u>\$ 1,620,186</u>	<u>\$ 145,722</u>	<u>\$ (79,742)</u>	<u>\$ 1,682,877</u>	<u>\$ 86,983</u>

**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 \$267,552, an increase of \$15,290 from the previous year that also increases 2016 government expenditures by the same amount. The liability for the proprietary fund is \$35,929, an increase of \$3,289 over 2015. Essentially all of the compensated absences liability has historically been liquidated through charges to the departments in the General Fund and the Surface Water Management Fund.

**NOTE 12. 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 2016:

<b>Aggregate Pension Amounts – All Plans</b>	
Pension liabilities	\$5,104,000
Pension assets	\$0
Deferred outflows of resources	\$939,657
Deferred inflows of resources	91,948
Pension expense/expenditures	\$505,604

**State Sponsored Pension Plans**

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

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

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

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

**Public Employees' Retirement System (PERS)**

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

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

**Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee*</b>
PERS Plan 1	<b>6.23%</b>	<b>6.00%</b>
PERS Plan 1 UUAL	<b>4.77%</b>	<b>6.00%</b>
Administrative Fee	<b>0.18%</b>	
<b>Total</b>	<b>11.18%</b>	<b>6.00%</b>

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

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

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

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

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

**Contributions**

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates:</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
PERS Plan 1	6.23%	6.12%
PERS Plan 1 UUAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>11.18%</b>	<b>6.12%</b>

\* For employees participating in JBM, the contribution rate was 15.30%

The City of Burien’s actual contributions to the plan were \$546,742 which included \$237,088 reported as the PERS Plan 1 UAAL for the year ended December 31, 2016.

**Actuarial Assumptions**

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

Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2016. Plan liabilities were rolled forward from June 30, 2015, to June 30, 2016, 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 minor changes in methods and assumptions since the last valuation.

- For all systems, except LEOFF Plan 2, the assumed valuation interest rate was lowered from 7.8% to 7.7%. Assumed administrative factors were updated.
- Valuation software was corrected on how the nonduty disability benefits for LEOFF Plan 2 active members is calculated.
- New LEOFF Plan 2 benefit definitions were added within the OSA valuation software to model legislation signed into law during the 2015 legislative session.

### 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. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

### 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, 2016, 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%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	<b>100%</b>	

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

The table below presents the City of Burien’s proportionate share\* of the net pension liability calculated using the discount rate of 7.5 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	\$2,796,109	\$2,318,691	\$1,907,844
PERS 2/3	\$5,128,254	\$2,785,309	\$(1,449,914)

**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, 2016, the City of Burien reported a total pension liability of \$5,104,000 for its proportionate share of the net pension liabilities as follows:

Plan	Liability (or Asset)
PERS 1	\$2,318,691
PERS 2/3	\$2,785,309

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

Plan	Proportionate Share 6/30/15	Proportionate Share 6/30/16	Change in Proportion
PERS 1	0.043816%	0.043175%	0.000641%
PERS 2/3	0.054860%	0.055320%	-0.000460%

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, 2016, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2015, with update procedures used to roll forward the total pension liability to the measurement date.

## Pension Expense

For the year ended December 31, 2016, the City of Burien recognized pension expense as follows:

Plan	Pension Expense
PERS 1	\$87,874
PERS 2/3	417,820
<b>TOTAL</b>	<b>\$505,604</b>

## Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2016, 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	58,381	0
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	124,630	0
<b>TOTAL</b>	<b>\$183,011</b>	<b>\$0</b>

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$148,316	\$91,948
Net difference between projected and actual investment earnings on pension plan investments	340,841	0
Changes of assumptions	28,788	0
Changes in proportion share	75,923	0
Contributions subsequent to the measurement date	162,777	0
<b>TOTAL</b>	<b>\$756,646</b>	<b>\$91,948</b>

Deferred outflows of resources related to pensions resulting from the City of Burien's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. 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
2017	(\$14,375)	\$32,047
2018	(\$14,375)	\$32,047
2019	\$53,617	\$275,382
2020	\$33,514	\$162,445

### 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, 2016, there were seventy-four active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2016, was \$5,121,556 out of total payroll of \$5,443,474. Employee contributions during the year totaled \$317,448. City contributions were \$299,528.

**NOTE 13. 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, 2016, 258 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: Group Health Cooperative/Group Health 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 2016, 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 Group Health ISL at \$750,000 through Sun Life. 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 14. OTHER POST EMPLOYMENT BENEFITS**

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

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

Coverage	Health First 1000	Health First 2500	Health First Medicare Advantage	Kaiser Permanente
Non-Medicare enrolled retiree coverage	\$734.37	\$641.21	n/a	\$1,218.17
Non-Medicare enrolled spouse coverage	\$740.78	\$645.87	n/a	\$1,182.67
Medicare enrolled retiree coverage	n/a	n/a	\$385.23	\$407.94
Medicare enrolled spouse coverage	n/a	n/a	\$385.23	\$407.94

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

**NOTE 15. 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%
2017	\$ 2,145,000	\$ 4,820,241	\$ (1,510,874)	\$ 5,454,367	\$ 1,690,854	\$ 218,175	\$ 981,786	\$ 1,963,572	\$ 163,631	\$ 436,349
2018	2,240,000	4,715,979	(1,510,063)	5,445,916	1,688,234	217,837	980,265	1,960,530	163,377	435,673
2019	2,310,000	4,602,229	(1,473,568)	5,438,661	1,685,985	217,546	978,959	1,957,918	163,160	435,093
2020	2,385,000	4,484,854	(1,435,933)	5,433,921	1,684,516	217,357	978,106	1,956,212	163,018	434,714
2021	2,465,000	4,363,604	(1,397,075)	5,431,529	1,683,774	217,261	977,675	1,955,350	162,946	434,522
2022-2026	13,945,000	19,586,127	(6,994,733)	26,536,394	8,226,282	1,061,456	4,776,551	9,553,102	796,092	2,122,912
2027-2031	17,010,000	14,723,464	(5,346,730)	26,386,734	8,179,888	1,055,469	4,749,612	9,499,224	791,602	2,110,939
2032-2036	20,955,000	8,498,417	(3,217,063)	26,236,354	8,133,270	1,049,454	4,722,544	9,445,087	787,091	2,098,908
2037-2039	14,860,000	1,502,494	(697,922)	15,664,572	4,856,017	626,583	2,819,623	5,639,246	469,937	1,253,166
<b>Totals</b>	<b>\$ 78,315,000</b>	<b>\$ 67,297,409</b>	<b>\$ (23,583,961)</b>	<b>\$ 122,028,448</b>	<b>\$ 37,828,820</b>	<b>\$ 4,881,138</b>	<b>\$ 21,965,121</b>	<b>\$ 43,930,241</b>	<b>\$ 3,660,854</b>	<b>\$ 9,762,276</b>

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, 2016 related to SCORE:

South Correctional Entity (SCORE)				
Member City	Percent of Equity	2015 Equity Balance	2016 Apportionment	2016 Equity Balance
Auburn	31.00%	\$ 3,331,777	\$ (216,443)	\$ 3,115,334
Burien	3.00%	376,841	(52,239)	324,602
Des Moines	2.00%	197,267	(30,684)	166,583
Federal Way	23.00%	2,620,575	(328,310)	2,292,265
Renton	30.00%	3,222,670	(281,167)	2,941,503
SeaTac	4.00%	498,467	(64,438)	434,029
Tukwila	7.00%	788,541	(85,218)	703,323
<b>Grand Totals</b>	<b>100.00%</b>	<b>\$ 11,036,138</b>	<b>\$ (1,058,499)</b>	<b>\$ 9,977,639</b>

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
	1/1/2016	Adjustment			12/31/2016
SCORE Public Development Authority 2009 (A )and 2009 (B) Bonds	\$ 3,132,600	\$ -	\$ -	\$ (85,800)	\$ 3,046,800
Total Due to Other Governmental Units	3,132,600	-	-	(85,800)	3,046,800
South Correctional Entity (SCORE)	376,841	-	-	(52,239)	324,602
Total Joint Venture Equity Share	376,841	-	-	(52,239)	324,602
<b>Total Investment in Joint Venture</b>	<b>\$ 3,509,441</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (138,039)</b>	<b>\$ 3,371,402</b>

### NOTE 16. PRIOR PERIOD ADJUSTMENTS

#### Governmental activities

A prior period adjustment of (\$483,780) was required in the Parks and General Government CIP Fund to eliminate prior year revenues that were over-collected in support of the Seahurst Park-North Shoreline capital project. The City received grant funds from the King Conservation District in advance of the project, which was constructed in partnership with the U.S. Army Corp of Engineers. The City did not receive the final project closeout until late in 2016. At that time, the City was able to accurately identify the over collection and make the correction.

#### Business-type activities

In the Surface Water Management Fund, a prior period adjustment of (\$15,688) was required to eliminate prior period interest revenue earned on surface water fees collected by King County during 2015, but remitted in 2016.

### NOTE 17. 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 168 Members.

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

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

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

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel issues 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, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

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

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

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

#### **NOTE 18. 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, 2016, 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.

To the extent that the claim implicates the City in any negligence, the claim is within the scope of WCIA coverage. (WCIA has already assigned one of its outside counsel to review this case.)

The City of Burien has one pending litigation matter that could result in a monetary judgment against the City. 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. In the unlikely event that a judgment is actually rendered against the City in this matter, the City's insurance pool, Washington Cities Insurance Authority (WCIA) will pay the judgment amount.

#### **NOTE 19. EXTRAORDINARY ITEM**

On February 10, 2016, a vehicular accident occurred that resulted in the destruction of Gateway Improvements, constructed in 2003 at a cost of \$119,009. This asset marked the entrance to Burien's downtown area on SW 152nd Avenue and was expected to remain in service for twenty years. At the time of the accident, the asset had been in service for 12 years with a remaining carrying value of \$47,604 reported in the Other Improvements asset category. The improvements were considered to be a total loss. Management considers this event to be both unusual in nature and infrequent in occurrence. The City expects to replace the asset during 2017.

