2021 Annual Financial Report

For the year ended December 31, 2021



City of Burien, Washington

400 SW 152nd St., Suite 300
Burien, WA 98166
(206) 241-4647

Burien

The City of Burien, Washington

ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2021

Prepared by:
City of Burien Finance Department
400 SW 152nd St., Suite 300
Burien, Washington 98166
(206) 241-4647
Website: www.burienwa.gov

BURIEN CITY COUNCIL

Jimmy Matta, Mayor

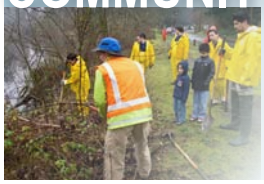
Sofia Aragon
Krystal Marx
Cydney Moore
Pedro Olguin
Kevin Schilling
Nancy Tosta

VISION FOR BURIEN

Our Future. Our Choices.

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

COMMUNITY



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

DIVERSITY



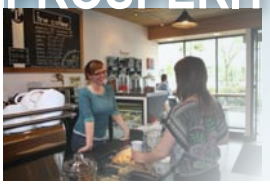
- **Inclusive** — Burien embraces diversity and welcomes all residents.
- **Multicultural** — Burien celebrates the many cultures and backgrounds of its residents.
- **Multi-centered** — Burien cultivates a thriving array of business and community centers.

ENVIRONMENT



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

PROSPERITY



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

EDUCATION & YOUTH



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

HEALTH & SAFETY



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

GOVERNANCE



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

Final Approved Vision - July 11, 2011

VISION FOR BURIEN

Our Future. Our Choices.



Final Approved Vision - July 11, 2011

City of Burien
Annual Financial Report
For the Fiscal Year Ended December 31, 2021

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ELECTED CITY OFFICIALS

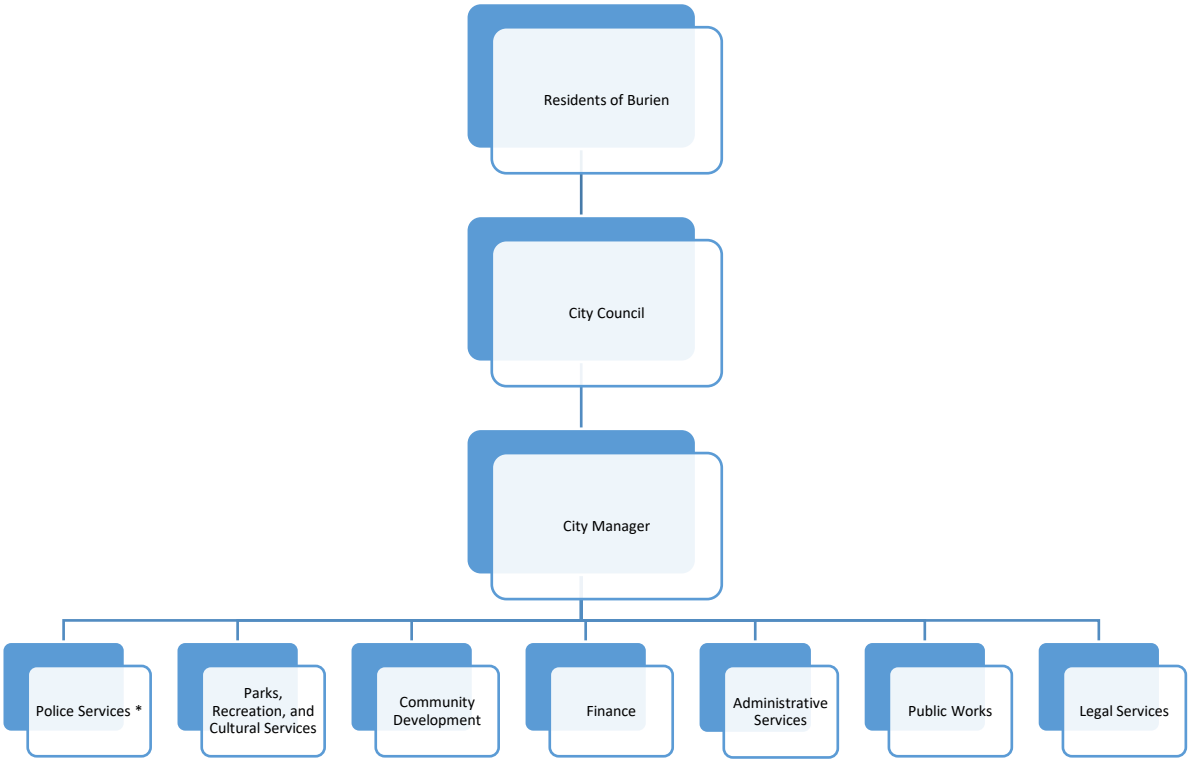
2021 City Councilmembers	Term Ending
Jimmy Matta, Mayor	December 2021
Krystal Marx, Deputy Mayor	December 2021
Sofia Aragon	December 2023
Cydney Moore	December 2023
Pedro Olguin	December 2021
Kevin Schilling	December 2023
Nancy Tosta	December 2021

2022 City Councilmembers	Term Ending
Sofia Aragon, Mayor	December 2023
Kevin Schilling	December 2023
Hugo Garcia	December 2025
Cydney Moore	December 2023
Jimmy Matta	December 2025
Sarah Moore	December 2025
Stephanie Mora	December 2025

CITY ADMINISTRATION

City Manager	Adolfo Bailon
Finance Director	Eric Christensen
City Attorney	Garmon Newsom II
Community Development Director	Susan McLain
Parks, Recreation, and Cultural Services Director	Carolyn Hope
Public Works Director	Maiya Andrews
Chief of Police (contract)	Theodore Boe

City of Burien, Washington
Organizational Chart



** Contracted Services*

Prepared By:

Eric Christensen
Finance Director

Anna Swart
Finance Manager

Penelope Penaflor
Accountant

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) is intended to be an easily read analysis of the City of Burien's (the City) 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, 2021, by $180.7 million (net position). Of this amount, $49.1 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, $3.7 million is restricted for capital projects, $0.7 million is restricted for drug enforcement, $0.1 million is restricted for housing support, $1.1 million is restricted for pensions, and $125.3 million is net investment in capital assets.
- The City's total net position increased by $14.1 million. This amount includes an increase of $7.9 million in unrestricted net position, an increase of $2.5 million in restricted net position, and an increase of $3.8 million in net investment in capital assets.
- As of December 31, 2021, the City of Burien's governmental funds reported a combined ending fund balance of almost $47.1 million. This is an increase of $9.3 million compared to the prior year amount of $37.8 million. Of the current year's combined ending fund balance, $41.6 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, 2021, the total of assigned and unassigned General Fund balance was $30.1 million, or 104% of total General Fund expenditures. This is an increase of $4.9 million from the prior year.
- Governmental long-term liabilities in total decreased by $3.3 million and business-type long term liabilities by $0.3 million as a result of scheduled debt service payments and Governmental refunding bonds issued. The City's long-term debt decreased during 2021 by $3.6 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 purpose 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 $180.7 million at the close of the fiscal year. During fiscal year 2021, net position increased $14.1 million. This increase is due to a $14.1 million increase in cash (partially offset by a $5.5 million liability for unearned revenue), as well as a $3.6 million reduction in long-term and net pension liabilities and a $2.0 million increase in capital assets. The majority of the net position, $125.3 million or 69% 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 $49.1 million may be used to meet the government's ongoing obligations.

City of Burien's Net Position at Year-End

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital assets (net of accumulated depreciation)	$ 122,408,552	$ 124,428,011	$ 15,424,716	$ 15,290,890	$ 137,833,268	$ 139,718,901
Other assets	67,548,636	45,147,544	5,822,787	4,985,677	73,371,423	50,133,221
Total assets	189,957,188	169,575,555	21,247,503	20,276,567	211,204,691	189,852,122
Deferred outflows of resources	693,049	784,297	126,938	131,107	819,987	915,404
Long-term liabilities	13,493,611	16,758,018	509,482	834,521	14,003,093	17,592,539
Other liabilities	10,442,646	5,129,367	867,746	764,422	11,310,392	5,893,789
Total liabilities	23,936,257	21,887,385	1,377,228	1,598,943	25,313,485	23,486,328
Deferred inflows of resources	5,098,089	618,140	933,760	106,366	6,031,849	724,506
Net position:						
Net investment in capital assets	110,272,255	106,691,993	15,009,563	14,792,706	125,281,818	121,484,699
Restricted	6,114,509	3,823,015	165,972	-	6,280,481	3,823,015
Unrestricted	45,229,128	37,339,319	3,887,918	3,909,659	49,117,046	41,248,978
Total net position	$ 161,615,892	$ 147,854,327	$ 19,063,453	$ 18,702,365	$ 180,679,345	$ 166,556,692

Total net position for governmental activities increased by $13.8 million to $161.6 million. Total assets and deferred outflows increased by $20.3 million primarily due to a $14.1 million increase in cash, and a $5.8 million pension asset. Total liabilities and deferred inflows increased by $6.5 million due to $5.5 million unearned revenues from the receipt of Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

Total net position for business-type activities increased by $0.4 million to $19.1 million primarily due to the receipt of operating grants.

CHANGE OF NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2021:

The Statement of Activities shows a net increase in the City of Burien's net position of $14.1 million. Below is a summary version of the Statement of Activities.

Summary of Revenues

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	$ 5,513,401	$ 3,952,199	$ 3,757,688	$ 3,739,159	$ 9,271,089	$ 7,691,358
Operating grants & contributions	5,236,489	6,786,020	210,253	10,639	5,446,742	6,796,659
Capital grants & contributions	6,350,885	8,598,110	232	-	6,351,117	8,598,110
General revenues:					-	-
Property taxes	8,396,850	8,259,536	-	-	8,396,850	8,259,536
Sales and use taxes	10,606,435	10,057,490	-	-	10,606,435	10,057,490
Other taxes	10,291,327	7,155,329	-	-	10,291,327	7,155,329
Investment interest	47,751	244,111	16,954	46,592	64,705	290,703
Gain on disposal of capital assets	1,224,782	78,913	-	-	1,224,782	78,913
Miscellaneous	347,554	227,452	13,500	8,115	361,054	235,567
Total revenue	$ 48,015,474	$ 45,359,160	$ 3,998,627	$ 3,804,505	$ 52,014,101	$ 49,163,665

Summary of Expenses

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Expenses						
General government	$ 6,724,894	$ 7,188,457	$ -	$ -	$ 6,724,894	$ 7,188,457
Judicial	303,008	309,633	-	-	303,008	309,633
Public safety	13,543,506	14,425,097	-	-	13,543,506	14,425,097
Natural environment	258,609	256,698	-	-	258,609	256,698
Transportation	6,366,905	5,908,243	-	-	6,366,905	5,908,243
Economic environment	3,038,406	4,291,399	-	-	3,038,406	4,291,399
Social services	47,063	24,841	-	-	47,063	24,841
Culture and recreation	4,068,945	4,170,682	-	-	4,068,945	4,170,682
Interest on long-term debt	592,574	572,066	-	2,664	592,574	574,730
Surface water management	-	-	2,947,539	2,727,241	2,947,539	2,727,241
Total expenses	$ 34,943,909	$ 37,147,116	$ 2,947,539	$ 2,729,905	37,891,448	39,877,021
						-
Increase in net position before transfers	13,071,565	8,212,044	1,051,088	1,074,600	14,122,653	9,286,644
Transfers	690,000	1,140,000	(690,000)	(1,140,000)	-	-
Increase in net position	13,761,565	9,352,044	361,088	(65,400)	14,122,653	9,286,644
Net position - January 1	147,854,329	137,867,557	18,702,366	18,767,766	166,556,695	156,635,323
Prior period adjustment	-	634,728	-	-	-	634,728
Net position - January 1, restated	147,854,329	138,502,285	18,702,366	18,767,766	166,556,695	157,270,051
Net position - December 31	$ 161,615,894	$ 147,854,329	$ 19,063,454	$ 18,702,366	$ 180,679,348	$ 166,556,695

