

2019 Comprehensive Annual Financial Report

For the year ended December 31, 2019



City of Burien, Washington

400 SW 152nd St., Suite 300

Burien, WA 98166

(206) 241-4647





The City of Burien, Washington

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2019

Prepared by:

City of Burien Finance Department

400 SW 152nd St., Suite 300

Burien, Washington 98166

(206) 241-4647

Website: www.burienwa.gov

BURIEN CITY COUNCIL

Jimmy Matta, Mayor

Austin Bell

Bob Edgar

Lucy Krakowiak

Krystal Marx

Pedro E. Olguin

Nancy Tosta



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

VISION FOR BURIEN

Our Future. Our Choices.

COMMUNITY



Genuine
Engaged
Stable

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

DIVERSITY



Inclusive
Multicultural
Multi-centered

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

ENVIRONMENT



Natural
Green
Livable

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

PROSPERITY



Local
Expansive
Creative

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

EDUCATION & YOUTH



Teaching
Learning
Nurturing

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

HEALTH & SAFETY



Healthy
Active
Peaceful

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

GOVERNANCE



Responsive
Effective
Collaborative

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

City of Burien
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2019

TABLE OF CONTENTS

Item	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-1
2019 GFOA Certificate of Achievement	1-7
List of Elected and Appointed Officials	1-8
Organizational Chart	1-9
Acknowledgments.....	1-10
FINANCIAL SECTION	
Independent Auditor’s Report	2-1
Management’s Discussion and Analysis	3-1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	4-3
Statement of Activities.....	4-4
Fund Financial Statements:	
Balance Sheet - Governmental Funds	4-5
Reconciliation of the Balance Sheet - Governmental Funds to the Government-Wide Statement of Net Position.....	4-6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	4-7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds to the Statement of Activities.....	4-8
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual - General Fund.....	4-9
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget to Actual - Street Fund.....	4-10
Statement of Net Position-Proprietary Funds.....	4-11
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	4-12
Statement of Cash Flows - Proprietary Funds.....	4-13
Statement of Net Position – Fiduciary Funds.....	4-14
Notes to the Financial Statements.....	4-15
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability – Public Employees’ Retirement System.....	5-2
Schedule of Employer Contributions – Public Employees’ Retirement System.....	5-3
Combining and Individual Fund Financial Statements and Schedules	
Non-Major Governmental Fund Descriptions	6-2
Combining Balance Sheet-Nonmajor Governmental Funds	6-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds.....	6-4

City of Burien
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2019

TABLE OF CONTENTS

Item	Page
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Public Works Reserve Fund	6-5
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Transportation Benefit District Fund	6-6
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - LID Guaranty Fund	6-7
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Debt Service fund	6-8
Fiduciary Fund Description	6-9
Statement of Changes in Assets and Liabilities-Agency Fund	6-10
 STATISTICAL SECTION	
Statistical Section Description	7-1
Financial Trend Information:	
Schedule 1 Net Position by Component	7-2
Schedule 2 Changes in Net Position	7-4
Schedule 3 Fund Balances - Governmental Funds	7-6
Schedule 4 Changes in Fund Balances - Governmental Funds	7-7
Schedule 5 Tax Revenues by Source - Governmental Funds	7-8
Revenue Capacity Information:	
Schedule 6 Principal Taxpayers - Property Taxes	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 Information:	
Schedule 11 Ratios of Outstanding Debt by Type	7-14
Schedule 12 Legal Debt Margin Information	7-15
Schedule 13 Ratios of Net General Bonded Debt Outstanding	7-
16 Schedule 14 Direct and Overlapping Governmental Activities Debt	7-17
Demographic and Economic Information:	
Schedule 15 Demographic and Economic Statistics	7-18
Schedule 16 Principal Employers	7-19
Operating Information:	
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



City of Burien
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May 29, 2020

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, 2019. The purpose of the report is to provide residents, investors, grantor agencies, and other interested parties with reliable financial information about the City.

I. INTRODUCTION TO THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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

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

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

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

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

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

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

Legal Services are provided by a combination of City staff and contract services. City staff provide legal advice to the City Council and management in addition to representing the City in litigation matters. Public prosecution, public defense, and additional litigation assistance are provided through contracted services.

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

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

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

Public Works Services are primarily provided by City staff; however, some services are contracted. Public Works services include engineering, street maintenance, and surface water management.

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

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

Library Services are provided by the King County Library District.

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

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

The following schedule includes the major contracts with other governmental agencies and the 2019 expenditures reported in the financial statements relating to those entities:

• King County Sheriff's Office (police services)	\$12,338,253
• Jail Services with the South Correctional Entity (SCORE) and King County Department of Adult and Juvenile Detention	1,046,200
• King County District Court	405,272
• King County Public Works Department (street & signal maintenance)	<u>183,280</u>

Total 2019 major contracts with other governmental agencies	<u>\$13,973,005</u>
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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 24% of the total sales tax revenue to the City in 2019. Auto dealers serve a regional market competing with other regional auto centers. The next largest sectors of activity reflect Burien's role as a sub-regional commercial center serving the residents of Burien and surrounding communities. These sectors include general merchandise, food services, miscellaneous store retailers, food and beverage, and related retail merchandise. The City has growing service centers spurred by medical and related services centered on the CHI Franciscan Health - Highline Medical Center. The City also has significant employment in education as it houses the Highline Public Schools administrative offices.

Future Economic Outlook

The economic impacts of the coronavirus pandemic have been sudden and unprecedented. The City recognizes that the severity of the pandemic will dictate when the economic recovery will start. To assist with the economic recovery, the City will continue funding economic growth initiatives such as a new business attraction campaign targeted to retail, hospitality and creative economy industries, active marketing of Burien's federally designated investment "Opportunity Zones" for additional development, and increased visitor spending via regional marketing of Burien's assets. In addition, the Urban Center Plan approved in early 2020 will provide a roadmap for the continuing evolution of, and investment in, the urban center.

IV. MAJOR INITIATIVES

Achievements for 2019 include but not limited to:

- Continued working with the Federal Aviation Administration, Port of Seattle, surrounding cities, and other stakeholders to seek the reduction of airport impacts on Burien residents.
- Continued to seek partnerships to leverage the Capital Partnership Reserve to achieve a permanent Public Works/PaRCS maintenance facility.
- Marketing of Burien's federally designated investment "Opportunity Zones" for additional development in Burien.
- Continued to explore new revenue sources and operating efficiencies to maintain current service levels and potentially fund enhanced services.
- Continued to support Stormfest grant funded program serving over 1,300 youth from the Highline School District.
- Completed Crime Prevention through Environmental Design (CPTED) training and implementation of the training to address locations in the community with a high demand for police response and low perception of safety.
- Completed corridor studies for South 160th Street and South 128th Street to evaluate safety and operational issues.
- A new High-Intensity Activated Crosswalk (HAWK) beacon was constructed and is in operation at the South 156th Street and 4th Avenue South.
- Completed design and began construction of the new Peter Western Bridge.
- Completed a salary survey to continue to attract, retain, and develop employees through a competitive compensation and benefit package, employee development, and accountability.
- Assisted with the implementation of a Community Court to gather numerous human service providers in a single venue to address user's needs.

- Completed the conversion of Parks and Facility landscape maintenance from a contracted service to in-house to provide a better level of customer service.

Initiatives for 2020 include but not limited to:

- Continue to work with the Federal Aviation Administration, Port of Seattle, surrounding cities, and other stakeholders to reduce airport impacts on Burien residents.
- Continue to seek partnerships to leverage the Capital Partnership Reserve to achieve a permanent Public Works/PaRCS maintenance facility.
- Continue to explore new revenue sources and operating efficiencies to maintain current service levels and potentially fund enhanced services.
- Continue to explore options to support the growth of affordable housing in the city, and to assist housing cost burdened households.
- Adopt the Urban Center Plan to promote growth in the City's downtown area.
- Begin design and construction of the Moshier Park Field and Restroom Improvements project.
- Begin construction of 1st Avenue South – Phase 3.
- Development of a subarea plan for the Ambaum corridor between the downtown and the city limits to the north.
- Development of a rental housing inspection program in order to begin inspections in 2021.
- Respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

V. INDEPENDENT AUDIT

State law requires an annual audit of all city books of accounts and financial records by the Office of the State Auditor, which is headed by an independent elected State Official, the State Auditor. The Auditor has broad legal authority to inquire into all financial and legal compliance matters and such audits of the City are considered equal to audits by certified public accounting firms. The 2019 financial audit of the City is complete and was conducted in conformance with Generally Accepted Auditing Standards. The financial statements of all City funds have been included in the audit. The City has been given an unqualified opinion for 2019. Please see the Auditor's Report. The State Auditor's Office also audits the City's administration of its federal grants under the single audit concept.

VI. CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burien for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the

twenty-third consecutive year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

VII. ACKNOWLEDGMENTS

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

Respectfully submitted,

Eric Christensen,
Finance Director



Government Finance Officers Association

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

Presented to

**City of Burien
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

ELECTED CITY OFFICIALS

2019 City Councilmembers

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

Term Ending

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

2020 City Councilmembers

Jimmy Matta, Mayor
 Krystal Marks, Deputy Mayor
 Pedro E. Olguin
 Cydney Moore
 Kevin Schilling
 Nancy Tosta
 Sofia Aragon

Term Ending

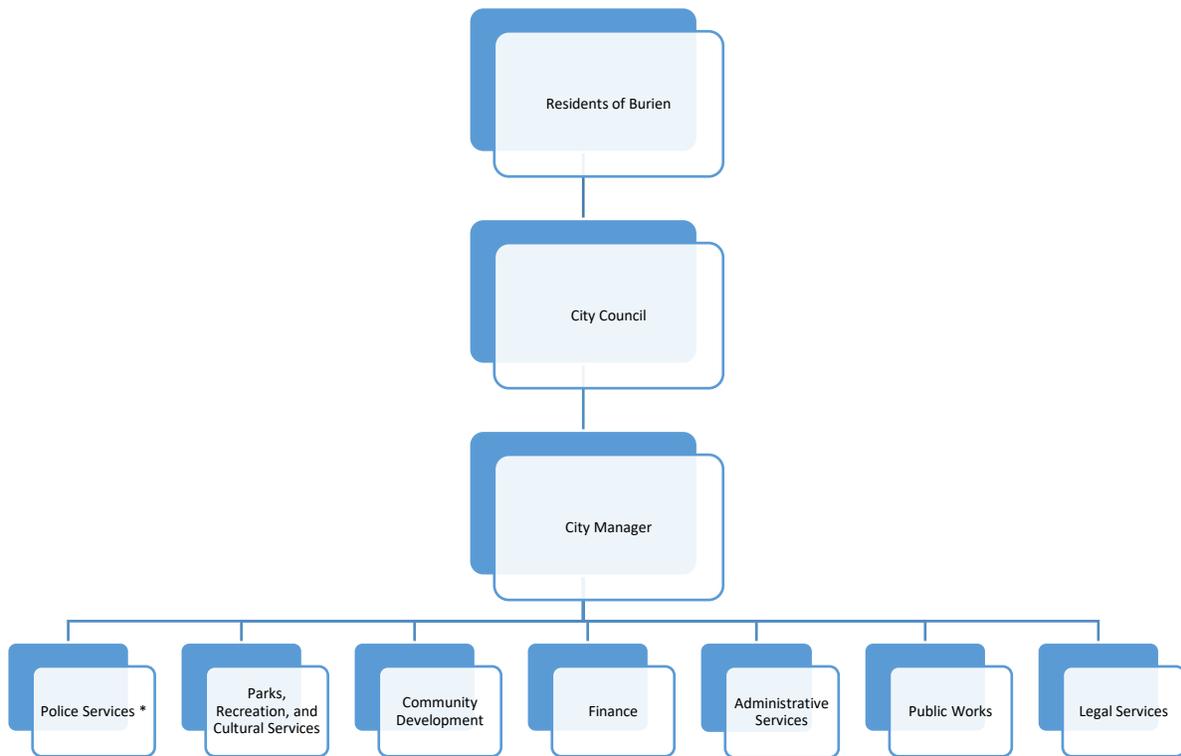
December 2021
 December 2021
 December 2021
 December 2023
 December 2023
 December 2021
 December 2023

CITY ADMINISTRATION

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

Brian Wilson
 Eric Christensen
 Lisa Marshall/Garmon Newsom
 Chip Davis/Susan McLain
 Steve Roemer/Carolyn Hope
 Maiya Andrews
 Theodore Boe

City of Burien, Washington Organizational Chart



** Contracted Services*

Prepared By:

Eric Christensen
Finance Director

Patti Rader
Finance Manager

Ellen Mounts
Accountant

Anna Cruz
Financial Analyst

Lori Fleming
Contract Management Analyst

Penelope Penaflor
Accounting Assistant





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

July 29, 2020

Mayor and City Council
City of Burien
Burien, Washington

Report on Financial Statements

Please find attached our report on the City of Burien's financial statements.

We are issuing this report for inclusion in the City's comprehensive annual financial report package, which will be issued by the City under the City's own cover.

This report is in addition to our regular financial statement audit report, which will be available on our website and includes the City's basic financial statements.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

July 29, 2020

Mayor and City Council
City of Burien
Burien, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burien, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burien, as of December 31, 2019, and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the General and Street funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 18 to the financial statements, in February 2020, a state of emergency was declared which could have a negative financial effect on the City. Our opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 29, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy

State Auditor

Olympia, WA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- The assets for the City of Burien exceeded its liabilities as of December 31, 2019 by \$156.6 million (net position). Of this amount, \$40.2 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining amount, \$0.3 million is restricted for debt service, \$2.9 million is restricted for capital projects, \$0.6 million is restricted for drug enforcement, and \$112.6 million is net investment in capital assets. A small amount is also restricted for housing support which represents a new restricted portion of sales tax.
- The City's total net position increased by \$7.1 million. This amount includes an increase of \$2.3 million in unrestricted net position, a \$0.7 million increase in restricted net position, and an increase of \$3.3 million in invested in capital assets, net of related debt.
- As of December 31, 2019, the City of Burien's governmental funds reported a combined ending fund balance of almost \$37.0 million. This is an increase of \$0.7 million compared to the prior year amount of \$36.3 million. Of the current year's combined ending fund balance, \$32.9 million is designated as assigned and unassigned fund balances, which is available for spending at the government's discretion for general operations.
- As of December 31, 2019, the total of assigned and unassigned General Fund balance was \$25.6 million, or 93% of total General Fund expenditures. This is an increase of \$2.4 million from the prior year.
- Governmental long-term liabilities in total decreased by \$2.3 million and business-type long term liabilities by \$0.1 million as a result of scheduled debt service payments. The City's long-term debt decreased during 2019 by \$2.25 million.

REPORT LAYOUT

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

financial statements. Finally, supplemental information related to the financial activity of the City is provided, including the combining statements for non-major funds.

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

STATEMENT OF NET POSITION

The focus of the Statement of Net Position is to present the difference between the City of Burien's total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Burien is improving or deteriorating.

STATEMENT OF ACTIVITIES

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$156.6 million at the close of the fiscal year. During fiscal year 2019, net position increased \$7.1 million. This increase is due to a \$3.0 million reduction in long-term and net pension liabilities, a \$1.5 million increase in capital assets, an increase in cash and cash equivalents of \$0.9 million, and an increase of \$0.7 million in the City's investment in the joint venture – SCORE. The majority of the net position \$113.7 million or 72% in the City's investment in capital assets (e.g. land, building, equipment, infrastructure, other improvements, etc.) less any related outstanding debt used to acquire those assets. The unrestricted net position of both governmental and business type activities totaling nearly \$40.2 million may be used to meet the government's ongoing obligations.

City of Burien's Net Position at Year-End

	Governmental Activities		Business - Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 45,038,922	\$ 42,492,227	\$ 5,916,402	\$ 5,269,503	\$ 50,955,324	\$ 47,761,730
Capital assets, net of accumulated depreciation	118,715,249	116,466,552	14,136,005	14,091,502	132,851,254	130,558,054
Total assets	163,754,171	158,958,779	20,052,407	19,361,005	183,806,578	178,319,784
Deferred outflows of resources						
Deferred amount from debt refunding	33,563	44,750	-	-	33,563	44,750
Deferred outflow related to pensions	714,838	597,421	110,137	81,467	824,975	678,888
Total deferred outflows of resources	748,401	642,171	110,137	81,467	858,538	723,638
Long-term liabilities	16,485,912	18,788,629	540,879	634,353	17,026,791	19,422,982
Other liabilities	6,818,084	5,511,986	340,680	406,891	7,158,764	5,918,877
Net Pension Liability	2,129,324	2,675,695	328,071	364,868	2,457,395	3,040,563
Total liabilities	25,433,320	26,976,310	1,209,630	1,406,112	26,642,950	28,382,422
Deferred inflows of resources						
Deferred inflow related to pensions	1,201,694	1,016,763	185,149	138,650	1,386,843	1,155,413
Deferred inflow related to long-term debt	-	-	-	-	-	-
Total deferred inflows of resources	1,201,694	1,016,763	185,149	138,650	1,386,843	1,155,413
Net position:						
Net investment in capital assets	99,002,312	95,711,566	13,554,789	13,427,255	112,557,101	109,138,821
Restricted	3,887,308	3,198,932			3,887,308	3,198,932
Unrestricted	34,977,937	32,697,381	5,212,977	4,470,455	40,190,914	37,167,836
Total net position	\$ 137,867,557	\$ 131,607,879	\$ 18,767,766	\$ 17,897,710	\$ 156,635,323	\$ 149,505,589

Total net position for governmental activities increased by nearly \$6.3 million to \$137.9 million. A prior period adjustment of \$423,112 was also made to governmental activities. Total assets and deferred outflows increased by \$4.9 million primarily due to the addition of capital assets. There was also an increase of \$2.9 million in the due from other governments category as a result of pending grant reimbursements in the Transportation Capital Fund. Total liabilities and deferred inflows decreased by \$1.4 million due to regularly scheduled debt payments and a decrease in the City's share of net pension liability.

Total net position for business-type activities increased by \$0.9 million to \$18.7 million. This increase is primarily due to the decrease in transfers to the Transportation Capital Fund for transportation capital projects constructing drainage improvements.

CHANGE OF NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2019:

The Statement of Activities shows a net increase in the City of Burien's net position of \$6.7 million. Below is a summary version of the Statement of Activities.

Summary of Revenues

	Governmental Activities		Business - Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 5,313,710	\$ 4,674,099	\$ 3,678,415	\$ 3,454,563	\$ 8,992,125	\$ 8,128,662
Operating grants & contributions	3,815,756	3,816,628	25,837	126,222	3,841,593	3,942,850
Capital grants & contributions	4,552,302	1,437,251	330,158	454,503	4,882,460	1,891,754
General revenues:						
Property taxes	8,019,690	7,902,018			8,019,690	7,902,018
Sales and use taxes	10,577,028	10,067,818			10,577,028	10,067,818
Other taxes	7,438,608	8,330,154			7,438,608	8,330,154
Investment interest	891,404	690,980	134,930	112,360	1,026,334	803,340
Gain (loss) on disposal of capital assets	739	16,234			739	16,234
Miscellaneous	431,500	404,697	8,567	8,506	440,067	413,203
Total revenues	\$ 41,040,737	\$ 37,339,879	\$ 4,177,907	\$ 4,156,154	\$ 45,218,644	\$ 41,496,033

Summary of Expenses

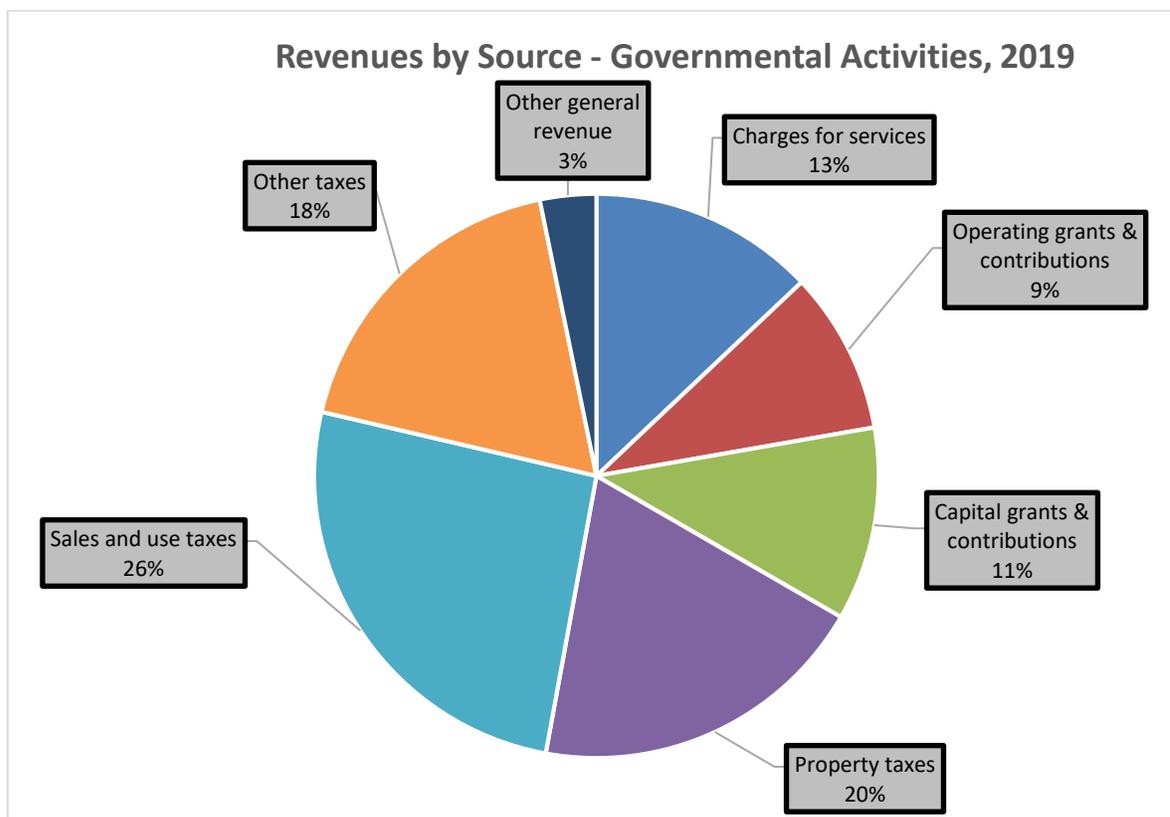
	Governmental Activities		Business - Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Expenses						
General government	\$ 6,938,009	\$ 6,048,335	\$ -	\$ -	\$ 6,938,009	\$ 6,048,335
Judicial	405,272	451,380	-	-	405,272	451,380
Public safety	12,356,022	12,855,758	-	-	12,356,022	12,855,758
Natural Environment	251,022	267,643	-	-	251,022	267,643
Transportation	6,670,396	6,674,157	-	-	6,670,396	6,674,157
Economic environment	2,775,623	2,586,608	-	-	2,775,623	2,586,608
Social services	65,377	114,266	-	-	65,377	114,266
Culture and recreation	4,631,109	4,602,780	-	-	4,631,109	4,602,780
Interest on long-term debt	630,116	681,498	3,079	3,494	633,195	684,992
Surface water management	-	-	2,939,772	2,988,046	2,939,772	2,988,046
Total expenses	34,722,946	34,282,425	2,942,851	2,991,539	37,665,797	37,273,965
Increase in net position before transfers	6,317,790	3,057,454	1,235,056	1,164,615	7,552,846	4,222,069
Gain/ Loss on disposal of capital assets		-		-	-	-
Transfers	365,000	885,000	(365,000)	(885,000)	-	-
Increase in net position	6,682,790	3,942,454	870,056	279,615	7,552,847	4,222,069
Net position - January 1	131,607,879	127,327,651	17,897,710	17,618,094	149,505,589	144,945,745
Prior period adjustment	(423,112)	337,775	-	-	(423,112)	337,775
Net position - January 1, restated	131,184,767	127,665,427	17,897,710	17,618,094	149,082,477	145,283,520
Net position - December 31	\$ 137,867,557	\$ 131,607,881	\$ 18,767,766	\$ 17,897,709	\$ 156,635,324	\$ 149,505,590

**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR FISCAL YEAR ENDING DECEMBER 31, 2019**

Governmental Activities

Governmental activity revenues increased by \$3.7 million to \$41.0 million. This growth in revenues is due to an increase in capital grants and contributions of \$3.1 million. Revenues from charges for services also increased by \$0.6 million. While collections for property and sales tax increased by \$0.6 million, other taxes decreased by \$0.9 million. Investment interest increased by \$0.2 million over the previous year due to higher interest rates.