**NOTE 20. 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 2016 was \$47,479.

**REQUIRED SUPPLEMENTARY INFORMATION**



**City of Burien**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System**  
**As of June 30 2016**  
**Last 10 Fiscal Years (Additional years will be displayed as they become available)**

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

**City of Burien**  
**Schedule of Employer Contributions**  
**Public Employees' Retirement System**  
**As of December 31 2016**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>PERS 1</b>			
Statutorily or contractually required contributions	\$ -	\$ -	\$ 13,043
Contributions in relation to the statutorily or contractually required contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,043)</u>
Contribution deficiency (excess)	<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%	9.21%
<b>PERS 2/3</b>			
Statutorily or contractually required contributions	\$ 555,689	\$ 534,385	\$ 432,400
Contributions in relation to the statutorily or contractually required contributions	<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>
Covered employer payroll	\$ 4,970,388	\$ 5,248,139	\$ 4,694,892
Contributions as a percentage of covered employee payroll	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.

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, 2016**

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Public Works Reserve	Transportation Benefit District	LID Guaranty	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,121,085	\$ 39,977	\$ 165,000	\$ 1,326,062
Taxes receivable	165,818	-	-	165,818
Due from other governments	-	28,542	-	28,542
Total assets	<u>1,286,903</u>	<u>68,519</u>	<u>165,000</u>	<u>1,520,422</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total deferred outflows of resources	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<u><u>1,286,903</u></u>	<u><u>68,519</u></u>	<u><u>165,000</u></u>	<u><u>1,520,422</u></u>
<b>Liabilities and fund balance</b>				
Liabilities:				
Total liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Restricted:				
Other capital projects	1,286,903	-	-	1,286,903
Debt service	-	68,519	165,000	233,519
Total fund balance	<u>1,286,903</u>	<u>68,519</u>	<u>165,000</u>	<u>1,520,422</u>
Total liabilities and fund balance	<u><u>\$ 1,286,903</u></u>	<u><u>\$ 68,519</u></u>	<u><u>\$ 165,000</u></u>	<u><u>\$ 1,520,422</u></u>

**City of Burien, Washington**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2016**

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Public Works Reserve	Transportation Benefit District	LID Guaranty	
<b>Revenues</b>				
Real estate excise taxes	\$ 2,013,191	\$ -	\$ -	\$ 2,013,191
Transportation benefit district vehicle fees	-	380,863	-	380,863
Charges for services	25,518	-	-	25,518
Investment earnings	3,996	471	-	4,467
Total revenues	<u>2,042,705</u>	<u>381,334</u>	<u>-</u>	<u>2,424,039</u>
<b>Expenditures</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>2,042,705</u>	<u>381,334</u>	<u>-</u>	<u>2,424,039</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(1,100,000)</u>	<u>(350,000)</u>	<u>-</u>	<u>(1,450,000)</u>
Total other financing sources (uses)	<u>(1,100,000)</u>	<u>(350,000)</u>	<u>-</u>	<u>(1,450,000)</u>
Net change in fund balances	942,705	31,334	-	974,039
Fund balances - beginning	<u>344,198</u>	<u>37,185</u>	<u>165,000</u>	<u>546,383</u>
Fund balances - ending	<u>\$ 1,286,903</u>	<u>\$ 68,519</u>	<u>\$ 165,000</u>	<u>\$ 1,520,422</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, 2016**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Real estate excise taxes	\$ 1,100,000	\$ 2,013,191	\$ 913,191
Charges for services	15,000	25,518	10,518
Investment earnings	1,000	3,996	2,996
Total revenues	<u>1,116,000</u>	<u>2,042,705</u>	<u>926,705</u>
<b>EXPENDITURES</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,116,000</u>	<u>2,042,705</u>	<u>926,705</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>-</u>
Net change in fund balances	16,000	942,705	926,705
Fund balances - beginning	<u>130,265</u>	<u>344,198</u>	<u>213,933</u>
Fund balances - ending	<u>\$ 146,265</u>	<u>\$ 1,286,903</u>	<u>\$ 1,140,638</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, 2016**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Transportation benefit district vehicle fees	\$ 350,000	\$ 380,863	\$ 30,863
Investment earnings	-	471	471
Total revenues	<u>350,000</u>	<u>381,334</u>	<u>31,334</u>
<b>Expenditures</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>350,000</u>	<u>381,334</u>	<u>31,334</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	-	31,334	31,334
Fund balance - beginning	<u>21,785</u>	<u>37,185</u>	<u>15,400</u>
Fund balance - ending	<u><u>\$ 21,785</u></u>	<u><u>\$ 68,519</u></u>	<u><u>\$ 46,734</u></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, 2016**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Total revenues	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Total expenditures	-	-	-
Excess of revenues over expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
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, 2016**

	Final Budgeted Amounts	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental revenues	\$ 110,000	\$ 110,672	\$ 672
Charges for services	48,000	48,164	164
Fines and forfeitures	-	136	136
Investment earnings	-	1,954	1,954
Special assessment interest	-	4,097	4,097
Special assessment principal	84,000	124,251	40,251
Miscellaneous	-	178	178
Total revenues	<u>242,000</u>	<u>289,452</u>	<u>47,452</u>
<b>EXPENDITURES</b>			
Public works trust fund loan principal	302,225	302,225	-
LTGO bond principal	5,010,800	4,893,562	117,238
Interest and fiscal charges	1,161,955	930,810	231,145
Total expenditures	<u>6,474,980</u>	<u>6,126,597</u>	<u>348,383</u>
Excess of revenues over expenditures	<u>(6,232,980)</u>	<u>(5,837,145)</u>	<u>395,835</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding bonds issued	5,321,000	5,320,000	(1,000)
Premium on refunding bonds issued	785,000	785,519	519
Payment to refunded bond escrow agent	(6,025,000)	(6,022,466)	2,534
Underwriter's discount on refunding bonds issued	-	(42,560)	(42,560)
Transfers in	6,165,000	5,965,000	(200,000)
Total other financing sources (uses)	<u>6,246,000</u>	<u>6,005,493</u>	<u>(240,507)</u>
Net change in fund balance	13,020	168,348	155,328
Fund balances - beginning	<u>48,870</u>	<u>79,202</u>	<u>30,332</u>
Fund balances - ending	<u>\$ 61,890</u>	<u>\$ 247,550</u>	<u>\$ 185,660</u>

## **Fiduciary Funds**

### **Agency Fund**

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

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

**City of Burien, Washington**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund - Payroll Clearing**  
**For the Year Ended December 31, 2016**

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
<b>ASSETS</b>				
Cash and cash equivalents	\$ 65,608	\$ 7,807,359	\$ 7,812,395	\$ 60,572
Total assets	<u>\$ 65,608</u>	<u>\$ 7,807,359</u>	<u>\$ 7,812,395</u>	<u>\$ 60,572</u>
<b>LIABILITIES</b>				
Payroll withholdings and employer contributions	\$ 65,608	\$ 11,565,652	\$ 11,570,688	\$ 60,572
Total liabilities	<u>\$ 65,608</u>	<u>\$ 11,565,652</u>	<u>\$ 11,570,688</u>	<u>\$ 60,572</u>

**Statistical Section  
December 31, 2016**

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

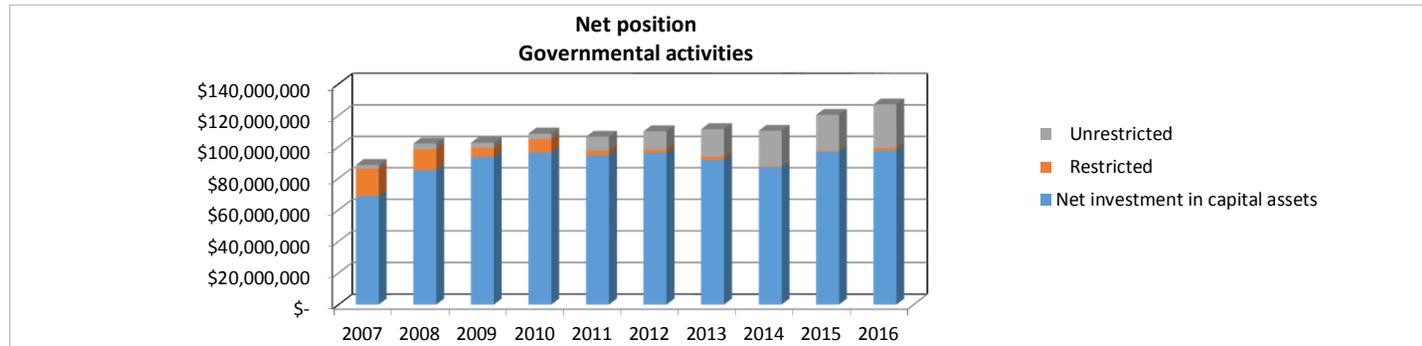
**Operating Information**

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.