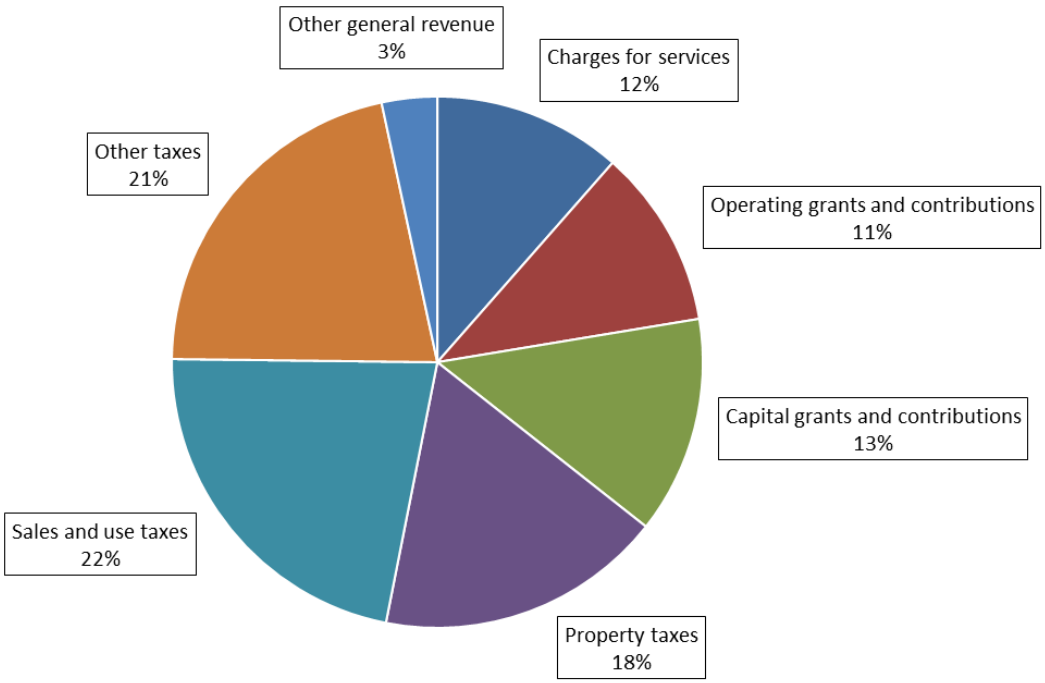
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES FOR FISCAL YEAR ENDING DECEMBER 31, 2021

Governmental Activities

Governmental activity revenues increased by $2.7 million to $48.0 million. Charges for services increased by $1.5 million, returning to pre-pandemic levels. Operating grants and contributions decreased by $1.5 million and capital grants and contributions decreased by $2.2 million. Gain on sale of capital assets increased by $1.1 million due to the sale of a land parcel.

As shown by the chart below, taxes represent 61% of the City's total governmental revenues. Of this amount, 18% are property taxes, 22% are sales taxes, and 21% are other taxes – notably utility taxes, business and occupation taxes and real estate excise taxes. Charges for services and grants & contributions represent 36% of the City's governmental revenues.

Revenues by Source - Governmental Activities, 2021



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

- Capital grants and contributions decreased by $2,247,225, primarily due to the completion of grant-funded capital projects, including the Peter Western Bridge Replacement and S. 144th Way Improvements.
- Charges for Services increased by $1,561,202, returning to pre-pandemic levels.
- Operating Grants and Contributions decreased by $1,549,531, primarily due to the one-time 2020 COVID-19 Coronavirus Relief Funds issued by the U.S. Department of Treasury.
- Property taxes increased by $137,314.
- Sales Taxes increased by $548,945.
- Other Taxes increased $3,135,998. Business and Occupation taxes increased by $1,744,519, and Real Estate Excise Taxes increased by $1,317,537.
- Investment Interest decreased by $196,360 due to low interest rates.

Governmental expenses decreased by $2.2 million or 6% to $34.9 million. Expenditures decreased primarily due to one-time expenditures in 2020 that were reimbursed by COVID-19 Coronavirus Relief Funds.

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

- Salaries and wages increased overall due to the termination of furloughs and the filling of vacancies from the prior year.
- General government expenditures decreased by $463,563.

- Public Safety expenditures decreased by $881,591, mainly due to 2020 cost savings related to vacancies and recognized in 2021 as part of the annual reconciliation.
- Transportation expenditures increased by $458,662, returning to pre-pandemic levels.
- Economic Environment expenditures decreased $1,252,993 due to the City's use of Coronavirus Relief Act funds to support the community in 2020.

Business-type Activities

Business-type activity revenues increased by $194,122 due to the receipt of operating grants and contributions in 2021.

Business-type expenses increased by $217,634 primarily in salaries and benefits.

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, 2021, is $47,079,966 an increase of $9,281,358 from the prior year. Of the General Fund balance of $30,478,329, $18,635,227 or 61%, is unassigned. The primary reason for the increase in fund balance is the increase in revenues to pre-pandemic levels.

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 $6.2 million for 2021. Furthermore, $146,350 is restricted for investments in affordable and supportive housing. Of the fund balance $7,500,000 is assigned for a capital partnership reserve, $2,955,423 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, $103,329 is committed for arts projects.

The Street Fund, comprised of Motor Vehicle Fuel Tax revenues and other revenues designated by the City's financial policies, decreased its fund balance by $0.6 million to $1.2 million. The decrease was due to interfund transfers for capital projects. 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 increased by $0.04 million to $0.06 million. The fund balance is restricted for debt service, and there is no minimum fund balance requirement.

The Parks and General Government Capital Improvement Projects Fund increased its fund balance by $0.2 million to $4.7 million. This fund provides for the completion of capital projects for City parks and general government facilities and is primarily funded through grants and interfund transfers. The fund balance increased due to large

transfers from the General, Public Woks Reserve, and Surface Water Management Funds. 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 $3.3 million to $5.6 million, mainly due to the timing of expenditures and amounts of interfund transfers from the General, Surface Water Management, and Transportation Benefit District funds. This fund provides for the completion of transportation or street-related capital projects, which sometimes have a storm drainage component. Funds are provided through grants and interfund transfers. The fund balance is used for projects in future years, and there is no minimum fund balance requirement.

Proprietary Funds

The City has one proprietary fund, the Surface Water Management Fund. The Surface Water Management Fund's revenue is comprised of surface water management fees and grants to fund surface water operations and capital improvement projects. The increase in net position of $0.4 million reflects the increased level of grant funding received. The fund balance policy is to maintain a minimum of 5% of recurring revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The 2021 budget was amended twice during the year. Ordinance No. 770 increased expenditure authority in the General Fund by $816,037 for carryover budgets from the previous biennium and recognized $392,424 of grant funding awarded. Significant carryover items include:

- $284,503 – King County grant Revenue and Expenditure for the Community Development Block Grant
- $86,121 – SEA Airport Sustainable Airport Master Plan (SAMP) Environmental Review and Analysis
- $85,000 – Ambaum Corridor/Boulevard Park Community Planning
- $82,178 – Affordable Housing (Sales Tax)
- $51,139 – Burien Marketing Strategy
- $48,280 – Munis Financial Software Upgrade Project
- $32,569 – Department of Justice Grant Program

The mid-biennium budget adjustment, Ordinance No. 787, increased budgeted expenditures by $2,087,971 and revenues by $2,261,907. With a better understanding of the coronavirus pandemic's financial impacts to the City, the adjustments were related to being in a better financial position than anticipated and addressing priorities as determined by the City Council. Key changes include:

- $1,159,000 – Increase in Local Sales Tax Revenue
- $569,503 – Increase in Human Services Grant Revenues and Expenditures
- $484,000 – Increase in American Rescue Plan Act Grant Revenues and Expenditures
- $1,000,000 – Increase in Transfers to the Capital Projects Reserve Fund
- $500,000 – Increase in Transfers to the Parks & General Government CIP Fund

Actual General Fund revenues were $0.6 million greater than the final budget, primarily due to stronger charges for services and licenses and permits revenue returns than anticipated following the pandemic shutdown. Actual expenditures were $3.9 million less than the final budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2021, the City had $137.8 million in capital assets as reflected in the following table, which represents an increase of nearly $2.0 million from the previous year. The increase is the result of asset additions being offset by the annual depreciation expense and asset disposals. 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	
	2021	2020	2021	2020	2021	2020
Land	$ 25,089,672	$ 25,674,651	$ 1,076,060	$ 1,076,060	$ 26,165,732	$ 26,750,711
Construction work in progress	10,254,078	20,409,432	2,339,686	2,917,275	12,593,764	23,326,707
Buildings	6,151,202	6,873,878	-	-	6,151,202	6,873,878
Machinery, equipment, and vehicles	1,494,262	1,529,697	244,282	267,003	1,738,544	1,796,700
Other improvements	11,640,451	12,584,231	-	-	11,640,451	12,584,231
Infrastructure	67,443,324	53,146,018	11,764,688	11,030,552	79,208,012	64,176,570
Intangible assets	335,563	288,834	-	-	335,563	288,834
Total	$ 122,408,552	$ 120,506,741	$ 15,424,716	$ 15,290,890	$ 137,833,268	$ 135,797,631

Construction work in progress (CWIP) for governmental activities is $10.3 million, which is comprised of parks and street improvement projects still under construction. The CWIP amount of $2.3 million for business-type activities is surface water infrastructure projects.

The following table shows the change in capital assets between 2020 and 2021.

CHANGE IN CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Changes in capital assets						
Land	$ (584,979)	$ -	$ -	$ -	$ (584,979)	$ -
Construction work in progress	(10,155,354)	10,999,162	(577,589)	1,828,732	(10,732,943)	12,827,894
Buildings	(722,676)	(722,677)	-	-	(722,676)	(722,677)
Machinery, equipment, and vehicles	(35,435)	(106,448)	(22,721)	(35,035)	(58,156)	(141,483)
Other improvements	(943,780)	(620,076)	-	-	(943,780)	(620,076)
Infrastructure	14,297,306	(3,603,867)	734,136	(638,811)	15,031,442	(4,242,678)
Intangible assets	46,729	(50,999)	-	-	46,729	(50,999)
Total	$ 1,901,811	$ 5,895,095	$ 133,826	$ 1,154,886	$ 2,035,637	$ 7,049,981

Outstanding Debt

At the end of 2021, the City had $14.8 million in long-term debt compared to $16.7 million in 2020. The City of Burien's total long-term debt decreased by nearly $1.9 million, which reflects a reduction of $1.8 million in governmental activities and a decrease of $0.04 million in business-type activities. The decrease in outstanding debt reflects the occurrence of regularly scheduled debt service payments.

OUTSTANDING LONG-TERM LIABILITIES AT YEAR-END

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	$ 11,722,710	$ 13,121,311			$ 11,722,710	$ 13,121,311
Special obligation bonds - SCORE PDA	2,284,198	2,372,886			2,284,198	2,372,886
Special assessment debt with government commitment (public works trust fund loan)	233,181	346,092			233,181	346,092
Public works trust fund loan	180,404	369,717	415,153	498,184	595,557	867,901
Total long-term debt	$ 14,420,493	$ 16,210,006	$ 415,153	$ 498,184	$ 14,835,646	$ 16,708,190

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. The City is currently in process of determining funding priorities for the $10.8 million in federally funded SLFRF funds awarded to the City as a part of the American Rescue Plan. In addition, 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. 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

Due to the City being in a stronger financial position than anticipated, the 2022 Budget was revised to address community and City needs such as new staff positions to address increased demands for programs and services, cost of living adjustment to salaries, increased funding for professional services and supplies, and investment in Public Works and PaRCS infrastructure, including vehicles and equipment. With this budget, 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 remains fluid; therefore, 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.

