Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

City of Burien

For the period January 1, 2020 through December 31, 2020

Published October 7, 2021

Report No. 1029228

Find out what's new at SAO by scanning this code with your smartphone's camera

Office of the Washington State Auditor
Pat McCarthy

October 7, 2021

Council
City of Burien
Burien, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of Burien's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the City's financial condition.

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.

TABLE OF CONTENTS

Schedule of Findings and Questioned Costs 4

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 6

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance 8

Independent Auditor's Report on the Financial Statements 11

Financial Section 14

About the State Auditor's Office 71

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Burien
January 1, 2020 through December 31, 2020

SECTION I – SUMMARY OF AUDITOR'S RESULTS

The results of our audit of the City of Burien are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City's compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

CFDA No.	Program or Cluster Title
21.019	COVID-19 Coronavirus Relief Fund

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was $750,000.

The City qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City of Burien
January 1, 2020 through December 31, 2020

Mayor and City Council
City of Burien
Burien, Washington

We have audited, 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, the 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 1, 2021.

As discussed in Note 18 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

October 1, 2021

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

City of Burien
January 1, 2020 through December 31, 2020

Mayor and City Council
City of Burien
Burien, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the City of Burien, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

October 1, 2021

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

City of Burien
January 1, 2020 through December 31, 2020

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed on page 14.

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, 2020, 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, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown. 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 on page 14 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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).This schedule is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the 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 basic financial statements or to the basic 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

October 1, 2021

FINANCIAL SECTION

City of Burien
January 1, 2020 through December 31, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2020

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2020
Statement of Activities – 2020
Governmental Funds Balance Sheet – 2020
Reconciliation of Balance Sheet to the Statement of Net Position – 2020
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2020
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – 2020
Statement of Revenues, Expenditures, and Charges in Fund Balances – Budget to Actual – General Fund – 2020
Statement of Revenues, Expenditures, and Charges in Fund Balances – Budget to Actual – Street Fund – 2020
Statement of Net Position – Proprietary Funds – 2020
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds – 2020
Statement of Cash Flows – Proprietary Funds – 2020
Statement of Fiduciary Net Position – 2020
Notes to Financial Statements – 2020

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3 – 2020
Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2020

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2020
Notes to the Schedule of Expenditures of Federal Awards – 2020

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 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, 2020 by $166.6 million (net position). Of this amount, $41.2 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining amount, $0.2 million is restricted for debt service, $2.1 million is restricted for capital projects, $0.6 million is restricted for drug enforcement, and $121.5 million is net investment in capital assets. A small amount is also restricted for housing support which represents a restricted portion of sales tax.
- The City's total net position increased by $9.9 million. This amount includes an increase of $1.1 million in unrestricted net position, a minimal increase in restricted net position, and an increase of $8.9 million in invested in capital assets, net of related debt.
- As of December 31, 2020, the City of Burien's governmental funds reported a combined ending fund balance of almost $37.8 million. This is an increase of $0.8 million compared to the prior year amount of $37.0 million. Of the current year's combined ending fund balance, $33.7 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, 2020, the total of assigned and unassigned General Fund balance was $25.2 million, or 85% of total General Fund expenditures. This is a decrease of $0.4 million from the prior year.
- Governmental long-term liabilities in total decreased by $2.2 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 2020 by $2.1 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 independent auditor's report, government-wide statements, fund financial statements, notes to the financial statements, 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 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 $166.6 million at the close of the fiscal year. During fiscal year 2020, net position increased $9.9 million. This increase is due to a $1.8 million reduction in long-term and net pension liabilities, a $1.3 million decrease in current liabilities, and a $6.8 million increase in capital assets. The majority of the net position $121.5 million or 73% 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 $41.2 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	
	2020	2019	2020	2019	2020	2019
Capital assets (net of accumulated depreciation)	$ 124,428,011	$ 118,715,249	$ 15,290,890	$ 14,136,005	$ 139,718,901	$ 132,851,254
Other assets	45,147,544	45,038,922	4,985,677	5,916,402	50,133,221	50,955,324
Total assets	169,575,555	163,754,171	20,276,567	20,052,407	189,852,122	183,806,578
Deferred outflows of resources	784,297	748,401	131,107	110,137	915,404	858,538
Long-term liabilities	16,758,018	18,615,236	834,521	868,950	17,592,539	19,484,186
Other liabilities	5,129,367	6,818,084	764,422	340,680	5,893,789	7,158,764
Total liabilities	21,887,385	25,433,320	1,598,943	1,209,630	23,486,328	26,642,950
Deferred inflows of resources	618,140	1,201,694	106,366	185,149	724,506	1,386,843
Net position:						
Net investment in capital assets	106,691,993	99,002,312	14,792,706	13,554,789	121,484,699	112,557,101
Restricted	3,823,015	3,887,308	-	-	3,823,015	3,887,308
Unrestricted	37,339,319	34,977,937	3,909,659	5,212,977	41,248,978	40,190,914
Total net position	$ 147,854,327	$ 137,867,557	$ 18,702,365	$ 18,767,766	$ 166,556,692	$ 156,635,323

Total net position for governmental activities increased by nearly $10.0 million to $147.9 million. A prior period adjustment of $634,728 was made to governmental activities. Total assets and deferred outflows increased by $5.8 million primarily due to the addition of capital assets. Total liabilities and deferred inflows decreased by $4.2 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 remained relatively unchanged at $18.7 million. The increases in capital assets were largely offset by the transfers to the Parks & General Government Capital Fund for capital projects constructing drainage improvements.

CHANGE OF NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2020:

The Statement of Activities shows a net increase in the City of Burien's net position of $9.3 million. Below is a summary version of the Statement of Activities.

Summary of Revenues

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	$ 3,952,199	$ 5,313,710	$ 3,739,159	$ 3,678,415	$ 7,691,358	$ 8,992,125
Operating grants & contributions	6,786,020	3,815,756	10,639	25,837	6,796,659	3,841,593
Capital grants & contributions	8,598,110	4,552,302	-	330,158	8,598,110	4,882,460
General revenues:					-	-
Property taxes	8,259,536	8,019,690	-	-	8,259,536	8,019,690
Sales and use taxes	10,057,490	10,577,028	-	-	10,057,490	10,577,028
Other taxes	7,155,329	7,438,608	-	-	7,155,329	7,438,608
Investment interest	244,111	891,404	46,592	134,930	290,703	1,026,334
Gain on disposal of capital assets	78,913	739	-	-	78,913	739
Miscellaneous	227,452	431,500	8,115	8,567	235,567	440,067
Total revenue	$ 45,359,160	$ 41,040,737	$ 3,804,505	$ 4,177,907	$ 49,163,665	$ 45,218,644

Summary of Expenses

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Expenses						
General government	$ 7,188,457	$ 6,938,009	$ -	$ -	$ 7,188,457	$ 6,938,009
Judicial	309,633	405,272	-	-	309,633	405,272
Public safety	14,425,097	12,356,022	-	-	14,425,097	12,356,022
Natural environment	256,698	251,022	-	-	256,698	251,022
Transportation	5,908,243	6,670,396	-	-	5,908,243	6,670,396
Economic environment	4,291,399	2,775,623	-	-	4,291,399	2,775,623
Social services	24,841	65,377	-	-	24,841	65,377
Culture and recreation	4,170,682	4,631,109	-	-	4,170,682	4,631,109
Interest on long-term debt	572,066	630,116	2,664	3,079	574,730	633,195
Surface water management	-	-	2,727,241	2,939,772	2,727,241	2,939,772
Total expenses	$ 37,147,116	$ 34,722,946	$ 2,729,905	$ 2,942,851	39,877,021	37,665,797
						-
Increase in net position before transfers	8,212,044	6,317,791	1,074,600	1,235,056	9,286,644	7,552,847
Loss on disposal of capital assets	-	-	-	-	-	-
Transfers	1,140,000	365,000	(1,140,000)	(365,000)	-	-
Increase in net position	9,352,044	6,682,791	(65,400)	870,056	9,286,644	7,552,847
Net position - January 1	137,867,557	131,607,879	18,767,766	17,897,710	156,635,323	149,505,589
Prior period adjustment	634,728	(423,112)	-	-	634,728	(423,112)
Net position - January 1, restated	138,502,285	131,184,767	18,767,766	17,897,710	157,270,051	149,082,477
Net position - December 31	$ 147,854,329	$ 137,867,558	$ 18,702,366	$ 18,767,766	$ 166,556,695	$ 156,635,324