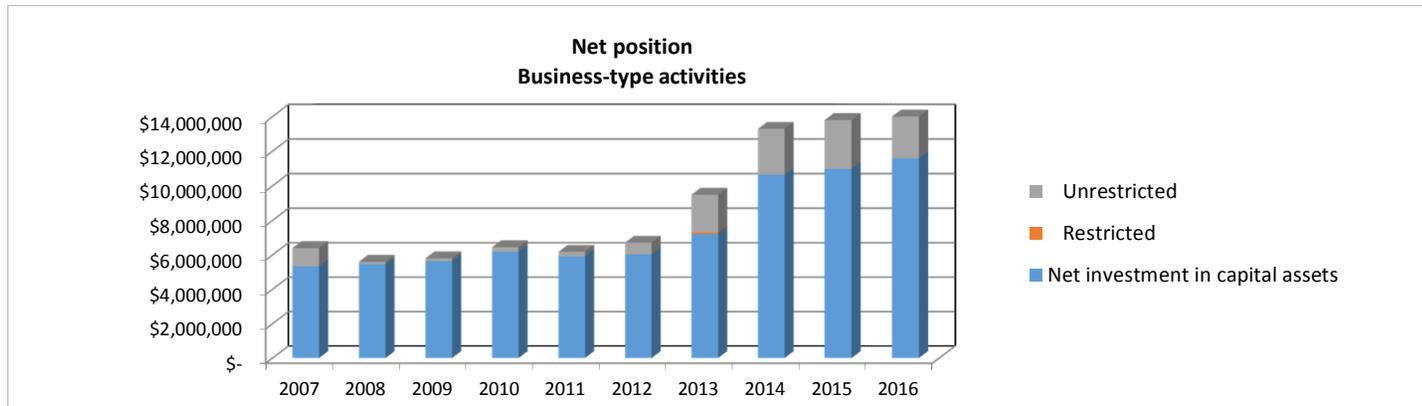
Schedule 17	Full Time Equivalent City Government Employees by Function -----	7-20
Schedule 18	Operating Indicators by Function -----	7-21
Schedule 19	Capital Asset Statistics by Function -----	7-22

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets	\$ 68,572,792	\$ 84,983,988	\$ 93,522,178	\$ 96,277,930	\$ 94,556,265	\$ 95,980,110	\$ 91,618,635	\$ 86,914,714	\$ 96,834,728	\$ 97,495,790
Restricted	17,617,873	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
Unrestricted	2,259,558	3,687,935	3,237,190	3,502,537	8,866,329	11,684,423	17,486,338	22,664,526	22,892,965	27,773,672
<b>Total Governmental activities net position</b>	<b>\$ 88,450,223</b>	<b>\$ 102,095,741</b>	<b>\$ 102,541,651</b>	<b>\$ 108,422,402</b>	<b>\$ 106,418,743</b>	<b>\$ 109,881,624</b>	<b>\$ 111,218,476</b>	<b>\$ 110,188,178</b>	<b>\$ 120,353,278</b>	<b>\$ 127,037,434</b>

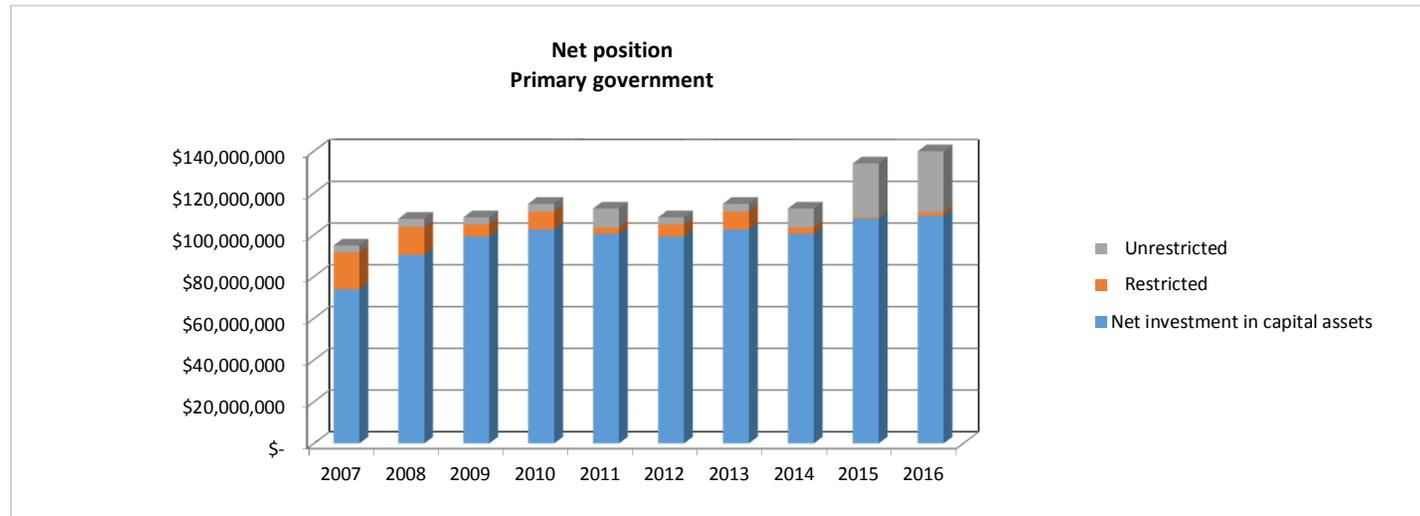


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-type activities</b>										
Net investment in capital assets	\$ 5,336,187	\$ 5,455,883	\$ 5,638,102	\$ 6,178,060	\$ 5,918,785	\$ 6,043,691	\$ 7,224,754	\$ 10,638,169	\$ 10,979,556	\$ 11,591,658
Restricted	-	-	-	-	-	-	88,428	-	-	-
Unrestricted	1,062,208	147,692	163,911	266,381	258,279	664,347	2,167,721	2,650,896	2,818,574	3,622,398
<b>Total Business-type activities net position</b>	<b>\$ 6,398,395</b>	<b>\$ 5,603,575</b>	<b>\$ 5,802,013</b>	<b>\$ 6,444,441</b>	<b>\$ 6,177,064</b>	<b>\$ 6,708,038</b>	<b>\$ 9,480,903</b>	<b>\$ 13,289,065</b>	<b>\$ 13,798,130</b>	<b>\$ 15,214,056</b>



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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Primary government</b>										
Net investment in capital assets	\$ 73,908,979	\$ 90,439,871	\$ 99,160,280	\$ 102,455,990	\$ 100,475,050	\$ 99,160,280	\$ 102,455,990	\$ 100,475,050	\$ 107,814,284	\$ 109,087,448
Restricted	17,617,873	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
Unrestricted	3,321,766	3,835,627	3,401,101	3,768,918	9,124,608	3,401,101	3,768,918	9,124,608	25,711,539	31,396,070
<b>Total Primary Government net position</b>	<b>\$ 94,848,618</b>	<b>\$ 107,699,316</b>	<b>\$ 108,343,664</b>	<b>\$ 114,866,843</b>	<b>\$ 112,595,807</b>	<b>\$ 108,343,664</b>	<b>\$ 114,866,843</b>	<b>\$ 112,595,807</b>	<b>\$ 134,151,408</b>	<b>\$ 142,251,490</b>