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BASIC FINANCIAL STATEMENTS

City of Burien, Washington
Statement of Net Position
December 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 50,932,961	$ 4,600,865	$ 55,533,825
Receivables (net of allowance for uncollectibles)	2,402,040	167,557	2,569,597
Due from other governments	5,277,334	153,945	5,431,279
Total current assets	58,612,334	4,922,367	63,534,701
Noncurrent assets:			
Pension asset	$ 4,916,063	$ 900,421	$ 5,816,484
Investment in joint venture - SCORE	4,020,239	-	4,020,239
Land	25,089,672	1,076,060	26,165,732
Construction in progress	10,254,078	2,339,686	12,593,764
Buildings	6,151,202	-	6,151,202
Machinery, equipment, and vehicles	1,494,262	244,282	1,738,544
Other improvements	11,640,451	-	11,640,451
Infrastucture	67,443,324	11,764,688	79,208,012
Intangible assets	335,563	-	335,563
Total noncurrent assets	131,344,854	16,325,136	147,669,990
Total assets	189,957,189	21,247,503	211,204,691
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	$ 693,049	$ 126,938	$ 819,987
Total deferred outflows of resources	693,049	126,938	819,987
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	$ 2,390,534	$ 738,153	$ 3,128,687
Accrued interest payable	34,756	1,211	35,967
Due to other governments	319,901	38,468	358,368
Unearned revenues	5,506,018	-	5,506,018
Deposits payable	258,441	-	258,441
Special assessment debt with government commitment	112,913	-	112,913
Due within one year	1,820,083	89,915	1,909,997
Total current liabilities	10,442,646	867,746	11,310,392
Noncurrent liabilities:			
Special assessment debt with government commitment	$ 120,268	$ -	$ 120,268
Due in more than one year	12,904,341	423,580	13,327,921
Net pension liabilities	469,002	85,902	554,903
Total noncurrent liabilities	13,493,611	509,482	14,003,093
Total liabilities	23,936,257	1,377,228	25,313,485
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	$ 5,098,089	$ 933,760	$ 6,031,849
Total deferred inflows of resources	5,098,089	933,760	6,031,849
NET POSITION			
Net investment in capital assets	$ 110,272,255	$ 15,009,563	$ 125,281,817
Restricted for:			
Capital Projects	3,726,999	-	3,726,999
Debt Service	227,507	-	227,507
Drug Enforcement	653,205	-	653,205
Housing	146,350	-	146,350
Pensions	906,162	165,972	1,072,134
Transportation	454,286	-	454,286
Unrestricted	45,229,128	3,887,918	49,117,046
Total net position	$ 161,615,892	$ 19,063,453	$ 180,679,344

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, 2021

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	$ 6,724,894	$ 2,061,688	$ 2,858,050	$ -	$ (1,805,156)	$ -	$ (1,805,156)
Judicial	303,008	89,153	-	-	(213,855)	-	(213,855)
Public Safety	13,543,506	29,597	644,786	-	(12,869,123)	-	(12,869,123)
Natural environment	258,609	43,277	-	-	(215,332)	-	(215,332)
Transportation	6,366,905	1,269,357	1,077,647	3,196,263	(823,638)	-	(823,638)
Economic Environment	3,038,406	1,883,636	505,274	-	(649,495)	-	(649,495)
Social Services	47,063	19,535	84,440	-	56,912	-	56,912
Culture and recreation	4,068,945	117,157	66,291	3,154,623	(730,874)	-	(730,874)
Interest and fiscal charges	592,574	-	-	-	(592,574)	-	(592,574)
Total governmental activities	34,943,909	5,513,401	5,236,489	6,350,885	(17,843,134)	-	(17,843,134)
Business-type activities:							
Surface Water Management	2,947,539	3,757,688	210,253	232	-	1,020,633	1,020,633
Total business-type activities	2,947,539	3,757,688	210,253	232	-	1,020,633	1,020,633
Total primary government	$ 37,891,448	$ 9,271,088	$ 5,446,742	$ 6,351,118	$ (17,843,134)	$ 1,020,633	$ (16,822,501)
General revenues:							
Property taxes					8,396,850	-	8,396,850
Retail sales and use taxes					10,606,435	-	10,606,435
Business and occupation taxes					5,774,612	-	5,774,612
Excise taxes					847,734	-	847,734
Real estate excise taxes					3,496,578	-	3,496,578
Parking taxes					172,403	-	172,403
Unrestricted investment earnings					47,751	16,954	64,705
Miscellaneous					347,554	13,500	361,054
Gain (loss) on disposal of capital assets					1,224,782	-	1,224,782
Transfers					690,000	(690,000)	-
Total general revenues, special items, and transfers					31,604,699	(659,546)	30,945,153
Change in net position					13,761,565	361,087	14,122,652
Net position - beginning					147,854,327	18,702,365	166,556,692
Net position - ending					$ 161,615,892	$ 19,063,453	$ 180,679,344

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

City of Burien, Washington
Balance Sheet
Governmental Funds
December 31, 2021

	GENERAL	STREET	DEBT SERVICE	PARKS & GEN GOVT CAPITAL PROJECTS	TRANSPORTATION CAPITAL PROJECTS	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 33,618,427	$ 944,323	$ 62,043	$ 3,839,699	$ 5,853,480	$ 4,610,777	$ 48,928,750
Accounts receivable	269,525	127,275	-	-	-	-	396,800
Taxes receivable - current	1,048,520	70,385	-	-	-	331,458	1,450,363
Taxes receivable - delinquent	284,818	-	-	-	-	-	284,818
Special assessments receivable	-	-	270,059	-	-	-	270,059
Due from other governments	2,704,816	178,099	-	2,310,937	25,627	57,855	5,277,334
Total assets	$ 37,926,105	$ 1,320,083	$ 332,103	$ 6,150,637	$ 5,879,107	$ 5,000,090	$ 56,608,124
LIABILITIES							
Accounts payable	$ 517,340	$ 57,043	$ 125	$ 1,096,793	$ 82,283	$ 600	$ 1,754,184
Retainage payable	-	-	-	14,519	140,034	-	154,553
Due to other governments	274,901	510	-	30	-	-	275,441
Deposits payable	258,441	-	-	-	-	-	258,441
Accrued wages and benefits payable	466,624	46,478	-	405	5,588	-	519,094
Other Current Liabilities	7,058	105	-	-	-	-	7,163
Unearned revenue	5,506,018	-	-	-	-	-	5,506,018
Total liabilities	7,030,381	104,136	125	1,111,747	227,904	600	8,474,894
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-utility taxes	$ 57,456	$ -	$ -	$ -	$ -	$ -	$ 57,456
Unavailable revenue-property taxes	227,362	-	-	-	-	-	227,362
Unavailable revenue-special assessments	-	-	269,470	-	-	-	269,470
Unavailable revenue-grants	35,049	-	-	299,297	25,627	-	359,972
Unavailable revenue-accounts receivable	97,529	41,475	-	-	-	-	139,004
Total deferred inflows of resources	417,395	41,475	269,470	299,297	25,627	-	1,053,264
Total liabilities and deferred inflows of resources	7,447,776	145,611	269,595	1,411,044	253,531	600	9,528,158
FUND BALANCES (DEFICITS)							
Restricted							
Debt Service	-	-	62,507	-	-	165,000	227,507
Drug Enforcement	-	-	-	-	-	653,205	653,205
Housing	146,350	-	-	-	-	-	146,350
Other Capital Projects	-	-	-	-	-	3,726,999	3,726,999
Transportation	-	-	-	-	-	454,286	454,286
Committed							
Arts Projects	103,329	-	-	-	-	-	103,329
Parking Projects	138,000	-	-	-	-	-	138,000
Assigned							
Capital Projects	2,955,423	-	-	4,739,593	5,625,576	-	13,320,592
Capital equipment reserve	1,000,000	-	-	-	-	-	1,000,000
Capital partnership	7,500,000	-	-	-	-	-	7,500,000
Street Maintenance	-	1,174,472	-	-	-	-	1,174,472
Unassigned							
Unassigned	18,635,227	-	-	-	-	-	18,635,227
Total fund balances (deficits)	$ 30,478,329	$ 1,174,472	$ 62,507	$ 4,739,593	$ 5,625,576	$ 4,999,490	$ 47,079,966
Total liabilities and fund balances (deficits)	$ 37,926,105	$ 1,320,083	$ 332,103	$ 6,150,637	$ 5,879,107	$ 5,000,090	$ 56,608,124

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, 2021

Fund balances of governmental funds		47,079,966
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	25,089,672	
Construction in progress	10,254,078	
Buildings (net of accumulated depreciation)	6,151,202	
Machinery and equipment (net of accumulated depreciation)	1,494,262	
Improvements (net of accumulated depreciation)	11,640,451	
Infrastructure (net of accumulated depreciation)	67,443,324	
Intangibles (net of accumulated amortization)	335,563	
		122,408,552
Investment in joint ventures (SCORE) are not considered financial resources and, therefore, are not reported in the funds.		4,020,239
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	(34,756)	
General obligation bonds	(10,165,000)	
2009 bonds A and B-SCORE joint venture	(2,284,198)	
Special assessment debt payable	(233,181)	
Public works trust fund loan payable	(180,405)	
Compensated Absences	(537,111)	
Net pension	(469,002)	
Premium on 2016 LTGO Refunding Bonds	(1,557,711)	
		(15,461,363)
Receivables not available to pay current period expenditures and, therefore, are deferred in the funds.		
Property taxes	227,362	
Special assessments	269,469	
Grants	361,187	
Charges for services	4,470	
Fines/penalties	40,455	
Miscellaneous	92,865	
Utility Taxes	57,456	
		1,053,263
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.		2,004,210
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.		
Pension asset	4,916,063	
		4,916,063
Some deferred outflows and inflows of resources are not reported in the funds.		
Deferred inflow related to pensions	(3,991,721)	
Deferred outflow related to pensions	(413,319)	
		(4,405,039)
Net position of governmental activities		161,615,892

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, 2021

	GENERAL	STREET	DEBT SERVICE	PARKS & GEN GOVT CAPITAL PROJECTS	TRANSPORTATION CAPITAL PROJECTS	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 8,180,920	$ -	$ -	$ 205,876	$ -	$ -	$ 8,386,796
Retail sales and use taxes	10,606,435	-	-	-	-	-	10,606,435
Real estate excise tax	-	-	-	-	-	3,496,578	3,496,578
Business and occupation taxes	1,494,816	-	-	-	-	-	1,494,816
Utility taxes	3,477,050	496,192	-	-	-	-	3,973,242
Other Taxes	297,162	172,403	-	-	-	799,671	1,269,236
Licenses and permits	2,491,630	1,082,491	-	-	-	-	3,574,121
Intergovernmental revenues	4,089,088	1,077,647	67,498	2,855,176	5,115,477	-	13,204,885
Charges for services	960,802	-	152,527	-	110,275	37,757	1,261,361
Fines & forfeitures	89,289	-	52	-	-	-	89,341
Investment earnings	33,252	1,360	487	4,059	3,070	3,919	46,147
Special assessments penalties and interest	-	-	1,748	-	-	-	1,748
Rents and leases	106,265	-	-	-	-	-	106,265
Contributions and donations	9,578	-	-	150	-	-	9,728
Special assessments principal	-	-	77,274	-	-	-	77,274
Miscellaneous	218,696	135	952	-	-	40,099	259,883
Total revenues	32,054,982	2,830,229	300,539	3,065,261	5,228,822	4,378,024	47,857,857
EXPENDITURES							
Current:							
General government	6,700,464	-	-	-	-	-	6,700,464
Judicial	303,008	-	-	-	-	-	303,008
Public Safety	13,703,327	-	-	-	-	22,658	13,725,985
Natural environment	258,609	-	-	-	-	-	258,609
Transportation	119,259	1,789,495	-	-	1,053,630	-	2,962,384
Economic Environment	3,371,720	-	-	-	-	-	3,371,720
Social Services	47,063	-	-	-	-	-	47,063
Culture and recreation	3,235,983	-	-	225,185	-	-	3,461,169
Debt service:							
Public works trust fund loan principal	-	-	302,225	-	-	-	302,225
LTGO bond principal	-	-	1,555,000	-	-	-	1,555,000
Interest and fiscal charges	-	-	664,452	-	-	-	664,452
Capital outlay:							
General government	67,154	-	-	-	-	-	67,154
Transportation	-	-	-	-	3,469,109	-	3,469,109
Economic Environment	103,777	-	-	-	-	-	103,777
Culture and recreation	20,260	-	-	4,276,710	-	-	4,296,969
Total expenditures	27,930,624	1,789,495	2,521,676	4,501,895	4,522,739	22,658	41,289,088
Excess (deficiency) of revenues over expenditur	4,124,358	1,040,733	(2,221,137)	(1,436,634)	706,083	4,355,365	6,568,769
OTHER FINANCING SOURCES (USES)							
Transfers in	80,000	-	2,024,500	1,658,018	2,634,062	-	6,396,580
Transfers out	(1,000,000)	(1,634,062)	-	-	-	(3,072,518)	(5,706,580)
Refunding bonds issued	-	-	8,325,000	-	-	-	8,325,000
Premium on refunding bonds issued	-	-	1,164,951	-	-	-	1,164,951
Payment to refunded bond escrow agent	-	-	(9,255,000)	-	-	-	(9,255,000)
Proceeds from sale of capital assets	1,767,824	-	-	-	-	-	1,767,824
Insurance Recoveries	19,814	-	-	-	-	-	19,814
Total other financing sources (uses)	867,639	(1,634,062)	2,259,451	1,658,018	2,634,062	(3,072,518)	2,712,589
Net change in fund balances	4,991,997	(593,329)	38,314	221,384	3,340,145	1,282,847	9,281,358
Fund balances - beginning	25,486,332	1,767,800	24,194	4,518,209	2,285,431	3,716,643	37,798,608
Fund balances - ending	$ 30,478,329	$ 1,174,472	$ 62,507	$ 4,739,593	$ 5,625,576	$ 4,999,490	$ 47,079,966