As shown by the chart below, taxes represent 64% of the City’s total governmental revenues. Of this amount, 20% are property taxes, 26% are sales taxes, and 18% are other taxes – notably utility taxes, business and occupation taxes and real estate excise taxes. Charges for services and grants & contributions represent 33% of the City’s governmental revenues.



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

- Capital grants and contributions increased by \$3,115,051, mostly due to federal and state funding for the replacement of the Peter Western Bridge in the Transportation Capital Fund.
- Charges for Services increased by \$639,611. This increase is mostly from building and other related permit fees \$463,391. Plan review fees and charges decreased by \$45,090. Revenues from recreation fees increased by \$41,451. Franchise fees paid by solid waste collectors increased by \$78,075.
- Operating Grants and Contributions remained virtually the same with a small decrease of \$872.
-
- Property taxes increased by \$117,672.
- Sales Taxes increased \$509,210 as a result of increased taxable construction activity.

- Other Taxes decreased \$891,546. Utility taxes decreased by \$205,344 due to a continuing trend in lower demand for landline telephone and cable television services. Gambling taxes were down from the previous year by \$56,956. Real Estate Excise Taxes decreased by \$720,029.

Governmental expenses increased by \$0.4 million or 1.3% to \$34.7 million. Expenditures increased primarily in the general government and economic environment categories. Expenditures decreased the most in the public safety category due to delay in labor negotiations.

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

- Salaries and wages increased overall as a result of a cost of living allowance increase of 3.6%. Benefit costs also increased across the board due to a 5% increase for health benefits and a 2.5% increase in the pension rate.
- General Government expenditures increased by \$889,674. Voter registration costs of \$242,069 were paid for both 2018 and 2019. Professional legal services including for litigation increased by \$311,284. The cost of contracted services for criminal prosecution increased by \$45,967 and public defense by \$20,464. Insurance costs for property and liability increased by \$49,206. Maintenance costs for City Hall increased by \$23,070
- Public Safety expenditures decreased \$499,736, mainly due to the change in the in the City's share of the South Correctional Entity (SCORE).
- Transportation expenditures stayed nearly the same decreasing by \$3,761.
- Culture and Recreation expenditures increased \$28,329.
- Economic Environment expenditures increased \$189,015, mainly due to an increase of \$70,676 in funding for human services contracts to support families and youth. Professional services increased by \$17,345 in the human services program. Professional services in the Planning division increased by \$7,033 and the amount of reimbursement for engineering fees decreased by \$21,925. Support for neighborhood grants increased by \$11,200

Business-type Activities

Business-type activity revenues increased only slightly to remain at \$4.2 million. Charges for services increased by \$223,852, but capital and operating grants and contributions decreased by \$224,730. Investment earnings increased by \$22,570.

Business-type expenses decreased slightly by \$46,388 mostly in supplies and services, offset with increased costs in personnel services and depreciation. The transfer out to the Transportation Capital Improvement Fund to provide support for surface water related improvements occurring in transportation projects decreased by \$520,000.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds

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

Fund Balances

The total governmental fund balances as of December 31, 2019 is \$36,976,410 an increase of \$701,134 from the prior year amount of \$36,275,276. Of the General Fund balance of \$26,474,013, \$15,862,683 or 60%, is unassigned. The primary reason for the increase in fund balance is that revenues and other financing sources were in excess of expenditures and other financing uses in the General Fund by \$2,416,778.

The City's financial policies require that the General Fund maintain a fund balance of at least 20% of the General Fund's budgeted revenues, or approximately \$6.0 million for 2019. Furthermore, \$634,728 of the fund balance is restricted for drug enforcement purposes and \$12,548 is restricted for housing projects. Of the fund balance \$7,500,000 is committed for a capital partnership reserve, \$1,247,433 is committed to support future projects in the City's Capital Improvement Program, \$1,000,000 is for a capital equipment reserve to provide furnishings and equipment to new City facilities, \$137,760 is committed for City parking projects, \$78,861 is committed for arts projects.

The Street Fund, comprised of Motor Vehicle Fuel Tax revenues and other revenues designated by the City's financial policies, increased its fund balance by \$0.1 million to \$1.5 million. The increase was due to a lower amount of funding being transferred to the Transportation Capital Improvement Projects Fund. The Street Fund requires a minimum fund balance equal to 5% of budgeted recurring revenues. Any excess fund balance may be transferred and use for capital improvement projects.

The Debt Service Fund accumulates funds for the retirement of the City's debt. The fund's balance decreased minimally and remained nearly the same at \$0.08 million. The fund balance is restricted for debt service, and there is no minimum fund balance requirement.

The Parks and General Government Capital Improvement Projects Fund increased its fund balance by \$0.3 million to \$1.65 million. This fund provides for the completion of capital projects for City parks and general government facilities, and is primarily funded through grants and transfers from the General Fund and Capital Project Reserve Fund. The fund balance increased due to fewer construction expenditures compared with the prior year, as no major projects were underway, and an increase in intergovernmental revenues from federal and state grants. The fund balance is used for projects in future years, and there is no minimum fund balance requirement.

The Transportation Capital Improvement Projects Fund reduced its fund balance by \$2.8 million to \$4.1 million, mainly due an increase in the number of transportation improvements underway during the year, requiring the use of accumulated fund balance. This fund provides for the completion of transportation or street-related capital projects, which sometimes have a storm drainage component. Funds are provided through grants and transfers from the Street Fund, Capital Projects Reserve Fund, Public Works Reserve Fund, and Surface Water Management Capital Improvement Projects Fund. The fund balance is used for projects in future years, and there is no minimum fund balance requirement.

Proprietary Funds

The City has one proprietary fund, the Surface Water Management Fund. The Surface Water Management Fund's revenue is comprised of surface water management fees and grants to fund surface water operations and capital improvement projects. The increase in net position of \$0.9 million reflects revenue increases in charges for services and a reduced level of capital improvements over the prior year. 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.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City adopts biennial budgets at the start of every odd-numbered year. The biennial budget provides a two-year expenditure appropriation with side-by-side one-year budget displays. To avoid overspending the two-year appropriation too quickly, departments are held to single-year budgets. The budget may be amended by Council action in an open public meeting to respond to additional City activities throughout the course of the budget period.

The 2019 budget was amended twice. Ordinance No. 711 increased expenditure authority in the General Fund by \$1.3 million for carryover budgets from the previous biennium, and recognized \$113,372 of grant funding awarded. Significant carryover items include:

- \$489,325 – Police Services contracted through King County Sheriff’s Office; Police Guild labor negotiations for 2017-2019 had not yet settled therefore retroactive Cost of Living Adjustments were anticipated
- \$343,650 – Council Chambers Upgrade capital project
- \$214,917 – Landscaping start-up costs to bring parks maintenance in-house

The mid-biennium budget adjustment, Ordinance No. 723, increased budgeted expenditures by \$581,440 and revenues by \$219,435. Key changes include:

- \$295,500 – Litigation consulting fees primarily related to the City’s lawsuit against the Federal Aviation Administration (FAA) arising from the FAA’s change of a flight path over Burien without environmental review
- \$65,110 – Repair costs for the Town Square Park Fountain, of which \$57,085 was budgeted to be recovered from the City’s Insurance provider
- \$45,000 – Economic Development Microenterprise support, budgeted to be funded by a Community Development Block Grant
- \$50,000 – Marijuana Excise Tax Revenue was increased to capture actual funds received during the year

Actual General Fund expenditures were \$3.9 million less than the final budget. Significant budgetary variances include:

- \$1.1 million – Police Services contracted through King County Sheriff’s Office; Police Guild labor negotiations for 2017-2019 had not yet settled therefore retroactive Cost of Living Adjustments will be paid in 2020
- \$750,000 – Community Development project to replace the current Permit Software was planned but not executed in 2019 (\$150,000 in professional service costs for a consultant to help select a system and \$600,000 in capital costs to purchase the new system)
- \$365,000 – Payroll costs were under-budget due in part to 2019 vacancies in the Parks, Recreation & Cultural Services Director, Community Development Director, and Economic Development Manager positions
- \$315,000 – Council Chamber Technology Upgrade project began in 2019 but was not completed
- \$109,400 – Software implementation remaining budget for the City’s new Financial System & Document Management System
- \$100,000 – Ambaum Boulevard Corridor Study planned but not executed in 2019

Actual General Fund revenues were \$31,700 less than the final budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2019, the City had \$128.8 million in capital assets as reflected in the following table, which represents an increase of nearly \$1.6 million from the previous year. The increase is the result of asset additions being offset by the annual depreciation expense. Detailed information on Capital Assets is available in Note 7 of the Notes to the Financial Statements.

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

	Activities		Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 25,674,651	\$ 25,662,235	\$ 1,076,060	\$ 1,076,060	\$ 26,750,711	\$ 26,738,295
Construction work in progress	9,410,270	3,490,441	1,088,543	371,765	10,498,813	3,862,206
Buildings	7,596,555	8,322,531	-	-	7,596,555	8,322,531
Machinery, equipment, and vehicles	1,636,145	1,403,009	302,038	337,175	1,938,183	1,740,184
Other improvements	13,204,307	13,892,989	-	-	13,204,307	13,892,989
Infrastructure	56,749,885	60,022,304	11,669,364	12,306,502	68,419,249	72,328,806
Intangible assets	339,834	281,981	-	-	339,834	281,981
Total	\$ 114,611,647	\$ 113,075,490	\$ 14,136,005	\$ 14,091,502	\$ 128,747,652	\$ 127,166,992

Construction work in progress (CWIP) for governmental activities is \$9.4 million, which is comprised of parks and street improvement projects still under construction. The CWIP amount of \$1.1 million for business-type activities is surface water infrastructure projects.

The following table shows the change in capital assets between 2018 and 2019.

CHANGE IN CAPITAL ASSETS

	Governmental Activities		Business - Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Changes in capital assets						
Land	\$ 12,416	\$ -	\$ -	\$ -	\$ 12,416	\$ -
Construction work in progress	5,919,829	1,730,806	716,778	(1,519,098)	6,636,607	211,708
Buildings	(725,976)	(725,976)	-	-	(725,976)	(725,976)
Machinery, equipment, and vehicles	233,136	401,734	(35,137)	38,601	197,999	440,335
Other improvements	(688,682)	(460,099)	-	-	(688,682)	(460,099)
Infrastructure	(3,272,419)	(2,574,802)	(637,138)	1,715,771	(3,909,557)	(859,031)
Intangible assets	57,853	(3,695)	-	(3,650)	57,853	(7,345)
Total	\$ 1,536,157	\$ (1,632,032)	\$ 44,503	\$ 231,624	\$ 1,580,660	\$ (1,400,408)

Outstanding Debt

At the end of 2019, the City had \$18.9 million in long-term debt compared to \$20.9 million in 2018. The City of Burien's total long-term debt decreased by nearly \$2.1 million, which reflects a reduction of \$2.0 million in governmental activities and a decrease of \$0.1 million in business-type activities. The decrease in outstanding debt in governmental activities reflects the occurrence of regularly scheduled debt service payments and the refunding of the 2009 SCORE A&B bonds which resulted in a reduction of \$0.4 million in long-term debt. The decrease in outstanding debt in business type activities reflects the occurrence of regularly scheduled debt service payments.

OUTSTANDING LONG-TERM LIABILITIES AT YEAR-END

	Governmental Activities		Business - Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 14,781,967	\$ 16,088,415			\$ 14,781,967	\$ 16,088,415
Special obligation bonds - SCORE PDA	2,460,851	2,864,800			2,460,851	2,864,800
Special assessment debt with government commitment (public works trust fund loan)	459,005	571,918			459,005	571,918
Public works trust fund loan	559,029	748,341	581,215	664,246	1,140,244	1,412,587
Total long-term debt	18,260,852	20,273,474	581,215	664,246	18,842,067	20,937,720
Net pension obligation	2,129,324	2,675,695	328,072	364,868	2,457,396	3,040,563
Total long-term liabilities	\$ 20,390,176	\$ 22,949,169	\$ 909,287	\$ 1,029,114	\$ 21,299,463	\$ 23,978,283

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

ECONOMIC FACTORS

The economic impacts of the coronavirus pandemic have been sudden and unprecedented. To date, the City anticipates a loss in revenues in 2020 due to a combination of the precautionary measures ordered, sharp rise in unemployment, and reduced consumer spending. The City recognizes that the severity of the pandemic will dictate when the economic recovery will start. To assist with the economic recovery, the City will continue funding economic growth initiatives such as a new business attraction campaign targeted to retail, hospitality and creative economy industries, active marketing of Burien's federally designated investment "Opportunity Zones" for additional development, and increased visitor spending via regional marketing of Burien's assets. In addition, interest in multifamily development continues to be high in the downtown area, and an Urban Center Plan approved in early 2020 will provide a roadmap for the continuing evolution of, and investment in, the urban center. The City is also investing in entrepreneurial development programs to encourage growth of our microbusinesses.

NEXT YEAR'S BUDGET

The 2020 budget anticipates revenue reductions due to the expiration of the Sales Tax Annexation Credit in June 2020 and the passage of Initiative 976, which eliminates the City's ability to levy vehicle fees to fund transportation improvements. These revenues respectively amount to approximately \$1 million and \$800,000 annually. In the short-term, the City can use its healthy reserves to fund budgeted expenditures until the structural imbalance is fully addressed. Transfers between funds are higher in the 2020 budget due to the creation of new Drug Enforcement Forfeiture Funds (previously reported in the General Fund) and due to the City's commitment to fund significant capital projects, primarily the Moshier Parks Field & Restroom Improvements and 1st Avenue South, Phase III projects.

In response to the coronavirus pandemic, the City anticipates revenues, primarily in governmental funds, will decrease in 2020. The City does not anticipate a significant impact on the business-type activities in the short-term. Estimating these revenue impacts for the year depends greatly on when the pandemic is over and how quickly the economy can recover. The City's financial plan has been modified to reduce anticipated expenditures in governmental funds and will continue to be monitored and evaluated as we move forward and learn more about the impacts of this pandemic.

FINANCIAL CONTACT

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

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BASIC FINANCIAL STATEMENTS



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City of Burien, Washington
Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 37,043,768	\$ 5,765,346	\$ 42,809,114
Receivables (net of allowance for uncollectibles)	1,900,610	140,670	2,041,280
Due from other governments	6,094,544	10,386	6,104,930
Total current assets	<u>45,038,922</u>	<u>5,916,402</u>	<u>50,955,324</u>
Noncurrent assets:			
Investment in joint venture - SCORE	4,103,602	-	4,103,602
Land	25,674,651	1,076,060	26,750,711
Construction in progress	9,410,270	1,088,543	10,498,813
Buildings	7,596,555	-	7,596,555
Machinery, equipment, and vehicles	1,636,145	302,038	1,938,183
Other improvements	13,204,307	-	13,204,307
Infrastructure	56,749,885	11,669,364	68,419,249
Intangible assets	339,834	-	339,834
Total noncurrent assets	<u>118,715,249</u>	<u>14,136,005</u>	<u>132,851,254</u>
Total assets	<u>163,754,171</u>	<u>20,052,407</u>	<u>183,806,578</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount from debt refunding	33,563	-	33,563
Deferred outflow related to pensions	714,838	110,137	824,975
Total deferred outflows of resources	<u>748,401</u>	<u>110,137</u>	<u>858,538</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	2,593,696	199,471	2,793,167
Accrued interest payable	56,238	1,695	57,933
Due to other governments	1,349,369	51,739	1,401,108
Unearned revenues	744,822	-	744,822
Deposits payable	149,562	-	149,562
Special assessment debt with government commitment	112,913	-	112,913
Due within one year	1,811,484	87,775	1,899,259
Total current liabilities	<u>6,818,084</u>	<u>340,680</u>	<u>7,158,764</u>
Noncurrent liabilities:			
Special assessment debt with government commitment	346,093	-	346,093
Due in more than one year	16,139,819	540,879	16,680,698
Net pension liabilities	2,129,324	328,071	2,457,395
Total noncurrent liabilities	<u>18,615,236</u>	<u>868,950</u>	<u>19,484,186</u>
Total liabilities	<u>25,433,320</u>	<u>1,209,630</u>	<u>26,642,950</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	1,201,694	185,149	1,386,843
Total deferred inflows of resources	<u>1,201,694</u>	<u>185,149</u>	<u>1,386,843</u>
NET POSITION			
Net investment in capital assets	99,002,312	13,554,789	112,557,101
Restricted for:			
Capital Projects	2,898,844	-	2,898,844
Debt Service	341,188	-	341,188
Drug Enforcement	634,728	-	634,728
Housing	12,548	-	12,548
Unrestricted	34,977,937	5,212,977	40,190,914
Total net position	<u>\$ 137,867,557</u>	<u>\$ 18,767,766</u>	<u>\$ 156,635,323</u>

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

City of Burien, Washington
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 6,938,009	\$ 1,506,653	\$ 2,062,485	\$ -	\$ (3,368,871)	\$ -	\$ (3,368,871)
Judicial	405,272	142,984	-	-	(262,288)	-	(262,288)
Public Safety	12,356,022	46,525	343,836	-	(11,965,661)	-	(11,965,661)
Natural environment	251,022	49,484	-	-	(201,538)	-	(201,538)
Transportation	6,670,396	1,156,169	1,169,735	4,496,304	151,812	-	151,812
Economic Environment	2,775,623	1,923,499	154,448	-	(697,676)	-	(697,676)
Social Services	65,377	83,121	37,586	102,614	157,944	-	157,944
Culture and recreation	4,631,109	405,275	47,666	(46,616)	(4,224,784)	-	(4,224,784)
Interest and fiscal charges	630,116	-	-	-	(630,116)	-	(630,116)
Total governmental activities	<u>34,722,946</u>	<u>5,313,710</u>	<u>3,815,756</u>	<u>4,552,302</u>	<u>(21,041,178)</u>	<u>-</u>	<u>(21,041,178)</u>
Business-type activities:							
SURFACE WATER MANAGEMENT	2,942,851	3,678,415	25,837	330,158	-	1,091,559	1,091,559
Total business-type activities	<u>2,942,851</u>	<u>3,678,415</u>	<u>25,837</u>	<u>330,158</u>	<u>-</u>	<u>1,091,559</u>	<u>1,091,559</u>
Total primary government	<u>\$ 37,665,797</u>	<u>\$ 8,992,125</u>	<u>\$ 3,841,593</u>	<u>\$ 4,882,460</u>	<u>(21,041,178)</u>	<u>1,091,559</u>	<u>(19,949,619)</u>
General revenues:							
Property taxes					8,019,690	-	8,019,690
Retail sales and use taxes					10,577,028	-	10,577,028
Business and occupation taxes					4,490,219	-	4,490,219
Excise taxes					812,269	-	812,269
Real estate excise taxes					1,904,508	-	1,904,508
Parking taxes					231,612	-	231,612
Unrestricted investment earnings					891,404	134,930	1,026,334
Miscellaneous					431,500	8,567	440,067
Gain (loss) on disposal of capital assets					739	-	739
Transfers					365,000	(365,000)	-
Total general revenues, special items, and transfers					<u>27,723,969</u>	<u>(221,503)</u>	<u>27,502,466</u>
Change in net position					6,682,790	870,056	7,552,847
Net position - beginning					131,607,879	17,897,710	149,505,589
Prior Period Adjustment					423,112	-	423,112
Net Position - beginning-restated					<u>131,184,767</u>	<u>-</u>	<u>149,082,477</u>
Net position - ending					<u>\$ 137,867,557</u>	<u>\$ 18,767,766</u>	<u>\$ 156,635,323</u>