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

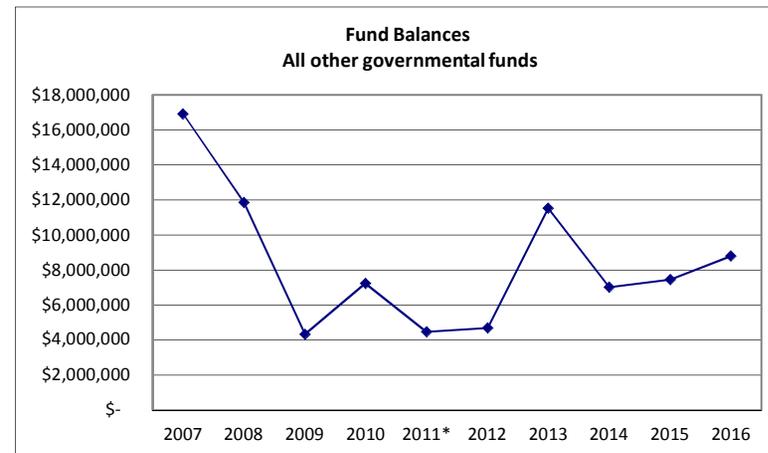
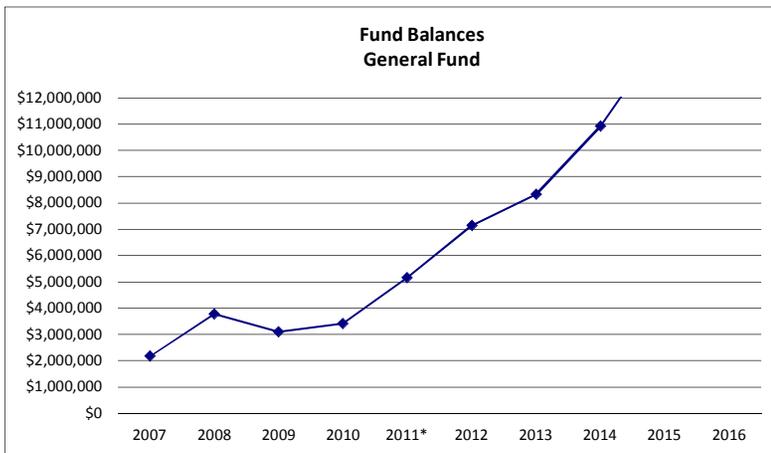
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 3,511,643	\$ 4,301,319	\$ 3,445,149	\$ 4,364,535	\$ 5,357,042	\$ 4,551,848	\$ 4,386,693	\$ 4,311,613	\$ 4,444,232	\$ 4,819,552
Judicial	239,385	236,123	454,344	488,330	682,282	626,862	262,312	349,238	443,957	409,284
Public Safety	7,278,229	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
Natural environment	-	-	-	-	-	-	-	162,654	172,845	175,776
Environmental services	292,817	405,561	644,205	580,156	619,813	571,646	148,888	-	-	-
Transportation	4,384,302	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
Economic environment	1,336,188	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
Social services	7,333	7,274	8,856	10,391	11,274	11,897	90,535	90,736	97,069	96,897
Culture and recreation	2,488,481	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
Interest on long-term debt	500,609	502,459	488,960	597,646	885,197	1,111,758	1,162,928	1,149,080	1,014,265	892,323
<b>Total Governmental activities expenses</b>	<b>20,038,987</b>	<b>21,722,572</b>	<b>22,313,920</b>	<b>27,481,564</b>	<b>29,006,663</b>	<b>29,421,555</b>	<b>30,529,009</b>	<b>32,365,755</b>	<b>30,198,771</b>	<b>31,865,295</b>
<b>Business-type activities:</b>										
Storm water management	1,048,450	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
<b>Total Business-type activities expenses</b>	<b>1,048,450</b>	<b>1,100,780</b>	<b>1,276,992</b>	<b>1,534,689</b>	<b>1,787,608</b>	<b>1,820,983</b>	<b>2,093,265</b>	<b>2,463,472</b>	<b>2,226,361</b>	<b>2,232,884</b>
<b>Total Primary government expenses</b>	<b>\$ 21,087,437</b>	<b>\$ 22,823,352</b>	<b>\$ 23,590,912</b>	<b>\$ 29,016,253</b>	<b>\$ 30,794,271</b>	<b>\$ 31,242,538</b>	<b>\$ 32,622,274</b>	<b>\$ 34,829,227</b>	<b>\$ 32,425,132</b>	<b>\$ 34,098,179</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for services</b>										
General government	\$ 823,749	\$ 727,145	\$ 822,322	\$ 1,376,229	\$ 1,152,091	\$ 2,441,503	\$ 1,626,846	\$ 1,689,073	\$ 782,390	\$ 763,834
Judicial	4,682	4,703	231,341	374,706	351,054	230,165	105,460	121,790	136,078	172,662
Public safety	2,104	-	-	-	-	-	-	-	-	-
Natural environment	-	-	-	-	-	-	-	46,515	46,880	-
Environmental services	931	223,089	536	6,014	68,322	55,715	121,489	-	-	-
Transportation	116,789	915,307	185,707	246,870	339,954	2,409,223	497,808	789,342	1,117,465	1,331,955
Economic environment	1,329,150	1,253,287	916,319	698,606	953,552	978,459	458,874	864,263	2,018,846	1,871,138
Culture and recreation	485,075	476,056	519,539	576,896	629,822	668,644	547,348	535,200	576,667	601,650
Operating grants and contributions	2,771,773	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
Capital grants and contributions	11,821,699	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
<b>Total Governmental activities program revenues</b>	<b>17,355,952</b>	<b>18,142,866</b>	<b>8,180,918</b>	<b>15,867,404</b>	<b>8,272,967</b>	<b>14,377,713</b>	<b>12,755,454</b>	<b>9,877,469</b>	<b>8,233,037</b>	<b>13,242,819</b>
<b>Business-type activities:</b>										
<b>Charges for Services</b>										
Surface water management	1,631,203	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
Operating grants and contributions	-	7,977	-	-	96,294	163,465	305,504	8,329	33,402	-
Capital grants and contributions	-	95,000	-	394,182	-	-	1,069,581	4,316,461	150,957	182,082
<b>Total Business-type activities revenues</b>	<b>1,631,203</b>	<b>1,832,419</b>	<b>1,936,479</b>	<b>2,695,257</b>	<b>2,547,613</b>	<b>2,715,155</b>	<b>4,214,790</b>	<b>7,193,755</b>	<b>3,445,129</b>	<b>3,784,855</b>
<b>Total Primary government revenues</b>	<b>18,987,155</b>	<b>19,975,285</b>	<b>10,117,397</b>	<b>18,562,661</b>	<b>10,820,580</b>	<b>17,092,868</b>	<b>16,970,244</b>	<b>17,071,224</b>	<b>11,678,166</b>	<b>17,027,674</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(2,683,035)	(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)
Business-type Activities	582,753	731,639	659,487	1,160,568	760,005	894,172	2,121,525	4,730,283	1,218,768	1,551,971
<b>Total Net Expense</b>	<b>\$ (2,100,282)</b>	<b>\$ (2,848,067)</b>	<b>\$ (13,473,515)</b>	<b>\$ (10,453,592)</b>	<b>\$ (19,973,691)</b>	<b>\$ (14,149,670)</b>	<b>\$ (15,652,030)</b>	<b>\$ (17,758,003)</b>	<b>\$ (20,746,966)</b>	<b>\$ (17,070,505)</b>

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

	<u>2007</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>
<b>General Revenues</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 5,127,319	\$ 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
Sales and use taxes	5,789,088	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
Business and occupation taxes	3,089,486	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
Excise taxes	-	-	-	-	-	-	1,132,780	1,407,944	1,814,710	2,722,452
Other taxes	1,942,576	1,139,338	652,366	1,240,213	1,330,211	1,428,506	510,260	347,376	371,040	384,887
Penalties and interest	-	-	-	-	-	-	6,886	-	-	-
Unrestricted investment earnings	862,694	381,608	65,022	28,013	24,482	24,461	20,004	27,743	37,626	125,574
Gain/(Loss) on sale of capital assets	(439,231)	-	-	-	-	-	-	151,395	-	967,228
Extraordinary item	-	-	-	-	-	-	-	-	-	(47,604)
Miscellaneous	-	-	-	-	-	-	275,274	313,908	332,095	382,792
Transfers	(1,014,683)	1,558,099	463,692	520,173	1,028,638	364,909	25,140	590,000	23,250	190,000
<b>Total Governmental activities</b>	<b>\$ 15,357,249</b>	<b>\$ 17,225,224</b>	<b>\$ 14,578,912</b>	<b>\$ 17,494,911</b>	<b>\$ 18,730,037</b>	<b>\$ 18,506,723</b>	<b>\$ 19,545,008</b>	<b>\$ 21,474,284</b>	<b>\$ 22,483,136</b>	<b>\$ 25,790,412</b>
Business-type activities:										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,608	\$ 460	\$ -	\$ -
Grants and contributions	59,905	31,640	2,643	2,033	1,256	-	-	-	-	-
Unrestricted investment earnings	-	-	-	-	-	1,711	2,490	2,698	4,783	30,287
Miscellaneous	-	-	-	-	-	-	8,330	9,449	8,000	8,000
Gain/(Loss) on sale of capital assets	(7,439)	-	-	-	-	-	-	-	-	-
Transfers	1,014,683	(1,558,099)	(463,692)	(520,173)	(1,028,638)	(364,909)	(25,140)	(590,000)	(23,250)	(190,000)
<b>Total Business-type activities</b>	<b>\$ 1,067,149</b>	<b>\$ (1,526,459)</b>	<b>\$ (461,049)</b>	<b>\$ (518,140)</b>	<b>\$ (1,027,382)</b>	<b>\$ (363,198)</b>	<b>\$ 71,288</b>	<b>\$ (577,393)</b>	<b>\$ (10,467)</b>	<b>\$ (151,713)</b>
<b>Total primary government</b>	<b>\$ 16,424,398</b>	<b>\$ 15,698,765</b>	<b>\$ 14,117,863</b>	<b>\$ 16,976,771</b>	<b>\$ 17,702,655</b>	<b>\$ 18,143,525</b>	<b>\$ 19,616,296</b>	<b>\$ 20,896,891</b>	<b>\$ 22,472,669</b>	<b>\$ 25,638,699</b>
<b>Change in net position</b>										
Governmental activities	\$ 12,674,214	\$ 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
Business-type activities	1,649,902	(794,820)	198,438	642,428	(267,377)	530,974	2,192,813	4,152,890	1,208,301	1,400,258
<b>Total change in net position</b>	<b>\$ 14,324,116</b>	<b>\$ 12,850,698</b>	<b>\$ 644,348</b>	<b>\$ 6,523,179</b>	<b>\$ (2,271,036)</b>	<b>\$ 3,993,855</b>	<b>\$ 3,964,266</b>	<b>\$ 3,138,888</b>	<b>\$ 1,725,703</b>	<b>\$ 8,568,194</b>

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

	<u>2007</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>
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 3,480	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	1,248,147	703,909	141,586	168,144	168,186	167,327
Assigned	-	-	-	-	127,907	293,754	-	2,082,050	2,511,593	2,482,359
Unassigned	-	-	-	-	3,768,412	6,152,269	8,186,409	8,675,156	11,757,474	16,104,165
Unrestricted	2,168,985	3,768,613	3,102,449	3,418,177	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 2,168,985</b>	<b>\$ 3,768,613</b>	<b>\$ 3,102,449</b>	<b>\$ 3,418,177</b>	<b>\$ 5,147,946</b>	<b>\$ 7,149,932</b>	<b>\$ 8,327,995</b>	<b>\$ 10,925,350</b>	<b>\$ 14,437,253</b>	<b>\$ 18,753,851</b>
<b>All other governmental funds</b>										
Restricted	-	-	-	-	1,484,215	825,558	513,870	608,938	625,585	1,767,972
Committed	-	-	-	-	-	-	11,011,980	-	-	-
Assigned	-	-	-	-	2,975,413	3,883,193	-	6,399,457	6,827,807	7,039,977
Unassigned	-	-	-	-	-	(16,659)	-	-	-	-
Unrestricted, reported in:										
Special Revenue Funds	2,737,367	1,151,402	1,342,006	2,001,837	-	-	-	-	-	-
Debt Service Funds	169,874	103,916	232,767	178,686	-	-	-	-	-	-
Capital Project Funds	13,993,444	10,577,804	2,740,321	5,037,701	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 16,900,685</b>	<b>\$ 11,833,122</b>	<b>\$ 4,315,094</b>	<b>\$ 7,218,224</b>	<b>\$ 4,459,628</b>	<b>\$ 4,692,092</b>	<b>\$ 11,525,850</b>	<b>\$ 7,008,395</b>	<b>\$ 7,453,392</b>	<b>\$ 8,807,949</b>