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, 2021

Net change in fund balances - total governmental funds		$9,281,358
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	7,937,009	
Depreciation expense	(5,585,678)	
		2,351,331
Investment in joint ventures (SCORE) are not considered financial resources and, therefore, are not reported in the funds.		98,970
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	15,701	
Accrued refunding premium	78,552	
Accrued compensated absences expense	(33,717)	
		60,536
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Property tax revenue	10,054	
Special assessments revenue	(76,814)	
Grants	(1,610,082)	
Charges for services	8,398	
Miscellaneous	11,340	
Utility tax revenue	57,456	
		(1,599,648)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donations) is to increase net position.		
Gain on sale of capital assets	(584,979)	
		(584,979)
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.		537,820
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of refunding bonds	(8,325,000)	
Premium	(1,164,951)	
Payment to escrow agent	9,255,000	
Principal payments on long-term debt	1,945,913	
Amortization of deferred charge on bond refunding	(22,375)	
		1,688,587
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	1,927,590	
		1,927,590
Change in net position of governmental activities		$13,761,565

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

City of Burien, Washington
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
GENERAL
For the Year Ended December 31, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 8,171,000	$ 8,171,000	$ 8,180,920	$ 9,920
Retail sales and use taxes	9,066,500	10,302,100	10,606,435	304,335
Business and occupation taxes	1,370,000	1,418,000	1,494,816	76,816
Utility taxes	3,251,000	3,278,821	3,477,050	198,229
Other Taxes	380,300	223,500	297,162	73,662
Licenses and permits	2,168,400	2,138,200	2,491,630	353,430
Intergovernmental revenues	3,038,450	4,966,470	4,089,088	(877,382)
Charges for services	736,500	598,454	960,802	362,348
Fines & forfeitures	129,500	129,500	89,289	(40,211)
Investment earnings	150,750	20,036	32,164	12,128
Rents and leases	169,100	39,750	106,265	66,515
Contributions and donations	2,500	2,500	9,578	7,078
Miscellaneous	200,000	200,000	218,696	18,696
Total revenues	28,834,000	31,488,331	32,053,894	565,563
EXPENDITURES				
Current:				
General government	6,794,120	7,494,313	6,700,464	793,849
Judicial	460,000	460,000	303,008	156,992
Public Safety	14,158,060	14,375,454	13,703,327	672,127
Natural environment	-	262,100	258,609	3,491
Transportation	104,560	104,560	119,259	(14,699)
Economic Environment	3,096,250	4,657,278	3,371,720	1,285,558
Social Services	14,500	52,100	47,063	5,037
Culture and recreation	3,663,125	3,662,259	3,221,933	440,325
Total current	28,290,615	31,068,063	27,725,383	3,342,680
Capital outlay:				
General government	-	126,560	67,154	59,406
Economic Environment	590,000	590,000	103,777	486,223
Culture and recreation	25,000	25,000	20,260	4,740
Total capital outlay	615,000	741,560	191,191	550,369
Total expenditures	28,905,615	31,809,623	27,916,574	3,893,049
Excess (deficiency) of revenues over expenditures	(71,615)	(321,292)	4,137,321	4,458,613
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	80,000	80,000	-
Transfers out	(926,500)	(2,426,500)	(2,226,500)	200,000
Proceeds from sale of capital assets	-	-	14,850	14,850
Insurance Recoveries	-	-	19,814	19,814
Total other financing sources (uses)	(846,500)	(2,346,500)	(2,111,836)	234,664
Net change in fund balances	(918,115)	(2,667,792)	2,025,485	4,693,277
Fund balances - beginning	19,817,751	15,173,919	25,394,091	-
Fund balances - ending	$ 18,899,636	$ 12,506,127	$ 27,419,576	$ 14,913,449

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

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

Fund Balance - ending, budgetary basis	$ 27,419,576
Amounts reported differ due to the consolidation of the funds listed below:	
Art in Public Places	
Fund balances - beginning	90,783
Revenues	95
Transfers In	26,500
Expenditures	(14,050)
Net change in fund balance - Art in Public Places	103,328
Capital Projects Reserve	
Fund balances - beginning	1,457
Revenues	1,753,966
Transfers In	1,200,000
Net change in fund balance - Capital Projects Reserve	2,955,423
Fund Balance - ending, reporting basis	$ 30,478,328

City of Burien, Washington
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
STREET
For the Year Ended December 31, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Utility taxes	$ 487,638	$ 487,638	$ 496,192	$ 8,554
Other Taxes	169,000	124,000	172,403	48,403
Licenses and permits	1,091,081	1,151,075	1,082,491	(68,584)
Intergovernmental revenues	1,173,628	1,031,484	1,077,647	46,163
Investment earnings	20,000	10,000	1,360	(8,640)
Miscellaneous	-	-	135	135
Total revenues	2,941,347	2,804,197	2,830,229	26,032
EXPENDITURES				
Current:				
Transportation	2,194,740	2,194,740	1,789,495	405,245
Total current	2,194,740	2,194,740	1,789,495	405,245
Total expenditures	2,194,740	2,194,740	1,789,495	405,245
Excess (deficiency) of revenues over expenditures	746,607	609,457	1,040,733	431,276
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,150,000)	(1,634,062)	(1,634,062)	-
Total other financing sources (uses)	(1,150,000)	(1,634,062)	(1,634,062)	-
Net change in fund balances	(403,393)	(1,024,605)	(593,329)	431,276
Fund balances - beginning	1,395,050	1,767,800	1,767,800	-
Fund balances - ending	$ 991,657	$ 743,195	$ 1,174,472	$ 431,276

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

City of Burien, Washington
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,600,865	$ 2,004,210
Accounts receivable	167,557	-
Due from other governments	153,945	-
Total current assets	4,922,367	2,004,210
Noncurrent assets:		
Land	1,076,060	-
Infrastructure	11,764,688	-
Machinery & Equipment	244,282	595,797
Construction Work In Progress	2,339,686	-
Pension asset	900,421	-
Total noncurrent assets	16,325,136	595,797
Total assets	$ 21,247,503	$ 2,600,007
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pension	126,938	-
Total deferred outflows of resources	$ 126,938	$ -
LIABILITIES		
Current liabilities:		
Accounts payable	611,281	-
Retainage payable	53,219	-
Due to other governments	38,468	60
Accrued wages and benefits payable	73,653	-
Compensated absences	6,884	-
Accrued interest payable	1,211	-
Public works trust fund loan payable	83,031	-
Total current liabilities	867,746	60
Noncurrent liabilities:		
Compensated absences	91,457	-
Due in more than one year	332,123	-
Net pension liabilities	85,902	-
Total noncurrent liabilities	509,482	-
Total liabilities	$ 1,377,228	$ 60
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions	933,760	-
Total deferred inflows of resources	$ 933,760	$ -
NET POSITION		
Net investment in capital assets	15,009,563	595,797
Restricted for:		
Pensions	165,972	
Unrestricted	3,887,918	2,004,150
Total net position	$ 19,063,453	$ 2,599,947

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, 2021

	Business-type Activities	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
OPERATING REVENUES		
Intergovernmental revenues	$ 210,485	$ -
Charges for services	3,757,688	520,000
Rents and leases	12,000	-
Total operating revenues	3,980,173	520,000
OPERATING EXPENSES		
Personnel services	1,346,978	-
Supplies	71,621	3,245
Services	852,188	200
Taxes	657	-
Depreciation	673,846	87,711
Total operating expenses	2,945,291	91,156
Operating income (loss)	1,034,882	428,844
NONOPERATING REVENUES (EXPENSES)		
Gain/Loss on sale of capital asset	-	33,500
Investment earnings	16,954	1,604
Miscellaneous	1,500	-
Interest expense	(2,249)	-
Total nonoperating revenues (expenses)	16,205	35,104
Income (loss) before contributions and transfers	1,051,087	463,949
Transfers out	$ (690,000)	$ -
Change in net position	361,087	463,949
Total net position - beginning	$ 18,702,365	$ 2,135,998
Total net position - ending	$ 19,063,453	$ 2,599,947

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, 2021

	Business-type Activities - Enterprise Funds	Governmental Activities
	SURFACE WATER MANAGEMENT	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 3,732,539	$ -
Cash from interfund	-	520,000
Other receipts	13,500	-
Payments to employees	(1,661,456)	-
Payments to suppliers	(844,042)	(3,385)
Payment for interfund services used	(70,000)	-
Operating Grants	210,253	-
Net cash provided (used) by operating activities	1,380,793	516,615
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from (to) other funds	(690,000)	-
Net cash provided (used) by noncapital financing activities	(690,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants	(109,768)	-
Acquisition and construction of capital assets	(710,917)	(149,360)
Principal paid on capital debt	(83,031)	-
Interest paid on capital debt	(2,491)	-
Sale of assets	-	33,500
Net cash provided (used) by capital and related financing activities	(906,207)	(115,860)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	16,954	1,604
Net cash provided (used) by investing activities	16,954	1,604
Net increase (decrease) in cash and cash equivalents	(198,460)	402,359
Balances - beginning of year	4,799,324	1,601,851
Balances - end of the year	$ 4,600,865	$ 2,004,210
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income	$ 1,034,882	$ 428,844
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	673,846	87,711
Pension expense	(332,154)	-
Miscellaneous	1,268	
Changes in assets and liabilities:		
Accounts Payable - Supplier	16,973	60
Customer Receivables	3,849	-
Salaries & Benefits Payable	17,675	-
Intergovernmental receipts/payments	(35,546)	-
Net cash provided (used) by operating activities	$ 1,380,793	$ 516,615
Noncash investing, capital and financing activities		
Total noncash investing, capital and financing activities	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

B. Basis of presentation – Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. 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, the Transportation Benefit District Fund, the State Drug Enforcement Forfeiture Fund, and the Federal Drug Enforcement Forfeiture Fund.

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

C. 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 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).

D. Budgetary Information

1. Scope of Budget

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

The budget also includes appropriations for funds that are adopted on a "project-length" basis, such as the Capital Projects funds. Appropriations are adopted at the beginning of the projects, and are carried forward from year to year without re-appropriation until authorized amounts are fully expended or the designated purpose of the project has been accomplished.

2. Procedures for Adopting the Original Budget

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

a. Prior to the first Monday in October, the City Manager submits a proposed budget to the City Council. This budget is based on priorities established by the Council. Estimates of the cost of these priorities and estimates for the basic government operating costs are presented to the Council in the preliminary budget document, in addition to revenue estimates.

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

c. The Council reviews the preliminary budget document and, if necessary, makes adjustments to the proposed budget. The Council adopts, by ordinance, the final budget for the ensuing two fiscal years no later than December 31. The final budget document is published and distributed early the following year. Copies of the adopted budget are made available to the public.