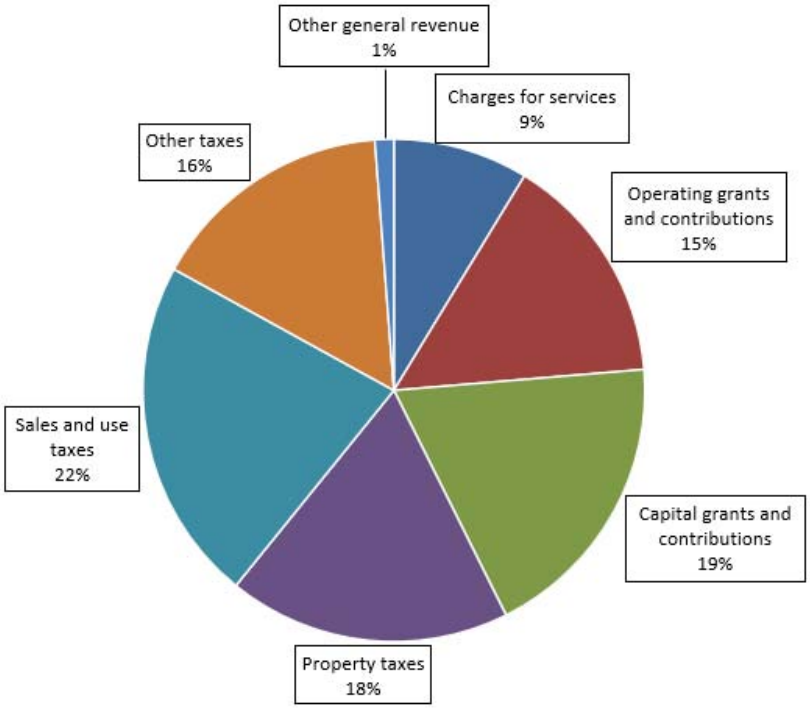
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES FOR FISCAL YEAR ENDING DECEMBER 31, 2020

Governmental Activities

Governmental activity revenues increased by $4.4 million to $45.4 million. This growth in revenues is due to an increase in operating grants and contributions of $3.0 million and capital grants and contributions of $4.0 million. Revenues from charges for services decreased by $1.4 million. While collections for property tax increased by $0.3 million, sales and other taxes decreased by $0.8 million. Investment interest decreased by $0.6 million over the previous year due to lower interest rates.

As shown by the chart below, taxes represent 56% of the City's total governmental revenues. Of this amount, 18% are property taxes, 22% are sales taxes, and 16% are other taxes – notably utility taxes, business and occupation taxes and real estate excise taxes. Charges for services and grants & contributions represent 43% of the City's governmental revenues.

Revenues by Source - Governmental Activities, 2020



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

- Capital grants and contributions increased by $4,045,808, mostly due to federal and state funding for the replacement of the Peter Western Bridge in the Transportation Capital Fund.
- Charges for Services decreased by $1,361,511. Building and Planning fees decreased by $641,920. COVID-19 closures of Parks and Recreations fee-based programs decreased revenues by $381,147.

- Operating Grants and Contributions increased by $2,970,264, primarily due to the COVID-19 Coronavirus Relief Funds issued by the U.S. Department of Treasury.
- Property taxes increased by $239,846.
- Sales Taxes decreased by $519,538 due to the economic climate caused by the pandemic.
- Other Taxes decreased $283,279. Business and Occupation taxes decreased by $460,126 due to the current economic climate. Parking taxes were down from the previous year by $141,661 due to reduced travel caused by the pandemic. Real Estate Excise Taxes increased by $274,533.
- Investment Interest decreased by $647,293 due to the economic climate caused by the pandemic.

Governmental expenses increased by $2.4 million or 7% to $37.1 million. Expenditures increased primarily in the public safety and economic environment categories. Expenditures decreased the most in transportation and culture and recreation.

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

- Salaries and wages increased overall due to a cost-of-living allowance increase of 3.0% as well as increases to various positions as a result of the salary survey. These increases were mitigated through furloughs, reductions in staffing, and vacancies left unfilled.
- Public Safety expenditures increased by $2,069,075, mainly due to the settlement of the police union negotiations, which resulted in retroactive pay.
- Transportation expenditures decreased by $762,153 due in part to COVID-19 (less work performed due to social distancing requirements and lack of seasonal staff).
- Culture and Recreation expenditures decreased $460,427 due to capital start-up purchases in 2019 to bring parks maintenance 'in-house', as well as COVID-19 response reductions in recreation programs.
- Economic Environment expenditures increased $1,515,776 due to the City's use of Coronavirus Relief Act funds to support the community.

Business-type Activities

Business-type activity revenues decreased by $373,402. The City received $330,158 in capital grants and contributions in 2019 that it did not receive in 2020. Investment earnings decreased by $88,388.

Business-type expenses decreased by $212,531 primarily in professional services.

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, 2020 is $37,798,608 an increase of $187,470 from the prior year restated amount of $37,611,138. Of the General Fund balance of $25,486,331, $16,673,913 or 65%, is unassigned. The primary reason for the increase in fund balance is the interfund transfers from the Surface Water Management fund for capital projects.

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 2020. Furthermore, $82,178 is restricted for investments in affordable and supportive housing. Of the fund balance $7,500,000 is assigned for a capital partnership reserve, $1,457 is assigned 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, $138,000 is committed for City parking projects, $90,783 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 $0.2 million to $1.8 million. The increase was due to COVID-19 expenditure reductions. The Street Fund requires a minimum fund balance equal to 5% of budgeted recurring revenues. Any excess fund balance may be transferred and used for capital improvement projects.

The Debt Service Fund accumulates funds for the retirement of the City's debt. The fund's balance decreased by $0.05 million to $0.02 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 $2.9 million to $4.5 million. This fund provides for the completion of capital projects for City parks and general government facilities and is primarily funded through grants and interfund transfers. The fund balance increased due to large transfers from the General, Public Woks Reserve, and Surface Water Management Funds to finance the Moshier Park Field and Restroom Improvements project. 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 $1.8 million to $2.3 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, 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 enterprise 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 decrease in net position of $0.07 million reflects a large transfer out to fund capital projects. The fund balance policy is to maintain a minimum of 5% of recurring revenue.

The Internal Service Fund is funded by interfund charges for services for equipment replacement. The increase in net position of $0.1 million is due to minimal capital replacements during the year.

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 2020 budget was amended twice during the year. Ordinance No. 742 increased revenues and expenditures for the General Fund and the key changes consisted of the following:

- $30,000 – King County grant revenue and expenditure for a Severe Weather Shelter
- $200,000 – Council directed COVID-19 response
- $25,000 – Council directed Annex Facility maintenance work

Ordinance No. 754 adjusted revenues and expenditures for the General Fund and other funds related to COVID-19, the annual reconciliation of the Capital Improvement Program, and other technical adjustments. The key adjustments pertained to the COVID-19. In response to the public health emergency, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided funding to assist businesses and governments in responding to COVID-19. CARES funds were distributed to the City via the State of Washington, which awarded Burien $2,340,000 in funding, based on population. The City developed a program funding and implementation plan that primarily used the CARES funds for small business support, human services agencies support, and Highline Public Schools support to assist with the facilitation of distance learning. In addition, the CARES funds were used to fund city-directed expenses such as portable restrooms and hand-washing stations, communications, work from home tools, including technology upgrades, health supplies, and federal sick leave. In addition, the City was awarded the following grants in response to COVID-19:

- $284,503 from the United States Department of Housing and Urban Development's Community Development Block Grant program to provide financial assistance to individuals and households
- $79,417 from King County to be used in support of small businesses
- $68,721 from the United States Department of Justice under the Office of Justice Programs to provide supplemental funding

Actual General Fund revenues were $1.75 million greater than the final budget, primarily due to stronger sales tax collections than anticipated. Actual expenditures were $2.6 million less than the final budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2020, the City had $135.8 million in capital assets as reflected in the following table, which represents an increase of nearly $7.0 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)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 25,674,651	$ 25,674,651	$ 1,076,060	$ 1,076,060	$ 26,750,711	$ 26,750,711
Construction work in progress	20,409,432	9,410,270	2,917,275	1,088,543	23,326,707	10,498,813
Buildings	6,873,878	7,596,555	-	-	6,873,878	7,596,555
Machinery, equipment, and vehicles	1,529,697	1,636,145	267,003	302,038	1,796,700	1,938,183
Other improvements	12,584,231	13,204,307	-	-	12,584,231	13,204,307
Infrastructure	53,146,018	56,749,885	11,030,552	11,669,364	64,176,570	68,419,249
Intangible assets	288,834	339,834	-	-	288,834	339,834
Total	$ 120,506,741	$ 114,611,647	$ 15,290,890	$ 14,136,005	$ 135,797,631	$ 128,747,652

Construction work in progress (CWIP) for governmental activities is $20.4 million, which is comprised of parks and street improvement projects still under construction. The CWIP amount of $2.9 million for business-type activities is surface water infrastructure projects.