\*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

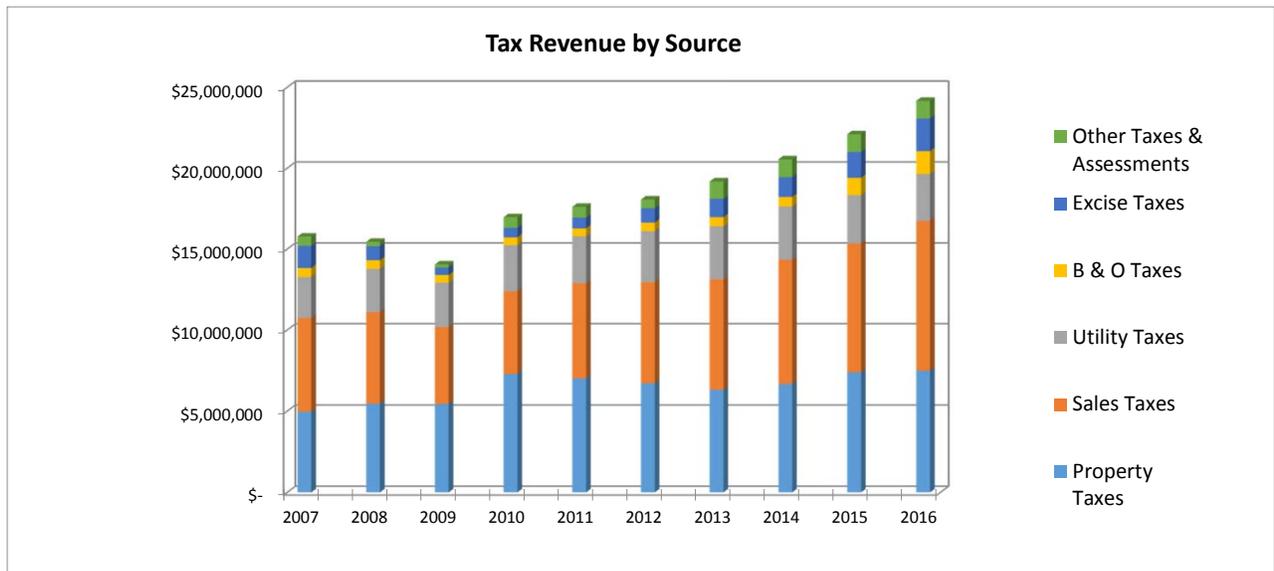
**Schedule 4**  
**City of Burien**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2007</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>
<b>Revenues</b>										
Taxes	\$ 15,775,296	\$ 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
Licenses and permits	1,431,306	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
Intergovernmental	14,592,405	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
Charges for services	1,161,931	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
Fines and forfeitures	46,308	50,841	281,586	413,523	365,952	252,367	266,568	359,476	210,065	204,759
Investment earnings	802,921	380,207	77,449	28,200	24,185	24,018	19,344	27,103	36,291	120,791
Special assessments	49,689	115,324	115,651	97,470	91,058	86,498	95,802	103,617	95,318	128,348
Rents and leases	-	-	-	-	-	-	177,144	200,772	226,750	246,164
Contributions and donations	-	-	-	-	-	-	279	491	38,952	25,354
Miscellaneous	126,610	41,000	36,631	579,929	42,545	1,208,724	104,655	79,883	62,452	85,873
<b>Total revenues</b>	<b>33,986,466</b>	<b>33,091,856</b>	<b>22,265,419</b>	<b>24,489,795</b>	<b>25,793,226</b>	<b>32,556,953</b>	<b>32,330,159</b>	<b>30,803,021</b>	<b>30,771,115</b>	<b>33,349,023</b>
<b>Expenditures</b>										
General Government	3,633,946	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
Judicial	-	-	-	-	-	-	262,312	349,238	443,957	409,284
Public Safety	7,261,097	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
Natural environment	-	-	-	-	-	-	-	162,654	172,845	175,776
Environmental services	292,817	405,561	644,205	580,156	744,791	674,645	148,888	-	-	-
Transportation	1,676,784	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
Economic environment	1,242,025	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
Social services	7,333	7,274	8,856	10,391	11,274	11,897	90,535	90,736	97,069	96,897
Culture and recreation	2,264,176	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
Debt Service:										
Principal	621,955	739,308	780,558	892,225	1,262,225	1,447,225	1,560,225	1,596,825	1,557,225	5,195,787
Interest and fiscal charges	507,199	513,639	501,065	577,867	917,319	1,140,081	1,139,237	1,153,494	985,817	930,810
Capital outlay	21,864,642	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
<b>Total expenditures</b>	<b>39,371,974</b>	<b>38,722,890</b>	<b>31,241,279</b>	<b>30,639,299</b>	<b>34,453,792</b>	<b>31,102,003</b>	<b>31,664,752</b>	<b>28,697,580</b>	<b>26,637,465</b>	<b>31,739,881</b>
Excess (deficiency) of revenues over expenditures	(5,385,508)	(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
<b>Other financing sources (uses)</b>										
Proceeds from sale of capital assets	4,716,552	5,000	-	-	-	-	-	238,500	-	4,500,000
Transfers in	6,357,420	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
Transfers out	(5,737,557)	(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)
Proceeds of long-term debt	2,096,150	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
<b>Total other financing sources (uses)</b>	<b>7,432,565</b>	<b>2,163,099</b>	<b>676,015</b>	<b>9,368,362</b>	<b>7,929,590</b>	<b>779,500</b>	<b>2,145,784</b>	<b>1,753,680</b>	<b>(176,750)</b>	<b>4,545,793</b>
<b>Net change in fund balances</b>	<b>\$ 2,047,057</b>	<b>\$ (3,467,935)</b>	<b>\$ (8,299,845)</b>	<b>\$ 3,218,858</b>	<b>\$ (730,976)</b>	<b>\$ 2,234,450</b>	<b>\$ 2,811,191</b>	<b>\$ 3,859,121</b>	<b>\$ 3,956,900</b>	<b>\$ 6,154,935</b>
Debt service as a percentage of noncapital expenditures	6.45%	6.59%	6.59%	6.48%	8.93%	11.02%	11.30%	10.79%	9.85%	19.84%

\*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
2007	4,954,146	5,789,088	2,523,736	565,750	1,367,656	574,920	15,775,296
2008	5,457,689	5,652,874	2,670,766	526,249	859,233	280,105	15,446,916
2009	5,438,426	4,734,585	2,743,039	481,782	459,056	193,309	14,050,197
2010	7,285,909	5,101,336	2,853,809	483,086	587,121	653,092	16,964,353
2011	7,012,945	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
<b>Change 2007-2016</b>	51.0%	60.1%	14.9%	147.9%	47.2%	90.3%	53.1%

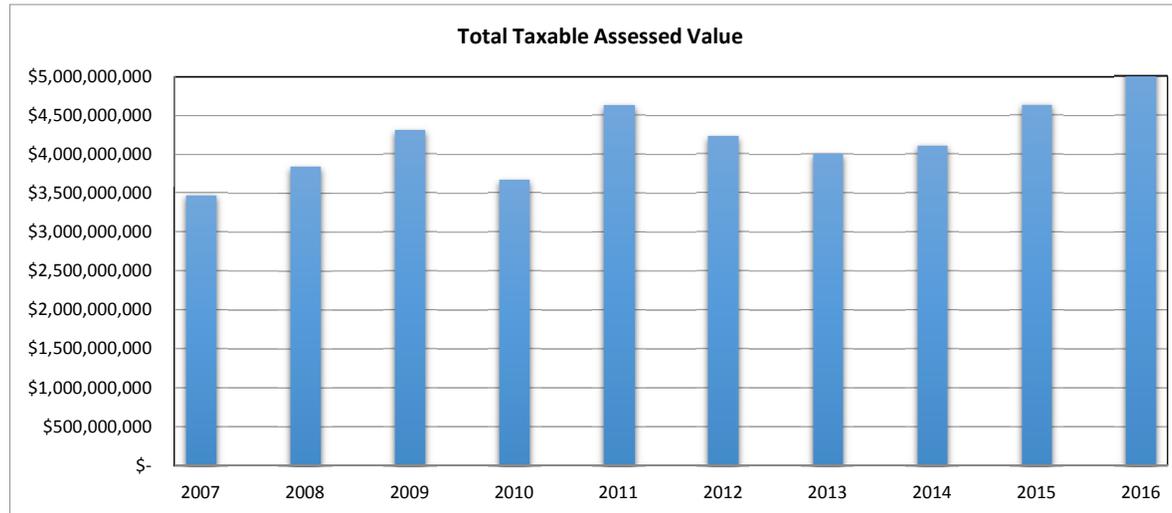


Source: City of Burien Finance Department

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

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE
Vintage Park Partners LLC	\$ 46,685,000	1	0.90%			
AT&T Communications	36,132,933	2	0.70%			0.00%
Burien Plaza LLC	24,977,300	3	0.48%	16,643,900	4	0.48%
Burien Town Plaza LLC	24,919,600	4	0.48%			
Puget Sound Energy	17,376,548	5	0.34%	8,144,982	9	0.23%
Fred Meyer, Inc.	17,140,300	6	0.33%	19,134,849	3	0.55%
MG South Hills Apts. LLC	16,175,000	7	0.31%			
Qwest Corporation	15,681,045	8	0.30%	20,942,215	2	0.60%
Maple Pointe-126 LLC	13,516,000	9	0.26%			
Powell-Five Corners Associates	12,833,100	10	0.25%	16,483,500	5	0.47%
Virtu Seahurst Association LLC			0.00%	28,508,000	1	0.82%
HCH Specialty Center			0.00%	5,556,500	10	0.16%
Wesbild BP, Inc			0.00%	14,496,587	6	0.42%
Holly Ridge Apartments			0.00%	10,381,000	7	0.30%
Red Mortgage Capital, Inc.			0.00%	8,366,000	8	0.24%
All Others	4,934,553,721		95.63%	3,321,793,633		95.72%
<b>Total Assessed Valuation</b>	<b>\$ 5,159,990,547</b>		<b>100.00%</b>	<b>\$ 3,470,451,166</b>		<b>100.00%</b>