3. Amending the Budget

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

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

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

E. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

It is the City's policy to invest all temporary cash surpluses. At December 31, 2021, the treasurer was holding $53,214,144 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to the various funds.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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, 2021, $7,797 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. 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 reports 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.

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.

5. Compensated Absences

Compensated absences consist of accrued vacation leave and compensatory time. All vacation in the government-wide and proprietary 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 their annual accrual. Vacation is payable upon resignation, retirement, or death.

6. 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.

For purposes of calculating the restricted net position related to the net pension asset, the City includes the net pension asset and the related deferred outflows and deferred inflows.

7. Long-term Debt

Long-term debt is 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 8 and the joint venture disclosure in Note 12.

8. Unearned Revenue

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

9. Fund Equity

Restricted net position represents the portions of fund balance where limitations have been imposed on their use whether through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

10. Fund Balance Classification

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

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

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

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

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

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

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

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

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

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

11. Net Position Classification

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 2. 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, 2021, the carrying amount of the City's demand deposits with Key Bank was $4,545,965. 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 RCW 43.250. 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, 2021, the City had the following investments and maturity:

	Amortized Cost	Less than One Year
State Treasurer's Local Government Investment Pool	$53,214,144	$53,214,144
Total Investments	$53,214,144	$53,214,144

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, 2021, 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 3. 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 2021 was $1.01257 per $1,000 of the assessed valuation of $8,207,791,119 for a total regular levy of $8,220,623, net of adjustments.

NOTE 4. 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	All Others	Surface Water Fund	**Total**
Transfer To	General Fund	$ -	$ 40,000	$ -	$ 40,000	**$ 80,000**
	Debt Service Fund	-	310,000	1,714,500	-	**2,024,500**
	Parks & GG CIP Fund	1,000,000	-	458,018	200,000	**1,658,018**
	Transportation CIP Fund	-	1,284,062	900,000	450,000	**2,634,062**
	Total	**$ 1,000,000**	**$ 1,634,062**	**$ 3,072,518**	**$ 690,000**	**$ 6,396,580**

NOTE 5. RESTRICTED COMPONENT OF NET POSITION

The government-wide statement of net position reports $6,280,481 of restricted component of net position, of which $6,052,974 is restricted by enabling legislation. The balance of $227,507 is restricted by debt covenants.

NOTE 6. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021, was as follows:

	Beginning Balance 1/1/2021	Increases	Decreases	Ending Balance 12/31/2021
Governmental activities :				
Capital assets, not being depreciated:				
Land and land improvements	$ 25,674,651	$ -	$ 584,979	$ 25,089,672
Construction in progress	20,409,432	7,745,818	17,901,173	10,254,078
Total capital assets, not being depreciated	46,084,082	7,745,818	18,486,152	35,343,749
Capital assets, being depreciated:				
Buildings and structures	15,099,531	-	-	15,099,531
Other improvements	20,348,292	22,852	-	20,371,144
Machinery and equipment	4,854,742	169,620	109,652	4,914,710
Infrastructure	125,410,063	17,901,173	-	143,311,236
Total capital assets being depreciated	165,712,629	18,093,645	109,652	183,696,622
Less accumulated depreciation for:				
Buildings and structures	(8,225,652)	(722,677)	-	(8,948,329)
Other improvements	(7,764,062)	(966,632)	-	(8,730,694)
Machinery and equipment	(3,325,046)	(191,153)	95,750	(3,420,449)
Infrastructure	(72,264,046)	(3,603,867)	-	(75,867,912)
Total accumulated depreciation	(91,578,807)	(5,484,327)	95,750	(96,967,384)
Total capital assets, being depreciated, net	74,133,822	12,609,317	13,902	86,729,238
Intangible Assets:				
Intangible assets, not being amortized	-	-	-	-
Intangible assets, being amortized	859,963	148,079	-	1,008,042
Less accumulated amortization	(571,129)	(101,350)	-	(672,479)
Total intangible asset, being amortized, net	288,834	46,729	-	335,563
Governmental activities capital assets, net	$ 120,506,739	$ 20,401,864	$ 18,500,053	$ 122,408,549
Business-type activities:				
Capital assets, not being depreciated:				
Land and land improvements	$ 1,076,060	$ -	$ -	$ 1,076,060
Construction in progress	2,917,275	795,358	1,372,947	2,339,686
Total capital assets, not being depreciated	3,993,335	795,358	1,372,947	3,415,746
Capital assets, being depreciated:				
Buildings and structures	-	-	-	-
Infrastructure	18,309,195	1,372,947	-	19,682,142
Machinery and equipment	546,850	12,314	-	559,164
Total capital assets being depreciated	18,856,045	1,385,261	-	20,241,306
Less accumulated depreciation for:				
Buildings and structures	-	-	-	-
Infrastructure	(7,278,642)	(638,811)	-	(7,917,454)
Machinery and equipment	(279,847)	(35,035)	-	(314,882)
Total accumulated depreciation	(7,558,490)	(673,846)	-	(8,232,336)
Total capital assets, being depreciated, net	11,297,555	711,415	-	12,008,970
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	-	-	-	-
Total Intangible assets	-	-	-	-
Business-type activities capital assets, net	$ 15,290,890	$ 1,506,773	$ 1,372,947	$ 15,424,716

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	$ 676,963	$ 99,640	$ 776,603
Public Safety	5,179	-	5,179
Transportation	3,666,563	-	3,666,563
Culture and Recreation	1,119,874	-	1,119,874
Economic Environment	15,749	1,710	17,459
Total - Governmental activities	$ 5,484,327	$ 101,350	$ 5,585,678
Business-type activities			
Surface Water Management	$ 673,846	$ -	$ 673,846
Total - Business-type activities	$ 673,846	$ -	$ 673,846

NOTE 7. CONSTRUCTION COMMITMENTS

The City had ten active construction projects as of December 31, 2021. At year-end, the City 's commitments with contractors are as follows:

Project Name	Total Contract Amount w/Change Order	Amount Paid Through 12/31/21	Balance Remaining
Ambaum & H Line Transit Pathway Improvements	$ 10,000,000	$ 2,935,000	$ 7,065,000
Annex Irrigation	85,801	-	85,801
Burien Community Center Restroom Renovation	321,517	163,554	157,963
Eagle Landing Park Storm Drainage	632,238	615,399	16,839
Lake Burien School Memorial Park Improvements	349,132	272,683	76,449
Moshier Park SWM Retrofit and Park Improvements	6,829,846	2,430,378	4,399,468

NOTE 8. 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 12. In 2016, the City refunded 2006 bonds that were issued to provide funds for a future Senior and Activity Center and to continue development of the Town Square Project. In 2021, the City refunded 2010 & 2011 bonds. The 2010, bonds were issued to provide funds for a major street overlay project. The 2011 bonds were issued to refund the majority of 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.

General Obligation bonds currently outstanding are as follows:

General Obligation Bonds Currently Outstanding

Purpose	Maturity Range	Interest Rate	Original Amount	Amount of Installment
2019 (A) SCORE Refunding	2020-2038	3.00-5.00%	2,460,851	92,303
2016 Limited Tax G.O. Refunding Bonds	2016-2026	2.00-4.00%	5,320,000	535,000
2021 Limited Tax G.O. Refunding Bonds	2021-2031	3.00-4.00%	8,325,000	900,000

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

General Obligation Bonds
For the Year Ended December 31, 2021

Year Ending December 31	Governmental Activities Principal	Interest
2022	1,527,303	693,859
2023	1,360,918	632,767
2024	1,414,774	578,330
2025	1,463,871	521,739
2026	1,528,932	462,146
2027-2031	4,002,143	1,223,606
2032-2036	790,721	151,444
2037-2038	360,536	16,304
Total General Obligation Bonds	**$ 12,449,198**	**$ 4,280,195**

Public Works Trust Fund Loan – State of Washington Public Works Trust Fund Loans are a direct responsibility of the City. The City currently has two such loans, one for the governmental funds and one for the proprietary fund. The governmental 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 $360,808 with the City's half equaling $180,404. The second 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 $415,153.

Public Works Trust Fund (PWTF) Loans
For the Year Ended December 31, 2021

Year Ending December 31	Governmental Activities Principal	Interest
2022	60,135	902
2023	60,135	602
2024	60,134	300
Total PWTF Loans	**$ 180,404**	**$ 1,804**

Business Type Activities Public Works Trust Fund Loans For the Year Ended December 31, 2021			
Year Ending December 31	Principal	Interest	Total Public Works Trust Fund Loans
2022	83,031	2,076	85,107
2023	83,031	1,661	84,691
2024	83,031	1,245	84,276
2025	83,031	830	83,861
2026	83,030	415	83,445
Total Business Type Activities	**$ 415,153**	**$ 6,227**	**$ 421,381**

B. Refunded Debt

The City issued $8,325,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on $9,255,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by $1,277,754 and resulted in an economic gain of $1,111,933.

C. Special Assessment Debt with Government Commitment

Special Assessment debt is a direct responsibility of the City but is funded from the collection of special assessment payments. Debt service principal and interest costs are paid from the Debt Service Fund. Special assessment debt is in the form of two public works trust fund loans. The first loan is for special assessment (LID #1) benefiting property owners on the 152nd Street Enhancement project. The outstanding balance as of December 31, 2021, is $52,777. 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 $180,404. The delinquent special assessments receivable balance as of December 31, 2021, is $7,797. 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, 2021		
	Governmental Activities	
Year Ending December 31	Principal	Interest
2022	112,912	1,166
2023	60,135	601
2024	60,134	301
Total Special Assessment Debt	**$ 233,181**	**$ 2,068**

NOTE 9. CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2021	Additions	Reductions	Ending Balance 12/31/2021	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2010 Limited Tax G.O. Bond	4,620,000	-	(4,620,000)	-	-
2011 Limited Tax G.O. Bond	4,635,000	-	(4,635,000)	-	-
2016 Limited Tax G.O. Refunding Bonds	3,395,000	-	(510,000)	2,885,000	535,000
Premium on 2016 LTGO Refunding Bonds	471,311	-	(78,552)	392,759	78,552
2021 Limited Tax G.O. Refunding Bonds	-	8,325,000	(1,045,000)	7,280,000	900,000
Premium on 2021 LTGO Refunding Bonds	-	1,164,951	-	1,164,951	116,495
Total bonds payable	13,121,311	9,489,951	(10,888,552)	11,722,710	1,630,047
Due to Other Governments					
2019 SCORE Refunding Bonds (Ref 2009A & 2009B)	2,372,886	-	(88,688)	2,284,198	92,303
Total due to other governments	2,372,886	-	(88,688)	2,284,198	92,303
Special Assessment Debt with government commitment (PWTFL)					
LID #1 - PW-02-691-007 - SW 152nd St Enhancement Project	105,555	-	(52,778)	52,777	52,777
LID #2 - PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	240,539	-	(60,135)	180,404	60,135
Total special assessment debt	346,094	-	(112,913)	233,181	112,912
Public Works Trust Fund Loans:					
PW-01-691-009 - SW 152nd St Enhancement Project	129,178	-	(129,178)	-	-
PW-04-691-011 - 1st Avenue South Corridor Project - Phase I	240,539	-	(60,135)	180,404	60,135
Total public works trust fund loans	369,717	-	(189,313)	180,404	60,135
Compensated absences	503,394	441,717	(408,000)	537,111	37,598
Net Pension Liabilities	2,029,352		(1,560,350)	469,002	-
Total governmental activities	$ 18,742,754	$ 9,931,668	$ (13,247,816)	$ 15,426,606	$ 1,932,994
Business-Type Activities:					
Public Works Trust Funds Loan:					
PW-06-962-010 Ambaum Regional Pond Expansion Project	498,184	-	(83,031)	415,153	83,031
Total public works trust fund loan	498,184	-	(83,031)	415,153	83,031
Compensated absences	76,270	84,968	(62,897)	98,341	6,884
Net Pension Liabilities	349,199		(263,297)	85,902	-
Total business-type activities	$ 923,653	$ 84,968	$ (409,225)	$ 599,396	$ 89,915
Total Government and Business Type Activities	$ 19,666,407	$ 10,016,636	$ (13,657,041)	$ 16,026,002	$ 2,022,909

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 $537,111, an increase of $33,717 from the previous year that also increases 2021 government expenditures by the same amount. The liability for the proprietary fund is $98,341, an increase of $22,070 over 2020. 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 10 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 10. PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2021:

Aggregate Pension Amounts – All Plans		
Pension liabilities	$	(554,904)
Pension assets	$	5,816,484
Deferred outflows of resources	$	819,988
Deferred inflows of resources	$	(6,031,849)
Pension expense/expenditures	$	(1,413,154)

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 annual comprehensive financial report (ACFR) 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 ACFR 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 2021 were as follows:

PERS Plan 1		
Actual Contribution Rates	**Employer**	**Employee***
January – June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	**12.97%**	**6.00%**
July – December 2021		
PERS Plan 1	10.07%	6.00%
Administrative Fee	0.18%	
Total	**10.25%**	**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 2021 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	**Employer 2/3**	**Employee 2***
January – June 2021		
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%**
July –December 2021		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	**10.25%**	**6.36%**

* For employees participating in JBM, the contribution rate was 15.90%.