The following table shows the change in capital assets between 2019 and 2020.

CHANGE IN CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Changes in capital assets						
Land	$ -	$ 12,416	$ -	$ -	$ -	$ 12,416
Construction work in progress	10,999,162	5,919,829	1,828,732	716,778	12,827,894	6,636,607
Buildings	(722,677)	(725,976)	-	-	(722,677)	(725,976)
Machinery, equipment, and vehicles	(106,448)	233,136	(35,035)	(35,137)	(141,483)	197,999
Other improvements	(620,076)	(688,682)	-	-	(620,076)	(688,682)
Infrastructure	(3,603,867)	(3,272,419)	(638,811)	(637,138)	(4,242,678)	(3,909,557)
Intangible assets	(50,999)	57,853	-	-	(50,999)	57,853
Total	$ 5,895,095	$ 1,536,157	$ 1,154,886	$ 44,503	$ 7,049,981	$ 1,580,660

Outstanding Debt

At the end of 2020, the City had $16.7 million in long-term debt compared to $18.8 million in 2019. 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 reflects the occurrence of regularly scheduled debt service payments.

OUTSTANDING LONG-TERM DEBT AT YEAR-END

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	$ 13,121,311	$ 14,781,967			$ 13,121,311	$ 14,781,967
Special obligation bonds - SCORE PDA	2,372,886	2,460,851			2,372,886	2,460,851
Special assessment debt with government commitment (public works trust fund loan)	346,092	459,005			346,092	459,005
Public works trust fund loan	369,717	559,029	498,184	581,215	867,901	1,140,244
Total long-term debt	$ 16,210,006	$ 18,260,852	$ 498,184	$ 581,215	$ 16,708,190	$ 18,842,067

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 and continue to be unprecedented. The City recognizes that the success of efforts to mitigate the spread of the virus will impact the speed and breadth of the recovery. In order to assist with the economic recovery in 2020, the City invested $820,000 in Coronavirus Aid, Relief, and Economic Security (CARES) funds for small business grants. The City has also assisted businesses with resources and technical assistance in applying for other federal pandemic relief programs including: Paycheck Protection Program, Economic Injury Disaster Loan Program, and the Restaurant Revitalization Fund. The City will continue funding economic growth initiatives such as the Investment and 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 a 230-unit mixed use development is planned for construction to begin in summer 2021. Encouraging growth in other areas of the city, corridor land use studies are being conducted to identify community needs and increase feasibility of new investment. The City is also investing in a 'digital main street' effort to provide more resources and training for small businesses to maintain a digital store front to encourage revenue growth and to build resiliency.

NEXT YEAR'S BUDGET

In 2021, the forecasted gap between revenues and expenditures was led by the expiration of the Sales Tax Annexation Credit and financial impact of COVID-19. With a combination of new or enhanced revenue sources and expenditure reductions, the General Fund's ongoing expenditures are balanced with revenues. With these actions, the City maintains a financially sound position and continues to fund important programs and services. In addition, the General Fund's fund balance meets the 20 percent required reserve and continues to maintain funding for a future investment in a Public Works/PaRCS Maintenance Facility. It also maintains an extra layer of protection for economic risk, unexpected costs, and to potentially fund one-time initiatives. The situation with COVID-19 is very fluid; therefore, the timing and speed of the economic recovery remains uncertain. The City will continue to evaluate and make important decisions as we learn more about potential financial issues and challenges related to COVID-19.

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.

City of Burien, Washington
Statement of Net Position
December 31, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 36,660,166	$ 4,799,324	$ 41,459,490
Receivables (net of allowance for uncollectibles)	1,826,445	171,406	1,997,851
Due from other governments	6,660,933	14,947	6,675,880
Total current assets	45,147,544	4,985,677	50,133,221
Noncurrent assets:			
Investment in joint venture - SCORE	3,921,269	-	3,921,269
Land	25,674,651	1,076,060	26,750,711
Construction in progress	20,409,433	2,917,275	23,326,708
Buildings	6,873,878	-	6,873,878
Machinery, equipment, and vehicles	1,529,697	267,003	1,796,700
Other improvements	12,584,231	-	12,584,231
Infrastucture	53,146,018	11,030,552	64,176,570
Intangible assets	288,834	-	288,834
Total noncurrent assets	124,428,011	15,290,890	139,718,901
Total assets	169,575,555	20,276,567	189,852,122
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount from debt refunding	22,375	-	22,375
Deferred outflow related to pensions	761,922	131,107	893,029
Total deferred outflows of resources	784,297	131,107	915,404
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	2,654,235	569,039	3,223,274
Accrued interest payable	50,458	1,453	51,911
Due to other governments	165,433	98,597	264,030
Unearned revenues	57,238	-	57,238
Deposits payable	217,267	-	217,267
Special assessment debt with government commitment	112,913	-	112,913
Due within one year	1,871,823	95,333	1,967,156
Total current liabilities	5,129,367	764,422	5,893,789
Noncurrent liabilities:			
Special assessment debt with government commitment	233,181	-	233,181
Due in more than one year	14,495,485	485,322	14,980,807
Net pension liabilities	2,029,352	349,199	2,378,551
Total noncurrent liabilities	16,758,018	834,521	17,592,539
Total liabilities	21,887,385	1,598,943	23,486,328
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	618,140	106,366	724,506
Total deferred inflows of resources	618,140	106,366	724,506
NET POSITION			
Net investment in capital assets	106,691,993	14,792,706	121,484,699
Restricted for:			
Capital Projects	2,102,479	-	2,102,479
Debt Service	189,194	-	189,194
Drug Enforcement	635,160	-	635,160
Housing	82,178	-	82,178
Transportation	814,004	-	814,004
Unrestricted	37,339,319	3,909,659	41,248,978
Total net position	$ 147,854,327	$ 18,702,365	$ 166,556,692

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, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 7,188,458	$ 1,254,135	$ 2,802,728	$ -	$ (3,131,595)	$ -	$ (3,131,595)
Judicial	309,633	83,307	-	-	(226,326)	-	(226,326)
Public Safety	14,425,097	18,867	215,144	-	(14,191,086)	-	(14,191,086)
Natural environment	256,698	51,014	-	-	(205,684)	-	(205,684)
Transportation	5,908,243	1,156,347	1,021,679	8,426,407	4,696,190	-	4,696,190
Economic Environment	4,291,399	1,281,579	2,710,200	-	(299,620)	-	(299,620)
Social Services	24,841	16,699	29,479	81,587	102,924	-	102,924
Culture and recreation	4,170,682	90,250	6,790	90,116	(3,983,526)	-	(3,983,526)
Interest and fiscal charges	572,066	-	-	-	(572,066)	-	(572,066)
Total governmental activities	37,147,117	3,952,198	6,786,020	8,598,110	(17,810,789)	-	(17,810,789)
Business-type activities:							
Surface Water Management	2,729,905	3,739,158	10,639	-	-	1,019,892	1,019,892
Total business-type activities	2,729,905	3,739,158	10,639	-	-	1,019,892	1,019,892
Total primary government	$ 39,877,022	$ 7,691,356	$ 6,796,659	$ 8,598,110	(17,810,789)	1,019,892	(16,790,897)
General revenues:							
Property taxes					8,259,536	-	8,259,536
Retail sales and use taxes					10,057,490	-	10,057,490
Business and occupation taxes					4,030,093	-	4,030,093
Excise taxes					856,244	-	856,244
Real estate excise taxes					2,179,041	-	2,179,041
Parking taxes					89,951	-	89,951
Unrestricted investment earnings					244,111	46,592	290,703
Miscellaneous					306,365	8,115	314,480
Transfers					1,140,000	(1,140,000)	-
Total general revenues, special items, and transfers					27,162,831	(1,085,293)	26,077,538
Change in net position					9,352,042	(65,401)	9,286,641
Net position - beginning					137,867,557	18,767,766	156,635,323
Prior Period Adjustment					634,728		634,728
Net position - beginning, restated					138,502,285		157,270,051
Net position - ending					$ 147,854,327	$ 18,702,365	$ 166,556,692