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

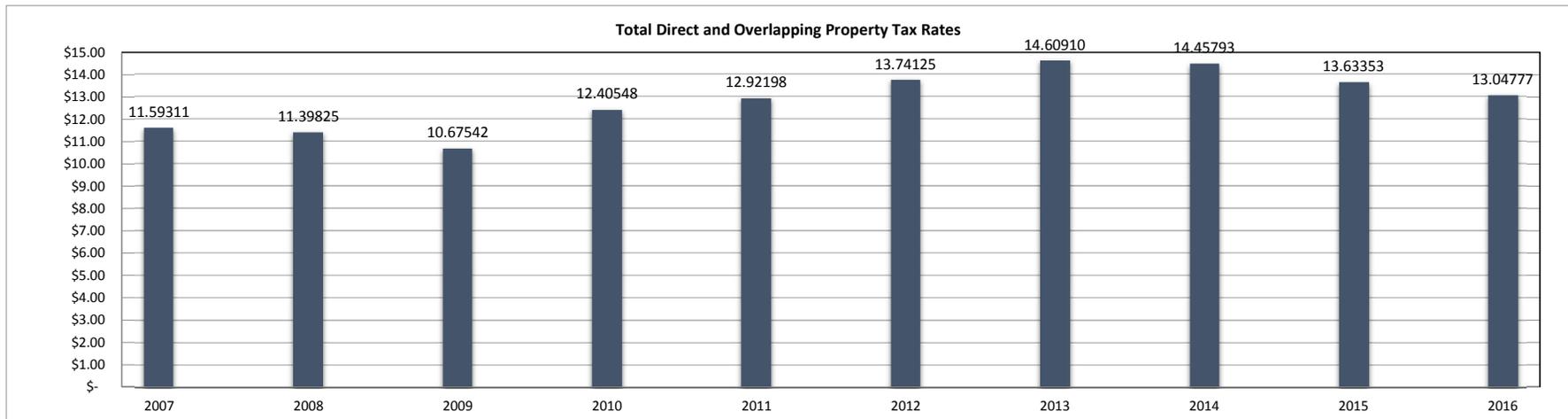


Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2007	3,377,993,328	56,744,617	35,713,227	3,470,451,166	1.50806
2008	3,754,785,884	53,833,456	36,525,259	3,845,144,599	1.39132
2009	4,212,964,074	55,290,643	35,056,572	4,303,311,289	1.26467
2010	3,580,133,188	54,401,316	31,078,381	3,665,612,885	1.52034
2011	4,525,470,270	57,948,096	43,395,005	4,626,813,371	1.55513
2012	4,120,048,552	54,401,218	50,940,246	4,225,390,016	1.60000
2013	3,897,291,722	53,983,903	54,023,833	4,005,299,458	1.60000
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

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	Total School Dist. Millage	Operating Millage	Debt Service Millage	Total Library Millage	State Schools	Port, EMS Flood & Ferry*	
2007	1.50806	1.50000	0.00000	1.50000	1.13949	0.15007	1.28956	2.32172	1.71036	4.03208	0.43295	0.06732	0.50027	2.32535	0.43779	11.59311
2008	1.39132	1.50000	0.00000	1.50000	1.08919	0.11851	1.20770	2.24520	1.78975	4.03495	0.39186	0.06150	0.45336	2.13233	0.67859	11.39825
2009	1.26467	1.43583	0.00000	1.43583	0.99517	0.10255	1.09772	2.16911	1.71560	3.88471	0.36118	0.05618	0.41736	1.96268	0.61245	10.67542
2010	1.52034	1.50000	0.40275	1.90275	1.21089	0.07410	1.28499	2.63804	1.72698	4.36502	0.42188	0.06338	0.48526	2.22253	0.62459	12.40548
2011	1.55513	1.50000	0.40233	1.90233	1.26609	0.07207	1.33816	2.84903	1.79420	4.64323	0.50000	0.06621	0.56621	2.27990	0.63702	12.92198
2012	1.60000	1.50000	0.43614	1.93614	1.34460	0.07128	1.41588	3.40126	1.74569	5.14695	0.50000	0.06992	0.56992	2.42266	0.64970	13.74125
2013	1.60000	1.50000	0.45419	1.95419	1.47279	0.06772	1.54051	3.81112	1.89953	5.71065	0.50000	0.06743	0.56743	2.56720	0.66912	14.60910
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

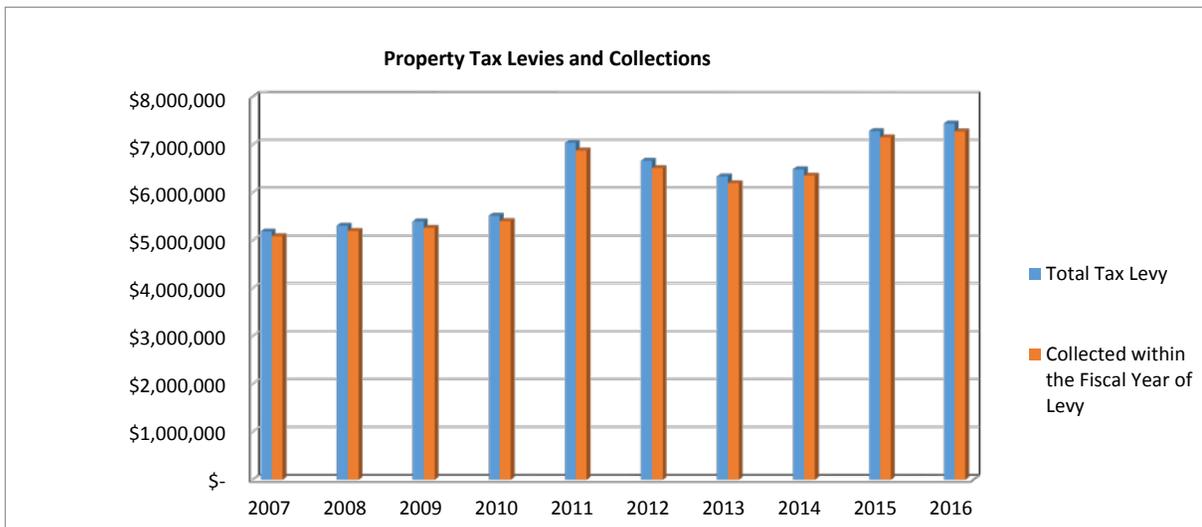


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

\* 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
2007	5,184,678	5,085,653	98.09%	99,024	5,184,678	100.00%
2008	5,306,261	5,197,215	97.94%	108,682	5,305,897	99.99%
2009	5,397,088	5,258,160	97.43%	138,785	5,396,945	100.00%
2010	5,514,958	5,404,321	97.99%	110,446	5,514,767	100.00%
2011	7,038,774	6,873,887	97.66%	165,997	7,039,884	100.00%
2012	6,660,538	6,506,800	97.69%	152,398	6,659,198	99.98%
2013	6,333,196	6,194,591	97.81%	134,449	6,329,040	99.93%
2014	6,484,234	6,351,340	97.95%	114,069	6,465,409	99.71%
2015	7,283,326	7,151,250	98.19%	87,944	7,239,194	99.39%
2016	7,443,096	7,276,711	97.76%		7,276,711	97.76%