The City of Burien's actual PERS plan contributions were $317,921 to PERS Plan 1 and $528,668 PERS Plan 2/3 for the year ended December 31, 2021.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. 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* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, 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-2010 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 no changes in assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.

- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

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, 2021, 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	$945,311	$554,904	$214,430
PERS 2/3	$(1,657,003)	$(5,816,484)	$(9,241,818)

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, 2021, the City of Burien reported its proportionate share of the net pension liabilities as follows:

Plan	Liability (or Asset)
PERS 1	$554,904
PERS 2/3	$(5,816,484)

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

	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	0.045778%	0.045438%	-0.000340%
PERS 2/3	0.059607%	0.058389%	-0.001218%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021 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 reported.

Pension Expense

For the year ended December 31, 2021, the City of Burien recognized pension expense as follows:

Plan	Pension Expense
PERS 1	$(116,088)
PERS 2/3	$(1,297,066)
TOTAL	**$(1,413,154)**

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, 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	$(615,758)
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	$148,247	0
TOTAL	**$148,247**	**$(615,758)**

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$282,498	$(71,304)
Net difference between projected and actual investment earnings on pension plan investments	$0	$(4,861,216)
Changes of assumptions	$8,500	$(413,067)

Changes in proportion and differences between contributions and proportionate share of contributions	$128,013	$(70,504)
Contributions subsequent to the measurement date	$252,730	$0
TOTAL	**$671,741**	**$(5,416,091)**

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, 2022. 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
2022	$(163,114)	$(1,307,419)
2023	$(149,472)	$(1,220,079)
2024	$(141,332)	$(1,166,184)
2025	$(161,840)	$(1,275,249)
2026		$(27,179)
Thereafter		$(970)

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, 2021, there were 88 active members in the City of Burien Retirement Plan. The City's covered payroll for the year ended December 31, 2021, was $7,562,880 out of total payroll of $7,826,218. Employee contributions during the year totaled $468,954. City contributions were $468,954.

NOTE 11. 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, 2021, 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 Intermediary Insurance Services. 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 12. 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 unexpended 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.

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

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

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

Pursuant to the 2019 Interlocal Agreement and the ordinances of each city, each remaining Owner City (including the Cities of Auburn, Burien, Des Moines, Renton, SeaTac, and Tukwila) is obligated to budget for and pay its share, and only its share, of the principal of and interest on the 2019 Bonds as the same become due and payable (referred to as each Owner City's 2019 Capital Contribution). Each Owner City's obligation to pay its 2019 Capital Contribution is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from regular property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Owner City on all of the taxable property within the Owner City and other sources of revenues available therefor. The City of Federal Way is not obligated, under the 2019 Interlocal Agreement or otherwise, to pay debt service on the 2019 Bonds or other debt of the Authority.

The following is a summary of the debt service requirements 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%			
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	2,260,000	1,649,350	3,909,350	1,365,927	188,431	235,343	1,601,270	141,518	376,861			
2027-2031	13,115,000	6,434,250	19,549,250	6,830,508	942,274	1,176,865	8,007,373	707,683	1,884,548			
2032-2036	16,405,000	3,142,000	19,547,000	6,829,722	942,165	1,176,729	8,006,451	707,601	1,884,331			
2037-2038	7,480,000	338,250	7,818,250	2,731,697	376,840	470,659	3,202,356	283,021	753,679			
Totals	$ 47,390,000	$ 19,076,450	$ 66,466,450	$ 23,223,378	$ 3,203,683	$ 4,001,280	$ 27,224,659	$ 2,406,085	$ 6,407,365			

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, 2021 in relation to SCORE:

South Correctional Entity (SCORE)					
Member City	2020 Percent of Equity	2020 Equity Balance	2021 Percent of Equity	2021 Apportionment	2021 Equity Balance
Auburn	43.05%	$ 12,967,700	41.93%	$ 760,941	$ 13,728,641
Burien	5.14%	1,548,383	5.30%	187,658	1,736,041
Des Moines	4.62%	1,392,707	4.95%	226,688	1,619,395
Renton	31.70%	9,546,337	31.93%	903,035	10,449,372
SeaTac	7.66%	2,306,559	8.13%	354,751	2,661,310
Tukwila	7.83%	2,357,977	7.76%	183,808	2,541,785
Grand Totals	100.00%	$ 30,119,663	100.00%	$ 2,616,881	$ 32,736,544

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 1/1/2021	Additions	Reductions	Balance 12/31/2021
SCORE Public Development Authority Refunding Bonds, 2019 (Ref 2009A & 2009B)	2,372,886	-	(88,688)	2,284,198
Total Due to Other Governmental Units	2,372,886	-	(88,688)	2,284,198
South Correctional Entity (SCORE)	1,548,383	187,658	-	1,736,041
Total Joint Venture Equity Share	1,548,383	187,658	-	1,736,041
Total Investment in Joint Venture	**$ 3,921,269**	**$ 187,658**	**$ (88,688)**	**$ 4,020,239**

NOTE 13. 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 166 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, prior wrongful acts, 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 $20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to $750,000, for all perils other than flood and earthquake, and insured above that to $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 14. 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, 2021, 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 15. 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.

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 2021 was $29,035.

NOTE 16. COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

In response to the pandemic, most city facilities were closed to the public for over two years, many city employees work remotely, and new procedures have been put in place. While some activities have been limited or

temporarily curtailed, the City continues to operate all major functions and meet its public mandates. The City has remained economically stable and continues to adapt to the changing conditions.

The length of time these measures will continue to be in place, and the full extent of the direct or indirect financial impact on the City is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION



City of Burien
Schedule of Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
As of June 30, 2021
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
PERS 1								
Employer's proportion of the net pension liability (asset)	0.04544%	0.04578%	0.04819%	0.04567%	0.04306%	0.04318%	0.04382%	0.043474%
Employer's proportionate share of the net pension liability (asset)	$ 554,904	$ 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	$ 7,007,006	$ 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	7.92%	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	88.74%	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)	0.05839%	0.05961%	0.06221%	0.05863%	0.05538%	0.05532%	0.05486%	0.052156%
Employer's proportionate share of the net pension liability (asset)	$ (5,816,484)	$ 762,340	$ 604,280	$ 1,000,970	$ 1,924,295	$ 2,785,309	$ 1,960,178	$ 1,054,262
Employer's covered employee payroll	$ 7,007,006	$ 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 (asset) as a percentage of covered employee payroll	-83.01%	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	120.29%	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, 2021
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
PERS 1								
Statutorily or contractually required contributions	$ 338,459	$ 335,474	$ 345,547	$ 322,649	$ 274,203	$ 237,088	$ 229,871	$ 202,489
Contributions in relation to the statutorily or contractually required contributions	$ (338,459)	$ (335,474)	$ (345,547)	$ (322,649)	$ (274,203)	$ (237,088)	$ (229,871)	$ (202,489)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,377,186	$ 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	4.59%	4.79%	4.99%	5.06%	4.72%	4.77%	4.38%	4.19%
PERS 2/3								
Statutorily or contractually required contributions	$ 553,104	$ 554,514	$ 508,098	$ 478,159	$ 383,326	$ 309,654	$ 295,067	$ 234,504
Contributions in relation to the statutorily or contractually required contributions	$ (553,104)	$ (554,514)	$ (508,098)	$ (478,159)	$ (383,326)	$ (309,654)	$ (295,067)	$ (234,504)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 7,377,186	$ 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	7.50%	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%, on September 1, 2018 to 12.83%, on July 1, 2019 to 12.86%, and on September 1, 2020 to 12.97%.

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

COMBINING FINANCIAL STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

State Drug Enforcement Forfeiture Fund– This fund was created in 2020 to account for the activity of the State seizure funds received by the City. The use of these funds is restricted to purchases that will enhance the ability of the City's police to investigate drug related crimes and incidents.

Federal Drug Enforcement Forfeiture Fund – This fund was created in 2020 to account for the activity of the Federal seizure funds received by the City. The use of these funds is restricted to purchases that will enhance the ability of the City's police to investigate drug related crimes and incidents.

Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and the payment of general obligations and special assessment bonds.

Local Improvement Guaranty Fund – This fund was created to guaranty the repayment of a local improvement district's Public Works Trust Fund Loan with a transfer of funds from the Street Fund.

City of Burien, Washington
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
December 31, 2021

	Special revenue funds	Debt service funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 4,445,777	$ 165,000	$ 4,610,777
Taxes receivable - Current	331,458	-	331,458
Due from other governments	57,855	-	57,855
Total assets	$ 4,835,090	$ 165,000	$ 5,000,090
LIABILITIES			
Accounts payable	$ 600	$ -	$ 600
Total liabilities	600	-	600
Total liabilities and deferred inflows of resources	600	-	600
FUND BALANCES (DEFICITS)			
Restricted			
Debt Service	$ -	$ 165,000	$ 165,000
Drug Enforcement	653,205	-	653,205
Other Capital Projects	3,726,999	-	3,726,999
Transportation	454,286	-	454,286
Total fund balances (deficits)	$ 4,834,490	$ 165,000	$ 4,999,490
Total liabilities and fund balances (deficits)	$ 4,835,090	$ 165,000	$ 5,000,090

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

City of Burien, Washington
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Special Revenue				Debt Service	
	PUBLIC WORKS RESERVE	TRANSPORTATION BENEFIT DISTRICT	STATE DRUG ENFORCE FORFEITURE	FED DRUG ENFORCE FORFEITURE	LID GUARANTY	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 3,395,541	$ 397,579	$ 328,220	$ 324,437	$ 165,000	$ 4,610,777
Taxes receivable - Current	331,458	-	-	-	-	331,458
Due from other governments	-	56,707	1,148	-	-	57,855
Total assets	$ 3,726,999	$ 454,286	$ 329,368	$ 324,437	$ 165,000	$ 5,000,090
LIABILITIES						
Accounts payable	$ -	$ -	$ 600	$ -	$ -	$ 600
Total liabilities	-	-	600	-	-	600
Total liabilities and deferred inflows of resources	-	-	600	-	-	600
FUND BALANCES (DEFICITS)						
Restricted						
Debt Service	$ -	$ -	$ -	$ -	$ 165,000	$ 165,000
Drug Enforcement	-	-	328,768	324,437	-	653,205
Other Capital Projects	3,726,999	-	-	-	-	3,726,999
Transportation	-	454,286	-	-	-	454,286
Total fund balances (deficits)	$ 3,726,999	$ 454,286	$ 328,768	$ 324,437	$ 165,000	$ 4,999,490
Total liabilities and fund balances (deficits)	$ 3,726,999	$ 454,286	$ 329,368	$ 324,437	$ 165,000	$ 5,000,090

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

City of Burien, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by FundType
For the Year Ended December 31, 2021