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

City of Burien, Washington
Balance Sheet
Governmental Funds
December 31, 2020

	GENERAL	STREET	DEBT SERVICE	PARKS & GEN GOVT CAPITAL PROJECTS	TRANSPORTATION CAPITAL PROJECTS	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 23,338,980	$ 1,574,968	$ 21,397	$ 4,924,663	$ 1,671,953	$ 3,526,354	$ 35,058,315
Accounts receivable	272,967	82,987	-	-	-	-	355,954
Taxes receivable - Current	724,781	52,998	-	-	-	126,325	904,104
Taxes receivable - delinquent	217,308	-	-	-	-	-	217,308
Special assessments receivable	-	-	349,081	-	-	-	349,081
Due from other governments	2,507,665	147,209	-	90,116	3,850,047	65,894	6,660,931
Total assets	$ 27,061,701	$ 1,858,162	$ 370,478	$ 5,014,779	$ 5,522,000	$ 3,718,573	$ 43,545,693
LIABILITIES							
Accounts payable	$ 372,793	$ 26,063	$ -	$ 468,994	$ 1,146,539	$ 1,930	$ 2,016,319
Retainage payable	11,402	-	-	27,577	143,255	-	182,234
Due to other governments	156,963	7,737	-	-	733	-	165,433
Deposits payable	217,267	-	-	-	-	-	217,267
Accrued wages and benefits payable	395,333	51,987	-	-	1,201	-	448,521
Other Current Liabilities	7,058	105	-	-	-	-	7,163
Unearned revenue	57,238	-	-	-	-	-	57,238
Total liabilities	1,218,054	85,892	-	496,571	1,291,728	1,930	3,094,175
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	217,308	-	-	-	-	-	217,308
Unavailable revenue-special assessments	-	-	346,284	-	-	-	346,284
Unavailable revenue-grants	-	-	-	-	1,944,841	-	1,944,841
Unavailable revenue-accounts receivable	140,008	4,470	-	-	-	-	144,478
Total deferred inflow of resources	357,316	4,470	346,284	-	1,944,841	-	2,652,911
Total liabilities and deferred inflows of resources	1,575,370	90,362	346,284	496,571	3,236,569	1,930	5,747,086
FUND BALANCES (DEFICITS)							
Restricted							
Debt Service	-	-	24,194	-	-	165,000	189,194
Drug Enforcement	-	-	-	-	-	635,160	635,160
Housing	82,178	-	-	-	-	-	82,178
Other Capital Projects	-	-	-	-	-	2,102,479	2,102,479
Transportation	-	-	-	-	-	814,004	814,004
Committed							
Arts Projects	90,783	-	-	-	-	-	90,783
Parking Projects	138,000	-	-	-	-	-	138,000
Assigned							
Capital equipment reserve	1,000,000	-	-	-	-	-	1,000,000
Capital partnership	7,500,000	-	-	-	-	-	7,500,000
Capital Projects	1,457	-	-	4,518,209	2,285,431	-	6,805,097
Street Maintenance	-	1,767,800	-	-	-	-	1,767,800
Unassigned							
Unassigned	16,673,913	-	-	-	-	-	16,673,913
Total fund balances (deficits)	$ 25,486,331	$ 1,767,800	$ 24,194	$ 4,518,209	$ 2,285,431	$ 3,716,643	$ 37,798,608
Total liabilities and fund balances (deficits)	$ 27,061,701	$ 1,858,162	$ 370,478	$ 5,014,780	$ 5,522,000	$ 3,718,573	$ 43,545,694

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, 2020

Fund balances of governmental funds		$37,798,608
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	20,409,433	
Buildings (net of accumulated depreciation)	6,873,878	
Machinery and equipment (net of accumulated depreciation)	1,529,697	
Improvements (net of accumulated depreciation)	12,584,231	
Infrastructure (net of accumulated depreciation)	53,146,018	
Intangibles (net of accumulated amortization)	288,834	
		120,506,742
Investment in joint ventures (SCORE) are not considered financial resources and, therefore, are not reported in the funds.		3,921,269
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	(50,458)	
General obligation bonds	(12,650,000)	
2009 bonds A and B-SCORE joint venture	(2,372,886)	
Special assessment debt payable	(346,093)	
Public works trust fund loan payable	(369,717)	
Compensated Absences	(503,394)	
Net pension	(2,029,352)	
Premium on 2016 LTGO Refunding Bonds	(471,311)	
		(18,793,211)
Receivables not available to pay current period expenditures and, therefore, are deferred in the funds.		
Property taxes	217,308	
Special assessments	346,283	
Grants	1,972,428	
Charges for services	33,077	
Fines/penalties	3,450	
Miscellaneous	80,365	
		2,652,911
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.		1,601,851
Some deferred outflows and inflows of resources are not reported in the funds.		
Deferred inflow related to pensions	(618,140)	
Deferred outflow from debt refunding	22,375	
Deferred outflow related to pensions	761,922	
		166,157
Net position of governmental activities		$147,854,327

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

City of Burien, Washington
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	GENERAL	STREET	DEBT SERVICE	PARKS & GEN GOVT CAPITAL PROJECTS	TRANSPORTATION CAPITAL PROJECTS	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 8,006,998	$ -	$ -	$ 202,683	$ -	$ -	$ 8,209,681
Retail sales and use taxes	10,057,490	-	-	-	-	-	10,057,490
Real estate excise tax	-	-	-	-	-	2,179,040	2,179,040
Business and occupation taxes	1,393,314	-	-	-	-	-	1,393,314
Utility taxes	2,027,278	481,258	-	-	-	-	2,508,536
Other Taxes	171,880	89,951	-	-	-	812,607	1,074,438
Licenses and permits	1,738,261	1,078,321	-	-	-	-	2,816,582
Intergovernmental revenues	5,708,981	1,021,679	92,838	90,116	7,626,521	-	14,540,135
Charges for services	615,096	-	152,527	-	63,023	31,703	862,349
Fines & forfeitures	81,174	-	427	-	-	-	81,601
Investment earnings	171,854	9,233	990	11,013	16,633	25,302	235,025
Special assessments penalties and interest	-	-	2,095	-	-	-	2,095
Rents and leases	89,692	-	-	-	-	-	89,692
Contributions and donations	7,315	-	-	-	-	-	7,315
Special assessments principal	-	-	84,564	-	-	-	84,564
Miscellaneous	55,519	115	-	-	-	16,520	72,154
Total revenues	30,124,852	2,680,557	333,441	303,812	7,706,177	3,065,172	44,214,011
EXPENDITURES							
Current:							
General government	6,633,687	-	-	-	-	-	6,633,687
Judicial	309,633	-	-	-	-	-	309,633
Public Safety	14,305,449	-	-	-	-	20,101	14,325,550
Natural environment	256,698	-	-	-	-	-	256,698
Transportation	231,231	1,705,364	-	-	368,354	-	2,304,949
Economic Environment	4,400,430	-	-	-	-	-	4,400,430
Social Services	24,841	-	-	-	-	-	24,841
Culture and recreation	3,199,071	-	-	6,600	-	-	3,205,671
Debt service:							
Public works trust fund loan principal	-	-	302,225	-	-	-	302,225
LTGO bond principal	-	-	1,425,000	-	-	-	1,425,000
Interest and fiscal charges	-	-	645,210	-	-	-	645,210
Capital outlay:							
General government	349,399	-	-	-	-	-	349,399
Transportation	-	14,944	-	-	10,023,346	-	10,038,290
Culture and recreation	48,316	-	-	975,816	-	-	1,024,132
Total expenditures	29,758,755	1,720,308	2,372,435	982,416	10,391,700	20,101	45,245,715
Excess (deficiency) of revenues over expenditures	366,097	960,249	(2,038,994)	(678,604)	(2,685,523)	3,045,071	(1,031,704)
OTHER FINANCING SOURCES (USES)							
Transfers in	170,000	-	2,074,652	3,544,340	900,000	634,728	7,323,720
Transfers out	(2,219,068)	(750,000)	(90,000)	-	-	(3,124,652)	(6,183,720)
Insurance recoveries	60,561	18,613	-	-	-	-	79,174
Total other financing sources (uses)	(1,988,507)	(731,387)	1,984,652	3,544,340	900,000	(2,489,924)	1,219,174
Net change in fund balances	(1,622,410)	228,862	(54,342)	2,865,736	(1,785,523)	555,147	187,470
Fund balances - beginning, as restated	27,108,741	1,538,938	78,536	1,652,473	4,070,954	3,161,496	37,611,138
Fund balances - ending	$ 25,486,331	$ 1,767,800	$ 24,194	$ 4,518,209	$ 2,285,431	$ 3,716,643	$ 37,798,608