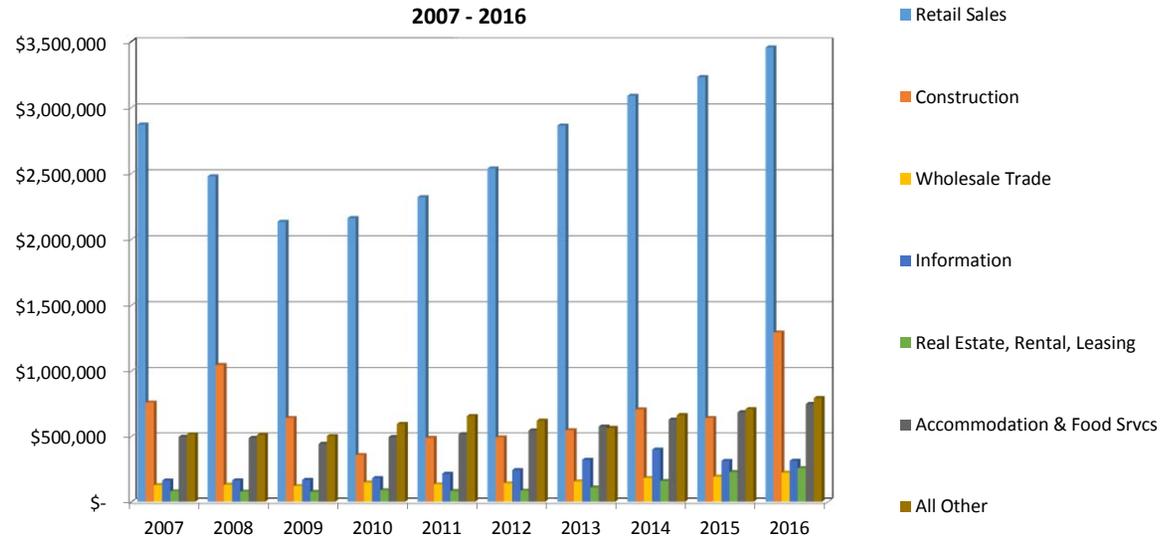


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>RETAIL TRADE</b>										
Vehicle and Parts Dealer	\$ 1,539,517	\$ 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
General Merchandise Stores	343,209	362,069	359,315	370,659	397,970	416,600	433,555	451,571	493,589	503,842
Food & Beverage Stores	254,986	251,873	248,636	276,296	275,695	266,626	265,469	287,239	275,424	266,307
Misc Store Retailers	286,092	273,214	370,630	318,023	314,612	328,828	346,333	348,348	363,822	387,023
Health & Personal Care	140,315	136,682	97,967	97,673	101,059	108,840	123,731	125,145	134,020	147,897
Other Retail	307,072	247,225	107,660	124,439	152,009	155,874	178,628	219,657	216,264	254,285
<b>Subtotal Retail</b>	<b>\$ 2,871,191</b>	<b>\$ 2,477,514</b>	<b>\$ 2,133,515</b>	<b>\$ 2,160,880</b>	<b>\$ 2,319,572</b>	<b>\$ 2,537,977</b>	<b>\$ 2,862,697</b>	<b>\$ 3,087,966</b>	<b>\$ 3,230,555</b>	<b>\$ 3,454,954</b>
<b>OTHER CATEGORIES</b>										
Construction	\$ 759,568	\$ 1,046,693	\$ 640,972	\$ 358,112	\$ 488,860	\$ 492,853	\$ 547,432	\$ 706,856	\$ 641,194	\$ 1,294,298
Wholesale Trade	127,232	130,617	120,277	147,249	133,497	141,690	155,756	181,545	192,672	222,896
Information	163,382	164,905	167,846	181,753	214,544	242,260	321,272	399,198	313,453	313,721
Real Estate, Rental, Leasing	80,059	78,706	76,093	88,679	82,398	85,090	109,467	159,419	227,212	257,980
Accommod & Food Svcs	497,836	488,362	443,414	495,575	517,833	545,959	574,943	629,004	685,202	748,041
All Other Categories *	516,281	512,141	503,099	596,190	656,276	621,251	564,917	663,326	709,354	794,342
<b>Subtotal Other</b>	<b>\$ 2,144,358</b>	<b>\$ 2,421,424</b>	<b>\$ 1,951,701</b>	<b>\$ 1,867,558</b>	<b>\$ 2,093,408</b>	<b>\$ 2,129,103</b>	<b>\$ 2,273,787</b>	<b>\$ 2,739,348</b>	<b>\$ 2,769,087</b>	<b>\$ 3,631,278</b>
<b>Total Sales Tax Collected</b>	<b>\$ 5,015,549</b>	<b>\$ 4,898,938</b>	<b>\$ 4,085,216</b>	<b>\$ 4,028,438</b>	<b>\$ 4,412,980</b>	<b>\$ 4,667,080</b>	<b>\$ 5,136,484</b>	<b>\$ 5,827,314</b>	<b>\$ 5,999,642</b>	<b>\$ 7,086,232</b>

**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	Total Primary Government Debt	Population	Percentage of Personal Income	Net Bonded Debt per Capita
	General Obligation Bonds	Special Assessment Debt	Public Works Trust Fund Loan	Public Works Trust Fund Loan				
2007	12,090,000	1,491,666	2,508,483	696,150	16,786,299	31,410	0.93%	\$ 534.43
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	22,727,838	797,744	1,126,967	830,308	25,482,857	50,000	0.68%	\$ 509.66

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

**Schedule 12  
City of Burien  
Legal Debt Margin Information  
December 31, 2016**

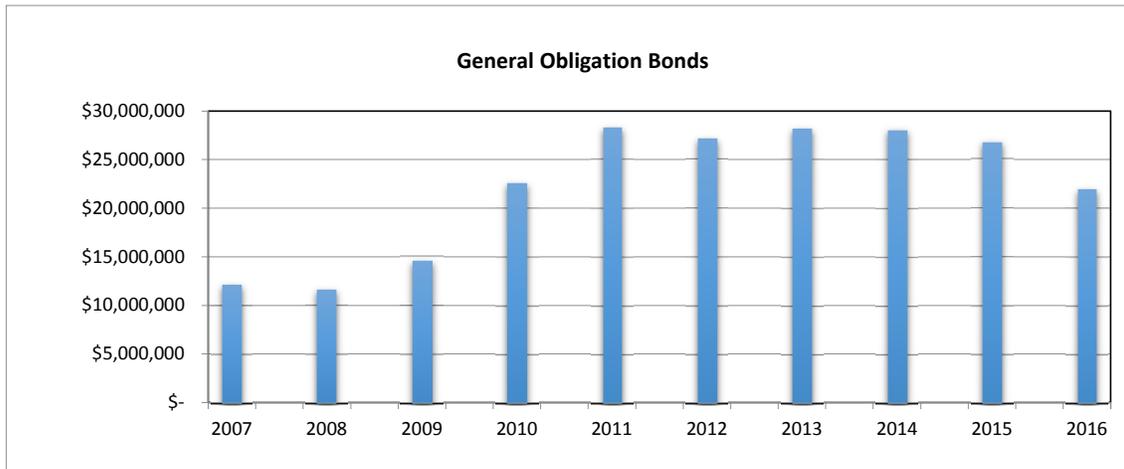
	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 260,283,837	\$ 285,650,497	\$ 322,748,347	\$ 343,081,657	\$ 316,904,251	\$ 312,964,326	\$ 300,397,459	\$ 308,233,906	\$ 347,716,770	\$ 386,999,291
Total Net Debt Applicable to Limit	16,090,149	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
Legal Debt Margin	\$ 244,193,688	\$ 269,699,656	\$ 304,128,663	\$ 316,739,199	\$ 285,169,017	\$ 282,676,318	\$ 269,375,713	\$ 277,640,985	\$ 318,763,673	\$ 363,132,261
 Total Net Debt Applicable to Limit as a Percentage of Debt Limit	6.18%	5.58%	5.77%	7.68%	10.01%	9.68%	10.33%	9.93%	8.33%	

**Legal Debt Margin Calculation for Fiscal Year 2016**

Total Assessed Value for 2016 Taxes	\$ 5,159,990,547
Debt Limit:	
2.5% of General Purpose Limit, Voted and Non-voted	128,999,764
2.5% of Utility Purpose Limit, Voted	128,999,764
2.5% of Open Space, Voted	128,999,764
Total Debt Limit	<u>\$ 386,999,291</u>
Debt Applicable to Limits:	
General Obligation Bonds	23,867,030
<b>Legal Debt Margin</b>	<u><u>\$ 363,132,261</u></u>

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

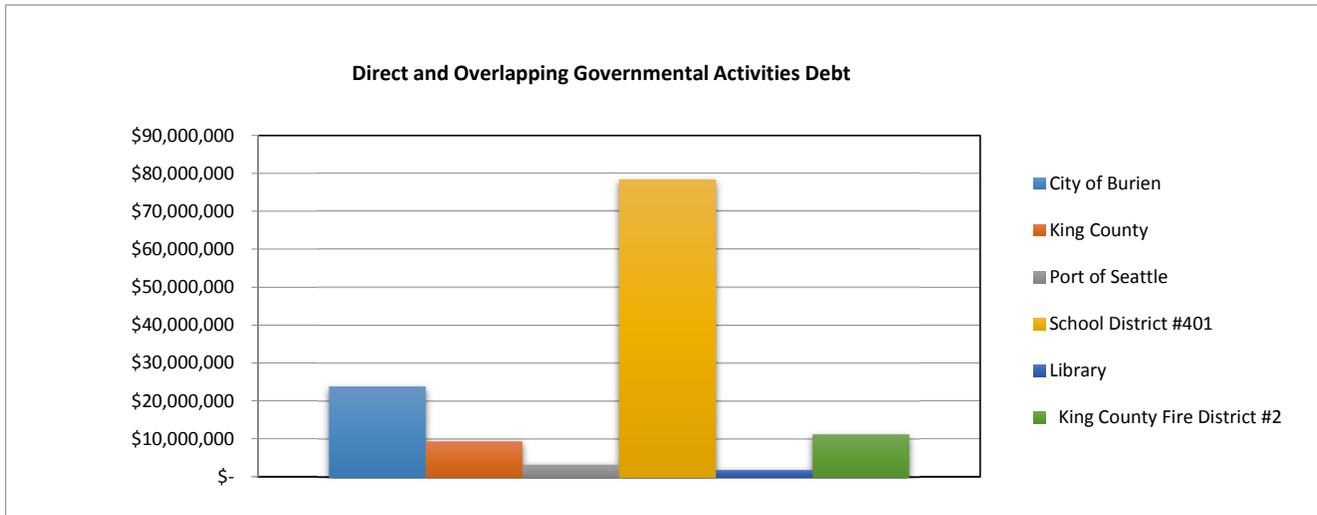
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Assessed Value (AV)</b>	<b>% of General Obligation Debt to AV</b>	<b>Population</b>	<b>Per Capita</b>
2007	12,090,000	3,470,451,166	0.35%	31,410	384.91
2008	11,615,000	3,845,144,599	0.30%	31,540	368.26
2009	14,579,400	4,303,311,289	0.34%	31,890	457.18
2010	22,604,400	3,665,612,885	0.62%	46,182	489.46
2011	28,299,400	4,626,813,371	0.61%	47,660	593.78
2012	27,154,400	4,225,390,016	0.64%	47,730	568.92
2013	28,190,362	4,005,299,458	0.70%	48,030	586.93
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



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, 2016**

	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to Burien</u>	<u>Estimated Amount Applicable to Burien</u>
<b>Direct:</b>			
<b>City of Burien</b>	\$ 23,867,030	100.00%	\$ 23,867,030
<b>Overlapping:</b>			
<b>King County</b>	775,719,000	1.21%	9,386,200
<b>Port of Seattle</b>	283,620,000	1.21%	3,431,802
<b>School District #401</b>	230,950,000	33.91%	78,315,145
<b>Library</b>	98,720,000	2.08%	2,053,376
<b>King County Fire District #2</b>	17,715,000	63.66%	11,277,369
<b>Total Overlapping Debt:</b>	<u>\$ 1,406,724,000</u>	<u>7.43%</u>	<u>\$ 104,463,892</u>
<b>Total Direct and Overlapping Debt:</b>	<u><u>\$ 1,430,591,030</u></u>		<u><u>\$ 128,330,922</u></u>