	Special revenue funds	Debt service funds	Total Nonmajor Governmental Funds
REVENUES			
Real estate excise tax	$ 3,496,578	$ -	$ 3,496,578
Other Taxes	799,671	-	799,671
Charges for services	37,757	-	37,757
Investment earnings	3,919	-	3,919
Miscellaneous	40,099	-	40,099
Total revenues	4,378,024	-	4,378,024
EXPENDITURES			
Current:			
Public Safety	22,658	-	22,658
Total expenditures	22,658	-	22,658
Excess (deficiency) of revenues over expenditures	4,355,365	-	4,355,365
OTHER FINANCING SOURCES (USES)			
Transfers out	(3,072,518)	-	(3,072,518)
Total other financing sources (uses)	(3,072,518)	-	(3,072,518)
Net change in fund balances	1,282,847	-	1,282,847
Fund balances - beginning	3,551,643	165,000	3,716,643
Fund balances - ending	$ 4,834,490	$ 165,000	$ 4,999,490

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

City of Burien, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

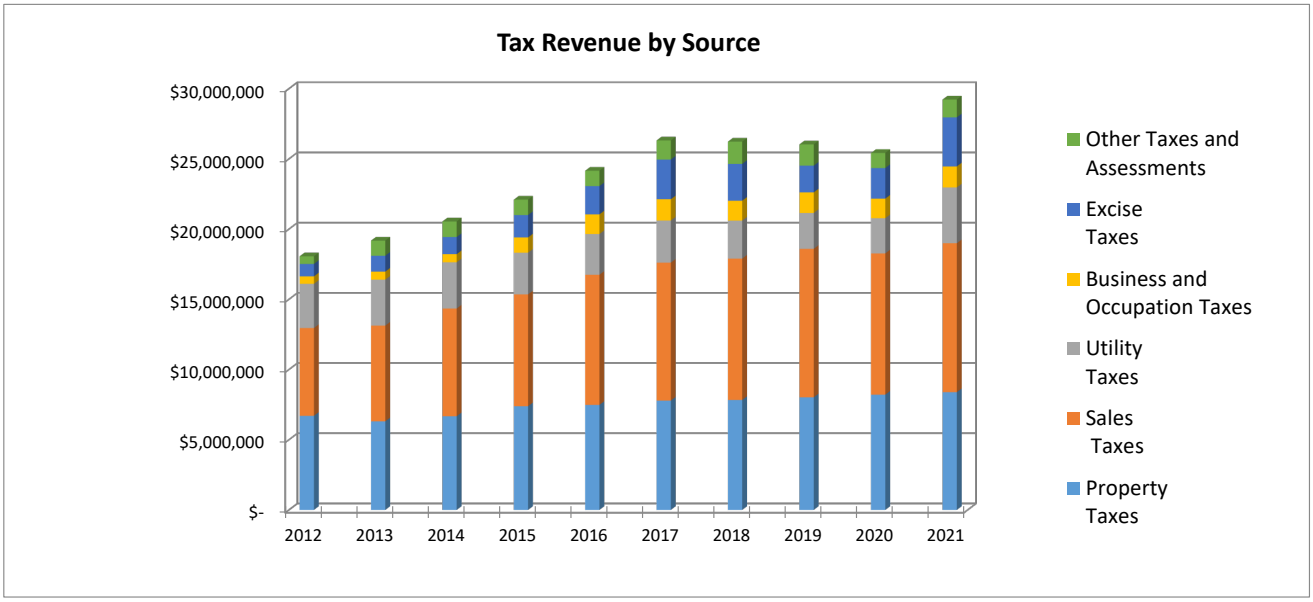
	Special Revenue				Debt Service	
	PUBLIC WORKS RESERVE	TRANSPORTATION BENEFIT DISTRICT	STATE DRUG ENFORCE FORFEITURE	FED DRUG ENFORCE FORFEITURE	LID GUARANTY	Total Nonmajor Governmental Funds
REVENUES						
Real estate excise tax	$ 3,496,578	$ -	$ -	$ -	$ -	$ 3,496,578
Other Taxes	-	799,671	-	-	-	799,671
Charges for services	37,757	-	-	-	-	37,757
Investment earnings	2,704	611	315	290	-	3,919
Miscellaneous	-	-	18,894	21,205	-	40,099
Total revenues	3,537,038	800,281	19,209	21,495	-	4,378,024
EXPENDITURES						
Current:						
Public Safety	-	-	22,658	-	-	22,658
Total expenditures	-	-	22,658	-	-	22,658
Excess (deficiency) of revenues over expenditures	3,537,038	800,281	(3,449)	21,495	-	4,355,365
OTHER FINANCING SOURCES (USES)						
Transfers out	(1,912,518)	(1,160,000)	-	-	-	(3,072,518)
Total other financing sources (uses)	(1,912,518)	(1,160,000)	-	-	-	(3,072,518)
Net change in fund balances	1,624,520	(359,719)	(3,449)	21,495	-	1,282,847
Fund balances - beginning	2,102,479	814,004	332,218	302,942	165,000	3,716,643
Fund balances - ending	$ 3,726,999	$ 454,286	$ 328,768	$ 324,437	$ 165,000	$ 4,999,490

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

STATISTICAL SECTION
(UNAUDITED)

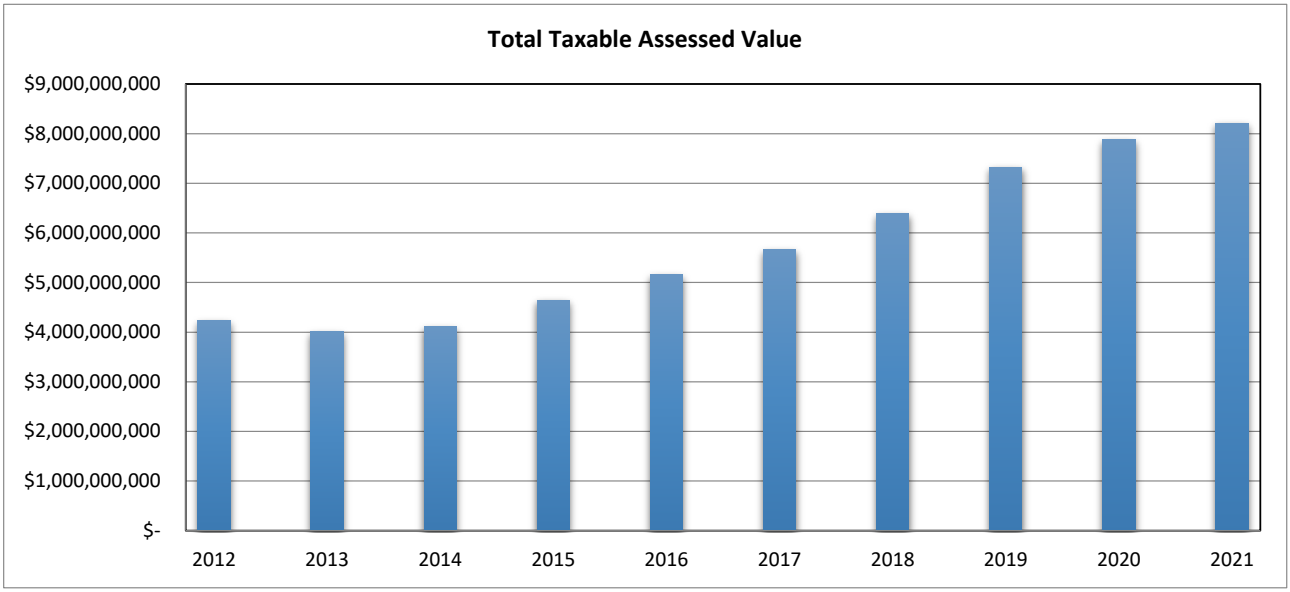
City of Burien, Washington
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales Taxes	Utility Taxes	Business and Occupation Taxes	Excise Taxes	Other Taxes and Assessments	Total Taxes
2012	6,702,390	6,249,226	3,149,631	530,770	886,727	541,779	18,060,523
2013	6,308,968	6,816,465	3,275,973	569,665	1,132,780	1,073,544	19,177,395
2014	6,671,091	7,669,549	3,292,805	581,494	1,218,769	1,110,253	20,543,961
2015	7,384,213	7,965,473	2,969,403	1,084,849	1,595,257	1,097,772	22,096,967
2016	7,480,328	9,267,023	2,899,714	1,402,572	2,013,191	1,094,149	24,156,977
2017	7,787,292	9,825,632	2,998,835	1,514,984	2,823,420	1,364,020	26,314,184
2018	7,831,217	10,067,818	2,708,835	1,410,247	2,624,537	1,586,535	26,229,189
2019	8,017,191	10,577,028	2,554,993	1,464,778	1,904,508	1,514,328	26,032,826
2020	8,209,680	10,057,490	2,508,535	1,393,314	2,179,041	1,074,438	25,422,498
2021	8,386,796	10,606,435	3,973,242	1,494,816	3,496,578	1,269,236	29,227,102
Change 2012-2021	25.1%	69.7%	26.1%	181.6%	294.3%	134.3%	61.8%



Source: City of Burien Finance Department

City of Burien, Washington
Assessed Value of Taxable Property
Last Ten Fiscal Years



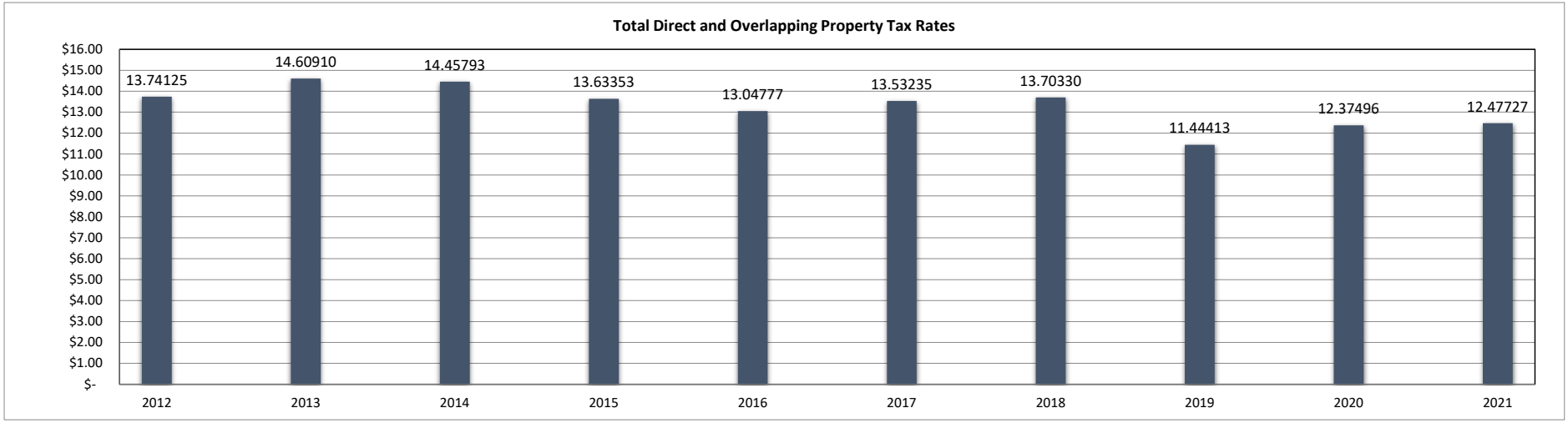
Fiscal Year	Real Property	Personal Property	Public Utilities	Total Assessed Value	Total Direct Tax Rate
2012	4,120,048,552	54,401,218	50,940,246	4,225,390,016	1.60000
2013	3,897,291,722	53,983,903	54,023,833	4,005,299,458	1.60000
2014	3,992,256,168	55,462,840	62,066,409	4,109,785,417	1.60000
2015	4,511,792,422	54,718,139	69,713,035	4,636,223,596	1.59050
2016	5,031,637,294	60,057,956	68,295,297	5,159,990,547	1.45568
2017	5,542,970,484	59,051,320	61,251,025	5,663,272,829	1.36228
2018	6,261,417,507	58,787,660	65,506,314	6,385,711,481	1.36228
2019	7,191,308,750	80,834,387	54,355,919	7,326,499,056	1.09221
2020	7,683,814,502	130,508,099	63,590,106	7,877,912,707	1.03759
2021	7,991,855,413	148,047,885	67,887,821	8,207,791,119	1.01257