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

City of Burien, Washington
Balance Sheet
Governmental Funds
December 31, 2019

	GENERAL	STREET	DEBT SERVICE	PARKS & GEN GOVT CAPITAL PROJECTS	TRANSPORTATION CAPITAL PROJECTS	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 26,207,034	\$ 1,326,189	\$ 78,534	\$ 1,652,473	\$ 3,331,457	\$ 3,014,037	\$ 35,609,724
Accounts receivable	26,984	43,387	-	-	-	-	70,371
Taxes receivable - Current	1,008,405	125,506	-	-	-	95,034	1,228,945
Taxes receivable - delinquent	167,451	-	-	-	-	-	167,451
Special assessments receivable	-	-	433,842	-	-	-	433,842
Due from other governments	2,314,084	178,184	-	-	3,549,851	52,425	6,094,544
Total assets	<u>\$ 29,723,958</u>	<u>\$ 1,673,266</u>	<u>\$ 512,376</u>	<u>\$ 1,652,473</u>	<u>\$ 6,881,308</u>	<u>\$ 3,161,496</u>	<u>\$ 43,604,877</u>
LIABILITIES							
Accounts payable	\$ 495,428	\$ 41,386	\$ -	\$ -	\$ 1,533,111	\$ -	\$ 2,069,925
Retainage payable	3,979	-	-	-	131,045	-	135,024
Due to other governments	1,318,964	30,405	-	-	-	-	1,349,369
Deposits payable	149,562	-	-	-	-	-	149,562
Accrued wages and benefits payable	340,426	39,863	-	-	1,243	-	381,532
Other Current Liabilities	7,110	105	-	-	-	-	7,215
Unearned revenue	744,822	-	-	-	-	-	744,822
Total liabilities	<u>3,060,291</u>	<u>111,759</u>	<u>-</u>	<u>-</u>	<u>1,665,399</u>	<u>-</u>	<u>4,837,449</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	167,451	-	-	-	-	-	167,451
Unavailable revenue-special assessments	-	-	433,841	-	-	-	433,841
Unavailable revenue-grants	-	-	-	-	1,144,955	-	1,144,955
Unavailable revenue-accounts receivable	22,205	22,570	-	-	-	-	44,775
Total deferred inflow of resources	<u>189,656</u>	<u>22,570</u>	<u>433,841</u>	<u>-</u>	<u>1,144,955</u>	<u>-</u>	<u>1,791,022</u>
Total liabilities and deferred inflows of resources	<u>3,249,947</u>	<u>134,329</u>	<u>433,841</u>	<u>-</u>	<u>2,810,354</u>	<u>-</u>	<u>6,628,471</u>
FUND BALANCES (DEFICITS)							
Restricted							
Debt Service	-	-	78,536	-	-	262,652	341,188
Drug Enforcement	634,728	-	-	-	-	-	634,728
Housing	12,548	-	-	-	-	-	12,548
Other Capital Projects	-	-	-	-	-	2,898,844	2,898,844
Committed							
Arts Projects	78,861	-	-	-	-	-	78,861
Parking Projects	137,760	-	-	-	-	-	137,760
Assigned							
Capital equipment reserve	1,000,000	-	-	-	-	-	1,000,000
Capital partnership	7,500,000	-	-	-	-	-	7,500,000
Capital Projects	1,247,433	-	-	-	-	-	1,247,433
Parks Capital Projects	-	-	-	1,652,473	-	-	1,652,473
Street Maintenance	-	1,538,938	-	-	-	-	1,538,938
Transportation Capital Projects	-	-	-	-	4,070,954	-	4,070,954
Unassigned							
Unassigned	15,862,683	-	-	-	-	-	15,862,683
Total fund balances (deficits)	<u>\$ 26,474,013</u>	<u>\$ 1,538,938</u>	<u>\$ 78,536</u>	<u>\$ 1,652,473</u>	<u>\$ 4,070,954</u>	<u>\$ 3,161,496</u>	<u>\$ 36,976,410</u>
Total liabilities and fund balances (deficits)	<u>\$ 29,723,960</u>	<u>\$ 1,673,267</u>	<u>\$ 512,377</u>	<u>\$ 1,652,473</u>	<u>\$ 6,881,308</u>	<u>\$ 3,161,496</u>	<u>\$ 43,604,881</u>

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

City of Burien, Washington
Reconciliation of Balance Sheet
To the Statement of Net Position
December 31, 2019

Fund balances of governmental funds		\$36,976,410
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	25,674,651	
Construction in progress	9,410,270	
Buildings (net of accumulated depreciation)	7,596,555	
Machinery and equipment (net of accumulated depreciation)	1,636,145	
Improvements (net of accumulated depreciation)	13,204,307	
Infrastructure (net of accumulated depreciation)	56,749,885	
Intangibles (net of accumulated amortization)	<u>339,834</u>	
		114,611,647
Investment in joint ventures (SCORE) are not considered financial resources and, therefore, are not reported in the funds.		
		4,103,602
Certain liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable on long-term debt	(56,238)	
General obligation bonds	(14,075,000)	
2009 bonds A and B-SCORE joint venture	(2,460,851)	
Special assessment debt payable	(459,006)	
Public works trust fund loan payable	(559,029)	
Compensated Absences	(306,561)	
Deferred charge on refunding	33,563	
Net pension	(2,129,324)	
Premium on 2016 LTGO Refunding Bonds	<u>(549,863)</u>	
		(20,562,309)
Receivables not available to pay current period expenditures and, therefore, are deferred in the funds.		
Property taxes	167,451	
Special assessments	433,840	
Grants	1,144,954	
Charges for services	36,410	
Fines/penalties	3,450	
Miscellaneous	<u>4,916</u>	
		1,791,021
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.		
		1,434,042
Some deferred outflows and inflows of resources are not reported in the funds.		
Deferred inflow related to pensions	(95,326)	
Deferred outflow related to pensions	<u>(391,530)</u>	
		<u>(486,856)</u>
		<u><u>\$137,867,557</u></u>

City of Burien, Washington
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	GENERAL	STREET	DEBT SERVICE	PARKS & GEN GOVT CAPITAL PROJECTS	TRANSPORTATION CAPITAL PROJECTS	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 7,906,503	\$ -	\$ -	\$ 110,688	\$ -	\$ -	\$ 8,017,191
Retail sales and use taxes	10,577,028	-	-	-	-	-	10,577,028
Real estate excise tax	-	-	-	-	-	1,904,508	1,904,508
Business and occupation taxes	1,464,778	-	-	-	-	-	1,464,778
Utility taxes	2,086,291	468,702	-	-	-	-	2,554,993
Other Taxes	516,265	231,612	-	-	-	766,451	1,514,328
Licenses and permits	2,272,022	1,060,759	-	-	-	-	3,332,781
Intergovernmental revenues	2,643,112	1,169,735	97,449	279,990	3,487,792	-	7,678,078
Charges for services	1,241,410	3,875	152,527	-	65,717	39,608	1,503,137
Fines & forfeitures	183,058	-	149	-	-	-	183,207
Investment earnings	584,672	32,606	5,355	36,478	138,183	65,379	862,673
Special assessments penalties and interest	-	-	2,713	-	-	-	2,713
Rents and leases	340,685	-	-	-	-	-	340,685
Contributions and donations	11,928	-	-	-	-	-	11,928
Special assessments principal	-	-	103,151	-	-	-	103,151
Miscellaneous	78,383	-	-	-	-	-	78,383
Compensation for Loss of Asset	-	739	-	-	-	-	739
Total revenues	<u>29,906,135</u>	<u>2,968,028</u>	<u>361,344</u>	<u>427,156</u>	<u>3,691,692</u>	<u>2,775,946</u>	<u>40,130,301</u>
EXPENDITURES							
Current:							
General government	6,236,076	-	-	-	-	-	6,236,076
Judicial	405,272	-	-	-	-	-	405,272
Public Safety	13,470,005	-	-	-	-	-	13,470,005
Natural environment	251,022	-	-	-	-	-	251,022
Transportation	240,930	2,001,684	-	-	899,914	-	3,142,528
Economic Environment	2,864,946	-	-	-	-	-	2,864,946
Social Services	65,377	-	-	-	-	-	65,377
Culture and recreation	3,623,290	-	-	53,307	-	-	3,676,597
Debt service:							
Public works trust fund loan principal	-	-	302,225	-	-	-	302,225
LTGO bond principal	-	-	1,385,000	-	-	-	1,385,000
Interest and fiscal charges	-	-	703,056	-	-	-	703,056
Capital outlay:							
General government	128,349	-	-	-	-	-	128,349
Public Safety	18,736	-	-	-	-	-	18,736
Transportation	-	-	-	-	6,828,528	-	6,828,528
Economic Environment	8,549	-	-	-	-	-	8,549
Culture and recreation	256,805	-	-	51,096	-	-	307,901
Total expenditures	<u>27,569,357</u>	<u>2,001,684</u>	<u>2,390,281</u>	<u>104,403</u>	<u>7,728,442</u>	<u>-</u>	<u>39,794,167</u>
Excess (deficiency) of revenues over expenditures	<u>2,336,778</u>	<u>966,344</u>	<u>(2,028,937)</u>	<u>322,753</u>	<u>(4,036,750)</u>	<u>2,775,946</u>	<u>336,134</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	80,000	-	2,037,000	-	1,225,000	-	3,342,000
Transfers out	-	(860,000)	-	-	-	(2,117,000)	(2,977,000)
Total other financing sources (uses)	<u>80,000</u>	<u>(860,000)</u>	<u>2,037,000</u>	<u>-</u>	<u>1,225,000</u>	<u>(2,117,000)</u>	<u>365,000</u>
Net change in fund balances	2,416,778	106,344	8,063	322,753	(2,811,750)	658,946	701,134
Fund balances - beginning	24,057,235	1,432,594	70,473	1,329,720	6,882,704	2,502,550	36,275,276
Fund balances - ending	<u>\$ 26,474,013</u>	<u>\$ 1,538,938</u>	<u>\$ 78,536</u>	<u>\$ 1,652,473</u>	<u>\$ 4,070,954</u>	<u>\$ 3,161,496</u>	<u>\$ 36,976,410</u>

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

City of Burien, Washington
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds		\$701,134
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital outlays	7,292,065	
Depreciation expense	<u>(5,520,878)</u>	1,771,187

Investment in joint ventures (SCORE) are not considered financial resources and, therefore, are not reported in the funds.		1,116,489
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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	5,576	
Accrued refunding premium	78,552	
Accrued compensated absences expense	<u>(10,584)</u>	73,544

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

Property tax revenue	2,499	
Special assessments revenue	(101,428)	
Grants	689,979	
Charges for services	24,585	
Miscellaneous	<u>(3,932)</u>	611,703

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.		253,839
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments on long-term debt	1,687,225	
Amortization of deferred charge on bond refunding	<u>(11,188)</u>	1,676,037

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

Pension	<u>478,857</u>	<u>478,857</u>
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Change in net position of governmental activities		<u><u>\$6,682,790</u></u>
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The notes to financial statements are an integral part of this statement.

City of Burien, Washington
GENERAL
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 7,850,000	\$ 7,850,000	\$ 7,906,503	\$ 56,503
Retail sales and use taxes	10,505,000	10,505,000	10,577,028	72,028
Business and occupation taxes	1,575,000	1,575,000	1,464,778	(110,222)
Utility taxes	2,480,000	2,480,000	2,086,291	(393,709)
Other Taxes	460,000	460,000	516,265	56,265
Licenses and permits	1,834,000	1,834,000	2,272,022	438,022
Intergovernmental revenues	2,468,600	2,739,322	2,643,112	(96,210)
Charges for services	1,191,000	1,191,000	1,241,410	50,410
Fines & forfeitures	200,000	200,000	183,058	(16,942)
Investment earnings	430,000	430,000	584,672	154,672
Rents and leases	360,000	360,000	340,685	(19,315)
Contributions and donations	-	5,000	11,928	6,928
Miscellaneous	255,000	255,000	78,383	(176,617)
Total revenues	<u>29,608,600</u>	<u>29,884,322</u>	<u>29,906,135</u>	<u>21,813</u>
EXPENDITURES				
Current:				
General government	6,314,800	7,163,727	6,236,076	927,651
Judicial	545,000	545,000	405,272	139,728
Public Safety	14,101,100	14,609,725	13,470,005	1,139,720
Natural environment	250,000	251,500	251,022	478
Transportation	311,625	311,739	240,930	70,809
Economic Environment	3,435,290	3,508,363	2,864,946	643,417
Social Services	64,500	79,750	65,377	14,373
Culture and recreation	3,796,020	3,923,002	3,623,290	299,712
Total current	<u>28,818,335</u>	<u>30,392,806</u>	<u>27,156,918</u>	<u>3,235,888</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
General government	130,000	226,560	128,349	98,211
Public Safety	10,000	10,000	18,736	(8,736)
Economic Environment	600,000	600,000	8,549	591,451
Culture and recreation	40,000	245,227	256,805	(11,578)
Total capital outlay	<u>780,000</u>	<u>1,081,787</u>	<u>412,439</u>	<u>669,348</u>
Total expenditures	<u>29,598,335</u>	<u>31,474,593</u>	<u>27,569,357</u>	<u>3,905,236</u>
Excess (deficiency) of revenues over expenditures	<u>10,265</u>	<u>(1,590,271)</u>	<u>2,336,778</u>	<u>3,927,049</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	80,000	80,000	-
Insurance Recoveries	-	57,085	-	(57,085)
Total other financing sources (uses)	<u>80,000</u>	<u>137,085</u>	<u>80,000</u>	<u>(57,085)</u>
Net change in fund balances	90,265	(1,453,186)	2,416,778	3,869,964
Fund balances - beginning	24,057,235	24,057,235	24,057,235	-
Fund balances - ending	<u>\$ 24,147,500</u>	<u>\$ 22,604,049</u>	<u>\$ 26,474,013</u>	<u>\$ 3,869,964</u>

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

City of Burien, Washington
STREET
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Utility taxes	\$ 450,000	\$ 450,000	\$ 468,702	\$ 18,702
Other Taxes	225,000	225,000	231,612	6,612
Licenses and permits	1,045,000	1,045,000	1,060,759	15,759
Intergovernmental revenues	1,230,000	1,230,000	1,169,735	(60,265)
Charges for services	-	-	3,875	3,875
Investment earnings	40,000	40,000	32,606	(7,394)
Compensation for Loss of Asset	-	-	739	739
Total revenues	<u>2,990,000</u>	<u>2,990,000</u>	<u>2,968,028</u>	<u>(21,972)</u>
EXPENDITURES				
Current:				
Transportation	2,196,415	2,197,365	2,001,684	195,681
Total current	<u>2,196,415</u>	<u>2,197,365</u>	<u>2,001,684</u>	<u>195,681</u>
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Transportation	19,500	19,500	-	19,500
Total capital outlay	<u>19,500</u>	<u>19,500</u>	<u>-</u>	<u>19,500</u>
Total expenditures	<u>2,215,915</u>	<u>2,216,865</u>	<u>2,001,684</u>	<u>215,181</u>
Excess (deficiency) of revenues over expenditures	<u>774,085</u>	<u>773,135</u>	<u>966,344</u>	<u>193,209</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(910,000)	(910,000)	(860,000)	50,000
Total other financing sources (uses)	<u>(910,000)</u>	<u>(910,000)</u>	<u>(860,000)</u>	<u>50,000</u>
Net change in fund balances	(135,915)	(136,865)	106,344	243,209
Fund balances - beginning	1,432,594	1,432,594	1,432,594	-
Fund balances - ending	<u>\$ 1,296,679</u>	<u>\$ 1,295,729</u>	<u>\$ 1,538,938</u>	<u>\$ 243,209</u>

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

City of Burien, Washington
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,765,346	\$ 1,434,042
Accounts receivable	140,670	-
Due from other governments	10,386	-
Total current assets	<u>5,916,402</u>	<u>1,434,042</u>
Noncurrent assets:		
Land	1,076,060	-
Infrastructure	11,669,364	-
Machinery & Equipment	302,038	601,153
Construction Work In Progress	1,088,543	-
Total noncurrent assets	<u>14,136,005</u>	<u>601,153</u>
Total assets	<u>20,052,407</u>	<u>2,035,195</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pension	110,137	-
Total deferred outflows of resources	<u>110,137</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 20,162,544</u>	<u>\$ 2,035,195</u>
LIABILITIES		
Current liabilities:		
Accounts payable	125,169	-
Retainage payable	17,459	-
Due to other governments	51,739	-
Accrued wages and benefits payable	56,843	-
Compensated absences	4,744	-
Accrued interest payable	1,695	-
Public works trust fund loan payable	83,031	-
Total current liabilities	<u>340,680</u>	<u>-</u>
Noncurrent liabilities:		
Compensated absences	42,694	-
Due in more than one year	498,185	-
Net pension liabilities	328,071	-
Total noncurrent liabilities	<u>868,950</u>	<u>-</u>
Total liabilities	<u>1,209,630</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions	185,149	-
Total deferred inflows of resources	<u>185,149</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,394,779</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	13,554,789	601,153
Unrestricted	5,212,977	1,434,042
Total net position	<u>\$ 18,767,766</u>	<u>\$ 2,035,195</u>

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

City of Burien, Washington
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
OPERATING REVENUES		
Intergovernmental revenues	\$ 25,837	\$ -
Charges for services	3,678,415	270,000
Rents and leases	8,000	-
Miscellaneous	567	-
Total operating revenues	<u>3,712,819</u>	<u>270,000</u>
OPERATING EXPENSES		
Personnel services	1,469,888	-
Supplies	76,089	44,892
Services	719,367	-
Taxes	543	-
Depreciation	673,884	67,804
Total operating expenses	<u>2,939,771</u>	<u>112,696</u>
Operating income (loss)	<u>773,048</u>	<u>157,304</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	134,930	28,731
Interest expense	(3,079)	-
Total nonoperating revenues (expenses)	<u>131,851</u>	<u>28,731</u>
Income (loss) before contributions and transfers	904,899	186,035
Capital Contribution	330,158	-
Transfers out	(365,000)	-
Change in net position	870,057	186,035
Total net position - beginning	17,897,710	1,849,159
Total net position - ending	<u>\$ 18,767,766</u>	<u>\$ 2,035,194</u>

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

City of Burien, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 3,706,012	\$ -
Cash from interfund	-	270,000
Other receipts	8,567	-
Payments to employees	(1,503,847)	-
Payments to suppliers	(746,652)	(44,892)
Payment for interfund services used	(70,000)	-
Operating Grants	25,837	-
Net cash provided (used) by operating activities	<u>1,419,917</u>	<u>225,108</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from (to) other funds	(365,000)	-
Net cash provided (used) by noncapital financing activities	<u>(365,000)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants	734,661	-
Acquisition and construction of capital assets	(759,156)	(279,614)
Principal paid on capital debt	(83,031)	-
Interest paid on capital debt	(3,321)	-
Net cash provided (used) by capital and related financing activities	<u>(110,847)</u>	<u>(279,614)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	134,930	28,731
Net cash provided (used) by investing activities	<u>134,930</u>	<u>28,731</u>
Net increase (decrease) in cash and cash equivalents	1,079,000	(25,775)
Balances - beginning of year	4,686,346	1,459,817
Balances - end of the year	<u>\$ 5,765,346</u>	<u>\$ 1,434,042</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income	\$ 773,048	\$ 157,304
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	673,884	67,804
Pension Expense	(18,968)	
Changes in assets and liabilities:		
Accounts Payable - Other	(31,839)	-
Accounts Payable - Supplier	1,778	-
Customer Receivables	(35,752)	-
Salaries & Benefits Payable	(14,992)	-
Intergovernmental receipts/payments	72,758	-
Net cash provided (used) by operating activities	<u>\$ 1,419,917</u>	<u>\$ 225,108</u>
CASH RECONCILIATION		
Actual Balance - end of year	\$ 5,765,346	\$ 1,434,042
Balance - end of year out of balance	<u>-</u>	<u>-</u>

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

City of Burien, Washington
Statement of Fiduciary Net Position
December 31, 2019

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 19,305
Total Cash	19,305
Total assets	19,305
 LIABILITIES	
Accounts payable	\$ 19,305
Total liabilities	19,305
 NET POSITION	
Total net position	\$ -

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

**NOTES TO FINANCIAL STATEMENTS
TABLE OF CONTENTS**

<u>Note</u>	<u>Page</u>
1. Summary of Significant Accounting Policies	4-16
2. Stewardship, Compliance, and Accountability	4-24
3. Cash and Investments	4-24
4. Property Taxes	4-25
5. Interfund Balances and Transfers	4-26
6. Restricted Component of Net Position	4-26
7. Capital Assets	4-27
8. Construction Commitments.....	4-28
9. Long-term Debt	4-28
10. Changes in Long-Term Liabilities.....	4-31
11. Pension Plans	4-32
12. Health and Welfare	4-39
13. Joint Venture	4-40
14. Prior Period Adjustments.....	4-43
15. Risk Management	4-43
16. Contingencies, Litigation, and Subsequent Events	4-44
17. Tax Abatements	4-45
18. Subsequent Events.....	4-46

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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. Governmental activities, which normally are supported by taxes, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

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

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

The City reports the following major governmental funds:

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

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

The *Debt Service Fund* accounts for the accumulation of resources and payments made for principal, interest, and bond administration costs on the long-term general obligation debt of the governmental funds. This fund does not meet the criteria to qualify as a major fund, but it is important to continue to be reported as a major fund for informational purposes.

The *Parks & General Government Capital Projects Fund* accounts for financial resources designated for numerous parks and general government related capital improvement projects. This fund does not meet the criteria to qualify as a major fund, but it is an essential component of the City's capital improvement program and therefore, reported as a major fund.

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

The City reports the following major enterprise fund:

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

The City also reports an agency fund which is custodial in nature (assets equal liabilities) and does not involve a measurement of results of operations. The Human Services Agency Fund accounts for receipts from and payments on behalf of surrounding cities that are members of a joint human services consortium.

Additionally, the government reports the following fund types:

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

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

B. Measurement focus and basis of accounting

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

1. Government-Wide and Governmental Fund

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

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

Property taxes, sales taxes, franchise fees, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as a revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

2. Proprietary Funds

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City are charges for services.

Operating expenses include cost of services and depreciation on capital assets, etc. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Budgetary Information

1. Scope of Budget

The City adopts the budget for governmental funds on the modified accrual basis. The budget is adopted with budgetary control at the fund level so expenditures may not legally exceed appropriations at that level of detail. Total fund appropriation includes expenditures, other financing uses, and estimated ending fund balance. Unexpended appropriated balances for most funds (the General Fund; most Special Revenue funds - the Street, Public Works Reserve, and Transportation Benefit District funds; and Debt Service funds - the Debt Service and the LID Guaranty funds) lapse at year-end. The "Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual" in the Basic Financial Statements section of this report and the "Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual" in the Fund Financial Statements and Schedules section are provided in this document to demonstrate legal budgetary compliance for those funds.