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

*Sources: King County Department of Assessments*

*City of Burien Finance Department*

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

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (in \$1,000's)</b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Unemployment Rate<sup>3</sup></b>	<b>School Enrollment</b>
<b>2007</b>	31,410	\$ 106,712,473	\$57,745	3.5%	17,527
<b>2008</b>	31,540	\$ 108,457,410	\$57,843	4.2%	17,647
<b>2009</b>	31,890	\$ 102,843,152	\$53,788	8.8%	18,224
<b>2010</b>	46,182	\$ 105,499,279	\$54,443	8.2%	17,391
<b>2011</b>	47,660	\$ 112,935,345	\$57,281	7.4%	17,532
<b>2012</b>	47,730	\$ 120,627,950	\$60,090	6.2%	18,427
<b>2013</b>	48,030	\$ 128,330,859	\$62,770	5.0%	18,975
<b>2014</b>	48,240	\$ 143,260,986	\$68,877	4.6%	19,039
<b>2015</b>	48,810	\$ 153,554,091	\$ 72,530	4.3%	19,039
<b>2016</b>	50,000	\$ 160,868,257	\$ 74,466	4.0%	19,133

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

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

*Note<sup>3</sup> : The compiled unemployment rate data for Burien was extracted from U.S. Bureau of Labor Statistics website. The rates reflect the annual average for each of the years presented and are not seasonally adjusted.*

*Sources: City of Burien Community Development staff*

*U.S. Bureau of Economic Analysis*

*U.S. Bureau of Labor Statistics*

*Highline School District*

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

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>
Highline School District #401	2,150	1	29.11%	2,200	1	25.17%
Highline Medical Center	900	2	12.19%	1,100	2	12.58%
Fred Meyer	248	3	3.36%	226	3	2.59%
Burien Toyota, Inc.	152	4	2.06%	137	6	1.57%
Safeway Store #3120	139	5	1.88%			
NAVOS	124	6	1.68%			
Regional Hospital for Respiratory & Complex Care	120	7	1.62%			
Safeway Store #1664	120	7	1.62%	102	8	1.17%
Burien Nursing & Rehabilitation Center	117	9	1.58%			
Schick Shadel	105	10	1.42%			
Wizards Casino	99	11	1.34%	200	4	2.29%
Rainier Golf & Country Club	90	12	1.22%			
El Dorado West Retirement Community	67	13	0.91%			
Kaiser Foundation Health Plan of Washington	66	14	0.89%			
Seattle Goodwill Industries	64	15	0.87%			
Life Care Center of Burien	-			144	5	1.65%
Ruth Dykeman Children's Center	-			103	7	1.18%
Group Health Cooperative	-			91	9	1.04%
Highline West Seattle Mental Health	-			90	10	1.03%
Azteca	-			80	11	0.92%
<b>Total</b>	<b>4,561</b>		<b>61.76%</b>	<b>4,473</b>		<b>51.17%</b>

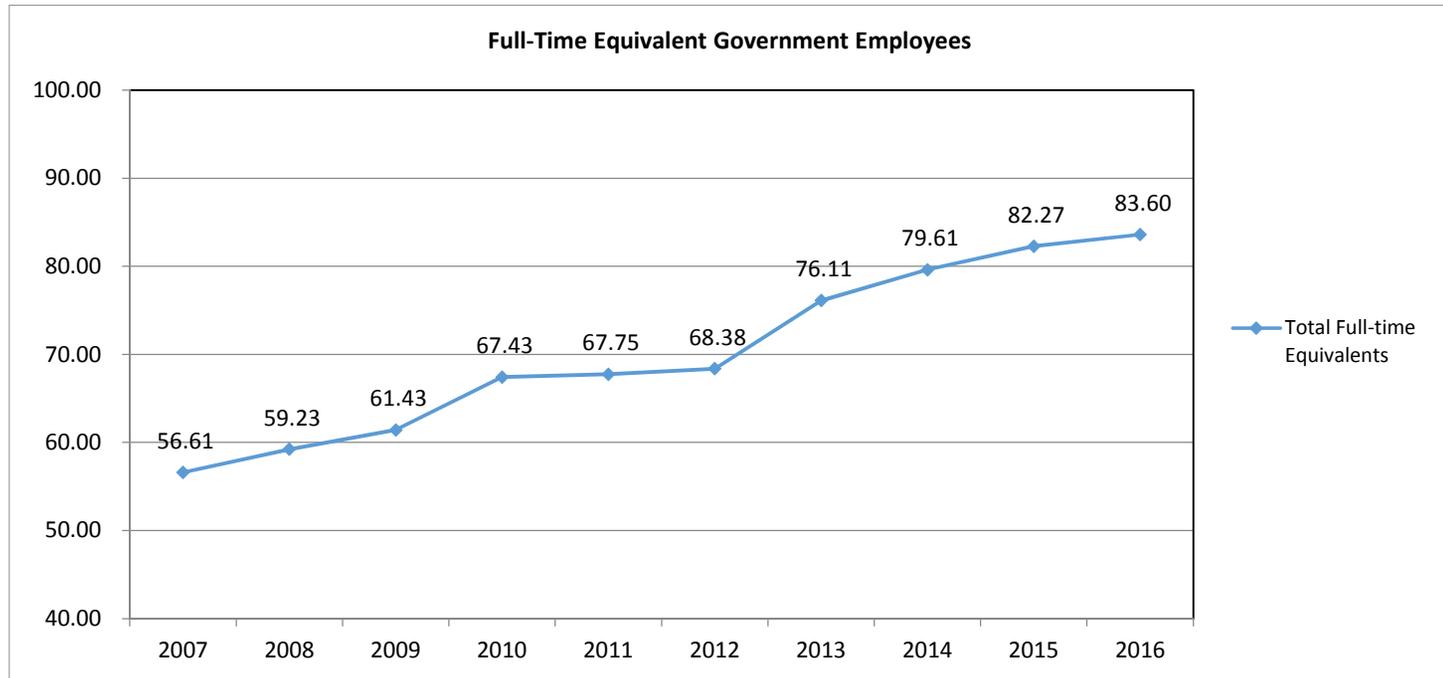
Total City employment in 2016 is 7,385

Total City employment in 2007 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>2007</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>
General Government	19.98	17.15	18.00	20.75	20.70	18.95	18.63	19.25	17.70	17.70
Culture and Recreation	14.63	14.63	15.88	16.18	15.95	15.38	19.64	21.55	21.97	22.10
Economic Environment	12.00	14.45	14.75	13.30	14.30	13.10	13.10	13.31	17.10	17.30
Transportation	6.45	7.45	6.10	8.50	8.20	10.30	11.50	11.50	11.25	11.25
Surface Water Management	3.55	5.55	6.70	8.70	8.60	10.65	13.25	14.00	14.25	15.25
<b>Total Full-time Equivalents</b>	<b>56.61</b>	<b>59.23</b>	<b>61.43</b>	<b>67.43</b>	<b>67.75</b>	<b>68.38</b>	<b>76.11</b>	<b>79.61</b>	<b>82.27</b>	<b>83.60</b>



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

	Fiscal Year									
	<u>2007</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>
<b>Public Safety</b>										
Response time for priority 1 calls	7.06 min.	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.
Response time to critical emergencies	3.28 min.	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.
Dispatched calls for service	11,518	10,191	10,507	13,410	15,742	16,416	17,039	18,521	19,600	21,275
Total crime index per 1,000 population	61.0	53.2	55.5	55.0	55.0	59.0	60.0	60.0	55.0	57.0
Traffic safety enforcement stops	2,264	2,157	2,060	1,508	1,672	1,743	2,139	1,396	1,321	2,831
<b>Transportation</b>										
Right of way use permits issued	365	306	330	353	359	428	469	498	499	423
Reported potholes	15	17	27	37	103	50	69	62	70	78
<b>Economic Environment</b>										
Citizen action requests	566	438	384	604	558	628	624	589	447	341
Land use-related permit applications	108	59	82	57	57	63	85	91	82	101
Percentage of land use permit reviews completed by target date	67%	69%	73%	89%	93%	80%	86%	96%	95%	95%
Construction related permit applications	2,074	2,153	1,763	1,473	1,898	1,915	2,079	2,212	2,550	2,735
Commercial permits	116	235	107	120	171	113	192	152	161	91
Construction Value-commercial	\$ 27,568,622	\$ 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
Residential permits	309	283	159	105	268	259	269	263	288	351
Construction value-residential	\$ 27,443,690	\$ 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
<b>Culture and Recreation</b>										
Acres of neighborhood parks	27	27	27	58	58	58	58	58	58	58
Acres of community parks	32	32	32	32	32	32	32	32	34	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	\$ 986	\$ 1,033	\$ 1,014	\$ 1,265	\$ 1,630	\$ 1,594	\$ 1,693	\$ 1,874	\$ 1,925	\$ 2,163
Number of kids provided scholarships	78	60	61	134	149	133	116	85	88	171
<b>Surface Water Management</b>										
Number of storm water ponds	15	15	15	18	19	22	22	24	26	27
Percentage of city drainage system mapped and inventoried	98%	98%	99%	85%	98%	98%	99%	99%	99%	99%
Catch basins - City owned				5,913	5,975	6,293		6,012	6,105	6,221
Total catch basins (City and private)									10,008	9,621

Sources: Various City of Burien Departments

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

Function	Fiscal Year											
	2004	2005	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Transportation												
Streets (miles)	113	113	113	113	114	150	150	152	152	140	140	140
Street lights	664	664	664	664	700	930	930	930	939	939	939	940
Traffic signals	53	53	53	53	55	71	71	72	74	75	75	75
Culture and Recreation												
Skate Parks	1	1	1	1	1	1	1	1	1	1	1	1
Playgrounds	6	7	7	8	8	11	12	12	12	12	12	12
Baseball/Softball Diamonds	5	5	5	5	5	5	5	5	5	5	5	5
Soccer/Football Fields	3	3	3	3	3	3	3	3	3	3	3	3
Community Centers	1	1	1	1	1	1	1	1	1	1	1	1
Surface Water Management												
Pump Stations	2	2	3	3	3	3	3	3	3	3	3	3
Storm Water Drainage Ponds	4	4	4	4	4	6	16	16	16	17	19	19

Sources: Various City of Burien Departments