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, 2020

Net change in fund balances - total governmental funds		$187,470
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 estimatedcapital outlays exceeded depreciation expense in the current period plus extraordinary gains from the sale of land.		
Capital outlays	11,411,821	
Depreciation expense	(5,543,782)	
		5,868,039
Investment in joint ventures (SCORE) are not considered financial resources and, therefore, are not reported in the funds.		(182,333)
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	5,780	
Accrued refunding premium	78,552	
Accrued compensated absences expense	(196,833)	
		(112,501)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Property tax revenue	49,856	
Special assessments revenue	(87,557)	
Grants	827,474	
Charges for services	(3,333)	
Miscellaneous	75,449	
		861,889
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.		194,865
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	1,815,190	
Amortization of deferred charge on bond refunding	(11,188)	
		1,804,002
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	730,611	
		730,611
Change in net position of governmental activities		$9,352,042

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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 7,980,000	$ 7,980,000	$ 8,010,753	$ 30,753
Retail sales and use taxes	10,385,000	8,166,333	10,057,490	1,891,157
Business and occupation taxes	1,605,000	1,171,822	1,393,314	221,492
Utility taxes	2,525,000	2,041,600	2,027,278	(14,322)
Other Taxes	460,000	150,000	171,880	21,880
Licenses and permits	1,875,000	1,473,557	1,738,261	264,704
Intergovernmental revenues	2,536,600	5,921,526	5,708,981	(212,545)
Charges for services	1,201,000	774,421	615,096	(159,325)
Fines & forfeitures	205,000	80,000	81,174	1,174
Investment earnings	400,000	180,000	163,578	(16,422)
Rents and leases	360,000	200,144	89,692	(110,452)
Contributions and donations	-	5,000	7,315	2,315
Miscellaneous	255,000	200,000	55,519	(144,481)
Total revenues	29,787,600	28,344,403	30,120,331	1,775,928
EXPENDITURES				
Current:				
General government	6,144,500	7,176,622	6,558,686	617,936
Judicial	565,000	515,000	309,633	205,367
Public Safety	15,016,100	14,558,208	14,305,449	252,759
Natural environment	250,000	257,000	256,698	302
Transportation	317,615	303,702	231,231	72,471
Economic Environment	3,259,545	5,482,511	4,400,430	1,082,081
Social Services	64,500	48,900	24,841	24,059
Culture and recreation	3,889,200	3,782,774	3,183,996	598,778
Total current	29,506,460	32,124,717	29,270,964	2,853,753
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
General government	140,000	147,844	349,399	(201,555)
Public Safety	10,000	10,000	-	10,000
Culture and recreation	-	-	48,316	(48,316)
Total capital outlay	150,000	157,844	397,715	(239,871)
Total expenditures	29,656,460	32,282,561	29,668,679	2,613,882
Excess (deficiency) of revenues over expenditures	131,140	(3,938,158)	451,652	4,389,810
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	170,000	170,000	-
Transfers out	(376,500)	(1,270,568)	(1,070,568)	200,000
Insurance recoveries	-	-	60,561	60,561
Total other financing sources (uses)	(296,500)	(1,100,568)	(840,007)	260,561
Net change in fund balance	(165,360)	(5,038,726)	(388,355)	4,650,371
Fund balance - beginning	25,147,718	25,147,718	25,147,718	-
Fund balance - ending	$ 24,982,358	$ 20,108,992	$ 24,759,363	$ 4,650,371

Reconciliation to the Statement of Revenues, Expenditures and Changes in Fund Balance

Fund Balance - ending, budgetary basis	$ 24,759,363
Restatement of Fund balance - beginning	
Prior period adjustment	634,728
Amounts reported differ due to the consolidation of the funds listed below:	
Art in Public Places	
Fund balances - beginning	78,861
Revenues	497
Transfers In	26,500
Expenditures	(15,075)
Net change in fund balance - Art in Public Places	90,783
Capital Projects Reserve	
Fund balances - beginning	1,247,433
Revenues	4,024
Transfers Out	(1,250,000)
Net change in fund balance - Capital Projects Reserve	1,457
Fund Balance - ending, modified accrual basis	$ 25,486,331

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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Utility taxes	$ 465,000	$ 465,000	$ 481,258	$ 16,258
Other Taxes	230,000	230,000	89,951	(140,049)
Licenses and permits	1,080,000	1,080,000	1,078,321	(1,679)
Intergovernmental revenues	1,270,000	1,270,000	1,021,679	(248,321)
Investment earnings	40,000	40,000	9,233	(30,767)
Miscellaneous	-	-	115	115
Total revenues	3,085,000	3,085,000	2,680,557	(404,443)
EXPENDITURES				
Current:				
Transportation	2,240,735	2,157,500	1,705,364	452,136
Total current	2,240,735	2,157,500	1,705,364	452,136
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Transportation	-	15,000	14,944	56
Total capital outlay	-	15,000	14,944	56
Total expenditures	2,240,735	2,172,500	1,720,308	452,192
Excess (deficiency) of revenues over expenditures	844,265	912,500	960,249	47,749
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,555,000)	(750,000)	(750,000)	-
Insurance recoveries	-	-	18,613	18,613
Total other financing sources (uses)	(1,555,000)	(750,000)	(731,387)	18,613
Net change in fund balances	(710,735)	162,500	228,862	66,362
Fund balances - beginning	1,538,938	1,538,938	1,538,938	-
Fund balances - ending	$ 828,203	$ 1,701,438	$ 1,767,800	$ 66,362

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

City of Burien, Washington
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,799,324	$ 1,601,851
Accounts receivable	171,406	-
Due from other governments	14,947	-
Total current assets	4,985,677	1,601,851
Noncurrent assets:		
Land	1,076,060	-
Infrastructure	11,030,552	-
Machinery & Equipment	267,003	534,147
Construction Work In Progress	2,917,275	-
Total noncurrent assets	15,290,890	534,147
Total assets	20,276,567	2,135,998
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pension	131,107	-
Total deferred outflows of resources	131,107	-
LIABILITIES		
Current liabilities:		
Accounts payable	434,054	-
Retainage payable	63,138	-
Due to other governments	98,597	-
Accrued wages and benefits payable	71,847	-
Compensated absences	12,302	-
Accrued interest payable	1,453	-
Public works trust fund loan payable	83,031	-
Total current liabilities	764,422	-
Noncurrent liabilities:		
Compensated absences	70,168	-
Due in more than one year	415,154	-
Net pension liabilities	349,199	-
Total noncurrent liabilities	834,521	-
Total liabilities	1,598,943	-
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions	106,366	-
Total deferred inflows of resources	106,366	-
NET POSITION		
Net investment in capital assets	14,792,706	534,147
Unrestricted	3,909,659	1,601,851
Total net position	$ 18,702,365	$ 2,135,998

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, 2020

	Business-type Activities	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
OPERATING REVENUES		
Intergovernmental revenues	$ 9,448	$ -
Charges for services	3,739,158	195,000
Rents and leases	8,000	-
Miscellaneous	115	-
Total operating revenues	3,756,721	195,000
OPERATING EXPENSES		
Personnel services	1,449,136	-
Supplies	50,888	9,221
Services	552,722	-
Taxes	649	-
Depreciation	673,846	94,061
Total operating expenses	2,727,241	103,282
Operating income	1,029,480	91,718
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	46,592	9,086
Insurance Recoveries	1,191	-
Interest expense	(2,664)	-
Total nonoperating revenues (expenses)	45,119	9,086
Income before contributions and transfers	1,074,599	100,804
Transfers out	(1,140,000)	-
Change in net position	(65,401)	100,804
Total net position - beginning	18,767,766	2,035,195
Total net position - ending	$ 18,702,365	$ 2,135,999

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, 2020

	Business-type Activities - Enterprise Funds	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 3,703,862	$ -
Cash from interfund	-	195,000
Other receipts	8,115	-
Payments to employees	(1,477,723)	-
Payments to suppliers	(554,565)	(9,221)
Payment for interfund services used	(70,000)	-
Operating grants	9,448	-
Net cash provided by operating activities	1,619,137	185,779
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from (to) other funds	(1,140,000)	-
Net cash used by noncapital financing activities	(1,140,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,407,005)	(27,056)
Principal paid on capital debt	(83,031)	-
Interest paid on capital debt	(2,906)	-
Insurance Recoveries	1,191	-
Net cash used by capital and related financing activities	(1,491,751)	(27,056)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	46,592	9,086
Net cash provided by investing activities	46,592	9,086
Net increase (decrease) in cash and cash equivalents	(966,022)	167,809
Balances - beginning of year	5,765,346	1,434,042
Balances - end of the year	$ 4,799,324	$ 1,601,851
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income	$ 1,029,480	$ 91,717
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	673,846	94,061
Pension Expense	(78,625)	-
Changes in assets and liabilities:		
Accounts Payable - Supplier	(13,416)	-
Customer Receivables	(30,735)	-
Salaries & Benefits Payable	50,039	-
Intergovernmental receipts/payments	(11,452)	-
Net cash provided by operating activities	$ 1,619,137	$ 185,778
	-	
CASH RECONCILIATION		
Actual Balance - end of year	$ 4,799,324	$ 1,601,851
Balance - end of year out of balance	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

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.