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

2. Procedures for Adopting the Original Budget

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

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

3. Amending the Budget

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions, salary ranges, hours or other conditions of employment must be approved by the City Council.

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

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

D. 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, 2019, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, overseen by the State Treasurer's Office in accordance with state statutes and rules established by the State Finance Committee.

The City reports its deposits and investment risk disclosures in accordance with GASB Statement 79 (see Cash and Investment Note 3). Funds invested in qualifying external investment pools such as the Local Government Investment Pool are stated at amortized cost.

2. Receivables

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

Property Taxes

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

Sales Taxes

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

Special Assessments

Special Assessments are levied against certain property owners and become liens against the property benefited by the improvement. Special assessments receivable, as reported in the Statement of Net Position, include all uncollected assessments regardless of the due date. Special assessments receivable, reported in the governmental fund statements, consist of current assessments that are due within 60 days, delinquent assessments remaining unpaid after the due date, and deferred uncollected assessments that have been levied, but are not due within 60 days. As of December 31, 2019, \$6,187 of special assessments receivable were delinquent.

3. Capital Assets

Capital Assets, which includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable government or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed cost data is not available. Infrastructure assets acquired prior to the implementation of GASB Statement 34 are recorded at estimated historical cost and all infrastructure assets acquired since implementation of GASB Statement 34 are valued at cost. Donated capital assets, works of art, historical treasures, and similar assets be measured at acquisition value (an entry price). The acquisition value is considered to be the price that would be paid to acquire an asset at the acquisition date.

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

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

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

4. 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.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has two items that qualify for reporting in this category. The first item is the deferred charge on long-term debt refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred outflow of pension contributions made between the measurement date of the state pension plan and the City's fiscal year end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item is a deferred inflow due to differences between expected and actual experience and the net difference between projected and actual investment earnings from state pension plan investments. The second item results from receiving a premium on long-term debt refunding.

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

6. Unearned Revenue

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

7. 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 5% interest. For more information, see the long-term debt description in Note 9 and the joint venture disclosure in Note 13.

8. 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.

9. Fund Balance

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

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

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

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

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

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

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

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

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

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

10. Pensions

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City has complied with finance-related legal and contractual provisions. Fund balance is included in authorized expenditure appropriations, but not necessarily appropriated at the program level and is identifiable in the Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual. All expenditures are within legal appropriations.

NOTE 3. DEPOSITS 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, 2019, the carrying amount of the City's demand deposits with Key Bank was \$1,105,711 Petty and working cash totaling \$9,100 is allocated to various City departments.

The City of Burien is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

As of December 31, 2019, the City had the following investments and maturity:

	Amortized Cost	Less than One Year
State Treasurer's Local Government Investment Pool	\$42,848,740	\$42,848,740
Total Investments	\$42,848,740	\$42,848,740

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Additionally, all investments of the City are in the LGIP, which are not subject to interest rate risk, as the weighted average maturity (WAM) of the portfolio does not exceed 60 days and the weighted average life (WAL) of the portfolio does not exceed 120 days.

Credit Risk

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

Concentration of Credit Risk

At December 31, 2019, all investments of the City's funds were obligations of the State Treasurer's Local Government Investment Pool, which in itself is a diversified investment pool and is highly liquid. The LGIP does not have a credit rating, but all of its investments have a Moody's rating of Aaa and an S&P rating of AAA or AA+.

NOTE 4. PROPERTY TAXES

Property taxes are levied by the county assessor and collected by the county treasurer. Assessments are based on 100 percent of actual value. Taxes are levied and become a lien on the first day of the levy year, January 1. Tax bills are mailed on February 14. They may be paid in two equal installments if the total amount exceeds \$50. The first half is due on April 30, or the total amount becomes delinquent May 1. The balance is due October 31, becoming delinquent November 1. Delinquent taxes bear interest at the rate of 1 percent per month until paid and are subject to additional penalties of 3 percent and another 8 percent on the total unpaid delinquent balance on June 1 and December 1, respectively. Foreclosure action is commenced on properties when taxes become three years delinquent.

The assessed value of property is established for the next year's levy on May 31.

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

1. Washington State law in Revised Code of Washington (RCW) 84.55.010 limits the growth of regular property taxes to 1 percent per year, after adjustments for new construction. If the assessed valuation increases by more than one percent due to revaluation, the levy rate will be decreased.
2. The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit. Special levies may allow the total property tax rate to exceed \$10.

The City’s regular levy for 2019 was \$1.09221 per \$1,000 of the assessed valuation of \$7,326,499,056 for a total regular levy of \$7,936,959, net of adjustments.

NOTE 5. INTERFUND BALANCES AND TRANSFERS

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	Street Fund	Transportation CIP	Surface Water Utility Fund	All Others	Total
	General Fund		\$ 40,000		\$ 40,000	\$ -	\$ 80,000
	Debt Service Fund		320,000			1,717,000	2,037,000
	Transportation CIP		500,000		325,000	400,000	1,225,000
	Surface Water Utility Fund						-
	All Others	-				-	-
	Total	\$ -	\$ 860,000	\$ -	\$ 365,000	\$ 2,117,000	\$ 3,342,000

NOTE 6. RESTRICTED COMPONENT OF NET POSITION

The government-wide statement of net position reports \$3,887,306 of restricted component of net position, of which \$3,308,770 is restricted by enabling legislation. The balance of \$78,536 is restricted by debt covenants.

NOTE 7. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2019 was as follows:

	Primary Government					Ending Balance
	Beginning Balance	Prior Period Adjustment	Adjusted Beginning Balance	Increases	Decreases	
	1/1/2019					12/31/2019
Governmental activities :						
Capital assets, not being depreciated:						
Land and land improvements	\$ 25,662,234		\$ 25,662,234	\$ 12,416	\$ -	\$ 25,674,651
Construction in progress	3,490,440	(423,112)	3,067,328	6,573,009	230,068	9,410,269
Total capital assets, not being depreciated	29,152,675	(423,112)	28,729,563	6,585,425	230,068	35,084,920
Capital assets, being depreciated:						
Buildings and structures	15,099,531		15,099,531	-	-	15,099,531
Other improvements	19,799,066	-	19,799,066	234,175	-	20,033,241
Machinery and equipment	4,344,251	-	4,344,251	463,621	35,835	4,772,037
Infrastructure	125,108,748		125,108,748	301,315	-	125,410,063
Total capital assets being depreciated	164,351,597	-	164,351,597	999,111	35,835	165,314,873
Less accumulated depreciation for:						
Buildings and structures	(6,776,999)		(6,776,999)	(725,977)	-	(7,502,976)
Other improvements	(5,906,079)		(5,906,079)	(922,857)	-	(6,828,936)
Machinery and equipment	(2,941,242)	-	(2,941,242)	(229,752)	35,101	(3,135,892)
Infrastructure	(65,086,444)	-	(65,086,444)	(3,573,735)	-	(68,660,179)
Total accumulated depreciation	(80,710,764)	-	(80,710,764)	(5,452,321)	35,101	(86,127,983)
Total capital assets, being depreciated, net	83,640,833	-	83,640,833	(4,453,209)	734	79,186,890
Intangible Assets:						
Intangible assets, not being amortized	-	-	-	-	-	-
Intangible assets, being amortized	692,328		692,328	125,676	-	818,004
Less accumulated amortization	(410,347)		(410,347)	(67,823)	-	(478,171)
Total intangible asset, being amortized, net	281,981	-	281,981	57,852	-	339,833
Governmental activities capital assets, net	\$113,075,490	\$ (423,112)	\$112,652,376	\$ 2,190,068	\$ 230,802	\$ 114,611,643
Business-type activities:						
Capital assets, not being depreciated:						
Land and land improvements	\$ 1,076,060	\$ -	\$ 1,076,060	\$ -	\$ -	\$ 1,076,060
Construction in progress	371,765	-	371,765	716,778	-	1,088,543
Total capital assets, not being depreciated	1,447,825	-	1,447,825	716,778	-	2,164,603
Capital assets, being depreciated:						
Buildings and structures	-	-	-	-	-	-
Infrastructure	18,307,586		18,307,586	1,609	-	18,309,195
Machinery and equipment	546,850	-	546,850	-	-	546,850
Total capital assets being depreciated	18,854,436	-	18,854,436	1,609	-	18,856,045
Less accumulated depreciation for:						
Buildings and structures	-	-	-	-	-	-
Infrastructure	(6,001,084)		(6,001,084)	(638,747)	-	(6,639,831)
Machinery and equipment	(209,675)	-	(209,675)	(35,137)	-	(244,812)
Total accumulated depreciation	(6,210,759)	-	(6,210,759)	(673,884)	-	(6,884,643)
Total capital assets, being depreciated, net	12,643,677	-	12,643,677	(672,275)	-	11,971,403
Intangible Assets:						
Intangible assets, not being amortized	-	-	-	-	-	-
Intangible assets, being amortized	10,950		10,950	-	-	10,950
Less accumulated amortization	(10,950)		(10,950)	-	-	(10,950)
Total intangible asset, being amortized, net	-	-	-	-	-	-
Total Intangible assets	-	-	-	-	-	-
Business-type activities capital assets, net	\$ 14,091,502	\$ -	\$ 14,091,502	\$ 44,503	\$ -	\$ 14,136,005

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

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

Governmental activities	Depreciation	Amortization	Total
General Government	\$ 739,058	\$ 67,823	\$ 806,882
Public Safety	2,506	-	2,506
Transportation	3,613,152	-	3,613,152
Culture and Recreation	1,079,307	-	1,079,307
Economic Environment	18,298	-	18,298
Total - Governmental activities	\$ 5,452,321	\$ 67,823	\$ 5,520,144
Business-type activities			
Surface Water Management	\$ 673,884	\$ -	\$ 673,884
Total - Business-type activities	\$ 673,884	\$ -	\$ 673,884

NOTE 8. CONSTRUCTION COMMITMENTS

The City had five active construction projects as of December 31, 2019. At year-end, the City’s commitments with contractors are as follows:

Project Name	Total Contract Amount w/Change Order	Amount Paid Through 12/31/19	Balance Remaining
5th Avenue South Traffic Calming	\$ 905,333	\$ 720,948	\$ 184,385
South 156th St. @ 4th Ave. Pedestrian HAWK Signal	210,928	192,032	18,896
Peter Western Bridge Replacement	4,799,798	1,104,997	3,694,801
South 144th Way Improvements	2,765,432	2,366,758	398,674
Hermes Outlet Improvements	451,633	349,180	102,453

NOTE 9. LONG-TERM DEBT

A. Long Term Debt

General Obligation Bonds are a direct obligation of the City for which its full faith and credit is pledged. Debt service is paid from the Debt Service Fund. All debt is displayed net of premium or discount.

General Obligation Bonds outstanding at year-end consist of several Limited Tax General Obligation Bond issues. In 2009, South Correctional Entity Facility Public Development Authority (the “SCORE PDA”) issued \$86 million of Special Obligation Bonds to build a jail facility. The City’s 4% ownership share totaled \$3,449,400. In 2019, SCORE issued \$51 million of debt to refund the original bonds. The City’s share of the refunding debt is 4.82% for a total of \$2,460,851. For more information about this joint venture, see Note 13. In 2010, the City issued \$8.615 million in Limited Tax General Obligation Bonds to provide funds for a major street overlay project. In 2011, an \$8.55 million bond was issued to refund the majority of the 2002 bonds, issued to purchase park property and Town Square, and to provide funding to complete the first phase of the 1st Avenue South capital project. In 2016, the City refunded the 2006 bonds that were issued to provide funds for a future Senior and Activity Center and to continue development of the Town Square Project.

General Obligation bonds currently outstanding are as follows:

General Obligation Bonds Currently Outstanding

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
2009 Series A & B Special Obligation Bonds - SCORE PDA	2013-2038	3.00-6.62%	3,449,400	-
2019 (A) SCORE Refunding	2020-2038	3.00-5.00%	2,460,851	87,965
2010 Limited Tax G.O. - Street Overlay	2010-2029	2.00-6.13%	8,615,000	435,000
2011 Limited Tax G.O. - 2002 Refunding & 1st Avenue South	2011-2031	2.00-4.00%	8,550,000	500,000
2016 Limited Tax G.O. Refunding Bonds	2016-2026	2.00-4.00%	5,320,000	490,000

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

General Obligation Bonds For the Year Ended December 31, 2019		
Year Ending December 31	Governmental Activities	
	Principal	Interest
2020	1,591,517	739,630
2021	1,642,240	680,196
2022	1,710,855	612,643
2023	1,544,470	542,175
2024	1,598,326	478,195
2025-2029	6,670,443	1,378,945
2030-2034	1,632,338	269,601
2035-2038	695,526	58,170
Total General Obligation Bonds	\$ 17,085,714	\$ 4,759,555

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 \$258,356 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 \$601,346 with the City’s half equaling \$300,673. 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 \$581,215.

Public Works Trust Fund (PWTF) Loans For the Year Ended December 31, 2019		
Year Ending December 31	Governmental Activities	
	Principal	Interest
2020	189,312	2,795
2021	189,312	1,848
2022	60,135	902
2023	60,135	602
2024	60,135	301
Total PWTF Loans	\$ 559,029	\$ 6,448

Business Type Activities Public Works Trust Fund Loans For the Year Ended December 31, 2019			
Year Ending December 31	Principal	Interest	Total Public Works Trust Fund Loans
2020	83,031	2,906	85,937
2021	83,031	2,491	85,522
2022	83,031	2,076	85,107
2023	83,031	1,661	84,691
2024	83,031	1,245	84,276
2025-2026	166,062	1,245	167,307
Total Business Type Activities	\$ 581,216	\$ 11,624	\$ 592,840

B. Special Assessment Debt with Government Commitment

Special Assessment debt is a direct responsibility of the City, but is funded from the collection of special assessment payments. Debt service principal and interest costs are paid from the Debt Service Fund. Special assessment debt is in the form of two public works trust fund loans. The first loan is for special assessment (LID #1) benefiting property owners on the 152nd Street Enhancement project. The outstanding balance as of December 31, 2019 is \$158,332. 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 \$300,673. The delinquent special assessments receivable balance as of December 31, 2019 is \$6,187. The LID Guaranty Fund was established with a transfer from the Street Fund to maintain a balance of approximately 10% of the outstanding debt owed by the special assessment.

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

Special Assessment Debt with Government Commitment (PWTFLL) For the Year Ended December 31, 2019		
Year Ending December 31	Governmental Activities	
	Principal	Interest
2020	112,912	2,295
2021	112,912	1,730
2022	112,913	1,166
2023	60,135	601
2024	60,135	301
Total Special Assessment Debt	\$ 459,007	\$ 6,093

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2019	Additions	Reductions	Ending Balance 12/31/2019	Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds:</u>					
2010 Limited Tax G.O. Bond	5,480,000	-	(425,000)	5,055,000	435,000
2011 Limited Tax G.O. Bond	5,620,000	-	(485,000)	5,135,000	500,000
2016 Limited Tax G.O. Refunding Bonds	4,360,000	-	(475,000)	3,885,000	490,000
Premium on 2016 LTGO Refunding Bonds	628,415	-	(78,552)	549,863	78,552
Total bonds payable	16,088,415	-	(1,463,552)	14,624,863	1,503,552
<u>Due to Other Governments</u>					
2009 (A) SCORE and 2009 (B) SCORE	2,864,800	-	(2,864,800)	-	-
2019 SCORE Refunding Bonds (Ref 2009A & 2009B)	-	2,460,851	-	2,460,851	87,965
Total due to other governments	2,864,800	2,460,851	(2,864,800)	2,460,851	87,965
<u>Special Assessment Debt with government commitment (PWTFI)</u>					
LID #1 - PW-02-691-007 - SW 152nd St Enhancement Project	211,110	-	(52,778)	158,332	52,778
LID #2 - PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	360,808	-	(60,135)	300,673	60,135
Total special assessment debt	571,918	-	(112,913)	459,005	112,913
<u>Public Works Trust Fund Loans:</u>					
PW-01-691-009 - SW 152nd St Enhancement Project	387,533	-	(129,177)	258,356	129,177
PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	360,808	-	(60,135)	300,673	60,135
Total public works trust fund loans	748,341	-	(189,312)	559,029	189,312
Compensated absences	295,977	464,844	(454,260)	306,561	30,656
Net Pension Liabilities	2,675,695	-	(546,371)	2,129,324	-
Total governmental activities	\$ 23,245,147	\$ 2,925,695	\$ (5,631,208)	\$ 20,539,633	\$ 1,924,398
Business-Type Activities:					
<u>Public Works Trust Funds Loan:</u>					
PW-06-962-010 Ambaum Regional Pond Expansion Project	664,246	-	(83,031)	581,215	83,031
Total public works trust fund loan	664,246	-	(83,031)	581,215	83,031
Compensated absences	57,614	16,096	(26,272)	47,438	4,744
Net Pension Liabilities	364,868	-	(36,796)	328,072	-
Total business-type activities	\$ 1,086,728	\$ 16,096	\$ (119,827)	\$ 956,725	\$ 87,775

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 \$306,561, an increase of \$10,584 from the previous year that also increases 2019 government expenditures by the same amount. The liability for the proprietary fund is \$47,438, an increase of \$10,176 over 2018. Essentially all of the compensated absences liability has historically been liquidated through charges to the departments in the General Fund, Street Fund, and the Surface Water Management Fund.

Pension Liabilities

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

NOTE 11. PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2019:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$2,457,395
Pension assets	\$0
Deferred outflows of resources	\$824,975
Deferred inflows of resources	\$1,386,843
Pension expense/expenditures	\$379,055

State Sponsored Pension Plans

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

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

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

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

Public Employees’ Retirement System (PERS)

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

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

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January–June 2019:		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UUAL	5.13%	
Administrative Fee	0.18%	
Total	12.83%	6.00%
July–December 2019:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UUAL	4.76%	
Administrative Fee	0.18%	
Total	12.86%	6.00%

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

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

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

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

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

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

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January–June 2019:		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.83%	7.41%
July-December 2019:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.86%	7.90%

* For employees participating in JBM, the contribution rate was 18.53% to 19.75%.

The City of Burien’s actual contributions to the plan were \$889,346 which included \$343,535 reported as the PERS Plan 1 UAAL for the year ended December 31, 2019.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2007-2012 Experience Study* and the *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30,

2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

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

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

- OSA updated modeling to reflect providing benefit payments to the date of the initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updated COLA programming to reflect legislation signed during the 2018 legislative session that provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

Discount Rate

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

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

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated investment returns provided by the Washington State Investment Board (WSIB). The WSIB used the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2019, 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%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of Net Pension Liability/(Asset)

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

Plan	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$2,320,690	\$1,853,115	\$1,447,432
PERS 2/3	\$4,634,590	\$604,280	\$(2,702,855)

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, 2019, the City of Burien reported a total pension liability of \$2,457,395 for its proportionate share of the net pension liabilities as follows:

Plan	Liability (or Asset)
PERS 1	\$1,853,115
PERS 2/3	\$604,280

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

	Change in Proportionate Share 6/30/18	Change in Proportionate Share 6/30/19	Change in Proportion
PERS 1	0.045669%	0.048191%	-0.002522%
PERS 2/3	0.058625%	0.062211%	-0.003586%

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, 2019, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2018, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2019, the City of Burien recognized pension expense as follows:

Plan	Pension Expense
PERS 1	\$201,821
PERS 2/3	\$177,234
TOTAL	\$379,055

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the City of Burien reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$0
Net difference between projected and actual investment earnings on pension plan investments	0	\$123,804
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	\$165,082	0
TOTAL	\$165,082	\$123,804

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$173,128	\$129,917
Net difference between projected and actual investment earnings on pension plan investments	\$0	\$879,586
Changes of assumptions	\$15,474	\$253,536
Changes in proportion and differences between contributions and proportionate share of contributions	\$199,518	\$0
Contributions subsequent to the measurement date	\$271,773	\$0
TOTAL	\$659,893	\$1,263,039

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, 2020. 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
2020	\$(27,330)	\$(233,611)
2021	\$(64,738)	\$(416,179)
2022	\$(23,102)	\$(164,950)
2023	\$(8,633)	\$(71,893)
2024		\$(14,471)
Thereafter		\$26,183

City of Burien Retirement Plan

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

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

Funding Policy: All regular employees are required to participate in the plan. Under this program employees contribute 6.2%, the same percentage as they would have paid into Social Security, into a tax-deferred account. The City also contributes 6.2% into the employee account.

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, 2019, there were eighty active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2019, was \$6,838,951 out of total payroll of \$7,627,460. Employee contributions during the year totaled \$424,132. City contributions were \$403,143.

NOTE 12. HEALTH AND WELFARE

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

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

As of December 31, 2019, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2019, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

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

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

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from 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 AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 13. JOINT VENTURE

SOUTH CORRECTIONAL ENTITY (SCORE)

On March 25, 2009, the Cities of Auburn, Burien, Des Moines, Federal Way, Renton, SeaTac and Tukwila, Washington (Member Cities) entered into a SCORE Facility Interlocal Agreement (as amended and restated on October 1, 2009, the "2009 Interlocal Agreement") pursuant to chapter 39.34 RCW (Interlocal Cooperation Act) to jointly construct, equip, maintain and operate a consolidated regional misdemeanor correctional facility located in Des Moines, Washington (SCORE Facility) to serve the parties to the 2009 Interlocal Agreement and state agencies and other local governments (Subscribing Agencies) to provide correctional services essential to the preservation of the public health, safety and welfare. To carry out the purposes of the 2009 Interlocal Agreement and to operate, manage and maintain the SCORE Facility, the Member Cities formed the South Correctional Entity (SCORE), a separate governmental administrative agency pursuant to the 2009 Interlocal Agreement and RCW 39.34.030(3).

The 2009 Interlocal Agreement named the City of Des Moines as the "Host City" and the remaining Member Cities as the "Owner Cities". 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 and 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.