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

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

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

	City of Burien	Fire District			King County			School District #401			Library			Washington State	Special Districts	
Fiscal Year	Operating Millage	Operating Millage	Debt Service Millage	Total Fire Dist Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Dist. Millage	Operating Millage	Debt Service Millage	Total Library Millage	State Schools	Port, EMS Flood, Ferry* & RST	Total
2012	1.60000	1.50000	0.43614	1.93614	1.34460	0.07128	1.41588	3.40126	1.74569	5.14695	0.50000	0.06992	0.56992	2.42266	0.64970	13.74125
2013	1.60000	1.50000	0.45419	1.95419	1.47279	0.06772	1.54051	3.81112	1.89953	5.71065	0.50000	0.06743	0.56743	2.56720	0.66912	14.60910
2014	1.60000	1.50000	0.44685	1.94685	1.45779	0.05826	1.51605	3.79750	1.85783	5.65533	0.50000	0.06175	0.56175	2.47044	0.70751	14.45793
2015	1.59050	1.50000	0.39264	1.89264	1.31499	0.03023	1.34522	3.67893	1.70872	5.38765	0.44747	0.05529	0.50276	2.28514	0.62962	13.63353
2016	1.45568	1.37719	0.35152	1.72871	1.44046	0.03981	1.48027	3.51745	1.63785	5.15530	0.42439	0.05275	0.47714	2.16898	0.58169	13.04777
2017	1.36228	1.50000	0.30776	1.80776	1.34685	0.03609	1.38294	3.37767	2.33468	5.71235	0.40118	0.05000	0.45118	2.03205	0.78379	13.53235
2018	1.23516	1.43995	0.27977	1.71972	1.29474	0.03261	1.32735	3.32737	2.05449	5.38186	0.36681	0.04509	0.41190	2.91820	0.70911	13.70330
2019	1.09221	1.34386	0.24869	1.59255	1.18932	0.02974	1.21906	1.50000	2.39280	3.89280	0.33419	0.04022	0.37441	2.62922	0.64388	11.44413
2020	1.03759	1.34431	0.23838	1.58269	1.20835	0.02135	1.22970	2.09532	2.35564	4.45096	0.32331	0.03709	0.36040	3.02799	0.68563	12.37496
2021	1.01257	1.37581	0.22145	1.59726	1.21571	0.02133	1.23704	2.04807	2.45592	4.50399	0.32012	0.03721	0.35733	3.08823	0.68085	12.47727

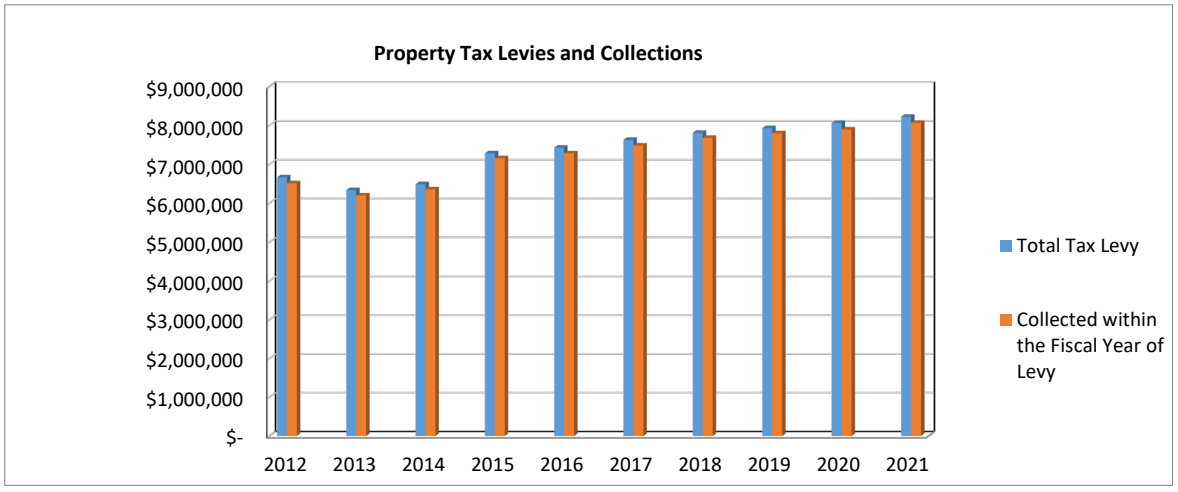


Source: King County Department of Assessments and King County's Assessor's annual Codes and Levies King County Taxing Districts report

* Beginning in 2015, Ferry District under King County

City of Burien, Washington
Property Tax Levies and Collections
Last Ten Fiscal Years

		Collected within the Fiscal Year of Levy			Total Collections to Date	
Fiscal Year	Total Tax Levy	Amount Collected	Percentage of Levy	Collections in Subsequent Years	Amount Collected	Percentage of Levy
2012	6,660,111	6,506,800	97.70%	153,686	6,660,485	100.00%
2013	6,332,226	6,194,591	97.83%	136,882	6,331,473	99.99%
2014	6,484,371	6,351,340	97.95%	130,095	6,481,435	99.95%
2015	7,278,452	7,151,250	98.25%	127,311	7,278,562	100.00%
2016	7,423,918	7,276,711	98.02%	145,617	7,422,328	99.98%
2017	7,625,919	7,478,632	98.07%	145,595	7,624,226	99.98%
2018	7,806,748	7,677,464	98.34%	125,683	7,803,147	99.95%
2019	7,925,460	7,793,314	98.33%	101,674	7,894,988	99.62%
2020	8,060,360	7,891,905	97.91%	108,322	8,000,227	99.25%
2021	8,219,405	8,061,845	98.08%	-	8,061,845	98.08%

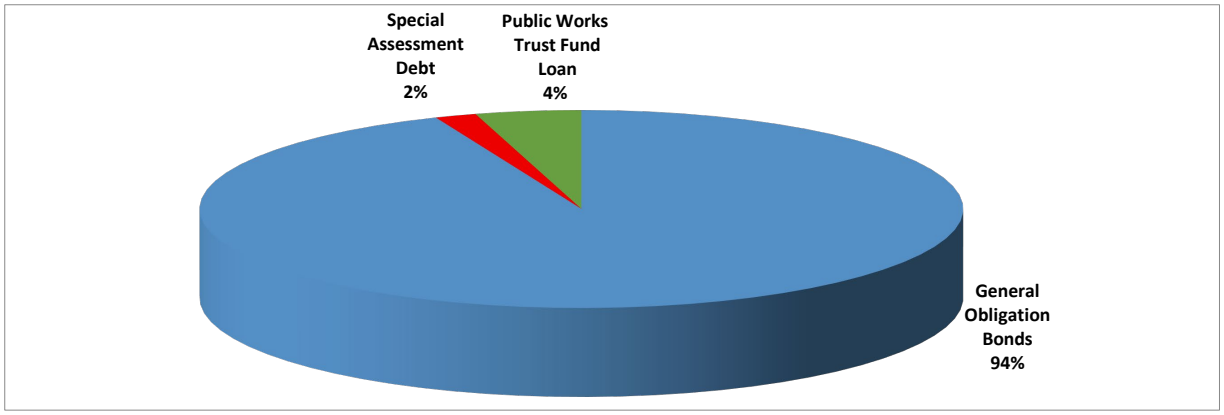


Source: King County Department of Assessments and King County's Assessor's Annual Codes and Levies King County Taxing Districts report

City of Burien, Washington
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

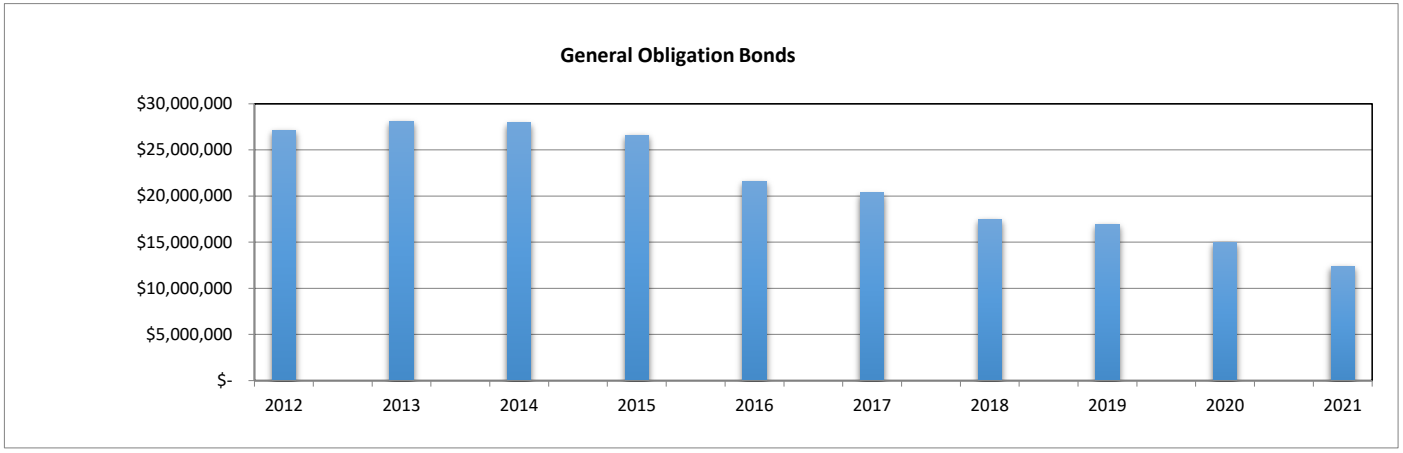
Fiscal Year	Governmental activities: General Obligation Bonds	Governmental activities: Special Assessment Debt	Governmental activities: Public Works Trust Fund Loan	Business-type activities: Public Works Trust Fund Loan	Total Primary Government Debt	Population	Net Bonded Debt per Capita
2012	27,154,400	1,249,395	1,884,213	1,162,432	31,450,440	47,730	$ 658.92
2013	28,190,362	1,136,483	1,694,901	1,079,401	32,101,147	48,030	$ 668.36
2014	28,063,762	1,023,570	1,505,589	996,370	31,589,292	48,240	$ 654.84
2015	26,726,162	910,658	1,316,277	913,339	29,866,436	48,810	$ 611.89
2016	21,942,319	797,744	1,126,967	830,308	24,697,338	50,000	$ 493.95
2017	20,469,167	684,831	937,653	747,278	22,838,929	50,680	$ 450.65
2018	17,696,385	571,918	748,341	664,247	19,680,891	51,850	$ 379.57
2019	17,085,714	459,005	559,029	581,216	18,684,964	52,000	$ 359.33
2020	15,022,886	346,094	369,717	498,186	16,236,883	52,300	$ 310.46
2021	12,449,198	233,181	180,404	415,153	13,277,936	52,430	$ 253.25

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



City of Burien, Washington
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds*	Available Restricted Resources	Net General Obligation Bonds	Assessed Value (AV)	% of General Obligation Debt to AV	Population	Per Capita
2012	27,154,400	-	27,154,400	4,225,390,016	0.64%	47,730	568.92
2013	28,190,362	96,325	28,094,037	4,005,299,458	0.70%	48,030	584.93
2014	28,063,762	129,674	27,934,088	4,109,785,417	0.68%	48,240	579.06
2015	26,726,162	116,387	26,609,775	4,636,223,596	0.57%	48,810	545.17
2016	21,942,319	316,069	21,626,250	5,159,990,547	0.42%	50,000	432.53
2017	20,469,167	127,036	20,342,131	5,663,272,829	0.36%	50,680	401.38
2018	17,696,385	193,254	17,503,131	6,385,711,481	0.27%	51,850	337.57
2019	17,085,714	176,187	16,909,527	7,326,499,056	0.23%	52,000	325.18
2020	15,022,886	24,194	14,998,692	7,877,912,707	0.19%	52,300	286.78
2021	12,449,198	62,507	12,386,691	8,207,791,119	0.15%	52,430	236.25



Sources: King County Department of Assessments