The effect of 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 and proprietary funds. 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 Capital Projects Reserve Fund, and Human Services Agency 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.

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, 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 Funds

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 Statement of Net Position presents the City's Assets and Deferred Outflows of Resources, its Liabilities and Deferred Inflows of Resources, with the difference reported as Net Position. Net Position is reported in three categories:

> *Net Investment in Capital Assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets

Restricted Net Position results when constraints placed on net position are either externally imposed by creditors, grantors, contributors, and the like, or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position is the difference between Total Net Position and its other two components (Net Investment in Capital Assets and Restricted Net Position).

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, 2020, 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, 2020, $7,850 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 the price that would be paid to acquire an asset at the acquisition date.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset.

The cost of normal maintenance and repairs 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:

Type of Asset	Number of Years
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 or asset, 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. ACCOUNTING AND REPORTING CHANGES

Effective for fiscal year 2020 reporting, the City implemented the following new accounting and reporting standard issued by the Governmental Accounting Standards Board (GASB):

GASB Statements No. 84 – Fiduciary Activities

Statement 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statement of changes in fiduciary net position.

The City no longer reports Fiduciary Fund statements. The Human Services Agency Fund has moved from Fiduciary Funds to the General Fund as a result of implementing GASB 84.

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, 2020, the carrying amount of the City's demand deposits with Key Bank was $3,846,018. 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, 2020, the City had the following investments and maturity:

	Amortized Cost	Less than One Year
State Treasurer's Local Government Investment Pool	$40,270,730	$40,270,730
Total Investments	$40,270,730	$40,270,730

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, 2020, 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 2020 was $1.03759 per $1,000 of the assessed valuation of $7,877,912,707 for a total regular levy of $8,087,676, 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					
		General Fund	Street Fund	Debt Service Fund	All Others	Surface Water Fund	**Total**
Transfer To	General Fund		$ 40,000	$ 90,000		$ 40,000	**$ 170,000**
	Debt Service Fund	340,000	310,000		1,424,652		**2,074,652**
	Parks & GG CIP Fund	1,244,340			1,300,000	1,000,000	**3,544,340**
	Transportation CIP Fund		400,000		400,000	100,000	**900,000**
	All Others	634,728					**634,728**
	Total	**$ 2,219,068**	**$ 750,000**	**$ 90,000**	**$ 3,124,652**	**$ 1,140,000**	**$ 7,323,720**

NOTE 6. RESTRICTED COMPONENT OF NET POSITION

The government-wide statement of net position reports $3,823,015 of restricted component of net position, of which $3,798,821 is restricted by enabling legislation. The balance of $24,194 is restricted by debt covenants.

NOTE 7. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2020 was as follows:

	Primary Government			
	Beginning Balance 1/1/2020	Increases	Decreases	Ending Balance 12/31/2020
Governmental activities :				
Capital assets, not being depreciated:				
Land and land improvements	$ 25,674,651	$ -	$ -	$ 25,674,651
Construction in progress	9,410,269	10,999,162	-	20,409,431
Total capital assets, not being depreciated	35,084,920	10,999,162	-	46,084,082
Capital assets, being depreciated:				
Buildings and structures	15,099,531	-	-	15,099,531
Other improvements	20,033,241	315,050	-	20,348,291
Machinery and equipment	4,772,037	82,706	-	4,854,743
Infrastructure	125,410,063	-	-	125,410,063
Total capital assets being depreciated	165,314,872	397,756	-	165,712,628
Less accumulated depreciation for:				
Buildings and structures	(7,502,976)	(722,677)	-	(8,225,653)
Other improvements	(6,828,936)	(935,127)	-	(7,764,063)
Machinery and equipment	(3,135,892)	(189,154)	-	(3,325,046)
Infrastructure	(68,660,179)	(3,603,867)	-	(72,264,046)
Total accumulated depreciation	(86,127,983)	(5,450,825)	-	(91,578,808)
Total capital assets, being depreciated, net	79,186,889	(5,053,069)	-	74,133,820
Intangible Assets:				
Intangible assets, not being amortized	-	-	-	-
Intangible assets, being amortized	818,004	41,959	-	859,963
Less accumulated amortization	(478,171)	(92,958)	-	(571,129)
Total intangible asset, being amortized, net	339,833	(50,999)	-	288,834
Governmental activities capital assets, net	$ 114,611,642	$ 5,895,094	$ -	$ 120,506,736
Business-type activities:				
Capital assets, not being depreciated:				
Land and land improvements	$ 1,076,060	$ -	$ -	$ 1,076,060
Construction in progress	1,088,543	1,828,732	-	2,917,275
Total capital assets, not being depreciated	2,164,603	1,828,732	-	3,993,335
Capital assets, being depreciated:				
Buildings and structures	-	-	-	-
Infrastructure	18,309,195	-	-	18,309,195
Machinery and equipment	546,850	-	-	546,850
Total capital assets being depreciated	18,856,045	-	-	18,856,045
Less accumulated depreciation for:				
Buildings and structures	-	-	-	-
Infrastructure	(6,639,831)	(638,811)	-	(7,278,642)
Machinery and equipment	(244,812)	(35,035)	-	(279,847)
Total accumulated depreciation	(6,884,643)	(673,846)	-	(7,558,489)
Total capital assets, being depreciated, net	11,971,402	(673,846)	-	11,297,556
Intangible Assets:				
Intangible assets, not being amortized	-	-	-	-
Intangible assets, being amortized	10,950	-	-	10,950
Less accumulated amortization	(10,950)	-	-	(10,950)
Total intangible asset, being amortized, net	-	-	-	-
Business-type activities capital assets, net	$ 14,136,005	$ 1,154,886	$ -	$ 15,290,891

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	$ 644,212	$ 91,249	$ 735,460
Public Safety	5,179	-	5,179
Transportation	3,673,149	-	3,673,149
Culture and Recreation	1,112,536	-	1,112,536
Economic Environment	15,749	1,710	17,459
Total - Governmental activities	$ 5,450,824	$ 92,958	$ 5,543,782
Business-type activities			
Surface Water Management	$ 673,846	$ -	$ 673,846
Total - Business-type activities	$ 673,846	$ -	$ 673,846

NOTE 8. CONSTRUCTION COMMITMENTS

The City had ten active construction projects as of December 31, 2020. At year-end, the City 's commitments with contractors are as follows:

Project Name	Total Contract Amount w/Change Order	Amount Paid Through 12/31/20	Balance Remaining
Annex Demolition	$ 596,191	$ 559,065	$ 37,127
1st Avenue South, Paving	2,144,805	1,862,354	282,451
5th Avenue South Traffic Calming	1,125,766	751,325	374,440
Peter Western Bridge Replacement	8,641,547	8,462,232	179,315
South 144th Way Improvements	2,875,154	2,800,673	74,481
Cove Point Outfall Repair	129,999	118,642	11,357
Eagle Landing Park Storm Drainage Improvements	632,238	609,021	23,217
Hermes Outlet Improvements	462,954	439,336	23,618
King County Courthouse Stormwater Project	80,000	53,801	26,199
Miller Creek Enhancements	985,000	-	985,000

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	88,688
2010 Limited Tax G.O. - Street Overlay	2010-2029	2.00-6.13%	8,615,000	445,000
2011 Limited Tax G.O. - 2002 Refunding & 1st Avenue South	2011-2031	2.00-4.00%	8,550,000	520,000
2016 Limited Tax G.O. Refunding Bonds	2016-2026	2.00-4.00%	5,320,000	510,000

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

General Obligation Bonds
For the Year Ended December 31, 2020

	Governmental Activities	
Year Ending December 31	Principal	Interest
2021	1,563,688	758,748
2022	1,632,303	691,194
2023	1,465,918	620,727
2024	1,519,774	556,747
2025-2029	6,513,339	1,536,049
2030-2034	1,632,338	269,601
2035-2038	695,526	58,170
Total General Obligation Bonds	**$ 15,022,886**	**$ 4,491,237**

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 $129,179 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 $481,078 with the City's half equaling $240,539. 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 $498,185.