SCORE, as a governmental administrative agency formed under the Interlocal Cooperation Act, is not expressly authorized to issue bonds. To finance and refinance the costs of the SCORE Facility, the City of Renton, Washington, chartered the South Correctional Entity Facility Public Development Authority as a public corporation pursuant to RCW 35.21.730 through 35.21.757 (Public Corporation Act) and Ordinance No. 5444, passed on

February 2, 2009 (Charter Ordinance). Completed financial statements for SCORE and SCORE PDA can be obtained at SCORE, Attn: Finance Director, 20817 17th Avenue South, Des Moines, WA 98198.

2009 Bonds. The SCORE PDA issued its Bonds, Series 2009A (2009A Bonds) and Bonds, Series 2009B (Taxable Build America Bonds—Direct Payment) (2009B Bonds, and, together the 2009 Bonds) on November 4, 2009 in the aggregate principal amount of \$86,235,000. Proceeds of the 2009 Bonds were used to finance a portion of the costs of acquiring, constructing, developing, equipping and improving the SCORE Facility, to capitalize interest during construction, and to pay costs of issuance for the 2009 Bonds.

Pursuant to the 2009 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 2009 Bonds as the same become due and payable (referred to as each Owner City’s 2009 Capital Contribution). Each Owner City’s obligation to pay its 2009 Capital Contribution is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from regular 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 and the old refunded 2009 Capital Contributions for the 2009 Bonds as of December 31, 2018:

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

The City of Burien reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets. The following is condensed (unaudited) financial information as of December 31, 2018 related to the old refunded 2009 Bonds:

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

Subsequent Activities: Refunding of 2009 Bonds and Amendment and Restatement of Interlocal Agreement. Pursuant to the 2009 Interlocal Agreement, on September 5, 2018, the City of Federal Way gave its notice of intent to withdraw from SCORE effective December 31, 2019. The remaining Member Cities (including the cities of Auburn, Burien, Des Moines, Renton, SeaTac and Tukwila) entered into an Amended and Restated SCORE Interlocal Agreement (2019 Interlocal Agreement), which amended and restated the 2009 Interlocal Agreement in its entirety, removed Federal Way as a Member City (effective December 31, 2019) and an Owner City (effective immediately), added the City of Des Moines as an Owner City, terminated the Host City Agreement, and made other revisions to provide for the issuance of bonds to refund the 2009 Bonds.

On December 11, 2019, the Authority issued its Refunding Bonds, Series 2019 in the aggregate principal amount of \$51,055,000 (2019 Bonds). The 2019 Interlocal Agreement became effective on the date of issuance of the 2019 Bonds. Proceeds of the 2019 Bonds were used, together with a contribution from Federal Way to fully pay its 2009 Capital Contribution, to defease and refund all of the outstanding 2009 Bonds.

As a result, Federal Way has satisfied its 2009 Capital Contribution and as of December 31, 2019, will no longer be considered a Member City of SCORE.

Pursuant to the 2019 Interlocal Agreement and the ordinances of each city, each remaining Owner City (including the Cities of Auburn, Burien, Des Moines, 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 2019 Bonds as the same become due and payable (referred to as each Owner City’s 2019 Capital Contribution). Each Owner City’s obligation to pay its 2019 Capital Contribution is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from regular 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 City of Federal Way is not obligated, under the 2019 Interlocal Agreement or otherwise, to pay debt service on the 2019 Bonds or other debt of the Authority.

The following is a summary of the debt service requirements and the 2019 Capital Contributions for the 2019 Bonds:

Summary of Debt Service Requirements - Refunding Bonds, 2019 (Ref 2009A & 2009B)									
Debt Service Schedule				Debt Service Allocation to Owner Cities					
Year	Principal	Interest	Total	Auburn 34.94%	Burien 4.82%	Des Moines 6.02%	Renton 40.96%	SeaTac 3.62%	Tukwila 9.64%
2020	1,825,000	2,083,180	3,908,180	1,365,518	188,374	235,272	1,600,791	141,476	376,749
2021	1,840,000	2,069,700	3,909,700	1,366,049	188,448	235,364	1,601,413	141,531	376,895
2022	1,915,000	1,996,100	3,911,100	1,366,538	188,515	235,448	1,601,987	141,582	377,030
2023	1,990,000	1,919,500	3,909,500	1,365,979	188,438	235,352	1,601,331	141,524	376,876
2024	2,070,000	1,839,900	3,909,900	1,366,119	188,457	235,376	1,601,495	141,538	376,914
2025-2029	11,895,000	7,653,500	19,548,500	6,830,246	942,238	1,176,820	8,007,066	707,656	1,884,475
2030-2034	15,090,000	4,460,600	19,550,600	6,830,980	942,339	1,176,946	8,007,926	707,732	1,884,678
2035-2038	14,430,000	1,206,850	15,636,850	5,463,515	753,696	941,338	6,404,854	566,054	1,507,392
Totals	\$ 51,055,000	\$ 23,229,330	\$ 74,284,330	\$ 25,954,944	\$ 3,580,505	\$ 4,471,916	\$ 30,426,863	\$ 2,689,093	\$ 7,161,009

South Correctional Entity (SCORE)					
Member City	2018 Percent of Equity	2018 Equity Balance	2019 Percent of Equity	2019 Apportionment	2019 Equity Balance
Auburn	29.00%	\$ 4,097,405	42.75%	\$ 9,388,551	\$ 13,485,956
Burien	4.00%	526,262	5.21%	1,116,489	1,642,751
Des Moines	2.00%	341,845	4.65%	1,123,593	1,465,438
Federal Way	24.00%	3,485,570	0.00%	(3,485,570)	-
Renton	29.00%	4,157,539	31.93%	5,913,244	10,070,783
SeaTac	5.00%	719,440	7.59%	1,675,971	2,395,411
Tukwila	7.00%	1,031,108	7.87%	1,450,471	2,481,579
Grand Totals	100.00%	\$ 14,359,169	100.00%	\$ 17,182,749	\$ 31,541,918

Joint Venture Reconciliation to the Government-wide Financial Statements

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

Investment in Joint Venture - SCORE	Balance	Prior Period		Balance
	1/1/2019	Adjustment	Additions	12/31/2019
SCORE Public Development Authority 2009 (A) and 2009 (B) Bonds	\$ 2,864,800			\$ (2,864,800) \$ -
Total Due to Other Governmental Units	2,864,800	-	-	(2,864,800) -
SCORE Public Development Authority Refunding Bonds, 2019 (Ref 2009A & 2009B)	-	-	2,460,851	- 2,460,851
Total Due to Other Governmental Units	-	-	2,460,851	- 2,460,851
South Correctional Entity (SCORE)	526,262	-	1,116,489	1,642,751
Total Joint Venture Equity Share	526,262	-	1,116,489	- 1,642,751
Total Investment in Joint Venture	\$ 3,391,062	\$ -	\$ 3,577,340	\$ (2,864,800) \$ 4,103,602

NOTE 14. PRIOR PERIOD ADJUSTMENTS

Governmental activities

A prior period adjustment of (\$423,112) was required to remove prior year capital expenses related to design work on the Northeast Redevelopment Area (NERA) Infrastructure Improvements Pilot project that had been placed in the construction in progress asset. This project was only funded to develop a design for future improvements that may be constructed by private developers or public entities within NERA.

A prior period correction was made to properly record the premium from the 2016 Long-Term General Obligation Refunding Bonds. In prior years, this premium had been reported as a deferred inflow. The premium is now properly classified in the Due within one year and Due in more than one year categories.

NOTE 15. RISK MANAGEMENT

The City of Burien is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 163 Members.

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

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

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

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

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

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

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

There have been no settlements in the past three fiscal years that exceeded insurance coverage.

NOTE 16. CONTINGENCIES AND LITIGATION

The City participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The audits of these programs including the year ended December 31, 2019, have not yet been completed. Management believes that such disallowances, if any, will be immaterial.

The City of Burien has recorded in its financial statements all material liabilities. In the opinion of management, Burien's insurance policies are adequate to pay almost all known or pending claims.

However, there is one pending case that must be noted.

Westmark Emerald Pointe LLC v. City of Burien, No. 19-2-27832-3KNT.

Plaintiff allowed its building permits to expire on October 9, 2019. To avoid a possible challenge by Burien that Westmark did not exhaust its administrative remedies, Westmark appealed the Building Official's October 12, 2019, written decision not to extend the building permits to the City of Burien Hearing Examiner.

Case No. 19-2-27832-3KNT includes a Land Use Petition Act (LUPA) Petition and claims for damages under 42 U.S.C § 1983 and RCW 64.40. The LUPA initial hearing was held on December 13, 2019. Inexplicably, the recording of the December 13, 2019 hearing is inaudible. On January 6, 2020, the Hearing Examiner issued a reconstructed record from his notes taken at the December 13, 2019 hearing. A second hearing was held on January 31, 2020. Burien prevailed in the hearing. As a result, Westmark has appealed this result to Superior Court. Both cases have now been consolidated under cause number 20-2-06682-6 KNT. Westmark contends the amount of damages will be proven at trial and has alleged they could be in the millions of dollars.

While Burien believes that the plaintiff is overvaluing this case, for the sake of disclosure, it has been specifically identified.

NOTE 17. TAX ABATEMENTS

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

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

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 and end in 2020. In 2017, the city entered into agreements with Merrill Gardens and Maverick Apartments. The Merrill Gardens at Burien Town Square project consists of a 4-story mixed-use project that includes a combination of residential, assisted living, and commercial uses. The building contains 111 age restricted units along with 15 rooms that provide memory care. The final certificate of tax exemption was

executed on November 11, 2017, with the eight-year ad valorem property tax exemption to start with tax year 2018 and end in 2025. The Maverick Apartments is a 6-story mixed-use development that contains 229 units including 3,974 square feet of commercial space. The final certificate of tax exemption was executed on November 28, 2017, with the twelve-year ad valorem property tax exemption to start with tax year 2018 and end in 2029. The amount of the property tax abated during the fiscal year 2019 was \$74,439.

NOTE 18. SUBSEQUENT EVENTS

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, cancelling public events, prohibiting gatherings, and requiring people to stay home unless they are leaving for an essential function. The economic impacts of the pandemic have been sudden and unprecedented. To date, the City anticipates revenues will decrease in 2020, including sales tax and other taxes and program and planning fees, due to a combination of the precautionary measures ordered, sharp rise in unemployment, and reduced consumer spending. Estimating these revenue impacts for the year depends greatly on when the pandemic is over and how quickly the economy can recover. The City is responding to the pandemic from a position of strength with a healthy reserve but swift budget adjustments were necessary to maintain a balanced budget with the anticipated loss in revenues. The City recognizes that additional budget adjustments may be required to mitigate additional revenue declines. The City's financial plan will be monitored and evaluated as we move forward and learn more about the impacts of this pandemic.

On April 27, 2020, the Governor of the state of Washington announced the distribution of funding from the state's federal stimulus fund to local governments that did not receive direct distributions under the Coronavirus Aid, Relief, and Economy Security (CARES) Act. The City was awarded \$1,560,000 and, as of this writing, is in process of working with the state to get the agreement in place for use of the funds. The award will assist the City with covering costs due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

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REQUIRED SUPPLEMENTARY INFORMATION



City of Burien
Schedule of Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
As of June 30 2019
Last 10 Fiscal Years (Additional years will be displayed as they become available)

	2019	2018	2017	2016	2015	2014
PERS 1						
Employer's proportion of the net pension liability (asset)	0.04819%	0.04567%	0.04306%	0.04318%	0.04382%	0.043474%
Employer's proportionate share of the net pension liability	1,853,115	2,039,593	\$ 2,043,093	\$ 2,318,691	\$ 2,291,974	\$ 2,190,041
Employer's covered employee payroll	\$ 6,762,975	\$ 6,081,841	\$ 5,429,753	\$ 5,168,590	\$ 4,936,324	\$ 4,612,900
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	27.40%	33.54%	37.63%	44.86%	46.43%	47.48%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%
PERS 2/3						
Employer's proportion of the net pension liability (asset)	0.06221%	0.05863%	0.05538%	0.05532%	0.05486%	0.052156%
Employer's proportionate share of the net pension liability	604,280	1,000,970	\$ 1,924,295	\$ 2,785,309	\$ 1,960,178	\$ 1,054,262
Employer's covered employee payroll	\$ 6,762,975	\$ 6,081,841	\$ 5,429,753	\$ 5,168,590	\$ 4,867,917	\$ 4,466,328
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	1119.18%	607.59%	282.17%	185.57%	248.34%	423.65%
Plan fiduciary net position as a percentage of the total pension liability	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

City of Burien
Schedule of Employer Contributions
Public Employees' Retirement System
As of December 31 2019
Last 10 Fiscal Years (Additional years will be displayed as they become available)

	2019	2018	2017	2016	2015	2014
PERS 1						
Statutorily or contractually required contributions	\$ 345,547	\$ 322,649	\$ 274,203	\$ 237,088	\$ 229,871	\$ 202,489
Contributions in relation to the statutorily or contractually required contributions	<u>\$ (345,547)</u>	<u>\$ (322,649)</u>	<u>\$ (274,203)</u>	<u>\$ (237,088)</u>	<u>\$ (229,871)</u>	<u>\$ (202,489)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 6,762,975	\$ 6,376,230	\$ 5,599,254	\$ 4,970,388	\$ 5,248,139	\$ 4,694,892
Contributions as a percentage of covered payroll	5.11%	5.06%	4.90%	4.77%	4.38%	4.31%
PERS 2/3						
Statutorily or contractually required contributions	\$ 508,098	\$ 478,159	\$ 383,326	\$ 309,654	\$ 295,067	\$ 234,504
Contributions in relation to the statutorily or contractually required contributions	<u>\$ (508,098)</u>	<u>\$ (478,159)</u>	<u>\$ (383,326)</u>	<u>\$ (309,654)</u>	<u>\$ (295,067)</u>	<u>\$ (234,504)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 6,762,975	\$ 6,376,230	\$ 5,599,254	\$ 4,970,388	\$ 5,248,139	\$ 4,694,892
Contributions as a percentage of covered payroll	7.51%	7.50%	6.85%	6.23%	5.62%	4.99%

Notes to required schedule:

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

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

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

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COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES



Nonmajor Governmental Funds

Special Revenue Funds

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

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

Transportation Benefit District Fund – This fund was created in 2011 to account for the activity of the Transportation Benefit District.

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 Special revenue funds
December 31, 2019

	Special revenue funds		Debt service funds	Total NonMajor Governmental Funds
	PUBLIC WORKS RESERVE	TRANSPORTATION BENEFIT DISTRICT	LID GUARANTY	
ASSETS				
Cash and cash equivalents	\$ 2,803,810	\$ 45,227	\$ 165,000	\$ 3,014,037
Taxes receivable - Current	95,034	-		95,034
Due from other governments	-	52,425		52,425
Total assets	<u>\$ 2,898,844</u>	<u>\$ 97,652</u>	<u>\$ 165,000</u>	<u>\$ 3,161,496</u>
LIABILITIES				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCES (DEFICITS)				
Restricted				
Debt Service	-	97,652	165,000	262,652
Other Capital Projects	2,898,844	-		2,898,844
Committed				
Assigned				
Unassigned				
Total fund balances (deficits)	<u>\$ 2,898,844</u>	<u>\$ 97,652</u>	<u>\$ 165,000</u>	<u>\$ 3,161,496</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,898,844</u>	<u>\$ 97,652</u>	<u>\$ 165,000</u>	<u>\$ 3,161,496</u>

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

City of Burien, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances by Subfund
Nonmajor Funds
For the Year Ended December 31, 2019

	PUBLIC WORKS RESERVE	TRANSPORTATION BENEFIT DISTRICT	LID GUARANTY	Total
REVENUES				
Real estate excise tax	\$ 1,904,508			\$ 1,904,508
Other taxes		766,451		766,451
Charges for services	39,608			39,608
Investment earnings	56,959	8,419		65,378
Total revenues	<u>2,001,075</u>	<u>774,870</u>	<u>-</u>	<u>2,775,945</u>
EXPENDITURES				
Current:				
Debt service:				
Capital outlay:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,001,075</u>	<u>774,870</u>	<u>-</u>	<u>2,775,945</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,317,000)</u>	<u>(800,000)</u>		<u>(2,117,000)</u>
Total other financing sources (uses)	<u>(1,317,000)</u>	<u>(800,000)</u>	<u>-</u>	<u>(2,117,000)</u>
Net change in fund balances	684,075	(25,130)	-	658,945
Fund balances - beginning	2,214,769	122,781	\$ 165,000	2,502,550
Fund balances - ending	<u>\$ 2,898,844</u>	<u>\$ 97,651</u>	<u>\$ 165,000</u>	<u>\$ 3,161,495</u>

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

City of Burien, Washington
 PUBLIC WORKS RESERVE
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real estate excise tax	\$ 1,700,000	\$ 1,700,000	\$ 1,904,508	\$ 204,508
Charges for services	35,000	35,000	39,608	4,608
Investment earnings	55,000	55,000	56,959	1,959
Total revenues	<u>1,790,000</u>	<u>1,790,000</u>	<u>2,001,075</u>	<u>211,075</u>
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>1,790,000</u>	<u>1,790,000</u>	<u>2,001,075</u>	<u>211,075</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,317,000)	(1,317,000)	(1,317,000)	-
Total other financing sources (uses)	<u>(1,317,000)</u>	<u>(1,317,000)</u>	<u>(1,317,000)</u>	<u>-</u>
Net change in fund balances	473,000	473,000	684,075	211,075
Fund balances - beginning	2,214,769	2,214,769	2,214,769	-
Fund balances - ending	<u>\$ 2,687,769</u>	<u>\$ 2,687,769</u>	<u>\$ 2,898,844</u>	<u>\$ 211,075</u>

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

City of Burien, Washington
 TRANSPORTATION BENEFIT DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other Taxes	\$ 785,000	\$ 785,000	\$ 766,451	\$ (18,549)
Investment earnings	7,500	7,500	8,419	919
Total revenues	<u>792,500</u>	<u>792,500</u>	<u>774,870</u>	<u>(17,630)</u>
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>792,500</u>	<u>792,500</u>	<u>774,870</u>	<u>(17,630)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(800,000)	(800,000)	(800,000)	-
Total other financing sources (uses)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Net change in fund balances	(7,500)	(7,500)	(25,130)	(17,630)
Fund balances - beginning	122,781	122,781	122,781	-
Fund balances - ending	<u>\$ 115,281</u>	<u>\$ 115,281</u>	<u>\$ 97,651</u>	<u>\$ (17,630)</u>

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

City of Burien, Washington
 LID GUARANTY
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2019

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

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

City of Burien, Washington
DEBT SERVICE
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 110,000	\$ 110,000	\$ 97,449	\$ (12,551)
Charges for services	143,000	143,000	152,527	9,527
Fines & forfeitures	-	-	149	149
Investment earnings	5,000	5,000	5,355	355
Special assessments penalties and interest	-	-	2,713	2,713
Special assessments principal	100,000	100,000	103,151	3,151
Total revenues	<u>358,000</u>	<u>358,000</u>	<u>361,344</u>	<u>3,344</u>
EXPENDITURES				
Current:	-	-	-	-
Total current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:				
Public works trust fund loan principal	302,225	302,225	302,225	-
LTGO bond principal	1,480,400	1,480,400	1,385,000	95,400
Interest and fiscal charges	825,660	825,660	703,057	122,603
Total debt service	<u>2,608,285</u>	<u>2,608,285</u>	<u>2,390,282</u>	<u>218,003</u>
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>2,608,285</u>	<u>2,608,285</u>	<u>2,390,282</u>	<u>218,003</u>
Excess (deficiency) of revenues over expenditures	<u>(2,250,285)</u>	<u>(2,250,285)</u>	<u>(2,028,938)</u>	<u>221,347</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,237,000	2,237,000	2,037,000	(200,000)
Total other financing sources (uses)	<u>2,237,000</u>	<u>2,237,000</u>	<u>2,037,000</u>	<u>(200,000)</u>
Net change in fund balances	(13,285)	(13,285)	8,062	21,347
Fund balances - beginning	70,473	70,473	70,473	-
Fund balances - ending	<u>\$ 57,188</u>	<u>\$ 57,188</u>	<u>\$ 78,535</u>	<u>\$ 21,347</u>

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

Fiduciary Funds

Agency Funds

Agency Funds are used to account for short-term custodial collections of resources on behalf of another individual, entity, or government. The City has one agency fund: the Human Services Agency Fund. The Human Services Agency fund accounts for receipts from and payments on behalf of surrounding cities that are members of a joint human services consortium.

City of Burien, Washington
 AGENCY FUNDS
 Statement of Changes in Assets and Liabilities
 For the Year Ended December 31, 2019

	Balance January 1, 2019	Additions	Deductions	Balance January 1, 2019
ASSETS				
Cash and cash equivalents	\$ 103,417	\$ 1,558,938	\$ 1,557,458	\$ 104,897
Total Assets	<u>\$ 103,417</u>	<u>\$ 1,558,938</u>	<u>\$ 1,557,458</u>	<u>\$ 104,897</u>
LIABILITIES				
Accounts Payable	23,236	77,218	81,150	19,304
Payroll withholdings and employer contributions	80,181	5,822,655	5,817,243	85,593
Total Liabilities	<u>\$ 103,417</u>	<u>\$ 5,899,873</u>	<u>\$ 5,898,393</u>	<u>\$ 104,897</u>

**Statistical Section
December 31, 2019**

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

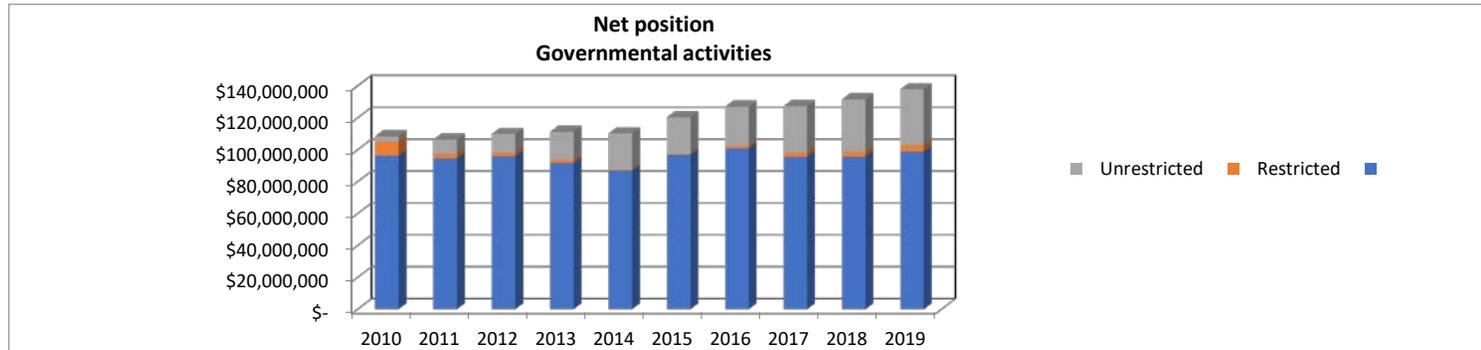
Operating Information

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.

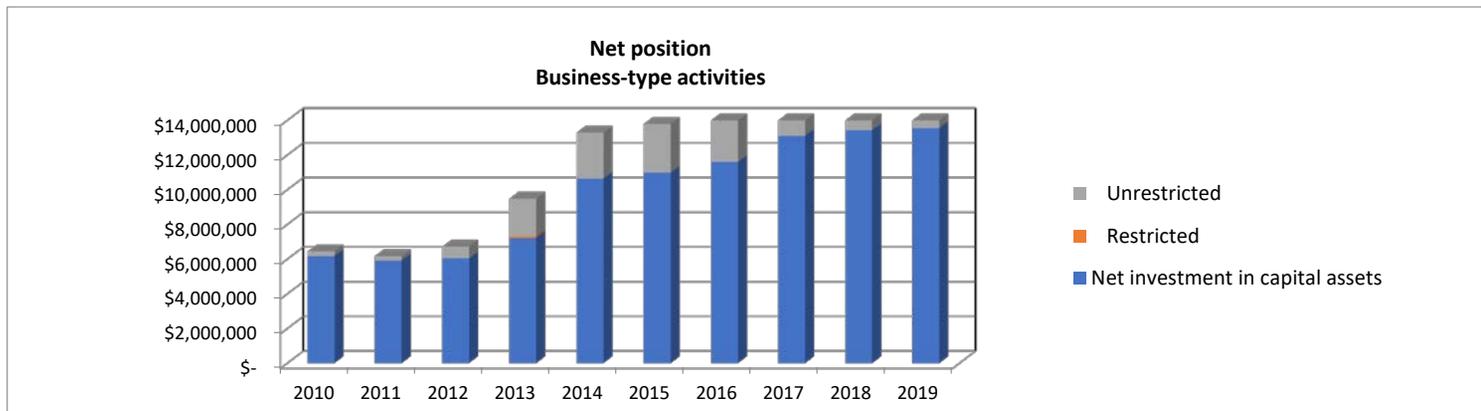
Schedule 17	Full Time Equivalent City Government Employees by Function -----	7-20
Schedule 18	Operating Indicators by Function -----	7-21
Schedule 19	Capital Asset Statistics by Function -----	7-22

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 96,277,930	\$ 94,556,265	\$ 95,980,110	\$ 91,618,635	\$ 86,914,714	\$ 96,834,728	\$ 100,810,142	\$ 95,629,008	\$ 95,711,566	\$ 99,002,312
Restricted	8,641,935	2,996,149	2,217,091	2,113,503	608,938	625,585	1,767,972	2,748,229	3,198,932	3,887,308
Unrestricted	3,502,537	8,866,329	11,684,423	17,486,338	22,664,526	22,892,965	24,459,320	28,950,414	32,697,381	34,977,937
Total Governmental activities net position	\$ 108,422,402	\$ 106,418,743	\$ 109,881,624	\$ 111,218,476	\$ 110,188,178	\$ 120,353,278	\$ 127,037,434	\$ 127,327,651	\$ 131,607,879	\$ 137,867,557

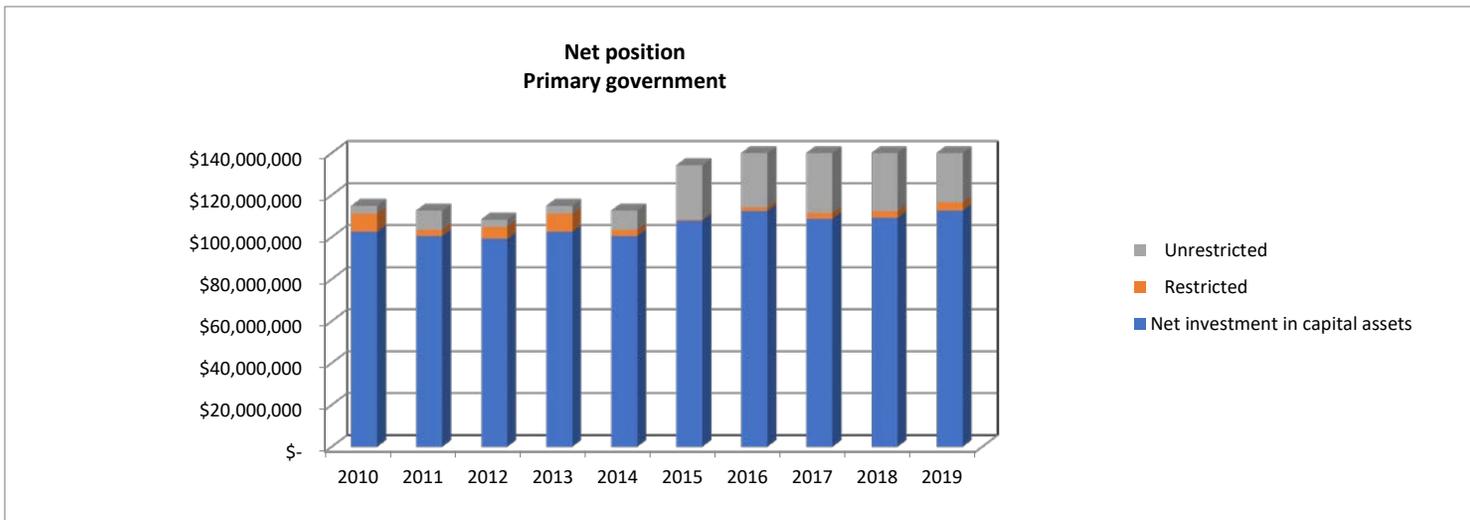


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities										
Net investment in capital assets	\$ 6,178,060	\$ 5,918,785	\$ 6,043,691	\$ 7,224,754	\$ 10,638,169	\$ 10,979,556	\$ 11,591,658	\$ 13,112,601	\$ 13,427,255	\$ 13,554,789
Restricted	-	-	-	88,428	-	-	-	-	-	-
Unrestricted	266,381	258,279	664,347	2,167,721	2,650,896	2,818,574	3,622,398	4,505,494	4,470,455	5,212,977
Total Business-type activities net position	\$ 6,444,441	\$ 6,177,064	\$ 6,708,038	\$ 9,480,903	\$ 13,289,065	\$ 13,798,130	\$ 15,214,056	\$ 17,618,094	\$ 17,897,710	\$ 18,767,766



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary government										
Net investment in capital assets	\$ 102,455,990	\$ 100,475,050	\$ 99,160,280	\$ 102,455,990	\$ 100,475,050	\$ 107,814,284	\$ 112,401,800	\$ 108,741,608	\$ 109,138,821	\$ 112,557,101
Restricted	8,641,935	2,996,149	5,782,283	8,641,935	2,996,149	625,585	1,767,972	2,748,229	3,198,932	3,887,308
Unrestricted	3,768,918	9,124,608	3,401,101	3,768,918	9,124,608	25,711,539	28,081,718	33,455,908	37,167,836	40,190,914
Total Primary Government net position	\$ 114,866,843	\$ 112,595,807	\$ 108,343,664	\$ 114,866,843	\$ 112,595,807	\$ 134,151,408	\$ 142,251,490	\$ 144,945,745	\$ 149,505,589	\$ 156,635,323



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

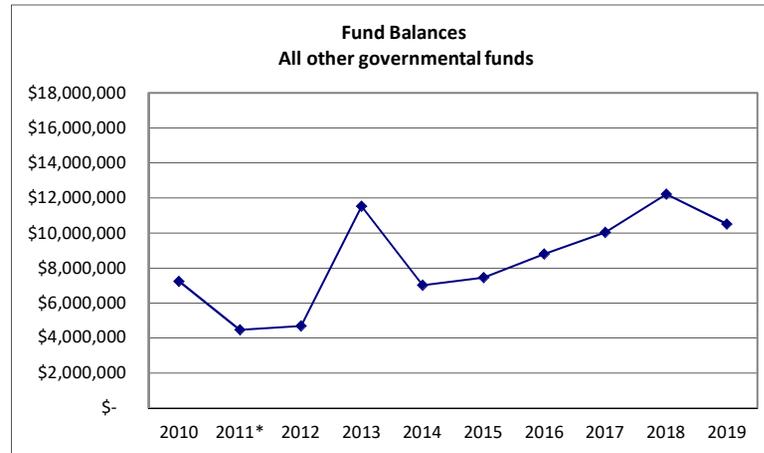
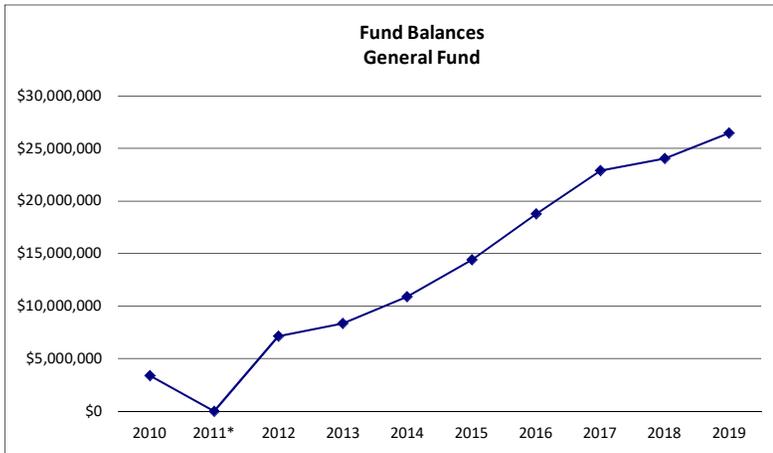
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 4,364,535	\$ 5,357,042	\$ 4,551,848	\$ 4,386,693	\$ 4,311,613	\$ 4,444,232	\$ 4,819,552	\$ 5,823,417	\$ 6,048,335	\$ 6,938,009
Judicial	488,330	682,282	626,862	262,312	349,238	443,957	409,284	469,747	451,380	405,272
Public Safety	9,181,710	10,013,892	10,259,523	10,390,038	10,902,905	11,404,767	12,085,175	12,445,067	12,855,758	12,356,022
Natural environment	-	-	-	-	162,654	172,845	175,776	217,164	267,643	251,022
Environmental services	580,156	619,813	571,646	148,888	-	-	-	-	-	-
Transportation	7,744,105	6,769,161	7,426,951	8,902,304	10,441,969	7,206,454	7,527,658	8,391,172	6,674,157	6,670,396
Economic environment	1,351,931	1,449,570	1,595,928	1,621,067	1,554,327	1,864,073	2,402,303	1,979,171	2,586,608	2,775,623
Social services	10,391	11,274	11,897	90,535	90,736	97,069	96,897	90,519	114,266	65,377
Culture and recreation	3,162,760	3,218,432	3,265,142	3,564,244	3,403,233	3,551,109	3,456,327	4,316,910	4,602,780	4,631,109
Interest on long-term debt	597,646	885,197	1,111,758	1,162,928	1,149,080	1,014,265	892,323	894,546	681,498	630,116
Total Governmental activities expenses	27,481,564	29,006,663	29,421,555	30,529,009	32,365,755	30,198,771	31,865,295	34,627,713	34,282,425	34,722,946
Business-type activities:										
Storm water management	1,534,689	1,787,608	1,820,983	2,093,265	2,463,472	2,226,361	2,232,884	2,392,963	2,991,539	2,942,851
Total Business-type activities expenses	1,534,689	1,787,608	1,820,983	2,093,265	2,463,472	2,226,361	2,232,884	2,392,963	2,991,539	2,942,851
Total Primary government expenses	\$ 29,016,253	\$ 30,794,271	\$ 31,242,538	\$ 32,622,274	\$ 34,829,227	\$ 32,425,132	\$ 34,098,179	\$ 37,020,676	\$ 37,273,964	\$ 37,665,797
Program Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 1,376,229	\$ 1,152,091	\$ 2,441,503	\$ 1,626,846	\$ 1,689,073	\$ 782,390	\$ 763,834	\$ 1,150,433	\$ 1,472,160	\$ 1,506,653
Judicial	374,706	351,054	230,165	105,460	121,790	136,078	172,662	176,289	184,520	142,984
Public safety	-	-	-	-	-	-	-	36,680	33,065	46,525
Natural environment	-	-	-	-	46,515	46,880	-	49,870	54,250	49,484
Environmental services	6,014	68,322	55,715	121,489	-	-	-	-	-	-
Transportation	246,870	339,954	2,409,223	497,808	789,342	1,117,465	1,331,955	1,229,414	1,068,142	1,156,169
Economic environment	698,606	953,552	978,459	458,874	864,263	2,018,846	1,871,138	1,401,209	1,415,018	1,923,499
Social services	-	-	-	-	-	-	-	57,825	44,829	83,121
Culture and recreation	576,896	629,822	668,644	547,348	535,200	576,667	601,650	445,689	402,115	405,275
Operating grants and contributions	3,199,708	3,159,909	3,351,870	3,220,740	2,975,035	3,020,558	3,209,930	3,555,016	3,816,628	3,815,756
Capital grants and contributions	9,388,375	1,618,263	4,242,134	6,176,889	2,856,251	534,153	5,291,650	884,673	1,437,251	4,552,302
Total Governmental activities program revenues	15,867,404	8,272,967	14,377,713	12,755,454	9,877,469	8,233,037	13,242,819	8,987,099	9,927,978	13,681,768
Business-type activities:										
Charges for Services										
Surface water management	2,301,075	2,451,319	2,551,690	2,839,705	2,868,965	3,260,770	3,602,773	3,915,258	3,454,563	3,678,415
Operating grants and contributions	-	96,294	163,465	305,504	8,329	33,402	-	54,548	126,222	25,837
Capital grants and contributions	394,182	-	-	1,069,581	4,316,461	150,957	182,082	976,849	454,503	330,158
Total Business-type activities revenues	2,695,257	2,547,613	2,715,155	4,214,790	7,193,755	3,445,129	3,784,855	4,946,656	4,035,288	4,034,410
Total Primary government revenues:	18,562,661	10,820,580	17,092,868	16,970,244	17,071,224	11,678,166	17,027,674	13,933,754	13,963,266	17,716,178
Net (Expense)/Revenue										
Governmental Activities	(11,614,160)	(20,733,696)	(15,043,842)	(17,773,555)	(22,488,286)	(21,965,734)	(18,622,476)	(25,640,615)	(24,354,447)	(21,041,178)
Business-type Activities	1,160,568	760,005	894,172	2,121,525	4,730,283	1,218,768	1,551,971	2,553,693	1,043,749	1,091,559
Total Net Expense	\$ (10,453,592)	\$ (19,973,691)	\$ (14,149,670)	\$ (15,652,030)	\$ (17,758,003)	\$ (20,746,966)	\$ (17,070,505)	\$ (23,086,922)	\$ (23,310,698)	\$ (19,949,619)

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Revenues										
Governmental activities:										
Taxes										
Property taxes	\$ 7,268,281	\$ 7,081,681	\$ 6,759,220	\$ 6,208,867	\$ 6,652,930	\$ 7,383,258	\$ 7,495,772	\$ 7,710,870	\$ 7,902,018	\$ 8,019,690
Sales and use taxes	5,101,336	5,875,089	6,249,226	6,816,465	7,669,549	7,965,473	9,267,023	9,825,632	10,067,818	10,577,028
Business and occupation taxes	3,336,895	3,389,936	3,680,401	4,549,331	4,313,439	4,555,684	4,302,288	4,966,540	4,646,989	4,490,219
Excise taxes	-	-	-	1,132,780	1,407,944	1,814,710	2,722,452	666,752	823,147	812,269
Other taxes	1,240,213	1,330,211	1,428,506	510,260	347,376	371,040	384,887	3,067,968	2,860,018	2,136,120
Penalties and interest	-	-	-	6,886	-	-	-	-	-	-
Unrestricted investment earnings	28,013	24,482	24,461	20,004	27,743	37,626	125,574	312,092	690,980	891,404
Gain/(Loss) on sale of capital assets	-	-	-	-	151,395	-	967,228	508,161	16,234	739
Extraordinary item	-	-	-	-	-	-	(47,604)	-	-	-
Miscellaneous	-	-	-	275,274	313,908	332,095	382,792	716,078	404,697	431,500
Transfers	520,173	1,028,638	364,909	25,140	590,000	23,250	190,000	213,250	885,000	365,000
Total Governmental activities	\$ 17,494,911	\$ 18,730,037	\$ 18,506,723	\$ 19,545,008	\$ 21,474,284	\$ 22,483,136	\$ 25,790,412	\$ 27,987,344	\$ 28,296,901	\$ 27,723,969
Business-type activities:										
Property taxes	\$ -	\$ -	\$ -	\$ 85,608	\$ 460	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions	2,033	1,256	-	-	-	-	-	-	-	-
Unrestricted investment earnings	-	-	1,711	2,490	2,698	4,783	30,287	55,595	112,360	134,930
Miscellaneous	-	-	-	8,330	9,449	8,000	8,000	8,000	8,506	8,567
Transfers	(520,173)	(1,028,638)	(364,909)	(25,140)	(590,000)	(23,250)	(190,000)	(213,250)	(885,000)	(365,000)
Total Business-type activities	\$ (518,140)	\$ (1,027,382)	\$ (363,198)	\$ (14,320)	\$ (577,393)	\$ (10,467)	\$ (151,713)	\$ (149,655)	\$ (764,134)	\$ (221,503)
Total primary government	\$ 16,976,771	\$ 17,702,655	\$ 18,143,525	\$ 19,530,688	\$ 20,896,891	\$ 22,472,669	\$ 25,638,699	\$ 27,837,690	\$ 27,532,767	\$ 27,502,466
Change in net position										
Governmental activities	\$ 5,880,751	\$ (2,003,659)	\$ 3,462,881	\$ 1,771,453	\$ (1,014,002)	\$ 517,402	\$ 7,167,936	\$ 2,346,729	\$ 3,942,454	\$ 6,682,790
Business-type activities	642,428	(267,377)	530,974	2,107,205	4,152,890	1,208,301	1,400,258	2,404,038	279,615	870,056
Total change in net position	\$ 6,523,179	\$ (2,271,036)	\$ 3,993,855	\$ 3,878,658	\$ 3,138,888	\$ 1,725,703	\$ 8,568,194	\$ 4,750,768	\$ 4,222,069	\$ 7,552,846

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

	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Nonspendable	\$ -	\$ 3,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	625,909	647,276
Committed	-	1,248,147	703,909	141,586	168,144	168,186	167,327	187,666	193,007	216,621
Assigned	-	127,907	293,754	-	2,082,050	2,511,593	2,482,359	9,734,628	8,938,322	9,747,433
Unassigned	-	3,768,412	6,152,269	8,186,409	8,675,156	11,757,474	16,104,165	12,982,403	14,299,997	15,862,683
Unrestricted	3,418,177	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 3,418,177	\$ -	\$ 7,149,932	\$ 8,327,995	\$ 10,925,350	\$ 14,437,253	\$ 18,753,851	\$ 22,904,697	\$ 24,057,235	\$ 26,474,013
All other governmental funds										
Restricted	-	1,484,215	825,558	513,870	608,938	625,585	1,767,972	2,748,229	2,573,023	3,240,032
Committed	-	-	-	11,011,980	-	-	-	-	-	0
Assigned	-	2,975,413	3,883,193	-	6,399,457	6,827,807	7,039,977	7,284,860	9,645,018	7,262,365
Unassigned	-	-	(16,659)	-	-	-	-	-	-	-
Unrestricted, reported in:										
Special Revenue Funds	2,001,837	-	-	-	-	-	-	-	-	-
Debt Service Funds	178,686	-	-	-	-	-	-	-	-	-
Capital Project Funds	5,037,701	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 7,218,224	\$ 4,459,628	\$ 4,692,092	\$ 11,525,850	\$ 7,008,395	\$ 7,453,392	\$ 8,807,949	\$ 10,033,089	\$ 12,218,041	\$ 10,502,397