Public Works Trust Fund (PWTF) Loans
For the Year Ended December 31, 2020

	Governmental Activities	
Year Ending December 31	Principal	Interest
2021	189,312	1,848
2022	60,135	902
2023	60,135	602
2024	60,135	301
Total PWTF Loans	**$ 369,717**	**$ 3,653**

Business Type Activities Public Works Trust Fund Loans For the Year Ended December 31, 2020			
Year Ending December 31	Principal	Interest	Total Public Works Trust Fund Loans
2021	83,031	2,491	85,522
2022	83,031	2,076	85,107
2023	83,031	1,661	84,692
2024	83,031	1,245	84,276
2025-2026	166,062	1,245	167,307
Total Business Type Activities	**$ 498,186**	**$ 8,718**	**$ 506,904**

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, 2020 is $105,556. 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 $240,539. The delinquent special assessments receivable balance as of December 31, 2019 is $7,850. 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 (PWTFL) For the Year Ended December 31, 2020		
	Governmental Activities	
Year Ending December 31	Principal	Interest
2021	112,913	1,730
2022	112,912	1,166
2023	60,135	601
2024	60,134	301
Total Special Assessment Debt	**$ 346,094**	**$ 3,798**

NOTE 10. CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2020	Additions	Reductions	Ending Balance 12/31/2020	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2010 Limited Tax G.O. Bond	5,055,000	-	(435,000)	4,620,000	445,000
2011 Limited Tax G.O. Bond	5,135,000	-	(500,000)	4,635,000	520,000
2016 Limited Tax G.O. Refunding Bonds	3,885,000	-	(490,000)	3,395,000	510,000
Premium on 2016 LTGO Refunding Bonds	549,863		(78,552)	471,311	78,552
Total bonds payable	14,624,863	-	(1,503,552)	13,121,311	1,553,552
Due to Other Governments					
2009 (A) SCORE and 2009 (B) SCORE	-	-	-	-	
2019 SCORE Refunding Bonds (Ref 2009A & 2009B)	2,460,851	-	(87,965)	2,372,886	88,688
Total due to other governments	2,460,851	-	(87,965)	2,372,886	88,688
Special Assessment Debt with government commitment (PWTFL)					
LID #1 - PW-02-691-007 - SW 152nd St Enhancement Project	158,333	-	(52,778)	105,555	52,778
LID #2 - PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	300,674	-	(60,135)	240,539	60,135
Total special assessment debt	459,007	-	(112,913)	346,094	112,913
Public Works Trust Fund Loans:					
PW-01-691-009 - SW 152nd St Enhancement Project	258,355	-	(129,177)	129,178	129,177
PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	300,674	-	(60,135)	240,539	60,135
Total public works trust fund loans	559,029	-	(189,312)	369,717	189,312
Compensated absences	306,561	461,043	(264,210)	503,394	40,272
Net Pension Liabilities	2,129,324		(99,972)	2,029,352	-
Total governmental activities	$ 20,539,635	$ 461,043	$ (2,257,924)	$ 18,742,754	$ 1,984,736
Business-Type Activities:					
Public Works Trust Funds Loan:					
PW-06-962-010 Ambaum Regional Pond Expansion Project	581,215	-	(83,031)	498,184	83,031
Total public works trust fund loan	581,215	-	(83,031)	498,184	83,031
Compensated absences	47,438	67,923	(39,091)	76,270	6,102
Net Pension Liabilities	328,072	21,127		349,199	-
Total business-type activities	$ 956,725	$ 89,050	$ (122,122)	$ 923,653	$ 89,132
Total Government and Business Type Activities	$ 21,496,360	$ 550,093	$ (2,380,046)	$ 19,666,407	$ 2,073,869

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 $503,394, an increase of $196,833 from the previous year that also increases 2020 government expenditures by the same amount. The liability for the proprietary fund is $76,270, an increase of $28,832 over 2019. 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 2020:

Aggregate Pension Amounts – All Plans	
Pension liabilities	$ (2,378,550)
Pension assets	$0
Deferred outflows of resources	$893,031
Deferred inflows of resources	$(724,505)
Pension expense/expenditures	$80,755

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 2020 were as follows:

PERS Plan 1		
Actual Contribution Rates	**Employer**	**Employee***
January – August 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	**12.86%**	**6.00%**
September– December 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	**12.97%**	**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 2020 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	**Employer 2/3**	**Employee 2***
January – August 2020		
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%**
September –December 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	**12.97%**	**7.90%**

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

The City of Burien's actual PERS plan contributions were $335,474 to PERS Plan 1 and $554,514 PERS Plan 2/3 for the year ended December 31, 2020.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Experience Study* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30,

2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, 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 developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. 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 its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

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 was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's 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 the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the

Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

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, 2020, 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	$2,024,374	$1,616,193	$1,260,218
PERS 2/3	$4,743,506	$762,344	$(2,516,146)

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, 2020, the City of Burien reported a total pension liability of $2,378,550 for its proportionate share of the net pension liabilities as follows:

Plan	Liability (or Asset)
PERS 1	$1,616,211
PERS 2/3	$762,340

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

	Proportionate Share 6/30/19	Proportionate Share 6/30/20	Change in Proportion
PERS 1	0.048191%	0.045778%	-0.002413%
PERS 2/3	0.062211%	0.059607%	-0.002604%

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.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2020, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2020, the City of Burien recognized pension expense as follows:

Plan	Pension Expense
PERS 1	$(19,939)
PERS 2/3	$100,693
TOTAL	**$80,755**

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, 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	$(8,998)
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	$168,785	0
TOTAL	**$168,785**	**$(8,998)**

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$272,907	$(95,539)
Net difference between projected and actual investment earnings on pension plan investments	$0	$(38,716)
Changes of assumptions	$10,858	$(520,744)
Changes in proportion and differences between contributions and proportionate share of contributions	$163,314	$(60,508)
Contributions subsequent to the measurement date	$277,166	$0
TOTAL	**$724,244**	**$(715,507)**

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, 2021. 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
2021	$(40,835)	$(290,715)
2022	$(1,284)	$(50,002)
2023	$12,460	$39,160
2024	$20,661	$94,179
2025		$(16,851)
Thereafter		$(44,200)

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, 2020, there were ninety active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2020, was $7,155,711 out of total payroll of $7,421,130. Employee contributions during the year totaled $443,654. City contributions were $443,654.

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, 2020, 262 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.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, 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 2020, 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 Trust 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 AWC Trust 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 AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust 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 AWC 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 misdemeanant 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).

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.

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 for the 2019 Bonds:

Summary of Debt Service Requirements - Refunding Bonds, 2019 (Ref 2009A & 2009B)

Debt Service Schedule				Debt Service Allocation to Owner Cities					
				Auburn	Burien	Des Moines	Renton	SeaTac	Tukwila
Year	Principal	Interest	Total	34.94%	4.82%	6.02%	40.96%	3.62%	9.64%
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	2,155,000	1,757,100	3,912,100	1,366,888	188,563	235,508	1,602,396	141,618	377,126
2026-2030	12,490,000	7,058,750	19,548,750	6,830,333	942,250	1,176,835	8,007,168	707,665	1,884,500
2031-2035	15,745,000	3,800,650	19,545,650	6,829,250	942,100	1,176,648	8,005,898	707,553	1,884,201
2036-2038	11,025,000	704,450	11,729,450	4,098,270	565,359	706,113	4,804,384	424,606	1,130,719
Totals	$ 49,230,000	$ 21,146,150	$ 70,376,150	24,589,426	3,392,130	4,236,644	28,826,072	2,547,617	6,784,261

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 summary of the Capital Contributions for the 2019 Bonds is condensed (unaudited) financial information reported as of December 31, 2020 in relation to SCORE:

South Correctional Entity (SCORE)

Member City	2019 Percent of Equity	2019 Equity Balance	2020 Percent of Equity	2020 Apportionment	2020 Equity Balance
Auburn	42.75%	$ 13,485,956	43.05%	$ (518,256)	$ 12,967,700
Burien	5.21%	1,642,751	5.14%	(94,368)	$ 1,548,383
Des Moines	4.65%	1,465,438	4.62%	(72,731)	$ 1,392,707
Renton	31.93%	10,070,783	31.70%	(524,445)	$ 9,546,337
SeaTac	7.59%	2,395,411	7.66%	(88,853)	$ 2,306,559
Tukwila	7.87%	2,481,579	7.83%	(123,602)	$ 2,357,977
Grand Totals	100.00%	$ 31,541,918	100.00%	$ (1,422,255)	$ 30,119,663

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

Joint Venture Reconciliation to the Government-wide Financial Statements

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

Investment in Joint Venture - SCORE	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020
SCORE Public Development Authority Refunding Bonds, 2019 (Ref 2009A & 2009B)	2,460,851	-	(87,965)	2,372,886
Total Due to Other Governmental Units	2,460,851	-	(87,965)	2,372,886
South Correctional Entity (SCORE)	1,642,751		(94,368)	1,548,383
Total Joint Venture Equity Share	1,642,751	-	(94,368)	1,548,383
Total Investment in Joint Venture	**$ 4,103,602**	**$ -**	**$ (182,333)**	**$ 3,921,269**

NOTE 14. PRIOR PERIOD ADJUSTMENTS

Governmental activities

A prior period adjustment of $634,728 was required to properly recognize police seizure revenues collected in the General Fund in prior years. At the time of collection, the City recorded a liability and only recognized the revenues as it made eligible expenditures. The City corrected this accounting error in 2020 and created two new funds to ensure proper accounting and reporting of these funds.