*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

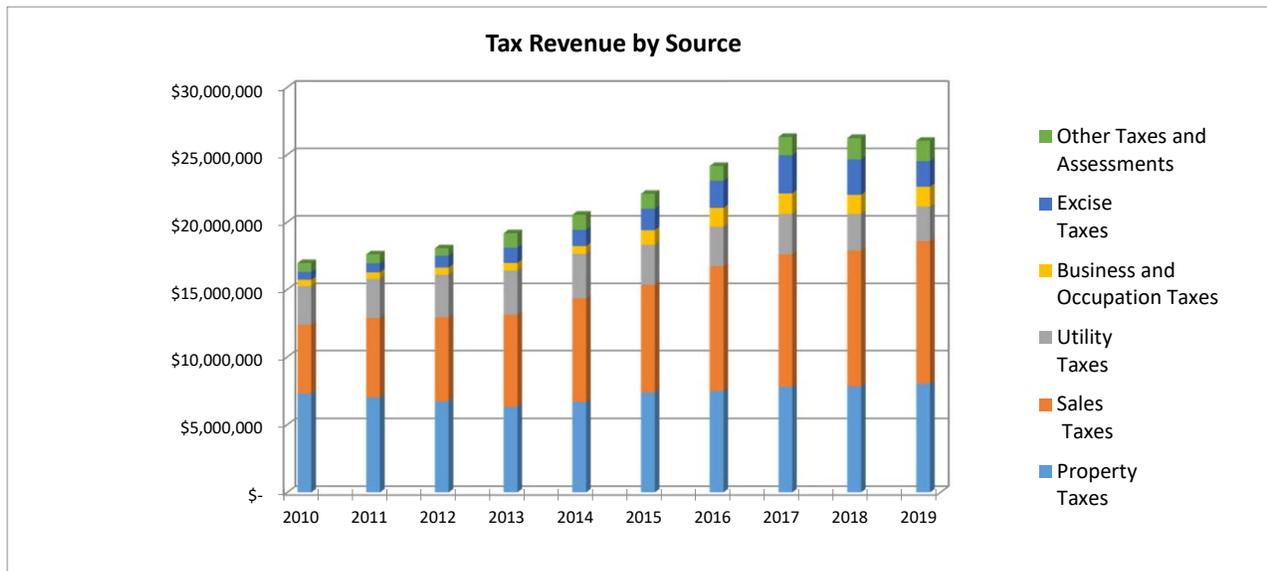
Schedule 4
City of Burien
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 16,964,353	\$ 17,608,180	\$ 18,060,523	\$ 19,177,395	\$ 20,543,961	\$ 22,096,967	\$ 24,156,977	\$ 26,314,184	\$ 26,229,189	\$ 26,032,826
Licenses and permits	1,203,414	1,766,269	1,759,549	2,006,940	2,254,351	2,922,580	3,054,380	2,935,858	2,833,105	3,332,781
Intergovernmental	4,199,152	4,568,322	7,690,858	9,301,827	5,816,024	3,531,738	3,837,560	4,426,178	4,826,894	7,678,078
Charges for services	1,003,754	1,326,715	3,474,416	1,180,205	1,417,343	1,550,002	1,488,817	1,422,027	1,405,841	1,503,137
Fines and forfeitures	413,523	365,952	252,367	266,568	359,476	210,065	204,759	183,911	165,631	183,207
Investment earnings	28,200	24,185	24,018	19,344	27,103	36,291	120,791	300,543	665,107	862,673
Special assessments	97,470	91,058	86,498	95,802	103,617	95,318	128,348	91,453	84,680	105,864
Rents and leases	-	-	-	177,144	200,772	226,750	246,164	321,287	307,278	340,685
Contributions and donations	-	-	-	279	491	38,952	25,354	25,085	12,566	11,928
Miscellaneous	579,929	42,545	1,208,724	104,655	79,883	62,452	85,873	56,888	90,124	79,122
Total revenues	<u>24,489,795</u>	<u>25,793,226</u>	<u>32,556,953</u>	<u>32,330,159</u>	<u>30,803,021</u>	<u>30,771,115</u>	<u>33,349,023</u>	<u>36,077,414</u>	<u>36,620,415</u>	<u>40,130,301</u>
Expenditures										
General Government	4,156,636	4,719,055	4,484,834	3,634,689	3,579,425	3,675,020	4,102,597	5,124,501	5,348,875	6,236,076
Judicial	-	-	-	262,312	349,238	443,957	409,284	469,747	451,380	405,272
Public Safety	9,156,830	10,685,772	10,018,788	10,465,298	11,033,588	11,331,487	11,939,188	12,371,239	13,031,185	13,470,005
Natural environment	-	-	-	-	162,654	172,845	175,776	217,164	267,643	251,022
Environmental services	580,156	744,791	674,645	148,888	-	-	-	-	-	-
Transportation	3,281,688	1,846,820	1,362,791	2,037,154	3,184,689	2,701,219	2,723,894	3,721,081	3,052,347	3,142,528
Economic environment	1,329,356	1,445,874	1,595,062	1,629,585	1,556,138	1,888,074	2,405,924	1,999,642	2,666,335	2,864,946
Social services	10,391	11,274	11,897	90,535	90,736	97,069	96,897	90,519	60,062	65,377
Culture and recreation	2,708,974	2,768,412	2,752,246	2,930,768	2,790,023	2,962,893	2,904,848	3,293,516	3,675,040	3,676,597
Debt Service:										-
Principal	892,225	1,262,225	1,447,225	1,560,225	1,596,825	1,557,225	5,195,787	1,607,224	1,647,225	1,687,225
Interest and fiscal charges	577,867	917,319	1,140,081	1,139,237	1,153,494	985,817	930,810	792,310	753,851	703,056
Capital outlay	7,945,176	10,052,250	7,614,434	7,766,061	3,200,770	821,859	854,876	2,144,118	3,239,331	7,292,063
Total expenditures	<u>30,639,299</u>	<u>34,453,792</u>	<u>31,102,003</u>	<u>31,664,752</u>	<u>28,697,580</u>	<u>26,637,465</u>	<u>31,739,881</u>	<u>31,831,062</u>	<u>34,193,274</u>	<u>39,794,167</u>
Excess (deficiency) of revenues over expenditures	(6,149,504)	(8,660,566)	1,454,950	665,407	2,105,441	4,133,650	1,609,142	4,246,352	2,427,141	336,134
Other financing sources (uses)										
Proceeds from sale of capital assets	-	-	-	-	238,500	-	4,500,000	819,996	-	-
Transfers in	4,088,674	4,233,250	3,606,131	3,628,655	3,515,000	4,441,250	7,009,000	3,603,825	7,495,000	3,342,000
Transfers out	(3,407,428)	(3,255,750)	(2,826,631)	(3,853,515)	(3,190,000)	(4,618,000)	(7,019,000)	(3,590,575)	(6,610,000)	(2,977,000)
Proceeds of long-term debt	8,687,116	8,970,155	-	2,370,562	1,168,000	-	5,320,000	-	-	-
Payment to refunded bond escrow agent	-	(2,018,065)	-	-	-	-	(6,022,466)	-	-	-
Discount on refunding bonds issues	-	-	-	-	-	-	(42,560)	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	785,519	-	-	-
Insurance recoveries	-	-	-	82	22,180	-	15,300	296,387	25,353	-
Total other financing sources (uses)	<u>9,368,362</u>	<u>7,929,590</u>	<u>779,500</u>	<u>2,145,784</u>	<u>1,753,680</u>	<u>(176,750)</u>	<u>4,545,793</u>	<u>1,129,633</u>	<u>910,353</u>	<u>365,000</u>
Net change in fund balances	<u>\$ 3,218,858</u>	<u>\$ (730,976)</u>	<u>\$ 2,234,450</u>	<u>\$ 2,811,191</u>	<u>\$ 3,859,121</u>	<u>\$ 3,956,900</u>	<u>\$ 6,154,935</u>	<u>\$ 5,375,984</u>	<u>\$ 3,337,494</u>	<u>\$ 701,134</u>
Debt service as a percentage of noncapital expenditures	6.48%	8.93%	11.02%	11.30%	10.79%	9.85%	19.84%	8.08%	7.76%	7.35%

*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
2010	7,285,909	5,101,336	2,853,809	483,086	587,121	653,092	16,964,353
2011	7,012,945	5,875,089	2,903,076	486,860	667,741	662,470	17,608,181
2012	6,702,390	6,249,226	3,149,631	530,770	886,727	541,779	18,060,523
2013	6,308,968	6,816,465	3,275,973	569,665	1,132,780	1,073,544	19,177,395
2014	6,671,091	7,669,549	3,292,805	581,494	1,218,769	1,110,253	20,543,961
2015	7,384,213	7,965,473	2,969,403	1,084,849	1,595,257	1,097,772	22,096,967
2016	7,480,328	9,267,023	2,899,714	1,402,572	2,013,191	1,094,149	24,156,977
2017	7,787,292	9,825,632	2,998,835	1,514,984	2,823,420	1,364,020	26,314,184
2018	7,831,217	10,067,818	2,708,835	1,410,247	2,624,537	1,586,535	26,229,189
2019	8,017,191	10,577,028	2,554,993	1,464,778	1,904,508	1,514,328	26,032,826
Change 2010-2019	10.0%	107.3%	-10.5%	203.2%	224.4%	131.9%	53.5%



Source: City of Burien Finance Department

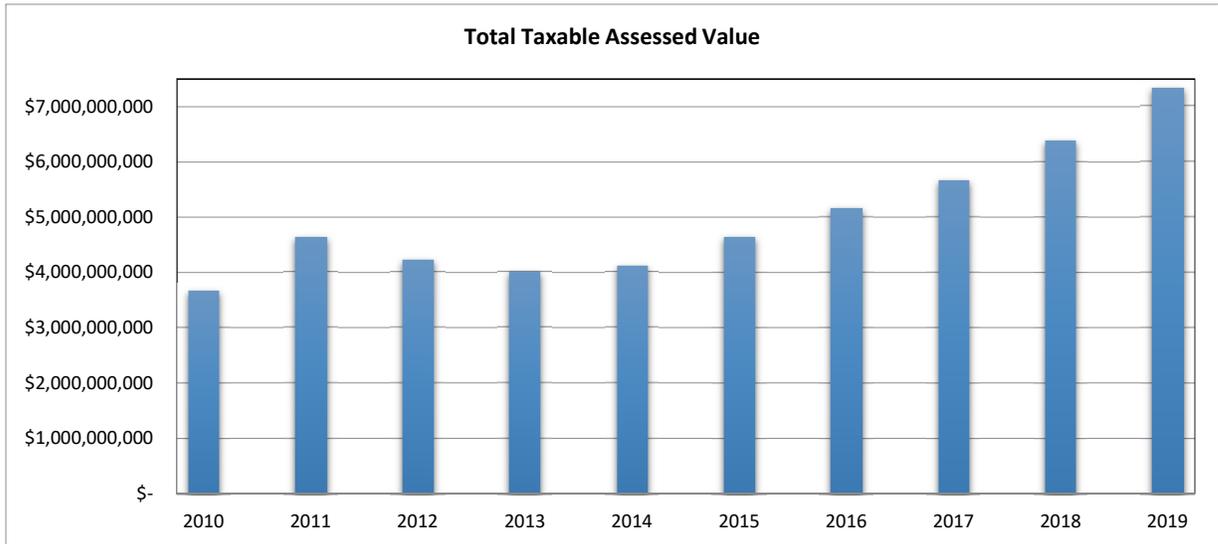
**Schedule 6
City of Burien
Principal Property Taxpayers
Current Year and Nine Years Ago**

TAXPAYER	2019			2010		
	TAXABLE ASSESSED	RANK	% OF TOTAL TAXABLE ASSESSED	TAXABLE ASSESSED	RANK	% OF TOTAL TAXABLE ASSESSED
	VALUE		VALUE	VALUE		VALUE
Bel Canto Watt Alturas LLC*	\$ 69,235,000	1	0.94%	\$ 33,724,000	1	0.74%
Puget Sound Commerce Center	53,445,500	2	0.73%			
Vintage Wellington LLC	29,792,000	3	0.41%			
Public Storage	29,059,905	4	0.40%			
Henry H Ketcham Lumber Company	28,993,000	5	0.40%			
Burien Plaza LLC	27,470,000	6	0.37%	21,910,500	2	0.48%
CHI Franciscan	26,682,500	7	0.36%			
Burien Town Plaza LLC	26,124,800	8	0.36%			
BRE MG Discovery Landing LLC**	24,945,000	9	0.34%	12,545,000	7	0.27%
Powell-Five Corners Assoc.	21,807,700	10	0.30%	14,953,300	6	0.33%
Qwest Corporation			0.00%	20,117,954	3	0.44%
Fred Meyer			0.00%	17,028,270	4	0.37%
Wesbild BP, Inc			0.00%	16,063,900	5	0.35%
Red Mortgage Capital			0.00%	8,924,000	8	0.20%
Burien Development Group			0.00%	6,872,800	9	0.15%
Burien Toyota			0.00%	6,041,300	10	0.13%
All Others	6,988,943,651		95.39%	4,416,241,068		96.54%
Total Assessed Valuation	\$ 7,326,499,056		100.00%	\$ 4,574,422,092		100.00%

*formerly FPA5 Heights LLC and Vintage Park Partners LLC

**formerly MG South Hills Apts. LLC

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



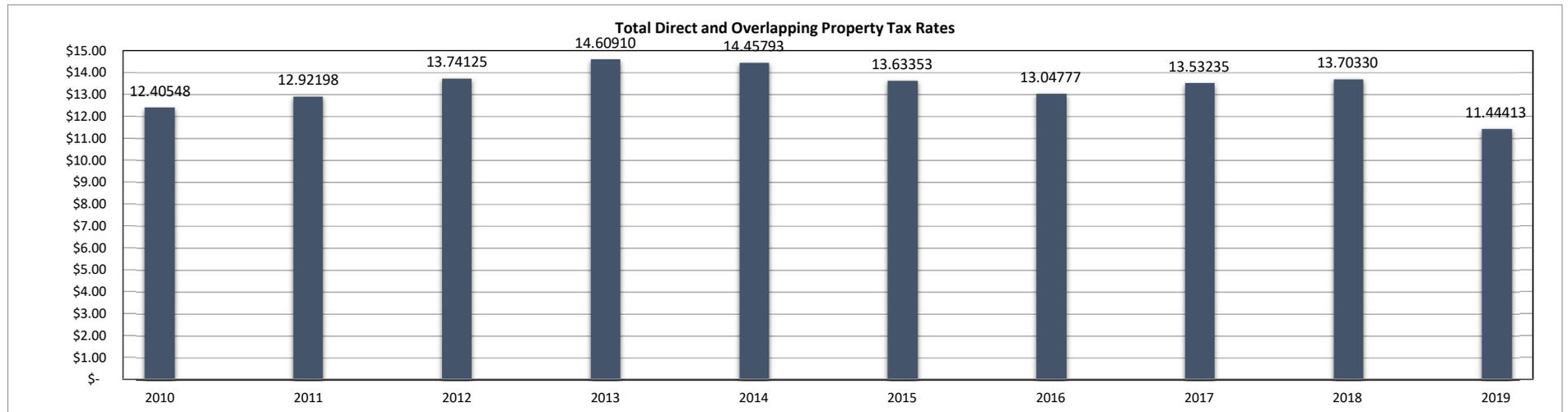
Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2010	3,580,133,188	54,401,316	31,078,381	3,665,612,885	1.52034
2011	4,525,470,270	57,948,096	43,395,005	4,626,813,371	1.55513
2012	4,120,048,552	54,401,218	50,940,246	4,225,390,016	1.60000
2013	3,897,291,722	53,983,903	54,023,833	4,005,299,458	1.60000
2014	3,992,256,168	55,462,840	62,066,409	4,109,785,417	1.60000
2015	4,511,792,422	54,718,139	69,713,035	4,636,223,596	1.59050
2016	5,031,637,294	60,057,956	68,295,297	5,159,990,547	1.45568
2017	5,542,970,484	59,051,320	61,251,025	5,663,272,829	1.36228
2018	6,261,417,507	58,787,660	65,506,314	6,385,711,481	1.36228
2019	7,191,308,750	80,834,387	54,355,919	7,326,499,056	1.09221

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

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

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

Fiscal Year	City of Burien	Fire District			King County			School District #401			Library			Washington State	Special Districts	Total
	Operating Millage	Operating Millage	Debt Service Millage	Total Fire Dist Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Dist. Millage	Operating Millage	Debt Service Millage	Total Library Millage	State Schools	Port, EMS Flood, Ferry* & RST	
2010	1.52034	1.50000	0.40275	1.90275	1.21089	0.07410	1.28499	2.63804	1.72698	4.36502	0.42188	0.06338	0.48526	2.22253	0.62459	12.40548
2011	1.55513	1.50000	0.40233	1.90233	1.26609	0.07207	1.33816	2.84903	1.79420	4.64323	0.50000	0.06621	0.56621	2.27990	0.63702	12.92198
2012	1.60000	1.50000	0.43614	1.93614	1.34460	0.07128	1.41588	3.40126	1.74569	5.14695	0.50000	0.06992	0.56992	2.42266	0.64970	13.74125
2013	1.60000	1.50000	0.45419	1.95419	1.47279	0.06772	1.54051	3.81112	1.89953	5.71065	0.50000	0.06743	0.56743	2.56720	0.66912	14.60910
2014	1.60000	1.50000	0.44685	1.94685	1.45779	0.05826	1.51605	3.79750	1.85783	5.65533	0.50000	0.06175	0.56175	2.47044	0.70751	14.45793
2015	1.59050	1.50000	0.39264	1.89264	1.31499	0.03023	1.34522	3.67893	1.70872	5.38765	0.44747	0.05529	0.50276	2.28514	0.62962	13.63353
2016	1.45568	1.37719	0.35152	1.72871	1.44046	0.03981	1.48027	3.51745	1.63785	5.15530	0.42439	0.05275	0.47714	2.16898	0.58169	13.04777
2017	1.36228	1.50000	0.30776	1.80776	1.34685	0.03609	1.38294	3.37767	2.33468	5.71235	0.40118	0.05000	0.45118	2.03205	0.78379	13.53235
2018	1.23516	1.43995	0.27977	1.71972	1.29474	0.03261	1.32735	3.32737	2.05449	5.38186	0.36681	0.04509	0.41190	2.91820	0.70911	13.70330
2019	1.09221	1.34386	0.24869	1.59255	1.18932	0.02974	1.21906	1.50000	2.39280	3.89280	0.33419	0.04022	0.37441	2.62922	0.64388	11.44413

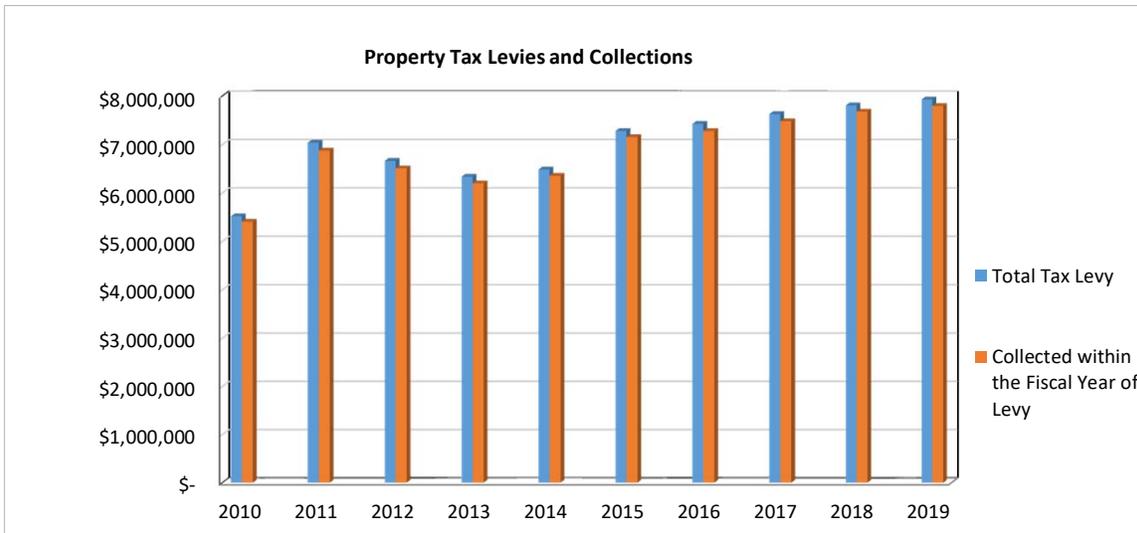


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

* Beginning in 2015, Ferry District under King County

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

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2010	5,514,772	5,404,321	98.00%	110,446	5,514,767	100.00%
2011	7,038,356	6,873,887	97.66%	166,494	7,040,381	100.00%
2012	6,660,111	6,506,800	97.70%	153,686	6,660,485	100.01%
2013	6,334,061	6,194,591	97.80%	136,882	6,331,473	99.96%
2014	6,482,628	6,351,340	97.97%	129,850	6,481,190	99.98%
2015	7,278,685	7,151,250	98.25%	126,538	7,277,789	99.99%
2016	7,424,310	7,276,711	98.01%	143,647	7,420,358	99.95%
2017	7,626,723	7,478,632	98.06%	125,694	7,604,326	99.71%
2018	7,806,677	7,677,464	98.34%	89,294	7,766,757	99.49%
2019	7,929,138	7,793,314	98.29%	-	7,793,314	98.29%

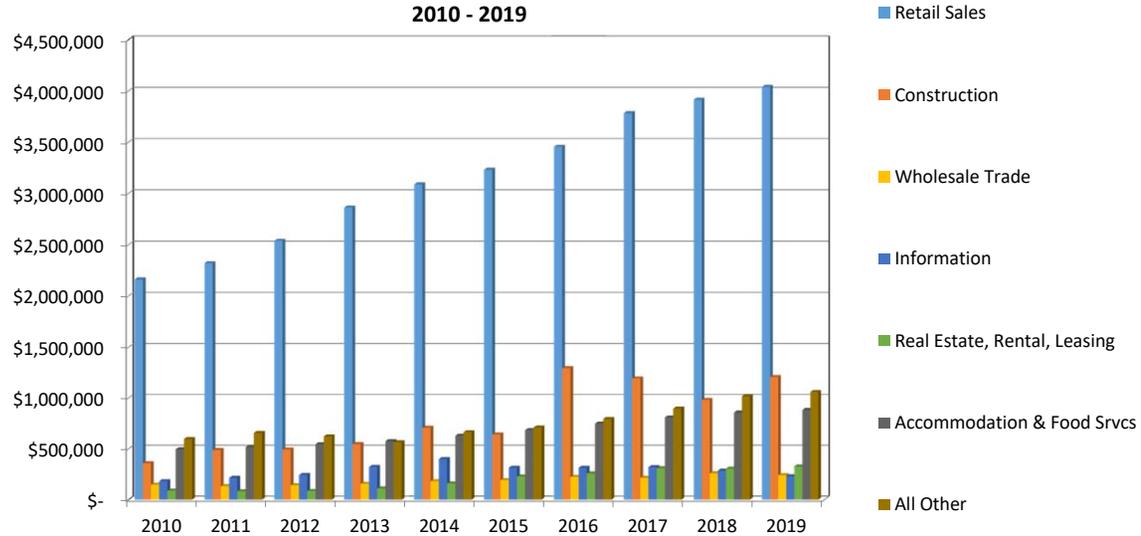


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

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

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
RETAIL TRADE										
Vehicle and Parts Dealer	\$ 973,790	\$ 1,078,227	\$ 1,261,209	\$ 1,514,981	\$ 1,656,006	\$ 1,747,436	\$ 1,895,600	\$ 2,088,693	\$ 2,020,015	\$ 1,898,772
General Merchandise Stores	370,659	397,970	416,600	433,555	451,571	493,589	503,842	502,015	520,145	513,962
Food & Beverage Stores	276,296	275,695	266,626	265,469	287,239	275,424	266,307	262,398	303,121	329,323
Misc Store Retailers	318,023	314,612	328,828	346,333	348,348	363,822	387,023	446,552	614,912	810,586
Health & Personal Care	97,673	101,059	108,840	123,731	125,145	134,020	147,897	207,517	239,979	257,824
Other Retail	124,439	152,009	155,874	178,628	219,657	216,264	254,285	275,920	215,482	228,107
Subtotal Retail	\$ 2,160,880	\$ 2,319,572	\$ 2,537,977	\$ 2,862,697	\$ 3,087,966	\$ 3,230,555	\$ 3,454,954	\$ 3,783,095	\$ 3,913,654	\$ 4,038,574
OTHER CATEGORIES										
Construction	\$ 358,112	\$ 488,860	\$ 492,853	\$ 547,432	\$ 706,856	\$ 641,194	\$ 1,294,298	\$ 1,192,381	\$ 981,098	\$ 1,206,480
Wholesale Trade	147,249	133,497	141,690	155,756	181,545	192,672	222,896	214,332	259,606	240,701
Information	181,753	214,544	242,260	321,272	399,198	313,453	313,721	319,632	285,120	230,480
Real Estate, Rental, Leasing	88,679	82,398	85,090	109,467	159,419	227,212	257,980	309,216	304,958	326,263
Accommod & Food Svcs	495,575	517,833	545,959	574,943	629,004	685,202	748,041	808,995	856,632	882,505
All Other Categories *	596,190	656,276	621,251	564,917	663,326	709,354	794,342	895,843	1,018,184	1,059,277
Subtotal Other	\$ 1,867,558	\$ 2,093,408	\$ 2,129,103	\$ 2,273,787	\$ 2,739,348	\$ 2,769,087	\$ 3,631,278	\$ 3,740,399	\$ 3,705,598	\$ 3,945,706
Total Sales Tax Collected	\$ 4,028,438	\$ 4,412,980	\$ 4,667,080	\$ 5,136,484	\$ 5,827,314	\$ 5,999,642	\$ 7,086,232	\$ 7,523,494	\$ 7,619,252	\$ 7,984,280