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 162 members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are $4 million per occurrence in the self-insured layer, and $21 million in limits above the self-insured layer is provided by reinsurance. Total limits are $25 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to $750,000, for all perils other than flood and earthquake, and insured above that to $400 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.

The amount of settlements has not exceeded insurance coverage in any of the past three fiscal years.

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, 2020, 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.

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 2020 was $121,818.

NOTE 18. COVID-19 PANDEMIC

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, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

City facilities have been closed to the public for over a year. City Council meetings are now help virtually and many city employees work remotely. The city has remained economically stable in most regards, and continues to adapt to the changing conditions, however, the length of time these measures will be in place, and the full extent of the financial impact on the city is unknown at this time.

NOTE 19. SUBSEQUENT EVENTS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) into law. The Rescue Plan will provide needed relief to state, local, and Tribal governments to enable them to continue to support the public health response and lay the foundation for a strong and equitable economic recovery. In addition to helping these governments address the revenue losses they have experienced as a result of the crisis, it will help them cover the costs incurred due responding to the public health emergency and provide support for a recovery – including through assistance to households, small businesses and nonprofits, aid to impacted industries, and support for essential workers. It will also provide resources for state, local, and Tribal governments to invest in infrastructure, including water, sewer, and broadband services.

The City of Burien will be classified as an entitlement city, and therefore can receive funding directly from the U.S. Department of Treasury. The current allocation for the City is $10.8 million.

The City issued $8,325,000 Limited Tax General Obligation Refunding Bonds in September 2021. Proceeds of the Bonds will be used to refund all of Burien's outstanding Limited Tax General Obligation Bonds 2010B (Taxable Build America Bonds – Direct Payment to Issuer) and Limited Tax General Obligation and Refunding Bonds, 2011, and to pay the costs of issuance of the Bonds. Moody's Investors Service upgraded the City's rating from Aa2 to Aa1.

City of Burien
Schedule of Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
As of June 30, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
PERS 1							
Employer's proportion of the net pension liability (asset)	0.04578%	0.04819%	0.04567%	0.04306%	0.04318%	0.04382%	0.043474%
Employer's proportionate share of the net pension liability	$ 1,616,211	$ 1,853,115	$ 2,039,593	$ 2,043,093	$ 2,318,691	$ 2,291,974	$ 2,190,041
Employer's covered employee payroll	$ 6,947,773	$ 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	23.26%	27.40%	33.54%	37.63%	44.86%	46.43%	47.48%
Plan fiduciary net position as a percentage of the total pension liability	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%
PERS 2/3							
Employer's proportion of the net pension liability (asset)	0.05961%	0.06221%	0.05863%	0.05538%	0.05532%	0.05486%	0.052156%
Employer's proportionate share of the net pension liability	$ 762,340	$ 604,280	$ 1,000,970	$ 1,924,295	$ 2,785,309	$ 1,960,178	$ 1,054,262
Employer's covered employee payroll	$ 6,947,773	$ 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	10.97%	8.94%	16.46%	35.44%	53.89%	39.71%	22.85%
Plan fiduciary net position as a percentage of the total pension liability	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

Notes to Schedule:
*Until a full 10-year trend is compiled, only information for those years available is presented.

City of Burien
Schedule of Employer Contributions
Public Employees' Retirement System
As of December 31, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
PERS 1							
Statutorily or contractually required contributions	$ 335,474	$ 345,547	$ 322,649	$ 274,203	$ 237,088	$ 229,871	$ 202,489
Contributions in relation to the statutorily or contractually required contributions	$ (335,474)	$ (345,547)	$ (322,649)	$ (274,203)	$ (237,088)	$ (229,871)	$ (202,489)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,001,425	$ 6,925,207	$ 6,376,230	$ 5,806,250	$ 4,970,388	$ 5,248,139	$ 4,836,511
Contributions as a percentage of covered payroll	4.79%	4.99%	5.06%	4.72%	4.77%	4.38%	4.19%
PERS 2/3							
Statutorily or contractually required contributions	$ 554,514	$ 508,098	$ 478,159	$ 383,326	$ 309,654	$ 295,067	$ 234,504
Contributions in relation to the statutorily or contractually required contributions	$ (554,514)	$ (508,098)	$ (478,159)	$ (383,326)	$ (309,654)	$ (295,067)	$ (234,504)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,001,425	$ 6,925,207	$ 6,376,230	$ 5,806,250	$ 4,970,388	$ 5,248,139	$ 4,836,511
Contributions as a percentage of covered payroll	7.92%	7.34%	7.50%	6.60%	6.23%	5.62%	4.85%

Notes to Schedule:
*Until a full 10-year trend is compiled, only information for those years available is presented.

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

The required contrbutions 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.

City of Burien
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Passed through to Subrecipients	Note
CDBG - Entitlement Grants Cluster								
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via King County Housing & Community Development)	Community Development Block Grants/Entitlement Grants	14.218	C18571-1127749	19,633	-	19,633	-	1, 2, 8
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via King County Housing & Community Development)	Community Development Block Grants/Entitlement Grants	14.218	C19271-6092279	45,000	-	45,000	45,000	1, 2, 8
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via King County Housing & Community Development)	Community Development Block Grants/Entitlement Grants	14.218	C19473-1127756	69,377	-	69,377	-	1, 2, 8
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via King County Housing & Community Development)	Community Development Block Grants/Entitlement Grants	14.218	C20172-1127776	47,892	-	47,892	47,892	1, 2, 8
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via King County Housing & Community Development)	Community Development Block Grants/Entitlement Grants	14.218	C20271-1128100	48,207	-	48,207	-	1, 2, 8

The accompanying notes are an integral part of this schedule.

City of Burien
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Passed through to Subrecipients	Note
	Total CDBG - Entitlement Grants Cluster:			**230,109**	**-**	**230,109**	92,892	
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Department of Transportation)	Highway Planning and Construction	20.205	LA 9888	2,131,567	-	2,131,567	-	1, 2, 8
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Department of Transportation)	Highway Planning and Construction	20.205	LA 9326	5,673,823	-	5,673,823	-	1, 2, 8
	Total Highway Planning and Construction Cluster:			**7,805,390**	**-**	**7,805,390**	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Washington Department of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C-127	2,340,000	-	2,340,000	1,515,318	1, 2, 8
NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL ENDOWMENT FOR THE ARTS (via Washington State Arts Commission)	Promotion of the Arts Partnership Agreements	45.025	1809822-61-18	2,800	-	2,800	-	1, 2, 8
	Total Federal Awards Expended:			**10,378,299**	**-**	**10,378,299**	**1,608,210**	

The accompanying notes are an integral part of this schedule.

City of Burien

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the city's financial statements. The city uses the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds.

Note 2 – Federal De Minimis Indirect Cost Rate

The city has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, however, the amount expended includes $0 claimed as an indirect cost recovery.

Note 8 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the city's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 9 – Donated Personal Protective Equipment

The city received donations of 48,000 cloth masks from King County, purchased under CFDA 21.019 (Coronavirus Relief Fund), for use in COVID-19 response activities. The fair market value was $1 per mask, for a total value of $48,000 *(unaudited)*.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

Stay connected at sao.wa.gov

- Find your audit team
- Request public records
- Search BARS manuals (GAAP and cash), and find reporting templates
- Learn about our training workshops and on-demand videos
- Discover which governments serve you — enter an address on our map
- Explore public financial data with the Financial Intelligence Tool

Other ways to stay in touch

- Main telephone: (564) 999-0950
- Toll-free Citizen Hotline: (866) 902-3900
- Email: webmaster@sao.wa.gov