**Sales Tax Collections by Sector
2010 - 2019**



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

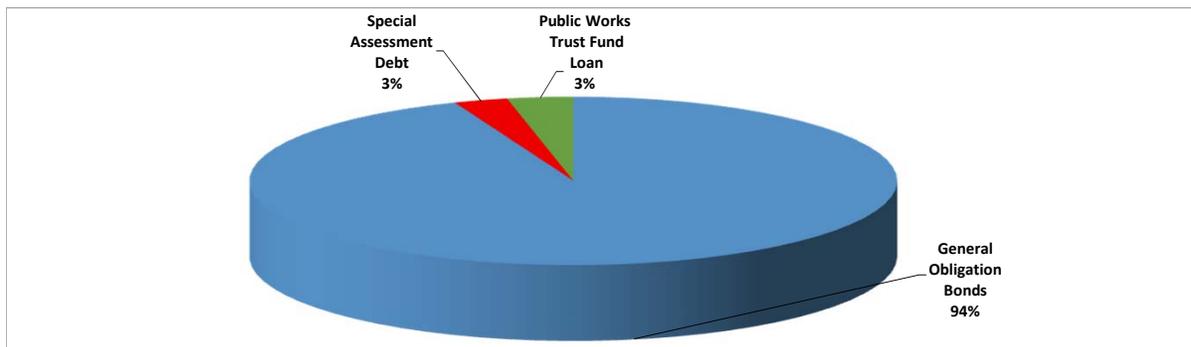
Only includes the .85% sales tax received for general governmental purposes

* 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					
2010	22,604,400	1,475,221	2,262,837	1,328,493	27,670,951	46,182	1.01%	\$ 580.59	
2011	28,299,400	1,362,308	2,073,526	1,245,463	32,980,696	47,660	1.15%	\$ 690.98	
2012	27,154,400	1,249,395	1,884,213	1,162,432	31,450,440	47,730	1.04%	\$ 654.81	
2013	28,190,362	1,136,483	1,694,901	1,079,401	32,101,147	48,030	0.97%	\$ 665.45	
2014	28,063,762	1,023,570	1,505,589	996,370	31,589,292	48,240	0.89%	\$ 647.19	
2015	26,726,162	910,658	1,316,277	913,339	29,866,436	48,810	0.77%	\$ 597.33	
2016	21,942,319	797,744	1,126,967	830,308	24,697,338	50,000	0.58%	\$ 487.32	
2017	20,469,167	684,831	937,653	747,278	22,838,929	50,680	0.49%	\$ 440.48	
2018	17,696,385	571,918	748,341	664,247	19,680,891	51,850	0.39%	\$ 378.48	
2019	15,985,988	459,005	559,029	581,216	17,585,238	52,000	0.35%	\$ 338.18	

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



**Schedule 12
City of Burien
Legal Debt Margin Information
December 31, 2019**

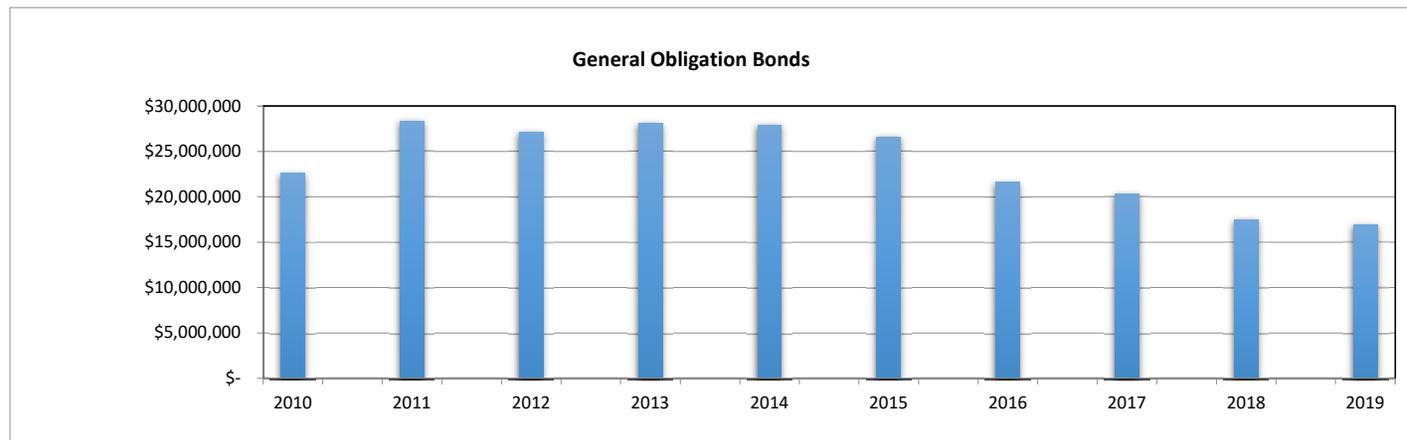
	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 343,081,657	\$ 316,904,251	\$ 312,964,326	\$ 300,397,459	\$ 308,233,906	\$ 347,716,770	\$ 386,999,291	\$ 402,653,811	\$ 461,924,339	\$ 532,483,407
Total Net Debt Applicable to Limit	26,342,458	31,735,234	30,288,008	31,021,746	30,592,921	28,953,097	23,867,030	22,091,651	19,016,644	17,004,022
Legal Debt Margin	\$ 316,739,199	\$ 285,169,017	\$ 282,676,318	\$ 269,375,713	\$ 277,640,985	\$ 318,763,673	\$ 363,132,261	\$ 380,562,160	\$ 442,907,695	\$ 515,479,385
 Total Net Debt Applicable to Limit as a Percentage of Debt Limit	7.68%	10.01%	9.68%	10.33%	9.93%	8.33%	6.17%	5.49%	4.12%	3.19%

Legal Debt Margin Calculation for Fiscal Year 2019

Total Assessed Value for 2019 Taxes	\$ 7,326,499,056
Debt Limit:	
2.5% of General Purpose Limit, Voted and Non-voted	183,162,476
2.5% of Utility Purpose Limit, Voted	183,162,476
2.5% of Open Space, Voted	183,162,476
Total Debt Limit	<u>\$ 549,487,429</u>
Debt Applicable to Limits:	
General Obligation Bonds	17,004,022
Legal Debt Margin	<u><u>\$ 532,483,407</u></u>

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

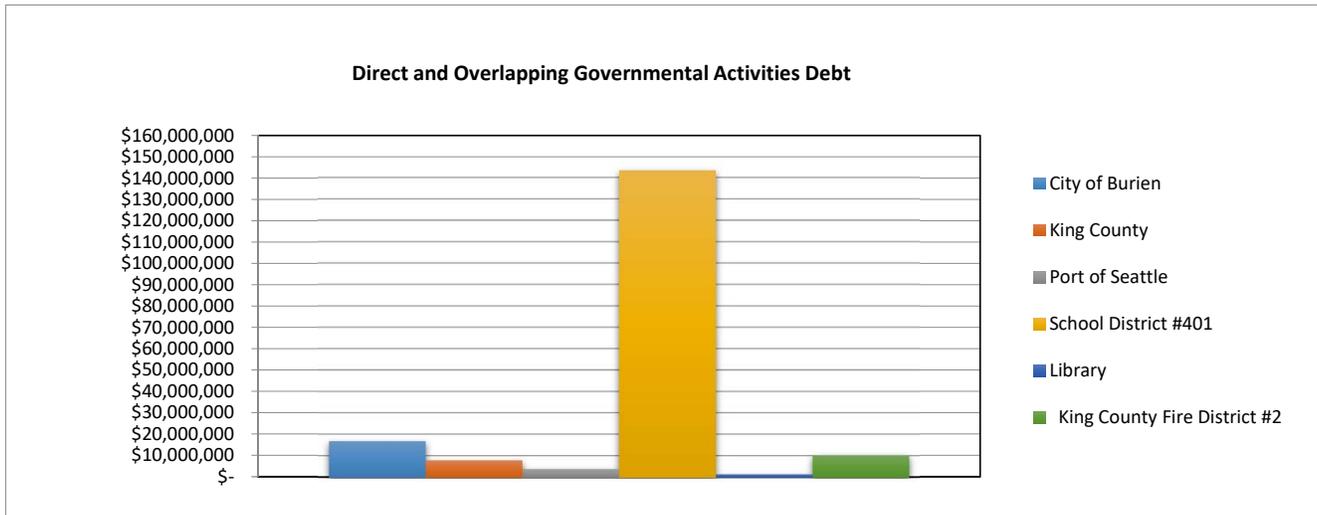
Fiscal Year	General Obligation Bonds*	Available Restricted Resources	Net General Obligation Bonds	Assessed Value (AV)	% of General Obligation Debt to AV	Population	Per Capita
2010	22,604,400	-	22,604,400	3,665,612,885	0.62%	46,182	489.46
2011	28,299,400	-	28,299,400	4,626,813,371	0.61%	47,660	593.78
2012	27,154,400	-	27,154,400	4,225,390,016	0.64%	47,730	568.92
2013	28,190,362	96,325	28,094,037	4,005,299,458	0.70%	48,030	584.93
2014	28,063,762	129,674	27,934,088	4,109,785,417	0.68%	48,240	579.06
2015	26,726,162	116,387	26,609,775	4,636,223,596	0.57%	48,810	545.17
2016	21,942,319	316,069	21,626,250	5,159,990,547	0.42%	50,000	432.53
2017	20,469,167	127,036	20,342,131	5,663,272,829	0.36%	50,680	401.38
2018	17,696,385	193,254	17,503,131	6,385,711,481	0.27%	51,850	337.57
2019	17,085,714	176,187	16,909,527	7,326,499,056	0.23%	52,000	325.18



Sources: King County Department of Assessments

Schedule 14
City of Burien
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to Burien</u>	<u>Estimated Amount Applicable to Burien</u>
Direct:			
City of Burien	\$ 17,004,022	100.00%	\$ 17,004,022
Overlapping:			
King County	661,448,694	1.19%	7,871,239
Port of Seattle	335,470,000	1.19%	3,992,093
School District #401	428,728,341	33.45%	143,409,630
Library	66,743,220	2.11%	1,408,282
King County Fire District #2	13,570,818	76.47%	10,377,333
Total Overlapping Debt:	<u>\$ 1,505,961,073</u>	<u>11.09%</u>	<u>\$ 167,058,578</u>
Total Direct and Overlapping Debt:	<u><u>\$ 1,522,965,095</u></u>		<u><u>\$ 184,062,600</u></u>



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

Sources: King County Department of Assessments

City of Burien Finance Department

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

Fiscal Year	Population¹	Personal Income² (in \$1,000's)	Per Capita Personal Income²	Unemployment Rate³	School Enrollment
2010	46,182	\$ 105,499,279	\$54,443	8.2%	17,391
2011	47,660	\$ 112,935,345	\$57,281	7.4%	17,532
2012	47,730	\$ 120,627,950	\$60,090	6.2%	18,427
2013	48,030	\$ 128,330,859	\$62,770	5.0%	18,975
2014	48,240	\$ 143,260,986	\$68,877	4.6%	19,039
2015	48,810	\$ 153,554,091	\$72,530	4.3%	19,039
2016	50,000	\$ 166,006,277	\$77,213	4.0%	19,133
2017	50,680	\$ 182,495,475	\$83,383	4.2%	18,876
2018	51,850	\$ 201,962,200	\$90,438	4.1%	18,193
2019	52,000	\$ 219,071,869	\$96,375	3.5%	18,203

Note¹ : Population data is provided by the Washington State Office of Financial Management.

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

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

Sources: Washington State Office of Financial Management

U.S. Bureau of Economic Analysis

U.S. Bureau of Labor Statistics

Highline School District

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

Employer	2019			2010		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Highline School District #401	2,150	1	22.47%	2,200	1	28.31%
Highline Medical Center	900	2	9.41%	1,100	2	14.16%
Fred Meyer	248	3	2.59%	216	3	2.78%
Burien Toyota, Inc.	151	4	1.58%	114	4	1.47%
NAVOS Mental Health and Wellness Center	120	5	1.25%			
Burien Nursing & Rehabilitation Center	105	6	1.10%	105	5	
Wizards Casino	99	7	1.03%	99	7	1.27%
PCC Community Markets	71	8	0.74%			
Schick Shadel	70	9	0.73%			
Kaiser Permanente	65	10	0.68%	90	8	1.16%
Safeway Stores				104	6	1.34%
Highline West Seattle Mental Health				90	8	1.16%
Ruth Dykeman Children's Center				78	10	1.00%
Total	3,979		41.59%	4,196		52.64%

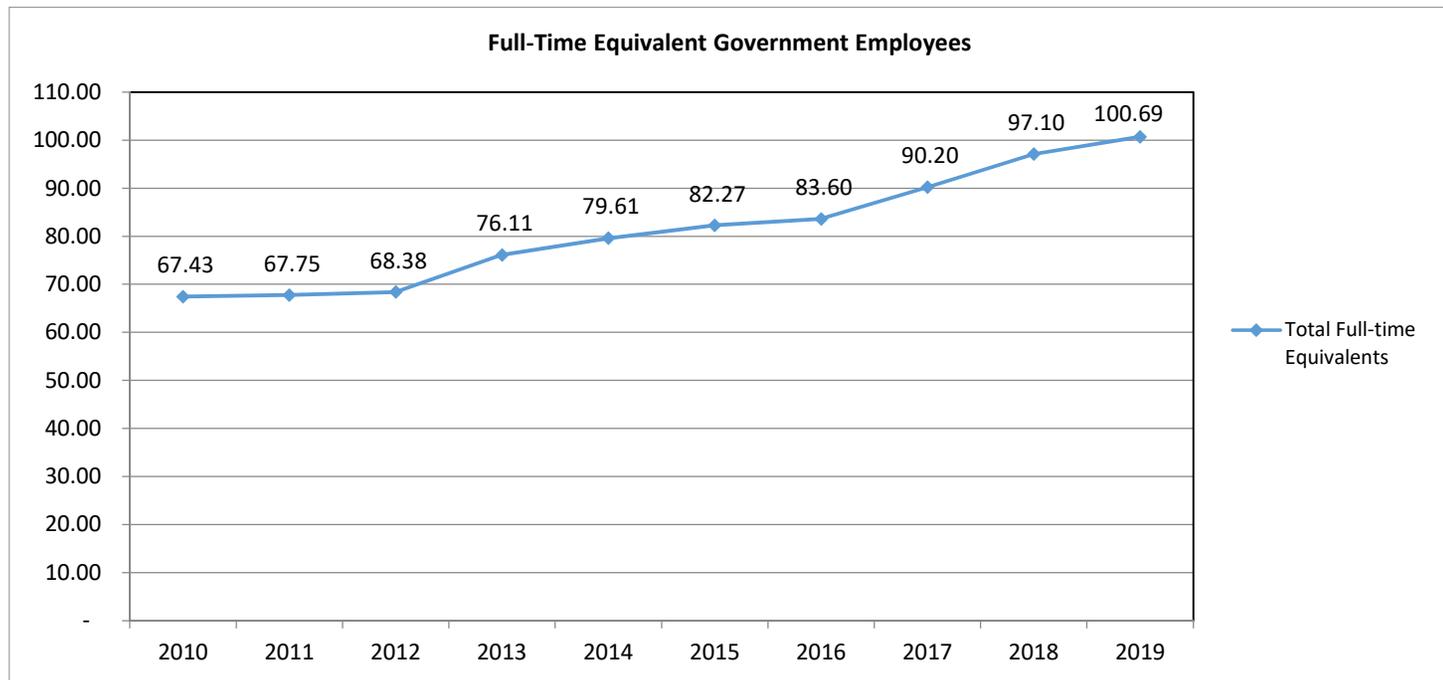
Total City employment in 2019 is 9,568.

Total City employment in 2010 was 7,771.

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	20.75	20.70	18.95	18.63	19.25	17.70	17.70	22.25	26.80	24.80
Culture and Recreation	16.18	15.95	15.38	19.64	21.55	21.97	22.10	24.90	26.66	32.09
Economic Environment	13.30	14.30	13.10	13.10	13.31	17.10	17.30	15.80	15.80	15.80
Transportation	8.50	8.20	10.30	11.50	11.50	11.25	11.25	12.18	12.47	12.50
Surface Water Management	8.70	8.60	10.65	13.25	14.00	14.25	15.25	15.08	15.37	15.50
Total Full-time Equivalents	67.43	67.75	68.38	76.11	79.61	82.27	83.60	90.20	97.10	100.69



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

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety										
Response time for priority 1 calls	8.54 min.	7.54 min.	7.75 min.	7.39 min.	7.72 min.	7.05 min.	7.39 min.	7.73 min.	7.82 min.	9.35 min.
Response time to critical emergencies	2.87 min.	2.95 min.	3.40 min.	3.73 min.	3.48 min.	3.50 min.	3.85 min.	3.87 min.	5.43 min.	4.45 min.
Dispatched calls for service	13,410	15,742	16,416	17,039	18,521	19,600	21,275	20,648	20,058	21,258
Total crime index per 1,000 population	55.0	55.0	59.0	60.0	60.0	55.0	57.0	45.9	41.5	59.4
Traffic safety enforcement stops	1,508	1,672	1,743	2,139	1,396	1,321	2,831	2,750	2,483	2,046
Transportation										
Right of way use permits issued	353	359	428	469	498	499	423	554	548	430
Reported potholes	37	103	50	69	62	70	78	118	89	112
Economic Environment										
Citizen action requests	604	558	628	624	589	447	341	444	441	698
Land use-related permit applications	57	57	63	85	91	82	101	108	130	340
Percentage of land use permit reviews completed by target date	89%	93%	80%	86%	96%	95%	95%	100%	85%	81%
Construction related permit applications	1,473	1,898	1,915	2,079	2,212	2,550	2,640	2,644	2,780	2,624
Commercial Building permits	120	171	113	192	152	161	91	96	132	112
Construction Value-commercial	\$ 17,117,248	\$ 21,820,575	\$ 11,317,784	\$ 38,940,428	\$ 32,608,065	\$ 68,921,928	\$ 25,214,801	\$ 39,495,363	\$ 51,924,212	\$ 74,318,919
Residential Building permits	105	268	259	269	263	288	351	338	212	131
Construction value-residential	\$ 10,516,667	\$ 14,442,960	\$ 27,855,391	\$ 22,984,594	\$ 23,254,345	\$ 38,223,822	\$ 57,860,004	\$ 43,537,949	\$ 17,677,303	\$ 19,378,000
Culture and Recreation										
Acres of neighborhood parks	58	58	58	58	58	58	58	58	58	58
Acres of community parks	32	32	32	32	32	34	35	35	35	35
Acres of regional and open space parks	287	287	287	287	287	287	287	287	287	287
Cost to maintain all parks per acre	\$ 1,265	\$ 1,630	\$ 1,594	\$ 1,693	\$ 1,874	\$ 1,925	\$ 2,163	\$ 2,403	\$ 2,622	\$ 3,536
Number of kids provided scholarships	134	149	133	116	85	88	171	217	235	620
Surface Water Management										
Number of storm water ponds	18	19	22	22	24	26	27	27	27	27
Percentage of city drainage system mapped and inventoried	85%	98%	98%	99%	99%	99%	99%	99%	99%	99%
Catch basins - City owned	5,913	5,975	6,293		6,012	6,105	6,221	6,368	6,392	6,440
Total catch basins (City and private)						10,008	9,621	9,272	9,942	10,002

Sources: Various City of Burien Departments

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Transportation										
Streets (miles)	150	150	152	152	140	140	140	140	144	144
Street lights	930	930	930	939	939	939	940	940	940	940
Traffic signals	71	71	72	74	75	75	75	76	78	78
Culture and Recreation										
Skate Parks	1	1	1	1	1	1	1	1	1	1
Playgrounds	11	12	12	12	12	12	12	12	12	12
Baseball/Softball Diamonds	5	5	5	5	5	5	5	5	5	5
Soccer/Football Fields	3	3	3	3	3	3	3	3	3	3
Community Centers	1	1	1	1	1	1	1	1	1	1
Surface Water Management										
Pump Stations	3	3	3	3	3	3	3	3	3	3
Storm Water Drainage Ponds	6	16	16	16	17	19	19	19	19	19

Sources: Various City of Burien Departments